

The Owatonna Public Utilities Commission met in rescheduled session in the Morehouse Conference room at the Owatonna Public Utilities. Present at the meeting were Commissioners Rossi, Vetter, Johnson, and McLane. Absent was Commissioner Zirngible. Also present were General Manager Warehime; City Administrator Busse; Director, Finance & Administration Linders; Director, Engineering & Field Operations Fenstermacher; Director, Information Technology & Meter Services Baum; Manager, Human Resources Madson; Special Advisor, Olson; Executive, Communications & Administration Coordinator Schmoll; Accountant Lori Jerpak and Accounting Specialist Shanda Meier.

President Rossi called the meeting to order and led the Pledge of Allegiance. He then asked for any changes to, and/or approval of, the agenda and consent agenda items. The consent agenda consisted of the Minutes from the April 22, 2025 meeting, as well as the Contributed Services report as of April 30, 2025. Commissioner McLane moved to approve the agenda as submitted. Commissioner Johnson seconded the motion. All Commissioners voting Aye, the motion passed. Commissioner Johnson then moved to approve the consent agenda. Commissioner McLane seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Johnson reported the Finance Committee met, reviewed, and approved vouchers totaling \$6,525,791.72. He further reported net income for each utility and noted, overall, all three utilities are over budget-plan year to date. He gave an update on work orders year to date, noting that sixty-five remain open, worth approximately \$16.2 million.

Personnel Committee – Commissioner McLane reported the Personnel Committee met and received a staffing update. She noted, an IT Operations Engineer position has been filled with that person starting on May 27th. Dan Cammock, currently a Meter Serviceworker, accepted the position of Gas/Water Design Engineer, leaving an open position in the Meter Shop. Mr. Bob Anhorn accepted that open position of Meter Serviceworker. The Marketing, Digital Media & Energy Conservation Specialist position is being advertised externally. Interviews are wrapping up for the Engineering intern position and electric summer helpers have started. The Supervisor, Accounting interviews will be held May 20th and 21st. Remaining open positions include the Lead Meter Serviceworker. Commissioner McLane wrapped up with noting as of the date of the meeting, there have been 21 days without an OSHA recordable and the OPU/SMMPA scholarship has been awarded.

City Administrator's Report

City Administrator Busse reported the legislative session adjourned with not much movement on issues affecting Owatonna including the bonding bill and local government aid (LGA). She further reported interviews are being conducted for her replacement and the city's budgeting process will begin on June 3rd. Lastly, the joint city council/OPU/county/school board meeting is scheduled for June 11th. Commissioners Vetter and McLane will be attending, as well as Director, Engineering & Field Operations Fenstermacher.

General Manager/Staff Report

General Manager Warehime teed up the discussion regarding the Commission's previously asked question about the cost of natural gas hedging. He noted OPU staff worked with The Energy Authority (TEA) for this review of our hedging over the past 5 years. He noted costs have been broken down into three buckets and discussed each in detail: Forward Risk Premium which is the premium for buying ahead of time; "Out of the

Money” which represents the cost if actual natural gas prices were lower than anticipated when we bought the hedges; and Additional for our Post-2021 Strategy which allows us flexibility and the ability to avoid short-term market spikes during the month. General Manager Warehime discussed in detail the next steps OPU plans to take. Next steps include looking at the availability and costs of more SMS and looking into financial hedging. General Manager Warehime and staff will report back in future months the results of these analyses.

Executive, Communications & Administration Coordinator Schmoll reported to the Commission that OPU will participate in four of the five Downtown Thursdays this year. The first one is scheduled for June 5th and OPU will be promoting the Community Utility Partners group as well as focus on GIS and she encouraged the Commissioners to stop and visit.

General Manager Warehime concluded the staff reports by inviting the Commission to two meetings being held at OPU on June 12th. The first is the SMMPA Board meeting and the second is the MMUA Regional Meeting where they will recap the latest legislative session.

Commission Roundtable

Commissioner Rossi noted he will not be able to attend the June Commission meeting, and asked Manager, Human Resources Madson to start working on a schedule for the General Manager’s review.

Adjournment

There being nothing further to come before the Commission, the meeting adjourned at 4:23 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator