

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Doyal, Simon, Rossi and Keilman. Absent was Commissioner Kottke. Also present were General Manager Warehime; City Administrator Busse; Chief Financial Officer Fondell; Director, Engineering Johnson; Manager, Human Resources Madson; Executive, Communications & Administration Coordinator Schmoll; and Energy Conservation/Key Accounts Officer Hendricks. Also present was customer Roger Wacek.

Commissioner Doyal led the Pledge of Allegiance.

Minutes

The Minutes from the special budget meeting of November 14, 2019 and the minutes from the OPU Commission meeting of October 22, 2019 were presented to the Commission. Commissioner Rossi moved to approve the Minutes as presented. Commissioner Simon 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 totaling \$5,463,308.71. Mr. Simon also reported all three utilities are now ahead of targets due to fixed costs and interest income being better than budgeted.

Personnel Committee: Commissioner Rossi reported the Personnel Committee met, along with the rest of the Commissioners, and presented General Manager Warehime with his annual review.

City Administrator's Report

City Administrator Busse reported City staff has been working on the 2020 budget. Recommendation to City Council is a 4.25% levy. Ms. Busse further stated the tax capacity has increased therefore if the value of a resident's house stays the same, their taxes will actually go down. Ms. Busse further discussed the City's Strategic Plan and discussed some of the projects included in that plan.

Tree Trimming Bid

Chief Financial Officer Fondell presented the attached bid tabulation for Tree Trimming to the Commission. She noted, this is a three-year bid due to the complexity of it. Commissioner Rossi inquired as to what potential contractors are asked to bid on. Mrs. Fondell replied, there is a detailed bid sheet sent out that includes such things as hours worked, equipment hours, etc. Mrs. Fondell further reported the apparent low bidder is Carr's Tree Services in the amount of \$1,025,269.54. After discussion, Commissioner Simon moved to accept the low bid of Carr's Tree Service in the amount of \$1,025,269.54. Commissioner Keilman seconded the motion. All Commissioners voting Aye, the motion passed.

2020 Budget, 2021-2024 Forecast

Chief Financial Officer Fondell distributed a requested talking points sheet to the Commissioners. She noted it included general information on different rates and what they cover. After discussion, Commissioner Simon moved to approve the 2020 Budget, 2021-2024 Forecast as submitted. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of October 31, 2019 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

General Manager Warehime discussed the change in costs savings noting it increased due to a sales tax refund. Chief Financial Officer Fondell noted each year we receive a sales tax refund for tax we pay on certain items but didn't have to. There are certain types of equipment that qualify as tax exempt such as substation related items like transformer. Whenever we can, we supply the vendor with a tax-exempt certificate. However, there are certain vendors we purchase from regularly where the costs may be allocated to all three utilities. In these cases, the tax is not split up ahead of time, so we pay all of it upfront. We used to have a consultant come in and do the compilation for us. However, we now have a staff member who does it so we get to keep the whole cost of the refund without having to pay a consultant. There were not any other major changes that needed to be discussed.

General Manager/Staff Report

Executive, Communications & Administration Coordinator Schmoll discussed the date of the December Commission meeting noting the regular date falls on Christmas Eve, a company holiday. After discussion, the December meeting will be held on December 19, 2019 at 4:00 p.m. The Commission will meet in the Riley Conference Room (upstairs) due a scheduling conflict in the Morehouse Conference Room.

Energy Conservation/Key Account Officer Hendricks discussed Lowe's lighting project and noted how much their consumption has been dropping over the year.

Commission Roundtable

Commissioner Rossi inquired about how SMMPA plans to be 80% carbon free in a 10-year period. After a brief discussion, General Manager Warehime will ask SMMPA to come to the January Commission meeting to discuss their plans for moving forward.

Commissioner Simon discussed the LED lights that were put in part of the Curling Club building. He noted the difference in brightness.

Audience Comments

Customer Roger Wacek read an email he sent to the School Board encouraging them to keep OPU in their planning process regarding electrical generation, heating, lighting, etc. He also encouraged the school board to find someone with experience in combined heat/power systems.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:32 p.m.

Respectfully submitted,

Tammy Schmoll,
Executive, Communications & Administration Coordinator

BID TABULATION

Project: Tree Trimming

Project #:

Date/Time of Opening: 11/20/19, 1:00 p.m.

Budget #:

Budget Amt: \$332,000.00 (2020)

Project Amt:

Est. Budget

Portion:

Acct. Number: 1.40.593.02

Vendor Combined)	Bid Security	Base Bid 2020	Base Bid 2021	Base Bid 2022	Total Bid (2020, 2021, 2022)
Asplundh Tree Expert LLC	Yes	\$424,212.00	\$433,000.43	\$441,788.85	\$1,299,001.28
Carr's Tree Service **	Yes	\$331,982.82	\$341,819.60	\$351,467.12	\$1,025,269.54

** - Apparent Low Bidder

Bidders List

Project: Tree Trimming

List of Firm Furnished Bid Documents:

**Carr's Tree Service
Asplundh Tree Expert Co.**

List of Ineligible Bidders:

None