

**CITY OF FAIRMONT
PUBLIC UTILITIES COMMISSION
AGENDA**

Tuesday, August 1, 2023

- 1 CALL TO ORDER
- 7:30 AM WASTEWATER TREATMENT PLANT

- 2 ROLL CALL
CHAIR WERRE _____
VICE-CHAIR MOLTZEN _____
SECRETARY JOHNSON _____
COMMISSIONER STRUSS _____
COMMISSIONER CHRIST _____

- 3 APPROVAL OF MINUTES (2 - 4)
-REGULAR MEETING JULY 18, 2023

- 4 OLD BUSINESS (5 - 6)
4.1 -Income statement analysis of Line Department (5 - 6)
4.2 - Approval of Schedule 2 (7 - 8)

- 5 NEW BUSINESS (9)
5.1 - Water meter replacement by Allegiant (9)
5.2 - Approve PO 14787 (10 - 12)
5.2 - Approve PO 14790 (13 - 18)

- 6 DATE AND TIME OF NEXT MEETINGS:
- REGULAR MEETING - TUESDAY, AUGUST 15, 2023
- WORK SESSION - TUESDAY, SEPTEMBER 5, 2023

- 7 ADJOURNMENT
- Tour of the Wastewater Treatment Facility



Fairmont Public Utilities Commission
August 1, 2023

Agenda Item: 3

From: Julie Zarling, Assistant Finance Director

To: Public Utilities Commission

Subject: PUC Minutes from Regular meeting on July 18, 2023

Policy/Action Requested:

Vote Required: Simple Majority Roll Call

Recommendation: Approval

Overview:

Budget Impact: N/A

Attachments: PUC Minutes Regular Meeting, July 18, 2023

PUC Action: _____ Date: _____

PUBLIC UTILITIES COMMISSION
REGULAR MEETING

Tuesday, July 18, 2023
7:30 AM
City Hall Conference Room
Meeting held in person

IN ATTENDANCE: Commissioners Moltzen, Johnson, and Struss

ALSO IN ATTENDANCE: Public Works/Utilities Director York, Electric Superintendent Heide, Water/Wastewater Superintendent Powers, Counselor Hasek

ABSENT: Commissioner Werre and Christ

Vice-Chair Moltzen called the meeting to order at 7:30 AM.

A motion was made by Mr. Johnson and seconded by Mr. Struss and carried to approve the June 20, 2023, regular meeting minutes.

Director York presented the financial and capital expense report and production stats for June 2023. Discussion with no action taken.

Director York presented the disbursements for June 2023. Discussion was held. A motion made by Mr. Johnson and seconded by Mr. Struss and carried to approve the June 2023 disbursements.

There was no Old Business.

Vice Chair Moltzen moved 7.5 to the first New Business item.

Dustin Opatz presented an overview of the 2022 Audit (Item 7.5). No action was taken.

Item 7.1 regarding the Approval of Average Retail Utility Energy Rate was presented, and the members of the Commission had a discussion. Commissioner Struss had questions about the cost of selling back to the consumer. There was also a request for more information on pricing and costs. Commissioner Struss made a motion, and Commissioner Johnson seconded to approve Schedule 1, and the motion passed 3-0. Commissioner Struss made a motion to table Schedule 2, and Commissioner Johnson seconded. Motion to table Schedule 2 passed.

Item 7.2 regarding DER 2023-0001 (Jack Siebring Contract and Interconnection Agreement); motion to approve by Commissioner Johnson, seconded by Commissioner Struss. Motion passed 3-0.

Item 7.3 regarding Approval of Electrical Department PO#14751 (CIP Substation Transformer Purchase); motion to approve by Commissioner Johnson, seconded by Commissioner Struss. Motion passed 3-0.

Item 7.4 regarding Approval of Electrical Department PO#14771 (CIP Replace High Voltage Switches); motion to approve by Commissioner Johnson, seconded by Commissioner Struss. Motion passed 3-0.

Water and Wastewater Superintendent Powers gave a status report on the Lime Pond Closure project, AMI Meter Issues, and the work done by staff at Wastewater Plant to decrease solids and improve mixed liquids to help the plant run more efficiently.

Electric Superintendent Heide gave status reports on burying lines in easements to reduce time and expenditures to repair during emergencies, the AMI meter report, and the potential of hiring a new employee.

There was no other business; it was moved by Commissioner Struss and seconded by Commissioner Johnson and approved to adjourn the meeting at 8:19 AM

ACTION ITEMS:

- 1) *Electric Department Net Income Loss during June 2023*
- 2) *Explanation of Schedule 2*

Brian Johnson, Secretary



Fairmont Public Utilities Commission
August 1, 2023

Agenda Item: 4.1

From: Julie Zarling, Assistant Finance Director
To: Public Utilities Commission

Subject: Income statement analysis of Line Department

Policy/Action Requested:

Vote Required: __ Simple Majority _____ Roll Call

Recommendation: Discussion

Overview:

At the July 18th PUC meeting, there were questions regarding the income statement for the Line Department. Julie will be presenting an analysis of the income statement comparing the first 6 months of 2022 to 2023.

Budget Impact: N/A

Attachments: Line Department purchase power and income statement detail.

PUC Action: _____ Date: _____

Purchase Power 2023 vs 2022 Comparison

	2023 DEMAND \$\$	2022 DEMAND \$\$	2023 ENERGY \$\$	2022 ENERGY \$\$	2023 ECA \$\$	2022 ECA \$\$	2023 SMMPA Bill	2022 SMMPA Bill	2023 WAPA Bill	2022 WAPA Bill	2023 Total Purchases	2022 Total Purchases
JAN	\$ 342,096.65	\$ 335,503.23	\$ 686,994.76	\$ 623,561.12	\$ (9,190.98)	\$ 7,800.38	\$ 1,019,900.43	\$ 966,864.73	\$ 9,228.02	\$ 7,911.22	\$ 1,029,128.45	\$ 974,775.95
FEB	\$ 342,096.65	\$ 335,503.23	\$ 622,709.19	\$ 557,719.42	\$ (370.53)	\$ 5,174.45	\$ 964,435.31	\$ 898,397.10	\$ 9,249.49	\$ 7,929.74	\$ 973,684.80	\$ 906,326.84
MAR	\$ 342,096.65	\$ 335,503.23	\$ 664,642.89	\$ 560,719.53	\$ 25,311.19	\$(10,367.84)	\$ 1,032,050.73	\$ 885,854.92	\$ 10,070.74	\$ 8,643.84	\$ 1,042,121.47	\$ 894,498.76
APR	\$ 342,096.65	\$ 335,503.23	\$ 584,718.06	\$ 513,482.30	\$ 37,970.30	\$ (5,227.09)	\$ 964,785.01	\$ 843,758.44	\$ 10,265.46	\$ 8,814.16	\$ 975,050.47	\$ 852,572.60
MAY	\$ 342,096.65	\$ 372,415.68	\$ 637,826.44	\$ 545,697.05	\$ (15,084.93)	\$(22,742.26)	\$ 964,838.16	\$ 895,370.47	\$ 7,375.84	\$ 6,331.29	\$ 972,214.00	\$ 901,701.76
JUN	\$ 392,138.15	\$ 430,253.58	\$ 748,737.90	\$ 655,472.85	\$ (21,194.87)	\$(26,950.48)	\$ 1,119,681.18	\$ 1,058,775.95	\$ 7,126.24	\$ 6,113.14	\$ 1,126,807.42	\$ 1,064,889.09
Totals	\$ 2,102,621.40	\$ 2,144,682.18	\$ 3,945,629.24	\$ 3,456,652.27	\$ 17,440.18	\$(52,312.84)	\$ 6,065,690.82	\$ 5,549,021.61	\$ 53,315.79	\$ 45,743.39	\$ 6,119,006.61	\$ 5,594,765.00
Difference \$	42,060.78		\$ (488,976.97)		\$ (69,753.02)		\$ (516,669.21)		\$ (7,572.40)		\$ (524,241.61)	

Income Statement 2023 vs 2022 Comparison

ELECTRIC DEPARTMENT	2023		2022		YTD	BUDGET	% BUDGET	YTD	BUDGET	% BUDGET	Difference
	JUN		JUN								
ELECTRIC DEPT REVENUE	\$ 1,401,395.53	\$ 7,763,815.28	\$ 17,082,910.00	\$ 0.45	\$ 7,807,413.21	\$ 17,231,820.00	\$ 0.45	\$ (43,597.93)			
PURCHASE POWER EXPENSE	\$ 1,134,632.19	\$ 6,156,387.98	\$ 12,869,582.00	\$ 0.48	\$ 5,625,666.47	\$ 11,735,206.00	\$ 0.48	\$ 530,721.51			
ELECTRIC DISTRIB EXPENSE	\$ 122,639.72	\$ 742,002.08	\$ 1,752,138.00	\$ 0.42	\$ 793,245.12	\$ 1,627,711.00	\$ 0.49	\$ (51,243.04)			
ELECTRIC ADMIN EXPENSE	\$ 59,524.30	\$ 333,166.01	\$ 719,070.00	\$ 0.46	\$ 287,262.15	\$ 705,018.00	\$ 0.41	\$ 45,903.86			
ELECTRIC DEPT MISC EXPENSES	\$ 42,567.07	\$ 279,913.33	\$ 687,039.00	\$ 0.41	\$ 325,572.19	\$ 706,631.00	\$ 0.46	\$ (45,658.86)			
TRANSFER OUT TO OTHER FUN	\$ 56,778.12	\$ 340,668.71	\$ 664,378.00	\$ 0.51	\$ 340,668.71	\$ 681,337.00	\$ 0.50	\$ -			
TOTAL ELECTRIC DEPT EXPEN:	\$ 1,416,141.40	\$ 7,852,138.11	\$ 16,692,207.00	\$ 0.47	\$ 7,372,414.64	\$ 15,455,903.00	\$ 0.48	\$ 479,723.47			
ELECTRIC DEPT NET INCOME (I	\$ (14,745.87)	\$ (88,322.83)	\$ 390,703.00	\$ (0.23)	\$ 434,998.57	\$ 1,775,917.00	\$ 0.24	\$ (523,321.40)			

