

The Owatonna Public Utilities Commission met in regular session via Microsoft Teams. Present were Commissioners Doyal, Kottke, Rossi and Johnson. Absent was Commissioner Keilman. Also present were General Manager Warehime; City Administrator Busse; Director, Finance & Administration Olson; Director, Engineering & Field Services Fenstermacher; Manager, Facilities & Gas/Water Operations Krogh; Manager, Electric Operations Deering; Manager, Human Resources Madson; Supervisor, Accounting Linders; Executive, Communications & Administration Coordinator Schmoll; Key Accounts/Energy Conservation Officer Hendricks; and OPU employees Roger Noble; Josh Prokopec; Shanda Meier and Lori Jerpbak.

President Doyal called the meeting to order and asked for approval of the agenda, including consent agenda items. The consent agenda items include the Minutes from the regular meeting of February 23, 2021 and the Contributed Services Report as of February 28, 2021. Commissioner Rossi moved to approve the consent agenda as submitted. Commissioner Kottke seconded the motion. On roll-call, all Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Johnson reported the Finance Committee met, reviewed and approve disbursements totally \$7,084,685.58. He further reported, two work orders were closed totaling \$60,500 which came in 50% underbudget. There are 48 work orders remaining open for the year. One million dollars was paid in February towards the natural gas bill with the rest being reflected on March financials. Total paid is approximately \$8 million which will reflect in the financials the whole year.

Personnel Committee – Commissioner Rossi reported the Personnel Committee met and received a staffing update. He reported an apprentice line worker resigned so we will be working on recruiting a new one. General Manager Warehime is negotiating with the Union with the goal of staying within the set budget. Pertaining to COVID19, there have not been any employees test positive, nor has there been anyone having to quarantine due to close contact recently. In the area of safety, as of the date of the meeting, OPU has gone a total of 330 days without any OSHA recordable injuries.

City Administrator's Report

City Administrator Busse gave an annual report from the Owatonna Partners for Economic Development group (OPED). She noted, the group is a collaborative relationship between five entities working together to foster economic development in the Owatonna and Steele County area. The groups are the City of Owatonna, Steele County, Owatonna Public Utilities, Owatonna Area Chamber of Commerce & Tourism and the Business Development Center. She noted, in spite of the pandemic, it was a good year with over \$100 million in building permits. Projects included: Costco Distribution Center, ReVol Greens, Daikon Applied, Rise Modular, Bushel Boy, Foremost, etc. She further discussed housing projects and workforce initiatives including a program at the high school for job shadowing opportunities, internships and even jobs. 315 students gained exposure to different opportunities through Made in Owatonna days with over 100 local businesses being involved. She concluded, OPED's strategic plan is looked at and updated every month. Over the next three years the focus is attracting and educating a quality workforce; marketing & communications; providing updates to our partners and enhancing online and marketing materials; downtown economic development; and attract and retain quality jobs, company and people to maintain a diverse economic base. Commissioner Doyal thanked Ms. Busse for her presentation and added the OPED group is a great resource and tool in Owatonna to help attract and get businesses started in Owatonna.

Hydrant Connection Policy

Manager, Facilities & Gas/Water Operations Krogh presented to the Commission on proposed changes to the Hydrant Connection Policy. He noted, the purpose is to update the fees, generate revenue and stop revenue loss. The last change was in 2012. The proposed change includes a \$100 fee versus a deposit for a garden hose hookup. This would not be metered, so it is a way to collect revenue for the water used. On the 2.5" hydrant connection we are recommending to create one flat rate at \$5.50/CCF on these metered connections versus a stepped rate. The benefits include collecting more appropriate fees, still giving customers the convenience of getting water closer to their jobsite and simplifying billing for our Accounting department. After discussion, Commissioner Kottke moved to approve the policy change as presented. Commissioner Rossi, seconded the motion. All Commissioners, on roll-call, voting Aye, the motion passed.

5 to 50 lb. Bid Tabulation

The attached bid tabulation was presented to the Commission for the conversion of 5 PSIG distribution system to 50 PSIG. Director, Finance & Administration Olson reported the bid tab is for 3 years of 2021, 2022 and 2023, however if the Commission does not approve the project in one of those years, it can be delayed without penalty. Currently, we are asking for approval of the first year's expenditure and authorization to sign the first year's contract. The evaluated low bidder is NPL Construction Co. in the amount of \$2,365,369.82 for the three-year project and \$767,822.98 for 2021. After discussion, Commissioner Johnson moved to accept the recommended low bid of NPL Construction Co. Commissioner Kotte seconded the motion. All Commissioners, on roll-call, voting Aye, the motion passed.

Operations/Scorecard

There was not anything to discuss on the scorecard.

General Manager/Staff Report

Lead Water Works Operator, Roger Noble, gave a presentation to the Commission on the Water Production department. He discussed the three different water pressure zones in Owatonna; well, tower, ground storage, booster stations and circulation pump statistics and locations; department employees; equipment used and the departmental Q12 initiative which is to safely, effectively and efficiently deliver the highest quality of water to the community of Owatonna. Anticipated large projects, future water needs and the security of our water system were also discussed.

General Manager Warehime reported, we have received positive comments regarding the natural gas insert in the newsletter. He also reported, a few staff members attended an MMUA conference on emergency response and recovery. We will be doing some mock outages and situations in April. Next month the gas/water distribution system will be discussed.

Commission Roundtable

Commissioner Rossi complimented the most recent newsletter and the staff's works on the Mission, Vision and Core Values document.

Commissioner Kottke reported he has also received positive comments regarding the natural gas incident.

Adjournment

There being no further business to come before the Commission, the meeting adjourned at 5:07 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications and Administration Coordinator