

The Owatonna Public Utilities Commission met in rescheduled session in the Commission Room. The meeting was rescheduled due to a conflict in General Manager Fritsch's schedule. Present were Commissioners Ihrke, Simon, Schreiner, Stansberry and Cosens. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Engineering, Electric & Meter Services Johnson; Director, Gas, Water & Generation Green; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Information & Financial Services Turnbull; Executive/HR Assistant Schmoll; and Accountant Teresa Hottman. Other guests included Roger Plath and Bob Cook.

Manager, Energy Management & External Relations Warehime led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of June 26, 2012 were presented to the Commission. Commissioner Simon moved to approve the Minutes as presented. Commissioner Cosens 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 \$3,983,383.53. They also approved three work orders. Two of the work orders were for purchasing equipment and furniture for the new Supervisor, Information Technology and the third was to replace a motor on Well #7.

Personnel Committee: The Personnel Committee did not meet.

City Administrator's Report

City Administrator Busse reported the City has settled a union contract with the Police Sergeants. They agreed on 1% for 2012; 1% for January 1, 2013 and ½% for July 1, 2013. She further reported staff is working on 2013 budget. They will be proposing a slight increase to the levy in 2013. Mrs. Busse reported there will be a public meeting to discuss concerns, current service and future needs of the Cable TV franchise that is up for renewal.

50/55/60 Foot Insulating Hydraulic Articulating Aerial Device Bid Tabulation

The attached bid tabulation for a 50/55/60 foot insulating hydraulic articulating aerial device was presented to the Commission. Director, Financial & Administrative Services Fondell reported three bids were received. After evaluation of the bids it was discovered the two lowest bidders left out key elements of the truck that are needed for correct functionality. Therefore, staff recommends awarding the bid to Altec Industries, Inc. in the amount of \$201,998.00. Mrs. Fondell noted the bid amount is still within the amount budgeted for. After discussion, Commissioner Schreiner moved to award the bid to Altec Industries in the amount of \$201,998.00. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

Power Plant Selective Demolition Bid Tabulation

The attached bid tabulation for the Power Plant Selective Demolition was presented to the Commission. Director, Financial & Administrative Services Fondell reported after evaluation staff is recommending awarding the bid to the evaluated low bidder, Rachel Contracting, Inc., in the amount of \$1,089,234.00. The bid is for the cleaning and tearing out of existing equipment in the power plant. After discussion, Commissioner Cosens moved to award the bid to the evaluated lower bidder, Rachel Contracting, Inc., in the amount of \$1,089,234.00. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed. The contract will be awarded once FEMA approval of the project is received.

Contributed Services

The Contributed Services report as of June 30, 2012 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff discussed different aspects of the score card for the month of June, 2012 and the end of the second quarter. Highlights included being under budget by 5% in the controllable costs; reliability numbers are dropping due to several small outages; innovation continues to climb due to the revenue recapture program; a rate study will be available next month; and, energy savings continue to be on target.

General Manager/Staff Report

General Manager Fritsch gave an update on the repurposing project noting staff and employees are continuing to work through the schematic design part of the project. He further noted, we have no further updates from FEMA.

General Manager Fritsch reported the succession planning program was presented to the employees at an all-employee meeting. The first piece is to identify individuals interested in moving into key positions within the company.

General Manager Fritsch discussed an email sent to the Commission regarding OPU's Backflow Prevention Program. He noted the email included high lights and 7 key reasons for staff's recommendation to continue with the program as is.

Director, Financial & Administrative Services Fondell reported staff is beginning the budgeting process for 2013. Mrs. Fondell noted changes in the financial reports included in the agenda packet. The changes included a new investment report and formatting changes to some of the other reports.

Manager, Energy Management & External Relations Warehime distributed and discussed a draft ordinance for the Commission to consider proposing to the City Council which would allow OPU to place past due utility bills onto property tax records. By becoming a

tax lien, it would be paid before the mortgage allowing OPU to recover more past due funds. Mr. Warehime noted other cities in Minnesota do this including Rochester Public Utilities, who is the closest. Mr. Warehime noted the resolution is for Commission consideration and staff would be asking for a formal recommendation at the next Commission meeting.

Director, Gas, Water & Generation Green updated the Commission on the 14th St. Project noting the water tower has been emptied, cleaned and put back into service.

Manager, HR, Safety, Risk & Loss Control Madson reported Jared Hendricks has been hired to replace the customer service representative who transferred to the Accounting department after one of the accounting clerks retired. Mr. Hendricks will begin employment on August 6th.

Executive/HR Assistant Schmoll gave a presentation to the Commission regarding going paperless with the agenda packets. After discussion, the Commission did not feel it was financially sensible to purchase electronic devices for viewing at this time. The Commission decided to continue receiving an electronic version of the packet prior to the meeting for review with an agenda to follow along at the meeting. City Administrator Busse added, the City Council is also reviewing purchasing electronic devices for use at Council meetings.

Commission Roundtable

Commissioner Stansberry – Nothing.

Commissioner Simon – Nothing.

Commissioner Cosens – Nothing.

Commissioner Schreiner – Nothing.

Commissioner Ihrke – Thank you to Roger Warehime and Joe Green for having a water fill station installed at the Owatonna High School.

Audience Comments

Customer Roger Plath presented his concerns with, and disapproval of, OPU's backflow prevention program. His concerns included the communications and correspondence with OPU staff, the required annual testing and associated fees, and the perceived lack of consistency in enforcement.

Customer Bob Cook also expressed his opposition to OPU's backflow prevention program.

Commission directed staff to look into the concerns and questions brought up by these customers and to report back at the next meeting.

Adjournment

There being no further business to come before the Commission, Commissioner Stansberry moved to adjourn the meeting. Commissioner Simon seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:44 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: 50/55/60 Foot Insulating Hydraulic
Articulating Aerial Device

Project #: EO392XC061

Date/Time of Opening: July 16, 2012, 1:00 p.m.

Budget #: 12-2210-0234

Budget Amt: \$250,000.00

Project Amt: \$250,000.00

Acct. Number: 1-00-10100-3920

Vendor	Bid Security	Signed Contract	Amount Bid
ABM Equipment & Supply, LLC	Yes	Yes	\$190,984.00 **
Dueco, Inc.	Yes	Yes	\$199,278.00
Altec Industries, Inc.	Yes	Yes	\$201,998.00

** - Apparent Low Bidder

Bidders List

Project: 50/55/60 Foot Insulating Hydraulic Articulating Aerial Device

List of Firm Furnished Bid Documents:

ABM Equipment & Supply, LLC
Dueco, Inc.
Altec Industries, Inc.

List of Ineligible Bidders:

BID TABULATION

Project: Power Plant Selective Demolition

Project #: OCORP12C15

Budget #: 12-1000-0501

Date/Time of Opening: July 17, 2012, 1:00 p.m.

Budget Amt: \$2,000,000.00

Project Amt: \$1,800,000.00

Acct. Number: 3-01-93000-0000

Vendor	Bid Security	Signed Contract	Amount Bid
Environmental Remediation Services, Inc.	Yes	N/A	\$1,856,400.00
Blue Earth Environmental Co.	Yes	N/A	\$1,998,853.00
Carl Bolander & Sons Co.	Yes	N/A	\$1,886,654.00
Veit & Company, Inc.	Yes	N/A	\$2,697,486.00
Rachel Contracting, Inc.	Yes	N/A	\$1,089,234.00 **

** - Apparent Low Bidder

Bidders List

Project: Power Plant Selective Demolition

List of Firm Furnished Bid Documents:

Environmental Remediation Services, Inc.

Blue Earth Environmental Co.

Carl Bolander & Sons Co.

Veit & Company, Inc.

Rachel Contracting, Inc.

Rocon, Inc.

List of Ineligible Bidders:
