

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference room at the Owatonna Public Utilities. Present were Commissioners Johnson, Zirngible, Kottke, Rossi and Doyal. Also present were General Manager Warehime; Director, Finance & Administration Olson; Director, Engineering & Field Operations Fenstermacher; Director, Information Technology & Metering Baum; Manager, Facilities, Gas & Water Engineering & Operations Prokopec; Manager, Human Resources Madson; Manager, Electric Operations Deering; Supervisor, Accounting Linders; Supervisor, Customer Care Van Esch; Executive, Communications & Administration Coordinator Schmall; OPU employees Lori Jerpbak and Shanda Meier. Also present was customer, Roger Wacek.

President Johnson opened the meeting by asking for approval of the agenda and the consent agenda items. The consent agenda items consisted of the Minutes from the regular Commission meeting of November 22, 2022 and the Contributed Services report as of November 30, 2022. Commissioner Doyal moved to approve the agenda and consent agenda. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Kottke reported the Finance Committee met, reviewed and approved Vouchers totaling \$5,446,424.16. He noted two work orders were closed. 24 year-to-date have been closed coming in under budget. Several work orders will carry over to the first quarter of 2023. All three utilities are tracking close to plan and it is anticipated to end the year strong. There were not any investment activities for November.

Personnel Committee – Commissioner Rossi reported the Personnel Committee met and performed an annual review for General Manager Warehime. A successful agreement was negotiated with General Manager Warehime for another year. The Committee received a staffing update and a safety program report.

City Administrator's Report

City Administrator Busse was not present at the meeting.

Resolution Authorizing and Ratifying Proceedings to Recover Unpaid Utilities Charges

General Manager Warehime presented the resolution noting there is a process in place for collecting unpaid utility charges and placing liens on property taxes. However, this situation is a bit different as there is a bankruptcy and foreclosure involved. Commissioner Doyal moved to approve the resolution as submitted. Commissioner Zirngible seconded the motion. All Commissioners voting Aye, the motion passed.

Policies

Director, Finance & Administration Olson presented an updated Street Lights policy. He noted the changes made included updating the rate to match the electrical energy rate as well as updating the types of lights. After discussion, Commissioner Kottke moved to approve the Street Lights policy as submitted. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

Manager, Facilities, Gas & Water Engineering & Operations Prokopec presented to the Commission regarding changes to the Water Service Line Protection Program. He reminded the Commission the purpose of the policy, and provided background and performance information for the current program. He noted it has been several years since the policy has been updated. The changes include not limiting the service line size to 1", all residential services are eligible; removed the marketing section in the policy, added refund language for services that are found ineligible, and clearly defined the expenses which are covered. Commissioner

Johnson inquired about the process and how a customer knows if they have an issue. Mr. Prokopec explained the process. After discussion, Commissioner Kottke moved to approve the Water Service Line Protection Program policy as submitted. Commissioner Zirngible seconded the motion. All Commissioners voting Aye, the motion passed.

Tree Trimming Bid

The attached Tree Trimming Bid was presented to the Commission. Director, Finance and Administration Olson noted staff's recommendation is to award the bid to the evaluated low bidder, Carr's Tree Service, in the amount of \$1,269,321.46 for a three year contract. Commissioner Kottke inquired how this compares with previous contracts. Mr. Olson replied it is up about 15%, however, still below what we have in the budget. Commissioner Rossi moved to award the bid to Carr's Tree Service in the amount of \$1,269,321.46 for a three year contract. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager/Staff Report

General Manager Warehime reported to the Commission regarding the question from the Finance Committee regarding the natural gas margin and why it was more than budget. He directed their attention to the memo contained in the agenda packet. He noted, three items are contributing to the higher margin. Those items are: 1) we sold more gas than anticipated; 2) PGA calculation methods; and 3) year-end 2021 unbilled revenue under-estimation. Each explanation is detailed more in the letter.

General Manager Warehime discussed the recent MISO alert and factors contributing it. Some of those factors, according to MISO, included forced outages due to natural gas pipeline constraints; wind power being offline due to icing, and no solar available. The SHERCO plant operated the whole time. After discussion, Mr. Warehime concluded by stating, TEA did an excellent job of staying on top of pricing and the SMS we put in place in 2021 saved us a lot of money.

Commission Roundtable

Commissioner Doyal inquired if TEA was able to do something different for SMMPA in regards to natural gas purchases similar to the SMS OPU has. Mr. Warehime will check with TEA noting SMMPA would not be able to have the same SMS as that is something only for smaller utilities.

Commissioner Kottke and Commissioner Johnson thanked staff for the Christmas party, noting they had a good time.

Adjournment

There being no business to come before the Commission, the meeting adjourned at 4:33 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator

BID TABULATION

Project: Tree Trimming Services

Project Bid #: 2022-001

Date/Time of Opening: 11/28/22, 1:00 p.m.

Work Order #: None

Budget Amt: \$410,000 (2023)

Acct. Number: 1.40.593.02

Vendor	Bid Security	Base Bid 2023	Base Bid 2024	Base Bid 2025	Total Bid (2023, 2024, 2025 Combined)
Carr's Tree Service **	Yes	\$404,674.92	\$422,903.52	\$441,743.02	\$1,269,321.46
From the Ground Up	Yes	\$414,295.70	\$427,696.10	\$441,096.50	\$1,283,088.30

** = Apparent Low Bidder

Bidders List

Project: Tree Trimming

Bid documents were furnished to the following prospective bidders:

Carr's Tree Service

From the Ground Up

Asplundh Tree Expert LLC – Bid documents provided, but no bid received

List of Ineligible Bidders:

None