

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Ihrke, Simon, Schreiner, Stansberry and Cosens. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Customer Service, Generation & Substations Green; Director, Gas, Water, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Information Technologies Keltgen; Supervisor, Substations & Generation Deering; and Executive/HR Assistant Schmoll. Other guests included Mayor Tom Kuntz.

Director, Gas, Water, Energy Management & External relations Warehime led the Pledge of Allegiance.

Minutes

The Minutes from the rescheduled meeting of February 28, 2013 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as presented. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Simon reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$5,597,707.18. There were no work orders to approve this month.

Personnel Committee – Commissioner Stansberry reported the Personnel Committee did not have any items to discuss, so therefore, did not meet.

City Administrator's Report

City Administrator Busse updated the Commission on a meeting her and Mayor Kuntz attended with the Legislators. Issues discussed included the proposed LGA formula, the proposed tax exempt bond changes, and the completion of Highway 14 from Owatonna to Dodge Center.

City Lighting Retrofit Bid Tabulation

The attached bid tabulation was presented to the Commission for the City Lighting Retrofit. Director, Gas, Water, Energy Management & External Relations Warehime explained the project is to complete a lighting retrofit in many of the City buildings, including the Administration Building, the Senior Center, Brooktree Golf Course Clubhouse, etc. Mr. Warehime further explained the project will be funded through the Conservation Improvement Program so therefore it is not considered a capital item. After discussion, staff recommends awarding the bid to the evaluated low bidder, Johnson Energy Services, Co., in the amount of \$78,595.00. Commissioner Cosens moved to award the bid to the evaluated low bidder, Johnson Energy services. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Well #1 Rehabilitation Bid Tabulation

The attached bid tabulation was presented to the Commission for the Rehabilitation of Well #1. One bidder, Traut Wells, returned a bid for the amount of \$710,173 which is over the amount budgeted for the project. Director, Gas, Water, Energy Management & External Relations Warehime updated the Commission on the history of this project. He noted that in 1914 the well was drilled to a depth of 1100'. The water quality was found to be poor and therefore the well was backfilled to a depth of 750', a depth at which it operated at for many years.

In 2003 Well # 10 was drilled, and as part of that project Well #1 was to be abandoned at an estimated cost of \$100,000. The cost estimate was to backfill the remaining 750 feet. The MDH determined that the records for the original 1914 backfill were not sufficient. Therefore, abandoning the well would require boring all the way down to 1100 feet and backfilling the entire well. This doubled the cost, and the abandonment was put off.

A completely new well is estimated to cost \$800,000. The estimate to bring Well #1 back by boring out and re-backfilling the lower portion was \$602,000. Therefore, this was looked at as getting an additional well for \$400,000. With a bid of \$710,000, it is prudent to step back and re-evaluate all options. Therefore, staff recommends rejecting the bid submitted by Traut Wells. After discussion and staff's recommendation, Commissioner Stansberry moved to reject the bid submitted by Traut Wells. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of February 28, 2013 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff discussed updates to the February scorecard. Director, Gas, Water, Energy Conservation & External Relations Warehime noted there were several water main breaks during the month of February due to frost/ground shift that was causing sheering of the mains.

General Manager/Staff Report

General Manager Fritsch congratulated Manager, HR, Safety, Risk & Loss Control Madson on her 40 year anniversary with OPU on March 26, 2013.

General Manager Fritsch noted he is continuing to present to different service groups regarding the repurposing of the Power Plant and noted clean out is scheduled to be complete in April. Commissioners were offered a tour of the plant following the meeting.

General Manager Fritsch gave the Commission an update from the last SMMPA Board of Directors meeting and noted the SMMPA Board gave official approval to the SMMPA staff to begin the permitting process for a new generating facility located in Owatonna. This doesn't mean that SMMPA has approved locating a unit here. More analysis is being done before the SMMPA Board would approve funding for such a unit. He further noted the SHERCO 3 unit is scheduled to be back on line in September.

Director, Customer Service, Generation & Substations Green reported to the Commission OPU has been identifying customers who have significant past due balances and have begun the process to have these past due balances applied to their property taxes as a lien.

Mr. Green also updated the Commission on the volume of gas Kwik Trip has used since putting their natural gas fill station in at their Clinton Falls site.

Director, Gas, Water, Energy Management & External Relations Warehime updated the Commission on his trip to Washington, D.C. for the APPA Legislative Rally.

Director, Financial & Administrative Services Fondell explained the bid process for the Power Plant Repurposing project. She noted, our Architects, Leo A. Daly, will advertise the project in several newspapers, but will also place the bid packages on a Builders Exchange for contractors to obtain the bid documents. She instructed staff and Commissioners if they receive inquiries about the project they should direct contractors to the Builders Exchange.

Mrs. Fondell further reported the Auditors will be in-house conducting our annual audit beginning the week of April 8th.

Supervisor, Substations & Generation Deering updated the Commission on the Power Plant Clean Out project.

Mayor Kuntz thanked the Commission for allowing him the opportunity to attend such meetings as the APPA Legislative Rally and the APPA Public Policymakers Committee on behalf of Owatonna and OPU. He then updated the Commission on these meetings. Key issues discussed included Solar and other renewable energy, tax exempt bonds, and transportation (specifically the Highway 14 project). City Administrator Busse added we are very fortunate to have Mayor Kuntz representing Owatonna and OPU due to his relationship with the governor and other legislative members.

Executive/HR Assistant Schmoll opened a discussion with the Commission regarding the paperless option. She presented several options for the Commission to choose from. After discussion, the Commission decided to move ahead with an OPU provided, WiFi only device. Commissioner Cosens moved to approve the decision for OPU to provide a device for use during Commission meetings for Commissioners to view agenda packets and other documents. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed. Staff will move forward with obtaining these devices.

Commission Roundtable

Commissioner Stansberry – Nothing.

Commissioner Simon – Nothing.

Commissioner Schreiner – Nothing.

Commissioner Cosens – Thanked Mayor Kuntz for his participation and attendance at the Legislative Rally and similar meetings. It is a huge resource and benefit to not only OPU but the City of Owatonna as a whole.

Commissioner Ihrke – Nothing.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:24 p.m.

Respectfully submitted,

Tammy Schmoll,
Executive/HR Assistant

Bidders List

Project: City Lighting Retrofit

List of Firm Furnished Bid Documents:

**The Retrofit Companies
Johnson Energy Services Co.
R & K Electric
Cole's Electric
Four Seasons Electric**

List of Ineligible Bidders:

None

BID TABULATION

Project: Well No. 1 Rehabilitation **Project #:** WP313XC022
Date/Time of Opening: March 13, 2013, 1:00 p.m. **Budget #:** 2010
Budget Amt: \$602,000.00
Project Amt: \$602,000.00
Est. Budget Portion:
Acct. Number: 2-00-10100-3130

Vendor	Bid Security	Addendum Acknowledged?	Amount Bid
Traut Wells **	Yes	Yes	\$710,173.00

** - Apparent Low Bidder

Bidders List

Project: Well No. 1 Rehabilitation

List of Firm Furnished Bid Documents:

Traut Wells

List of Ineligible Bidders:

None