

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Rossi, Kottke, Simon and Doyal. Absent was Commissioner Cosens. Also present were General Manager Fritsch; City Administrator Busse; Chief Financial Officer Fondell; Director, Engineering Johnson; Director, Field Operations Warehime; Manager, Human Resources Madson; Executive, Communications & Administration Coordinator Schmoll; Energy Conservation & Key Accounts Officer Hendricks; Electrical Engineer Dave Olson; Gas Engineer Jon Blough and Water Design Engineer Brian Clausen.

Commissioner Rossi led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of September 25, 2018 were presented to the Commission. Commissioner Doyal moved to approve the Minutes as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee: Commissioner Doyal reported the Finance Committee met, reviewed and approved Vouchers totaling \$4,770,357.01. He further reported there were no issues, and no work orders to approve.

Personnel Committee: Commissioner Rossi reported the Personnel Committee did not meet.

City Administrator's Report

City Administrator Busse gave an update on projects, personnel and the deer management hunt for 2018. She noted paving of the downtown parking lots has been delayed a week due to soft ground. Mosher Avenue sanitary main and water main is now complete and the Lake Kohlmeier Drive & Trail parking lot is progressing nicely. The police, public works, engineering, community development, library and finance departments all have new employees who will be starting or who have already started. The 2018 Deer Management season received 43 applications. Thirty applicants passed the competence test and have chosen their season and park location. Season 1 runs November 3-24 and Season 2 runs November 25 – December 21st.

System Health Reports

Electrical Engineer Dave Olson, Gas Engineer Jon Blough and Water Design Engineer Brian Clausen presented system health reports for each respective utility to the Commission. Highlights in the electric utility include the ongoing conduit install with Jaguar Communications, service territory expansion, fiber ring completion, and the need for a new substation. Water projects include the ongoing efforts to increase water pressure in the industrial park including adding an additional pressure zone. The gas utility continues to work on the 5 to 50 lb. conversion, as well as continue to work on redoing large capacity gas meter sets.

161/12/47 kV Power Transformer Bid

The attached bid tabulation was presented to the Commission. The bid is for a transformer for the new substation. Staff recommends awarding the bid to the evaluated apparent low bidder of SPX Transformer Solutions, Inc. in the amount of \$1,027,533.00 with a guaranteed delivery date of 50-55 weeks. After discussion, Commissioner Simon moved to approve the award the bid to SPX Transformer

Solutions, Inc. in the amount of \$1,027,533.00. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of September 30, 2018 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

There was not anything to discuss on the Scorecard.

General Manager/Staff Report

General Manager Fritsch reported interviews for the General Manager position are still ongoing. The second round of interviews will take place in the upcoming week.

General Manager Fritsch reported the Q12 Engagement Survey has been sent to all employees.

Director, Field Operations Warehime gave a presentation to the Commission regarding natural gas procurement. He explained some basics of natural gas including an explanation of how the units are measured. He discussed pipeline capacity and receipt points. He also discussed the capacity optimization we receive from The Energy Authority (TEA). Mr. Warehime concluded by discussing an Asset Management Agreement he is looking to enter into with Tenaska whereby they would manage our pipeline capacity. With the new arrangement, Tenaska will do the pipeline capacity optimization and TEA will continue to schedule daily gas requirements and continue to provide consulting for hedges.

Chief Financial Officer Fondell updated the Commission on the progress of the 2019 budget and inquired if Commissioners would like electronic or paper copies of the budget. Rates will be discussed along with the other budget discussions. The conversion to the NiSC system is complete. There continue to be little issues we are working through. One of the changes with the new system is all customers who are on the budget billing program will be recalculated the month of November. This will be an annual process going forward. As a final note, Mrs. Fondell reported as of the morning of this meeting, OPU has reached PCI compliance which means we are now compliant with data security with customer credit card information.

Executive, Communications & Administration Coordinator Schmoll updated the Commission on Public Power Week and invited the Commissioners to the State of the Utility meeting on December 6, 2018.

Energy Conservation & Key Accounts Officer Hendricks discussed the rate study with the Commission. He further reported the Home Energy Reports will no longer be sent out to customers. The reason being, it is too costly for the company who sends out the Home Energy Reports to convert the data from our new system. He further reported, OPU will continue to look for other options and programs to help us continue to meet our energy savings goals.

Commission Roundtable

Commissioner Rossi inquired about the timeline for Advanced Metering Infrastructure (AMI). General Manager Fritsch reported, money is in the budget and we are working on putting together a

strategy to move forward. The timeline has been accelerated, as there are several advantages to having the AMI meters in place, including better outage management.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:30 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator

BID TABULATION

Project: 161/12.47 kV Power Transformer	Project #: ET356XC197
	Budget #: 201821100139
Date/Time of Opening: October 10, 2018, 2:00 pm	Budget Amt: \$3,100,000
	Project Amt: \$
	Est. Budget Portion: \$1,171,000
	Acct. Number: 1-00-10100-3560

Vendor Date	Bid Security	Total Bid Price	Guaranteed Delivery
SPX Transformer Solutions, Inc. ***	Yes	\$1,027,533.00	50 – 55 weeks
Delta Star, Inc. (Quebec)	Yes	\$1,267,024.00	5/28/19
Delta Star, Inc. (Virginia)	Yes	\$1,334,787.00	1/20/20
WESCO Distribution, Inc.	Yes	\$1,463,200.65	28 – 30 weeks

*** Apparent Low Bidder

Bidders List

Project: 161/12.47 kV Power Transformer

List of Companies Furnished Bid Documents:

Cahoon Sales, Inc. (SPX Transformer Rep)
MC Sales (SPX Transformer Rep)
Dolan Feldhaus Company (Delta Star Rep)
Energy Solutions, Inc. (Delta Star Rep)
Primus Marketing (ABB Rep)
WESCO (ABB Rep)

List of Ineligible Bidders:

None