

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Simon, Schreiner, Stansberry, Cosens and Kottke. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Customer Service, Generation & Substations Green; Director, Engineering & Electric Services Johnson; Director, Gas, Water, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Financial Services Turnbull; Supervisor, Gas, Water Buildings & Grounds Krogh; Supervisor, Information Technologies Keltgen; and Executive/HR Assistant Schmoll.

Commissioner Cosens led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of October 24, 2013 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as submitted. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the motion passed.

The Minutes from the special budget meeting of November 12, 2013 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed. Commissioners Cosens and Kottke abstained from the vote due to not being present at the meeting.

### **Committee Reports**

Finance Committee: Commissioner Cosens reported the Finance Committee met, reviewed and approved Vouchers totaling \$4,590,835.52. He further reported the Committee approved one budgeted work order for net metering solar use by residential customers.

Personnel Committee: Commissioner Schreiner asked Manager, HR, Safety, Risk & Loss Control Madson to recap the staffing changes. She reported Melissa Ressler had been hired as the new Accountant and Jamey Krogh from the gas department was offered and accepted the position of Supervisor, Gas, Water, Buildings & Grounds. Mrs. Madson also discussed staffing strategies for 2014 as included in the budget. Commissioner Stansberry added the Committee discussed compensation changes for the non-union staff. The Committee recommended awarding the non-union staff a 2% wage adjustment effective January 1, 2014, as well as two personal days to be used during the 2014 calendar year. Commissioner Schreiner moved to accept the Committee's proposal for the non-union staff. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

Commissioner Stansberry reminded the Commissioners of the General Manager's Review scheduled for December 10, 2013 at 12:00 p.m.

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

City Administrator Busse reported a taxation hearing is coming up to talk about the 2014 budget. A zero percent levy change is being proposed thanks to local government aid they received. She thanked the Commission for allowing General Manager Fritsch to help the City with performance appraisal advice and she discussed the agenda for the upcoming joint City, County, School District & OPU meeting on December 2, 2013 at 4:30 p.m. at the Arts Center. Commissioner Cosens thanked Mrs. Busse for the adjustment to the Commissioners' wages.

### **2014 Budget, 2015-2018 Forecast**

Director, Financial and Administrative Services Fondell recapped the special meeting of November 12, 2013 which discussed the 2014 budget. She noted changes made since that meeting included a \$35,000 additional expense for professional assistance to help streamline our billing system processes and procedures. This item was originally a 2013 budget item, however was not completed in 2013 so is being carried over to 2014. The other item is the additional Commissioner's pay as per City Council approval. Mrs. Fondell also clarified there was a miscount in the number of employees budgeted for 2014. She noted the correct amount is 60 full time employees. Commissioner Schreiner inquired about the \$100,000 budget item for moving overhead lines to underground in the corridors to the City. Director, Financial & Administrative Services Fondell noted even though it is in the approved budget, there is not a work order for the project. This project will require more discussion with the Commission and OPU staff before a work order is submitted for the work. City Administrator Busse added this project is being requested by the City as they have received a lot of feedback from developers regarding the overhead lines in commercial areas and the gateways to the City. Some potential developers feel it is a cleaner look if the lines are underground. After discussion, Commissioner Schreiner moved to approve the budget as submitted stressing the City Corridor Reconstruction project needs to come to the full Commission for discussion before the work begins. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

### **Disaster Recover/Business Continuity Update**

General Manager Fritsch and Supervisor, Information Technologies Keltgen presented an update to the Commission regarding disaster recovery and business continuity. They noted, the primary objective is to enable OPU to survive a disaster and to reestablish normal business operations as soon as possible. Part of the planning stages included a vulnerability assessment. They explained there are two different scenarios to prepare for. One includes just the loss of our building where the other includes 80% outage of service operations. General Manager Fritsch noted the biggest issue during a disaster is assessing the extent of the damage. The quicker the disaster assessment is complete the quicker you can begin the recovery process.

### **Water Rates Policy – Clean Up**

General Manager Fritsch presented the Water Rates Policy, Policy #502.11, 502.21, 502.31, 502.41, to the Commission. He noted the rates themselves were not changed, however the rate class descriptions were changed to match the rate descriptions in our billing system. Commissioner Cosens moved to approve the policy as submitted. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the motion passed.

### **Contributed Services**

The Contributed Services report as of October 31, 2013 was presented to the Commission. The Commission signed the report.

### **Operations/Scorecard**

Staff updated the Commission on changes to the October scorecard. Notable changes included the Customer Survey being completed. Tentative numbers indicate the satisfaction level is 8.8 or 8.9%.

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

General Manager Fritsch updated the Commission on the SHERCO3 outage and restoration. He noted the plant is scheduled to be back in service in December. He further noted a lawsuit has been filed against General Electric by Xcel Energy and SMMPA for losses incurred during the outage.

Mr. Fritsch updated the Commission on the third floor of the power plant repurposing project. He noted the numbers have come back within the approved budget amount so a change order will be made to include the construction of the third floor.

Mr. Fritsch noted staff has completed the strategic planning process for the next three years and noted the plan will be presented to the Commission at the January Commission meeting.

Director, Gas, Water, Energy Management & External Relations Warehime reminded the Commission of the upcoming State of the Utility meeting scheduled for December 3, 2013.

Director, Financial & Administrative Services Fondell thanked the Commission for approving the budget for 2014. She noted the work orders associated with the budget, except the City Corridor Reconstruction project, will be presented to the Finance Committee at the next meeting for approval.

Executive/HR Assistant Schmoll reminded the Commission the December meeting has been rescheduled for December 17, 2013 due to the Christmas Holiday. She further inquired if all the Commissioners were okay with receiving their earnings statement electronically. All Commissioners were in agreement.

### **Commission Roundtable**

All Commissioners thanked staff for their work on the budget and the disaster recovery plan.

### **Adjournment**

There being no further business to come before the Commission, Commissioner Kottke moved to adjourn the meeting. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:49 p.m.

Respectfully submitted.

Tammy Schmoll  
Executive/HR Assistant