



OWATONNA
PUBLIC UTILITIES

VOLUME 29 | ISSUE #4
 APRIL 2019

CUSTOMER UPDATE



- 2 OPU Memo
- 3 City Spot
- 4 Why Public Power
- 5 Sanitary Sewer System

- 5 Utility Equipment Series
- 5 Solar Billboard Array Update
- 6 Call Before You Dig
- 6 Clean H2Owatonna

- 7 Spring Into Savings
- 8 Lineman Appreciation Day
- 8 General Information



OPU MEMO



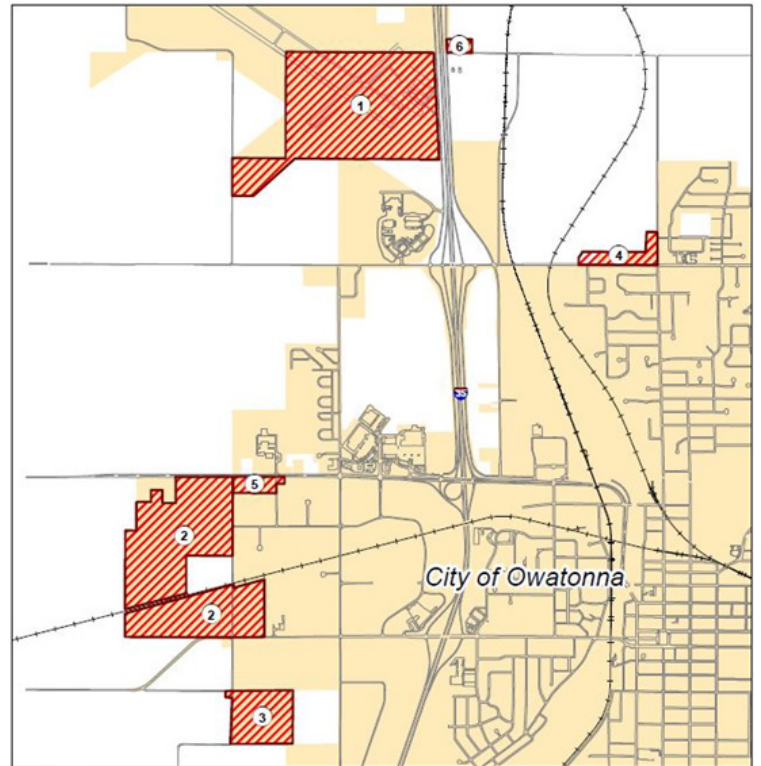
Roger Warehime,
General Manager

OPU Commission

Mr. Kim Cosens
Mr. Dale E. Simon
Mr. Matt Kottke
Mr. Kent Rossi
Mr. Randy Doyal

We recently signed an agreement with Steele Waseca Cooperative Electric (SWCE) to acquire electric service territory within Owatonna city limits which they currently serve. Over the next several months, we will be welcoming ninety new customers (most of them commercial) that are located in the areas shown on the map below onto our system. We will also serve any new customers that build in these areas in the future.

It is important for a municipal utility to “grow with its city”. Bringing additional customers onto the system allows us to spread fixed costs over a larger number of customers, keeping rates for everyone lower. Additional revenue from more customers also allows us to make additional investments in our system which help improve reliability.



SWCE to OPU
Territory Transfer

Total Acreage: 552

KEY

SWCE to OPU Municipal Bndry

A rural electric cooperative such as SWCE must serve customers who are spread across a much larger geographic area than municipal utility customers. For this reason, a cooperative’s costs, and thus the rates they must collect, are inherently higher than a municipal utility’s rates. This give OPU an advantage in recruiting new commercial and industrial customers to locate in Owatonna.

Minnesota state law recognizes the importance of a municipal utility being able to serve customers within its city borders and provides a process for municipal utilities to acquire territory from a cooperative or investor-owned utility when the city grows into their territories. The utility that is giving up the territory has the right to be financially compensated for the territory. Over the years and across the state this has led to some contentious battles between municipal and cooperative utilities when disagreements arise as to the appropriate value. Fortunately, in our case, we have a good relationship with SWCE and were able to come to an agreement that works well for both parties.

CONSERVATION TIP\$

Use a bucket or container to catch the cold water from your faucet while it warms up. This cold water can be used to water your plants or for pets to drink.



After a long winter with long cold spells and plenty of snowfall, we are approaching construction season. The City of Owatonna has a busy construction season planned for the summer of 2019. The following projects are in the works:

2019 CIPPS (Cured In Place Pipe System) Project - The project coats interior clay sanitary sewer lines to improve the carrying capacity and reduce inflow and infiltration. Approximately 10,600 feet of tile are planned to be lined this year. Advertisement for bids will be received on Wednesday, April 10, 2019; bids will be tabulated and presented to Council during the April 16, 2019 Council Meeting.

2019 Crack Sealing & Sealcoating Project - The City annually crack seals roadways in advance of sealcoating. Approximately 6.25 miles are planned for crack sealing and sealcoating this year. Bids will be received on Wednesday, April 10, 2019 and presented to Council during the April 16, 2019 Council Meeting.

2019 Street and Utility Project – The City Council has designated street for reconstruction and bituminous rehabilitation: West Hills Tennis Center Parking Lot;; Holly - Butternut to Linn; 13th Street NE – 3rd Avenue to St Paul Road; North Street West – State Avenue to the west; Lewis Drive NW – 24th Avenue NW to the west; LEC Parking Lot – reconstruction with the addition of stormsewer.

2019 Curb and Gutter and Bituminous Project - Paving Timber Ridge Lane in the Majestic Oaks Subdivision. The proposed bid date will be April 10, 2019 with contract awarded by Council on April 16, 2019. Residents of the Majestic Oaks Subdivision petitioned for this repair and project costs will be 100% assessed to the property owners. Costs will be split equally amongst the property owners per parcel and not per front footage.

2019 Concrete Paving – 21st Avenue NW and 28th Avenue NW from Park Drive to Hoffman DR/CSAH 2 reconstruction.

26th Street Project - 2019 Joint Project Steele County - Construction of a roundabout at the intersection of 26th Street (CSAH 34) and North Cedar (CSAH 1). A corridor study completed in 2015 by Steele County showed this intersection to have a lower level of service in its current configuration. The original plans called for a signalized intersection, but further evaluation found that a mini-roundabout will meet desired level of service for the next 20 years.

Oak Avenue Project – 2019 Joint Project with Steele County - The project includes minor concrete pavement repair, removal of signals and restriping of Oak Avenue from Holly Street to Rose Street from 4 lanes of traffic to 3 lanes.

Rose Street Project – 2019 Joint Project with Steele County – Reconstruction of Rose Street from Oak Avenue to Willow Avenue. The project consists of pavement repair, ADA improvements, a short section of sanitary sewer and construction of a roundabout at the intersection of Grove Avenue and Rose Street (CSAH 19).

2019 Stormsewer Project - Upgrade the storm sewer pipe along Selby Ave, from the river to the intersection of Hilltop Ave. and Meadow Lane. Modify the storm sewer at Smith Ave, and 18th St. SE.

As you can see, the City of Owatonna will be a busy place for road construction in 2019. We appreciate everyone's patience with the construction work and look forward to delivering cost effective street improvements for the City. Please contact the engineering department at 507-444-4350 with any questions or concerns.

