

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference room at the Owatonna Public Utilities. Present were Commissioners Johnson, Zirngible, Kottke, and Doyal. Absent was Commissioner Rossi. Also present were General Manager Warehime; City Administrator Busse; Director, Finance and Administration Olson; Director, Engineering & Field Operations Fenstermacher; Director, Information Technologies and Metering Baum; Manager, Facilities, Gas & Water Engineering and Operations Prokopec; Manager, Human Resources Madson; Supervisor, Accounting Linders; Executive, Communications & Administration Coordinator Schmoll; employees Lori Jerpbak, Shanda Meier and Brian Riggelman. City Council Members Dan Boeke, Doug Voss, Dave Burbank, Greg Schultz and Brent Svenby.

President Johnson opened the meeting by asking for approval of the agenda and the consent agenda items. The consent agenda items consisted of the Minutes from the September 27, 2022 Commission meeting, as well as the Contributed Services as of September 30, 2022. Commissioner Doyal moved to approve the agenda and consent agenda. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee – Commissioner Zirngible reported the Personnel Committee met and received a staffing update. He highlighted the open positions and noted the position of IT Systems Administrator has been filled by Brian Riggelman. Mr. Zirngible introduced Mr. Riggelman to the Commission. He further noted, through October 24, 2022 OPU has gone 108 days without an OSHA recordable.

Finance Committee – Commissioner Kottke reported the Finance Committee met, reviewed and approved Vouchers totaling \$5,088,245.04. He further noted 3 work orders were closed coming in under budget. Year to date work orders are 7% under budget with 49 remaining open. Past due Account Receivable balances continue to trend downward and all three utilities are doing well.

City Administrator's Report

City Administrator Busse reported the work at the Fire Hall has been completed, and they had the ribbon cutting for the Streetscape project. She noted the City Council has had study sessions, sessions on park planning and finances. The Wastewater Treatment plant expansion is underway with an anticipated completion date by the end of next year.

System Health Reports

Director, Engineering and Field Operations Fenstermacher presented an electric system health report. He provided a system overview, reliability indices and recognition, 2023 budget including operations, maintenance and capital costs and concluded with ongoing major projects. The ongoing major projects consisted of the streetlight conversion to LEDs, the OH to UG conversion project, Circuit E34 upgrade, Territory Acquisition, Substation expansion and upgrades and System Planning and Operations studies. Commissioner Zirngible inquired if the grid stability issue has gotten better. Mr. Fenstermacher replied we have a plan in place if rolling blackouts get called, however, we are hopeful we won't get called upon to implement them. Transmission capacity is the biggest issue and we may get called upon to drop load to allow generation to catch up.

Manager, Facilities, Gas & Water Engineering & Operations Prokopec presented system health reports for the gas and water systems. In water, he discussed system overall health, budgets including operating, maintenance and capital projects and costs, 2022 completed projects, the Lead Copper Rule revision and how it affects OPU and concluded with 2023 projects. In the gas utility, he discussed the system overview, gas line response and incidents, budgets including operating, maintenance and capital costs, recently completed

projects and future projects including the 5 to 50 lb. system conversion and other continued system improvements.

Director, Information Technologies and Metering Baum presented a Technology system health report. He reviewed 2022 projects including AMI, IT restructuring, security and a water system switch upgrade; the 2023 budget including non-labor expenses and capital projects and concluded with 2023 projects and initiatives including security, Cloud VPN, technology and OPU's systems roadmap.

General Manager/Staff Reports

General Manager Warehime thanked Mr. Fenstermacher, Mr. Prokopec and Mr. Baum for their presentations and expressed his appreciation for the City Council members being present. Mr. Warehime concluded by noting the natural gas prices are starting to soften so we are hopeful the prices won't be as bad as originally anticipated.

Director, Finance & Administration Olson reported the preliminary budget packet is ready and will be emailed soon. He further noted that information will be covered at the special budget session of November 7th.

Commission Roundtable

Commissioner Kottke expressed his gratitude to the linemen who helped in Florida in the aftermath of Hurricane Ian.

President Johnson thanked staff for the system health reports.

Audience Comments

City Council Member Boeke inquired if the previously reported 40% anticipated natural gas rate hike was still being considered. General Manager Warehime reported he will be attending the City Council's work session to provide more information on the anticipated rate increase. He also noted, the rate increase is concerning, however, it looks better than originally anticipated. OPU has purchased some natural gas ahead of the winter season to help soft the prices and we are taking other steps to minimize the risk to our customers. Mr. Fenstermacher noted OPU is offering double natural gas rebates and we are putting out energy conservation tips to help customers reduce their usage.

Adjournment

There being no further business to come before the Commission, the meeting adjourned at 5:31 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator