



OWATONNA
PUBLIC UTILITIES

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CUSTOMER UPDATE

Myth Busting



**FACT?
OR
FICTION?**

FEATURING: MYTH BUSTING - UTILITY STYLE

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OPU MEMO



Roger Warehime,
General Manager

OPU Commission

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

For my first OPU Memo as OPU's general manager, I would like to talk about our mission statement and our vision statement. Stay with me. You may think (as a close friend of mine does) that mission and vision statements are just highfalutin, fluffy documents full of corporate-speak which serve little purpose other than to line the pockets of management consultants who help draft them. I disagree.

Our mission statement defines what we do and, more importantly, why we do it: "To enrich the quality of life in our community by delivering reasonably priced, reliable, safe, and customer-focused utility services."

Within the context of enriching the quality of life, we do more than simply deliver utilities. We embrace helping our customers to use less energy and water through our energy conservation programs and educational communications. We stay abreast of new technologies in areas such as renewable energy and electric vehicles so that we can help our customers make informed decisions. We strive to maintain and improve reliability while containing costs so that our customers can better meet their goals.

When we first put our vision statement on paper in 2005 it seemed like a "BHAG" (Big, Harry, Audacious Goal): "We will be the Utility that is used as an example of excellence nationwide." Indeed, there were some employees at the time that thought such a goal was unattainable and wondered why we should even care what anyone outside of Owatonna thought of us. Then came the American Public Power Association's (APPA) RP3 award. The RP3 award recognizes municipal utilities that are top-of-class in terms of reliability, safety, work force development, and system improvement.

When we first reviewed the questions and criteria included in the RP3 application process, we realized we had several gaps that needed to be closed before we applied. We set about making the necessary changes to close those gaps and held off applying for the RP3 for a few years until we had sufficiently closed the gaps. Three years ago, we received the RP3 Diamond Level recognition which is the highest designation. A utility must re-apply for the RP3 designation every three years. The APPA continues to raise the bar in the evaluation criteria, meaning a utility must continue to improve in order to continue to receiving the designation. We were recently informed that we have again been nationally recognized for excellence with the Diamond Level RP3 award. What is more, we received 100 out of 100 points!

I am honored and humbled to have the opportunity to lead such a fine organization as OPU. It is truly enjoyable to come to work each day for an organization that seeks to always improve and strives for excellence in all that it does. With our vision and mission in mind, I look forward to building upon the accomplishments of all those that have come before in order to guide OPU into the future.

CONSERVATION TIP\$

Avoid "browsing" your refrigerator with the door open by keeping a list of food and snacks on the outside of the door. The longer the door is open, the harder your refrigerator AND furnace have to work in the winter costing you more on your bills.



HIGHLIGHTING: CITY OF OWATONNA BUILDING INSPECTIONS

The City of Owatonna Building Inspections Division would like to remind homeowners to do their homework before hiring a building contractor after a storm ... or anytime.

“There are many companies in Minnesota that specialize in repairing roofs, siding and windows damaged by storms. Most of these contractors are reputable and licensed; however, sometimes unscrupulous operators try to take advantage of storm victims.”

After neighborhoods experience a wind or hailstorm, homeowners may find salespeople for these companies going door-to-door soliciting repair work.

Contractors need state licenses; homeowners cautioned about signing documents

Before signing any document, homeowners should call DLI at 651-284-5069 or go online to DLI’s License Lookup search at <https://secure.doli.state.mn.us/lookup/licensing.aspx> to verify the contractor is licensed and to learn if the contractor has a history of disciplinary action. Homeowners should also check with the Better Business Bureau and check for lawsuits or judgments involving the company or its owners in the state court system at <http://pa.courts.state.mn.us/default.aspx>.

Homeowners are cautioned not to sign anything presented by a contractor unless the document is read very carefully and the homeowner has made a firm decision to hire that contractor. Generally speaking, if a homeowner signs a piece of paper it is a contract, regardless of what the salesperson says; the homeowner is then obligated to use the contractor for all repairs approved by the homeowner’s insurance company.

Before hiring a contractor, it is suggested that homeowners ask:

- for the contractor’s license number and then contact DLI’s CCLD Enforcement Unit at 651-284-5069 to verify the contractor is currently licensed and to determine if the contractor has a disciplinary history;
- the contractor how long and where they have been in business;
- for references and check with former customers to see if they were satisfied with the work; and
- For a local phone number and a Minnesota, business address other than a post office box.

NEW LAW AFFECTS CONTRACTORS WHO PERFORM STORM REPAIRS

Notice about the law must be included in initial estimate from contractors

What changed?

State law prohibits contractors from offering to pay homeowners’ insurance deductibles or offering anything of value as encouragement to enter into a contract to repair damage covered by an insurance claim. A new law (effective since

Aug. 1, 2018) requires that contractors include a written notification about the law in their “initial estimate.” The “initial estimate” also includes price agreeable contracts. Insurance companies are required to provide a similar written notice to homeowners in their initial correspondence about a claim.

Why the change?

- Many contractors who have complied with the law that prohibits paying deductibles have lost business to contractors who illegally offer to pay deductibles or offer rebates or upgrades.
- Homeowners are unclear about this law and some still expect their contractor to help with insurance deductible costs. This new law provides contractors with solid information to show that this practice is illegal.

What do I need to do?

- If your company does not perform insurance repair to homes, you do not need to do anything, as this law does not affect your business.
- If you do perform insurance repair work, you will need to update your contracts to include a written notification about the law that prohibits paying deductibles.
- The notification can be included in the contract document or provided to the customer as a separate document.

What should the notification include?

The law does not require specific language, but we suggest the following:

State law (Minn. Stat. § 325E.66) prohibits contractors from offering to pay a customer’s insurance deductible or offering anything of value as an inducement to enter into a contract for home repairs that are to be paid for as a part of an insurance claim. Contractors who make such an offer are subject to public enforcement action by the Minnesota Department of Labor and Industry, including fines of up to \$10,000 per violation.

Questions?

Contact MN Department of Labor and Industry at 651-284-5069 or dli.contractor@state.mn.us.

MAYOR

Tom Kuntz

COUNCIL MEMBERS

David Burbank

Nathan Dotson

Jeff Okerberg

Kevin Raney

Greg Schultz

Brent Svenby

Doug Voss

Myth Busting



FACT?
OR
FICTION?

Fact or Myth:

Thermostat setbacks don't save money.

The Argument:

A furnace works so much harder to bring a home back up to temperature that it outweighs the benefits of a thermostat setback and does not save money.

The Facts:

During the winter, homes constantly lose heat to the outside. Without discussing upgrades to a house, the major factors in how fast a house loses heat depends on the indoor temperature and the outdoor temperature. The greater the difference in temperatures, the faster a home will lose heat.

As a home loses heat, the furnace runs to add heat back to the house. If a thermostat is set at a constant temperature, the furnace will provide the same amount of heat that is lost. Setting the temperature colder reduces the difference between the outdoor and indoor temperature and slows down heat loss to the outdoors.

In the example, two identical homes are compared with an outdoor temperature of 30°F. The first home keeps the thermostat set at 68°F, while the second home has a setback to 60°F overnight. As the night goes on, the first home uses over \$0.16/hr to heat the house for a cost of about \$1.97 for the night. The furnace in the second home stops running until the house cools off, and only costs about \$0.13/hr to keep the house heated to 60°F, then runs harder for two hours to increase the temperature back to 68°F. The second home, though, only used about \$1.72 of natural gas in the same period of time.

	Outdoor Temp	No Setback		Setback to 60°F	
		Indoor Temp	Cost of Furnace	Indoor Temp	Cost of Furnace
8:00:00 PM	30°F	68°F	\$ 0.1644	68 °F	\$ 0.1644
9:00:00 PM	30°F	68°F	\$ 0.1644	65 °F	\$ -
10:00:00 PM	30°F	68°F	\$ 0.1644	63 °F	\$ -
11:00:00 PM	30°F	68°F	\$ 0.1644	62 °F	\$ -
12:00:00 AM	30°F	68°F	\$ 0.1644	61 °F	\$ -
1:00:00 AM	30°F	68°F	\$ 0.1644	60 °F	\$ 0.1302
2:00:00 AM	30°F	68°F	\$ 0.1644	60 °F	\$ 0.1302
3:00:00 AM	30°F	68°F	\$ 0.1644	60 °F	\$ 0.1302
4:00:00 AM	30°F	68°F	\$ 0.1644	60 °F	\$ 0.1302
5:00:00 AM	30°F	68°F	\$ 0.1644	64 °F	\$ 0.4316
6:00:00 AM	30°F	68°F	\$ 0.1644	68 °F	\$ 0.4453
7:00:00 AM	30°F	68°F	\$ 0.1644	68 °F	\$ 0.1644
		Total	\$ 1.9728	Total	\$ 1.7262
				Savings per day:	\$0.2466
				Savings per month:	\$7.40

Conclusion:

Although a furnace does work harder to warm a house back up, the benefits of a thermostat setback still provide energy and cost savings.



Load Management Program Changes Announcement

Customers in our air conditioning load management program will see a change to the load management program this year. As air conditioners have become more and more efficient (and thus a smaller percentage of the average customer's load), the discount paid has become more than the savings realized by OPU.

To bring the discount more in line with the actual savings, we will be applying the 5% commodity credit only in the summer months of June through September rather than every month of the year. This change coupled with this year's electric rate decrease, load management customers will see an overall annual increase of \$2.91.

Another change is, we will not be accepting any new customers into the program. Our Commission has supported redesigning the program altogether. There will be more focus on commercial and industrial energy conservation. We are also planning to implement an automated metering infrastructure (AMI) program beginning in 2020.

The new meters used for the AMI program will make the old load management units obsolete and unusable. We do not feel it is a good use of our customer's money to deploy units what will be unusable in the very near future.



With SmartHub you can:

- Check your usage
- Contact our office
- Pay your bill
- Check our news feed
- Report a service interruption
- Access custom widgets



owatonnautilities.smarthub.coop

HIGH UTILITY BILL?

There are several things that can affect your utility bill during the heating season. Here is a few of those:

- Shorter days, less day-light hours
- Colder Temperatures
- Excessive Space Heater Use
- Air Leaks
- Poor Insulation
- Leaving doors open too long



We may not be able to help with shorter days, colder temperatures or children's behaviors, but a Home Energy audit could help you pinpoint other things that may be contributing to higher utility bills.

Visit our website at www.owatonnautilities.com for more information.

ICE ON METERS

When your gas meter is covered with ice and snow, it can cause a potentially dangerous situation. If there is snow on your meter, brush it off. If it's covered with ice, give us a call at 451-1616 and we'll take care of it for you.

In addition, snow and ice should be cleared from exhaust and combustion air vents for gas appliances to prevent the accumulation of carbon monoxide in buildings and to prevent operational problems for the combustion equipment. Monitor the accumulation of snow or ice blocking regulator or relief valve vents which could prevent regulators and relief valves from functioning properly. Use caution in cleaning snow from around the piping on service regulator set as it is susceptible to damage that could result in failure of the equipment. Where possible, use a broom instead of a shovel to clear snow off regulators, meters, and associated piping.

As always, 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 a spark could ignite the gas and cause an explosion.



2019 Stormwater Utility Fee Changes

Beginning January 1st, 2019 you will notice a change in your Stormwater Utility Fee. As a result of the 2015 rate structure study conducted by Foth Infrastructure and Environment, LLC the stormwater utility fee is set to gradually increase on an annual basis through 2019 in order to provide an equitable, stable and fair funding source for all stormwater management activities.

The rate for a single-family residential property is a constant monthly fee of \$4.35 (starting 2019). All other properties are based on the following equation that evaluates the equivalent residential unit, acreage, and land use:

$$\text{FEE} = (\text{Parcel Acreage}/0.33) \times \text{Intensity Factor} \times \text{Current ERU}$$

If the property is multi-family, townhomes, and or mobile homes with individual meters, it will be billed at 80% of the current ERU per unit.

For more information regarding the Stormwater Utility Fee, please contact Bradley Rademacher at 507-774-7300.

Year	ERU
2018	\$3.87
2019	\$4.35

REBATES

WIFI ENABLED PROGRAMMABLE THERMOSTAT **\$75 REBATE PER UNIT**



**WI-FI ENABLED THERMOSTATS ALLOW FOR
REMOTE ACCESS VIA SMARTPHONE OR COMPUTER!**

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

CONSERVE & \$SAVE[®]



OWATONNA
PUBLIC UTILITIES

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

Office: 451-2480 Service: 451-1616

INDICIA

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.

CONSERVE & \$AVE® HOUSE CALL FREE ENERGY WORKSHOP!



SAVING ENERGY 101

Learn common sense ways to decrease energy use and save money on utility bills. OPU customers can sign up for a comprehensive home energy audit (\$300 value) for a reduced co-pay of only \$25 (normally \$50).



Thursday, January 17, 2019 5:00 p.m. - 6:00 p.m.
OPU Morehouse Conference Room, 208 S. Walnut Ave.



Tell Us How We're Doing

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.



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