MAYOR

Tom Kuntz

COUNCIL MEMBERS

David Burbank

Nathan Dotson

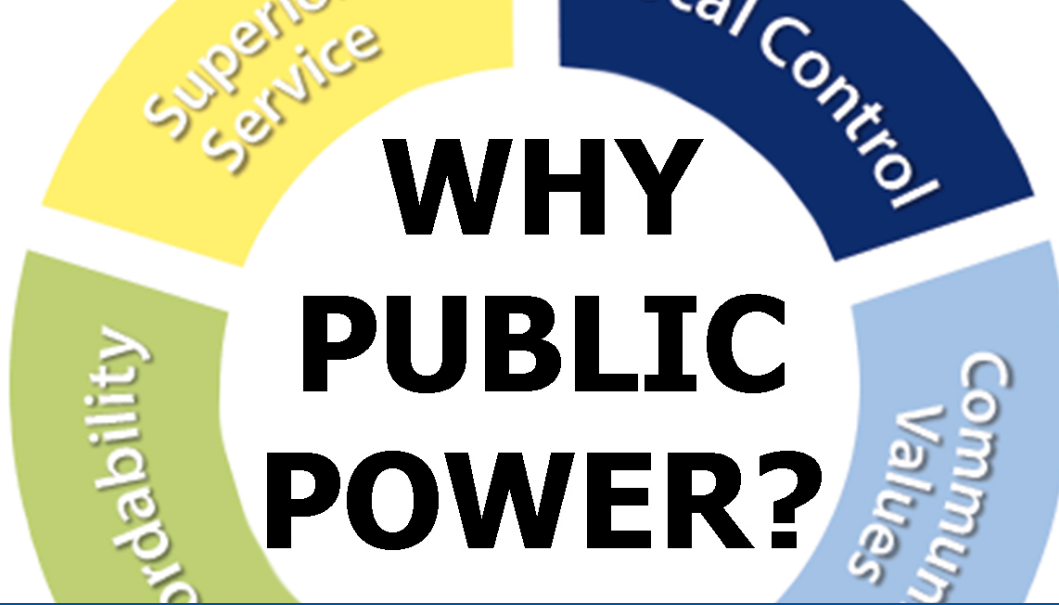
Jeff Okerberg

Kevin Raney

Greg Schultz

Brent Svenby

Doug Voss



Information from this article obtained from the American Public Power Association

More than 2,000 cities and towns in the United States light up their homes, businesses and streets with “public power” -- electricity that comes from a community owned and operated utility.

Public power utilities are like our public schools and libraries: a division of local government, owned by the community, run by boards of local officials accountable to the citizens.

While each public power utility is different, reflecting its hometown characteristics and value, all have a common purpose: providing customers in the community with safe, reliable, not-for-profit electricity at a reasonable price while protecting the environment.

There are three types of electric utilities: public power, rural electric cooperatives and investor-owned utilities.

Public power utilities are entities of local and state government. The public power business model is based on public ownership and local control, a not-for-profit motive, and focus on its customers. Because they are public entities, public power utilities do not pay federal income taxes or most state taxes, but they support the local government through payments in lieu of taxes or transfers to the general fund.

Electric cooperatives are private, not-for-profit businesses. They are owned by their consumer-members, who elect governing boards and are required to return any excess revenue (above what is needed for operating costs) to their members. The local government and broader community generally have no involvement in the governance of the utility. Most electric cooperatives are exempt from federal income tax, and




may pay neither taxes nor payments-in-lieu-of-taxes to support the local government.

Investor-owned utilities are private, for-profit enterprises. They are owned by investors or shareholders, who generally are not customers of the utility or members of the community, and their primary motivation is to increase the value to shareholders. As private businesses, investor-owned utilities do pay taxes to local government, but customers have no voice in the operation of the utility.

Public power utilities are owned and accountable to the people they serve. Citizens have a direct and powerful voice in utility decisions and policies, both at the ballot box and in open meetings where business is conducted. The governance of each utility varies. Some are governed by the city council; others are controlled by an independent utility board whose members may be elected or appointed by the mayor and city council.

To learn more about how public power is different than electric coops or investor owned utilities, visit the American Public Power Association’s website at www.publicpower.org.

Three types of Electric Utilities

	 PUBLIC POWER UTILITIES	 RURAL ELECTRIC COOPERATIVES	 INVESTOR-OWNED UTILITIES
BUSINESS MODEL	✓ Not for profit, community-owned	✓ Not for profit, member-owned	✓ For profit, share-holder owned
REGULATED BY STATE PUBLIC UTILITY COMMISSION	✓ Very limited instances	✓ Some	✓ All
GOVERNED BY	✓ Elected/appointed boards—mayors, city council members, citizens	✓ Member-elected boards	✓ Private boards
FINANCIAL CONTRIBUTION TO LOCAL GOVERNMENT	✓ Exempt from most taxes; instead make payments in lieu of taxes or transfers to the general fund	✓ May neither pay taxes nor other contributions to local government	✓ Pay taxes to local government

Sanitary Sewer System

In Owatonna, the City of Owatonna owns and maintains the sanitary sewer and storm water systems. The rates and fees are also set by the City of Owatonna. The sewer charges are based on your water usage during the months of November, December and January. The charges are included with your electric, water and natural gas bill from OPU as a service for the City and a convenience for you so you only get one bill. If you are having issues with water in your basement, please call the City of Owatonna at 507-444-4350.

