

The Owatonna Public Utilities Commission met in rescheduled session in the Morehouse Conference Room. The meeting was rescheduled due to General Manager Fritsch being on vacation. Present were Commissioners Cosens, Simon, Stansberry, Kottke and Rossi. Also present were General Manager Fritsch; Chief Financial Officer Fondell; Director, Engineering Johnson, Director, Field Operations Warehime; Manager, Human Resources Madson; Manager, Information Services Keltgen; Supervisor, Meter Services Pelot; Executive, HR & Administration Coordinator Schmoll; Electric Engineer Dave Olson and Accountant LaVonne Sedivy.

Commissioner Rossi led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of August 23, 2016 were presented to the Commission. Commissioner Rossi moved to accept the Minutes as presented. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Personnel Committee – Commissioner Stansberry reported the Personnel Committee did not meet.

Finance Committee – Commissioner Simon reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$4,550,171.88.

### **City Administrator's Report**

City Administrator Busse was not in attendance.

### **Contributed Services**

The Contributed Services report as of August 31, 2016 was presented to the Commission. Commissioner Simon inquired as to why the water percentage seemed higher than in previous years. Staff will get back to Mr. Simon on a reply. The Commission signed the report.

### **Operations/Scorecard**

Staff updated the Commission as to changes to the August 2016 scorecard. Notable items included 258 days without an OSHA recordable and cost avoidances were up \$12,000 from last month due to lower licensing costs, released excess natural gas back to the pipeline, and a reduction in the number of chemical tanks needed for the well houses so therefore less scales had to be bought.

### **General Manager/Staff Report**

General Manager Fritsch updated the Commission on the strategic planning process and noted staffing optimization and the water automation projects will be carried over into 2017. We will also be evaluating our current customer management system to determine if we stay with the existing system or move to a different system altogether.

General Manager Fritsch announced the MMUA Executive Leadership program development has been completed. He noted the program is for higher level personnel such as General Managers, Directors, Supervisors, etc.

General Manager Fritsch announced we had two lineworkers resign; one journeyman and one apprentice. Both employees were hired by Steele Waseca Coop Electric (SWCE). We also filled our Electric Engineer position with Dave Olson.

Mr. Fritsch continued noting the budget process is moving along. He asked the Commission President to sign a quit claim document regarding the transfer of property of the Walnut Street lots to the City of Owatonna since OPU is not allowed to own any property. Commissioner Cosens signed the document.

Commissioner Cosens inquired what the rationale is for re-evaluating going to a new customer management system. General Manager Fritsch replied, to improve the billing process, to allow for better customer information management whereby we could better target specific customers to different programs and it would give us flexibility we currently do not have. The current system we are having to find a lot of work-arounds for issues and one person spends the majority of their time on correcting the issues.

Chief Financial Officer Fondell reported, based on feedback from last year's budget process, this year's budget process is being conducted earlier in the year. She discussed proposed rate increases from our wholesale provider of electricity, SMMPA. Commissioner Rossi inquired about SMMPA's strategies for setting their rates. General Manager Fritsch explained their strategies and noted they have long term contracts, the ability to sell to the market, coal costs are coming down and loads are increasing. They also have long term contracts for wind and solar and the SHERCO plant can sell to the market. The Commission was reminded the special budget meeting is scheduled for November 1<sup>st</sup>.

Director, Field Operations Warehime reported OPU received a Certificate of Recognition from the Governor's office for wellhead protection with the sealing of a well and raising the well heads above the flood plain.

General Manager Fritsch gave a presentation to the Commission regarding Advanced Metering Infrastructure (AMI) and noted staff is proposing a 10-year program to change all our electric meters over to "smart" meters. He further noted once the fiber ring around the city is complete, we will be able to better utilize the advanced technology.

### **Commission Roundtable**

No Commissioners had anything extra to add.

### **Adjournment**

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:41 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive, HR & Administration Coordinator