

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Simon, Schreiner, Stansberry, Cosens and Kottke. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Engineering & Electric Services Johnson; Director, Customer Service, Generation & Substations Green; Director, Gas, Water, Energy Management & External Relations Warehime; Supervisor, Financial Services Turnbull; Supervisor, Information Services Keltgen; Supervisor, Substations & Generation Deering; Executive/HR Assistant Schmoll; and accountant Teresa Hottman. Also present were two representatives from Cole Electric, and Kim Hillberg, from Clifton, Larson, Allen.

Commissioner Schreiner led the Pledge of Allegiance.

Minutes

The Minutes from the May 28, 2013 Commission meeting were presented to the Commission. Commissioner Stansberry requested the Minutes be changed to reflect the titles for the Commissioners heading up the subcommittees are changed from presidents to chairpersons. Commissioner Stansberry moved to accept the Minutes with the proposed changes. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Cosens reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$4,903,133.15. He further reported they signed 1 work order and 4 work order additions.

Personnel Committee – Commissioner Stansberry reported the Personnel Committee did not meet.

City Administrator's Report

City Administrator Busse reported the City received a clean opinion on their recent audit. She further reported the City received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its Comprehensive Annual Financial Report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. Mrs. Busse further reported the City Council has begun its budget process and will take a conservative look at the LGA funds that have been approved for cities this year.

2012 Audit Report

Director, Financial and Administrative Services Fondell introduced Kim Hillberg from Clifton, Larson, Allen, our auditing firm. Mrs. Hillberg recapped the 2012 audit report for the Commission. She noted an unqualified audit was issued meaning it was a clean audit. Mrs. Hillberg further discussed the audit standards changes which are meant to make the information easier to understand. She noted there were not any findings that were noted in the audit report. One suggestion the auditors are making is for OPU to discontinue the personal computer loan purchase program to employees. It is not addressed in any state statutes therefore a municipal utility is not authorized to offer such a program. The auditors recommend setting a sunset date on the program and allowing the current loans to finish out their terms. Mrs. Hillberg further noted there were no difficulties during the audit and there no journal entries. She noted the audit went very well again this year and expressed her appreciation for the job Beth and the rest of the financial team have done. The Commission thanked Mrs. Hillberg for her report and she left the meeting.

Power Plant Renovation & Vehicle Storage Building Addition Bid Tabulation

The attached bid tabulation for the Power Plant Renovation and Vehicle Storage Building Addition was presented to the Commission. Director, Financial and Administrative Services Fondell reported 5 bids were received. Mrs. Fondell noted and discussed alternative additions and deducts that were included in the bid package. Without any of the “adders”, the low bid received came in slightly over budget. Staff is recommending going forward with the project keeping the deduct alternatives and not having any of the add alternatives. Staff is also recommending awarding the bid to the evaluated low bidder of Rocon Inc., in the amount of \$10,490,000.00. After discussion, Commissioner Kottke moved to award the bid to the evaluated low bidder of Rocon Inc., in the amount of \$10,490,000.00. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of May 31, 2013 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the Scorecard for the month of May.

General Manager/Staff Report

General Manager Fritsch updated the Commission on the SHERCO3 outage. He noted the unit is on target to return to service in September.

General Manager Fritsch thanked the Commission for supporting him in his participation in the Leadership Owatonna program. Mr. Fritsch further reported he participated in the annual performance review of Marc Machacek, our MMUA safety coordinator. Marc received high marks and has a couple goals to work on for the next year.

Director, Gas, Water, Energy Management & External Relations Warehime updated the Commission on well #3 in the power plant. He reported rust and a hole were found on the casing when an inspection was done on the well. The well may have to be abandoned. Staff will be reviewing the whole system capacity, as well as the long term plan for water needs of the city. That plan may include drilling another well. Mr. Warehime will report back to the Commission after a full analysis is complete.

Commission Roundtable

Commissioner Kottke – Congratulated Mrs. Fondell and the financial team on a successful audit.

Commissioner Stansberry – Thanked Mrs. Fondell for her continued hard work in the financial area to keep things moving in the right direction.

Commissioner Cosens – Congratulated the financial team on a good audit.

Commissioner Schreiner – Congratulated the financial team on a good audit.

Commissioner Simon – Congratulated the financial team on a good audit, Mr. Fritsch for graduating from Leadership Owatonna and City Administrator Busse for their award on their financials.

Adjournment

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:52 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: Power Plant Renovation & Vehicle Storage
Building Addition

Project #: EO390XC097

Date/Time of Opening: 6/14/13, 1:00 p.m.

Budget #: 13-0100-9000

Budget Amt: \$10,202,845

Project Amt: \$14,000,000

Est. Budget Portion: \$10,490,000

Acct. Number: 1-00-10100-3900

Vendor	Bid Security	Addenda Acknowledged?	Base Bid Amount
Alvin E. Benike Inc.	Yes	Yes	\$10,922,000
Black / Dew	Yes	Yes	\$12,509,000
Knutson Construction	Yes	Yes	\$11,260,000
Rocon Inc.	Yes	Yes	\$10,490,000
Sheehy Construction	Yes	Yes	\$10,580,300

** - Apparent Low Bidder

Bidders List

Project: Power Plant Renovation & Vehicle Storage Building Addition

List of Firm Furnished Bid Documents:

**Alvin E. Benike Inc.
Black / Dew
Knutson Construction
A.J. Lysne Construction
Met-Con Companies
Rocon Inc.
Sheehy Construction**

List of Ineligible Bidders:

None