EQUIPMENT SERIES

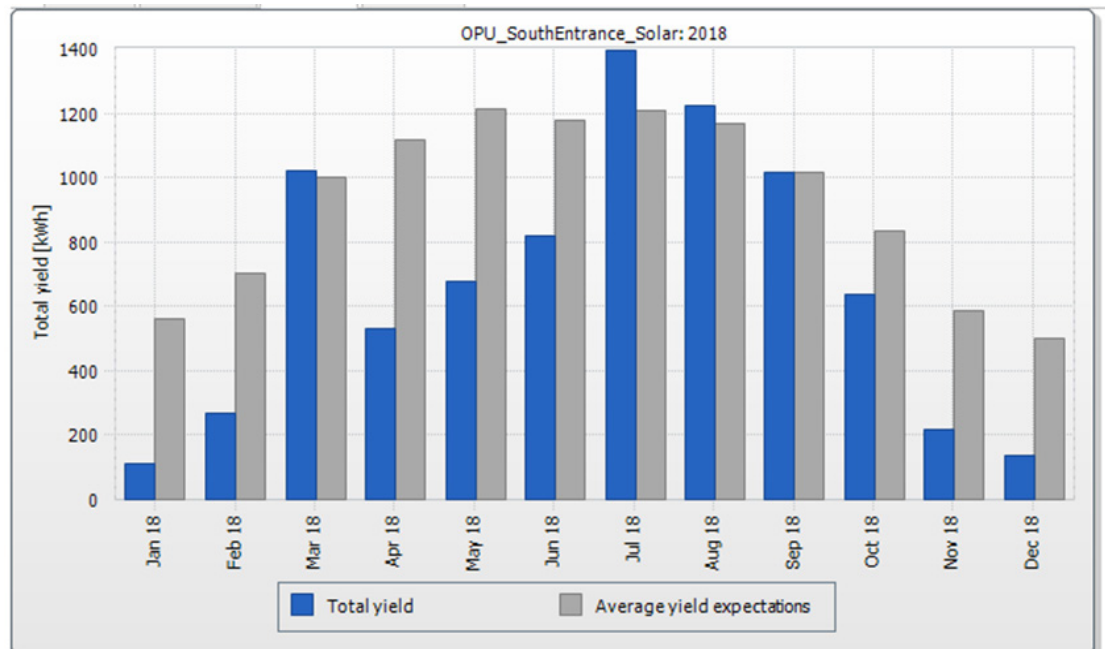


Ever wonder how underground water main leaks are found? OPU contracts with a company out of Minneapolis, Minnesota. When a water main break is detected, they come and pinpoint it using equipment based on acoustics: the sound that a leak produces when water escapes from the main. These high-tech devices calculate the distance to the leak, given the type of pipe, the size of the main and the distance between two listening devices. With the leak pinpointed, our crews then know where to dig minimizing as much damage to the street as possible.

point it using equipment based on acoustics: the sound that a leak produces when water escapes from the main. These high-tech devices calculate the distance to the leak, given the type of pipe, the size of the main and the distance between two listening devices. With the leak pinpointed, our crews then know where to dig minimizing as much damage to the street as possible.

SOLAR BILLBOARD

Can you believe it has already been one year since we had the dedication ceremony for our billboard solar array? In 2017, OPU, with the help of SMMPA and MC Power, started on a journey to have a 10 kW solar billboard array placed on our south entrance. The array went online in December 2017. In 2018, the array generated a little over 8000 kWh. The graph shows the monthly generation. In our lobby we have the daily generation graph displayed for customers' information.



Want to know how you can be part of the solar initiative? In the coming months, watch for more information on how you can participate in community solar.

CALL BEFORE YOU DIG

Minnesota Law **REQUIRES** homeowners, do-it-yourselfers, excavators and contractors contact Gopher State One Call two business days prior to digging, driving stakes, or performing any other activities that involve disrupting the ground. ***Never assume the depth of a utility or that the depth of the utilities are consistent.***

Gopher State One Call will contact the utility companies in the area to have underground lines marked. Once all utility lines are marked, digging may begin. Proceed with caution and avoid the tolerance zone or hand dig with a shovel within 2 feet of the marked utility lines.

Watch for private facilities such as sprinklers, power lines to garages or out buildings, gas grill lines or invisible fencing as these will not be located by Minnesota utility companies.

Visit gopherstateonecall.org to learn what information will need to be given when contacting Gopher State One Call.

The service is **FREE**. Call toll free at 800-252-1166 or simply dial 811.



**Know what's below.
Call before you dig.**



SEEKING PARTICIPATION – RAINGARDEN COST SHARE

The City of Owatonna is currently seeking applicants to participate in the Raingarden Cost Share Program. **The City will provide 50% of the cost of installation, up to \$500.** The City has a limited number of awards, so get started now with the planning process!

Rain gardens are a smart and proven way of using beautiful landscaping to clean our waterways, protect our natural habitats, improve homes and neighborhoods, reduce flooding and save money in pollution clean-up. They are also great for pollinators. **Schedule a site visit!**

Major Benefits of Raingardens

1. Keep water clean by filtering runoff before it reaches local waterways.
2. Protect our community from flooding and drainage issues.
3. Replenish aquifers by infiltrating water into the ground.
4. Enhance the beauty of your yard and our neighborhoods.
5. Provide habitats for wildlife such as birds, bees, and butterflies.
6. Participate in a great community activity.

Rain Gardens are a simple way to make a big difference!

Learn more about the Rain Garden Cost Share Program through The City's Stormwater Website or contact Brad Rademacher, Water Quality Specialist, (507)-774-7300 or Bradley.rademacher@ci.owatonna.mn.us

REBATES

Spring into Savings!



**It's Easy
Being
GREEN
with
CONSERVE
& \$AVE[®]**

LEAP into living green!
Owatonna Public Utilities offers rebates when you purchase new energy and water efficient appliances and equipment.

HOP on to our website to learn more about our RIBBITS! Oops, we mean our REBATES!

**April Showers
Bring...
RAIN BARRELS!**

Catch the
rain and
catch a
**\$10
REBATE!**



Visit www.owatonnautilities.com to learn more and download rebate applications with complete terms and conditions.

CONSERVE & \$AVE[®]

P.O. Box 800 208 S. Walnut Ave.
Owatonna, MN 55060

Office: 451-2480 Service: 451-1616

OFFICE HOURS:

Monday-Wednesday:
8:00 a.m. - 5:00 p.m.

Thursday:
8:00 a.m. - 6:00 p.m.

Friday:
8:00 a.m. - 4:00 p.m.

Saturday & Sunday:
Closed

Payment Options

- Online at www.owatonnautilities.com
- Automatic Withdrawal; bank account or credit card
- Drive-up drop box located in the parking lot south of building
- Drop box locations at Cash Wise Grocery Store and HyVee Food Store
- Mail
- At Owatonna Public Utilities; cash, credit card, check or money order

Moving?

Remember to contact the Customer Service Department **ONE WEEK** prior to moving, 451-2480.

April 18th is National

Lineman Appreciation Day



Thank you to our linemen for all you do! Pictured (l to r): Brandon J, Brandon B, Tony, Jeff, Tom, Trevor, Samuel, Collin & Jake



Your opinion matters to us. Please take a few minutes to tell us how we did by visiting our website at owatonnautilities.com/customerurvey or simply scan the QR code above.

From the Editors

We welcome your comments and suggestions for future issues. Feel free to give us a call at 451-2480 or send an email to schmolt@owatonnautilities.com.

Gas Leak?

If you smell gas and can't find the source immediately, go to a neighbor's house and call OPU at 451-1616.



Don't turn electrical switches on or off or use a flashlight or telephone in the home, because an electrical spark could ignite the gas and cause an explosion.

