

The Owatonna Public Utilities Commission met in regular session in the training room at the Owatonna Fire Department. Present were Commissioners Cosens, Ihrke, Schreiner, and Stansberry. Absent was Commissioner Simon. Also present were General Manager Fritsch; Interim General Manager Bruno; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Engineering & Electric Services Johnson; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Financial & Information Services Turnbull; Executive/HR Assistant Schmoll; and Accountant Teresa Hottman.

Commissioner Schreiner led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of September 27, 2011 were presented to the Commission for approval. Commissioner Schreiner moved to approve the Minutes as presented. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Cosens reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$4.2 million, and two work orders. Both work orders were budgeted items. The first one in the amount of \$30,000 was for adding variable speed drives to various pumps at Well #5. The second was in the amount of \$6,500 for capitalized tools and equipment in the gas department. Commissioner Cosens further reported the uncollectible accounts will be handled monthly beginning in 2012 versus annually. The committee also had a discussion regarding unencumbered funds and how they affect the reserves.

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

City Administrator's Report

City Administrator Busse reported the City is in the middle of their budget process hoping to wrap up by November 8th. The staff is recommending a 2% levy. The State of Minnesota is no longer providing homestead credits to the cities so property taxes will increase despite the levy.

Gas Conservation Recovery Adjustment Policy

General Manager Fritsch presented the draft Gas Conservation Recovery Adjustment policy, Policy #603.20, to the Commission. Manager, Energy Conservation & External Relations Warehime explained, in 2007, the State of Minnesota changed their energy conservation investment requirements for utilities from a spending requirement to an energy savings requirement. Currently the spending requirement for natural gas is .5% and OPU has been spending over that for several years. This policy will allow us to be more transparent on what energy conservation is costing the utility. We are recommending lowering the natural gas base rate to offset the increase allowed by this policy so the customer sees a net zero change on their natural gas bill. We will be drafting a policy for the electric utility, as well. The Commission will consider approving this policy at the next meeting after the budget has been reviewed and approved.

Contributed Services

The Contributed Services report as of September 30, 2011 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Fritsch noted staff had a meeting with the Union business representative to discuss 12 hours shifts in the SCADA area. He explained the current contract was extended for a year due to the flood. Mr. Fritsch further reported the Safety Committee is working on a Contractor Safety procedure to hopefully reduce injuries and reduce liability to the utility when a contractor is working for us. Mr. Fritsch concluded by noting he is having one on one meetings with all the management staff to hear what is working and what recommendations they have for improvements.

Manager, Energy Management & External Relationship Warehime reported the phone customer satisfaction surveys have been completed and preliminary numbers are high. We are hoping to have final numbers by the next meeting.

Director, Financial & Administrative Services Fondell reported she attended the SHERCO tour and found it very educational. Mrs. Fondell distributed the preliminary 2012 budget, 2013-2016 forecast to the Commission. She noted we are recommending a zero percent rate increase in electric, a 2.88% increase in water and a net zero increase in natural gas. Mrs. Fondell reminded the Commission of the budget review meeting scheduled for November 9th.

Interim General Manager Bruno noted this is his last meeting and thanked the Commission for the opportunity to be the General Manager at OPU and wished them all well.

Manager, HR, Safety, Risk & Loss Control Madson reported interviews for the Meter Serviceworker will be starting in the next couple weeks.

Commission Roundtable

Commissioner Schreiner – Thanked Mr. Bruno for his years of service and noted his dedication and knowledge were much appreciated.

Commissioner Ihrke – Thanked Mr. Bruno and wished him well.

Commissioner Stansberry – Thanked Mr. Bruno for all he has done including his mentoring of the new General Manager and Director, Financial & Administrative Services and stated he will be missed.

Commissioner Cosens – Thanked Mr. Bruno for making the finance part of the business easy for the Commission to understand. Commissioner Cosens stated we are reminded at these meetings how blessed we are to have wonderful people in leadership positions. He encouraged all present to remember the good in people and to forget about all the crabbiness in the world.

Adjournment

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:34 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant