

The Owatonna Public Utilities Commission met in regular session in the Morehouse Room. Present were Commissioners Kottke, Cosens, Schreiner, Stansberry and Simon. Also present were General Manager Fritsch; Chief Financial Officer Fondell; Director, Engineering Johnson; Director, Field Operations Warehime; Manager, Human Resources Madson; Supervisor, Customer Care Heimerman; Supervisor, Meter Services Pelot; Executive, HR & Administration Coordinator Schmoll; and Marketing/Energy Conservation Officer Hendricks.

Commissioner Cosens led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of September 22, 2015 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as presented. Commissioner Cosens seconded the motion. All Commissioners voting Aye, with Commissioner Simon abstaining, the motion passed.

Committee Reports

Finance Committee – Commissioner Simon reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$5,072,652.16. He noted the Committee tabled one unbudgeted work order in the amount of \$8,000.00 for Fleet Management Software requesting further information. He also noted net income is tracking higher than budget in all three utilities.

Personnel Committee – Commissioner Stansberry reported the Personnel Committee met and received a staffing update which included the vacant Customer Service Representative position being posted. He further reported the Committee received a good report on the group health insurance and Tammy's tidbit reported in 1966 the Health Insurance rate per month per employee was \$3.13.

City Administrator's Report

City Administrator Busse was not present at the meeting.

Customer Deposit Policy

General Manager Fritsch presented the Customer Deposit Policy. He reported the change to policy reflects a method change in how quickly we collect a deposit from a customer. Currently the customer is allowed to make installment payments over three months. The proposal is to collect the deposit from the customer before the day of connection. Supervisor, Customer Care Heimerman reported the current method is a huge process to keep track of when trying to follow up with customers at the end of the month. The new method will increase efficiencies and speed up the back end processing. After discussion, Commissioner Cosens moved to approve the Customer Deposit Policy as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services Report as of September 30, 2015 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the September scorecard. Marketing/Energy Conservation Officer Hendricks presented the updated rate survey to the Commission. He noted

OPU's rates comparison with other utilities showed a marked improvement in gas, water and electric costs.

General Manager/Staff Reports

Supervisor, Meter Services Pelot gave a presentation on Business Process Review. He noted Business Process Review is designed to uncover areas where OPU could be more efficient in their business processes. He noted a business professional from Cogsdale, the supplier of our billing system, observed the current processes and wrote a 56 page report indicating how OPU can improve on those processes. Mr. Pelot further reported a team was put together to dissect the report and determine which things could be implemented right away. There were several "low hanging fruit" items that were implemented right away, and others are continuing to be looked at. We are focusing on what we are doing well so those processes can be documented. There will also be costs savings to OPU with the efficiencies that come about.

General Manager Fritsch reported OPU will be working with The Energy Authority (TEA) to help us with the purchasing of natural gas as well as helping us sell back some of our excess natural gas.

General Manager Fritsch reported SMMPA is planning a 6% rate increase for 2016. They have not had a rate change for six years. Mr. Fritsch has expressed his belief with the SMMPA Board of Directors that smaller rate increases spread out over several years is better than one large increase.

General Manager Fritsch reported the proposals came back on health insurance. He noted OPU was anticipating an approximate \$40,000 savings for switching to a Consumer Driven, High Deductible Health Care plan. The savings are being calculated closer to \$185,000 now that proposals have come back. Manager, Human Resources Madson reported that all companies who returned a proposal were in the same range with each other. The Southeast Service Cooperative was the evaluated best cost vendor.

Chief Financial Officer Fondell reported she will be bringing recommendations to the Finance Committee on some changes to how the Energy Acquisition Adjustment and the Purchased Gas Adjustment will be calculated. She noted the recommended changes, if approved, would be incorporated into the budget process.

General Manager Fritsch reminded the Commission the next Joint Planning Meeting between the City Council, OPU Commission, County & School Board is scheduled for November 30, 2015.

Commission Roundtable

Commissioner Stansberry noted, while he and his wife are away for the winter, he would like to be able to Skype into the Commission meetings. Staff will get that option up and running for him.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:45 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, HR & Administration Coordinator