

The Owatonna Public Utilities Commission met in rescheduled session in the Morehouse Conference Room at the Owatonna Public Utilities. The meeting was rescheduled due to the Christmas holiday. Present were Commissioners Rossi, Cosens, Simon and Doyal. Absent was Commissioner Kottke. Also present were General Manager Fritsch; General Manager Warehime; Chief Financial Officer Fondell; Director, Engineering Johnson; Manager, Human Resources Madson; Executive, Communications & Administration Coordinator Schmoll; and Energy Conservation/Key Accounts Officer Hendricks.

Commissioner Cosens led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of November 27, 2018 were presented to the Commission. Commissioner Cosens moved to approve the Minutes as presented. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Finance Committee: Commissioner Doyal reported the Finance Committee met, reviewed and approved Vouchers totaling \$5,715,601.13. He further reported there were not any other issues to discuss.

Personnel Committee: Commissioner Cosens reported the Personnel Committee met and received staffing updates.

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

City Administrator Busse was not present at the meeting.

### **Energy Management Program Policy**

Chief Financial Officer Fondell directed the Commissions attention to the Energy Management Program policy included in their packets. She noted the policy language has been changed to distinguish the 5% discount will be applied during the summer months of June, July, August and September. Commissioner Simon moved to approve the policy as submitted. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

### **Late Payments Policy**

Chief Financial Officer Fondell presented the Late Payments policy to the Commission. She noted the policy was formerly called the Net and Gross Billing policy which allowed for the customer to pay the net amount indicated on their bill before the due date, or the gross amount after the due date. The new billing system cannot accommodate the way we were calculating the past due amount so the process has been simplified to simply calculate 5% on the past due balance for the month that is past due. After a brief discussion, Commissioner Cosens moved to approve the Late Payment policy as presented. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

**Rate Policies**

Chief Financial Officer Fondell presented the rate policies to the Commission. She noted the policies reflect the rate changes approved in the budget at the last meeting as well as the following:

- Energy Conservation Incentive rate of 1.5% was built into the electric and gas rates
- Load management credit is for only summer months
- New Electric Winter Peaking Time of Day Rate Policy
- Canceled GB99 Interruptible Gas Rate policy
- New Small, Medium and Large Industrial Gas rate policies
- GB98 policy is now called "Hedged Large Industrial" versus "Hedged Interruptible"
  - References to fixed charges & curtailment were removed
  - Specifies the rate structure for hedged and non-hedged months
- New 6" Industrial water rate

Commissioner Simon moved to approve the rate policies as presented. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

**Contributed Services**

The Contributed Services report as of November 30, 2018 was presented to the Commission. The Commission signed the report.

**Operations/Scorecard**

There were not any notable items to discuss.

**General Manager/Staff Report**

General Manager Warehime reported the transition from Mr. Fritsch to himself as general manager has been going well and he expressed his appreciation of the time he has had with Mr. Fritsch. He further reported the service territory agreement with Steele Waseca Coop Electric has been signed by their CEO. Mr. Warehime reminded the Commission of the joint City, County, School Board meeting scheduled for January 14<sup>th</sup>.

General Manager Warehime updated the Commission on the gas turbine decision SMMPA is working on. He noted they are taking a step back and relooking at things. He will report more on this at a later date.

Mr. Warehime concluded by reminding the Commission of the retirement gathering for Mr. Fritsch on December 28<sup>th</sup>.

General Manager Fritsch updated the Commission on a strategic planning session he sat through with the rest of the management staff. He noted how impressed he is with the group and the ideas and goals they came up with.

Energy Conservation/Key Account Officer Hendricks reported due to a big natural gas rebated we received from the school district for boilers, we will meet our natural gas goals for 2018.

Manager, Human Resources Madson reported OPU is 13 days away from not having an OSHA recordable for the whole year. The last time this happened was in 1984.

**Commission Roundtable**

Commissioner Rossi presented Mr. Fritsch a card from the Commission and thanked him for everything he has done. Mr. Fritsch thanked the Commission for all their support over the years and noted this is the best job he has ever had.

Commissioner Cosens thanked everyone involved in the Employee's Club Christmas party. He also thanked Mark for the good work he has done, the many changes he made for the positive including the repurposing of the facility. Mr. Cosens also updated the Commission on his schedule over the next few months.

Commissioner Simon wished everyone a Merry Christmas.

**Adjournment**

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:32 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive, Communications & Administration Coordinator