* In our Purchase power spreadsheet, we do not include the transmission charges we pay to SMMPA. Those are included in the Purchase power expense line of the income stmt.



Fairmont Public Utilities Commission
August 1, 2023

Agenda Item: 4.2

From: Julie Zarling, Assistant Finance Director
To: Public Utilities Commission

Subject: Average Retail Utility Energy Rate – Schedule 2

Policy/Action Requested:

Vote Required: Simple Majority Roll Call

Recommendation: Approval

Overview:

Staff is requesting the PUC to approve Schedule 2 – Average Incremental Cost. this is the rate we pay our retail customer with DERs of 40kW and above for any net export. This amount is set and given to us by SMMPA.

Budget Impact: N/A

Attachments:

- 1. Schedule 2 – Average Incremental Cost

PUC Action: _____ Date: _____

SCHEDULE 2 – AVERAGE INCREMENTAL COST

Estimated Marginal Energy Costs (\$/MWh)						
		2023	2024	2025	2026	2027
Summer	On Peak	48.22	46.72	47.83	48.83	49.50
	Off Peak	31.68	25.97	27.54	28.77	29.81
	All Hours	39.29	35.52	36.88	38.00	38.87
Winter	On Peak	53.55	50.32	53.03	56.17	57.21
	Off Peak	39.82	37.22	37.60	38.40	39.85
	All Hours	46.14	43.24	44.70	46.57	47.84
Annual	On Peak	50.88	48.52	50.43	52.50	53.35
	Off Peak	35.75	31.60	32.57	33.59	34.83
	All Hours	42.71	39.38	40.79	42.29	43.35
Annual # hours on-peak:						
Description of season and on-peak and off-peak periods						
Summer:	April through September					
Winter:	October through March					
On-peak period:	6 am to 10 pm Monday through Friday except holiday (New Years, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day)					
Off-peak period:	All other hours					

Estimated Marginal Energy Costs

The estimated system average incremental energy costs are calculated by seasonal peak and off-peak periods for each of the next five years. For each seasonal period, system incremental energy costs are averaged during system daily peak hours, system daily off-peak hours, and all hours in the season. The energy costs are increased by a factor equal to 50 percent of the line losses.

The energy needs of Fairmont Public Utilities are served through its membership in Southern Minnesota Municipal Power Agency (SMMPA). SMMPA, in turn, is a member of the Midcontinent ISO (MISO). As a result, the municipal's incremental energy cost is equivalent to the MISO hourly Locational Marginal Price (LMP). Actual hourly LMP will vary significantly based on several parameters such as weather, energy demand, and generation availability. The table above represents a forecast of the MISO hourly LMP values averaged over each specific time period at the MISO Minnesota Hub.

Capacity Costs

SMMPA, Fairmont Public Utilities' wholesale supplier, has neither planned generating facility additions nor planned additional capacity purchases, other than from qualifying facilities, during the ensuing ten years, thus SMMPA and Fairmont Public Utilities are deemed to have no avoidable capacity costs.



Fairmont Public Utilities Commission
August 1, 2023

Agenda Item: 5.1

From: Julie Zarling, Assistant Finance Director
To: Public Utilities Commission

Subject: Water Meter replacement by Allegiant

Policy/Action Requested:

Vote Required: __ Simple Majority _____ Roll Call

Recommendation: Discussion

Overview:

Staff will discuss the water meter replacement by Allegiant.

Budget Impact: N/A

Attachments:

PUC Action: _____ Date: _____



Fairmont Public Utilities Commission
August 1, 2023

Agenda Item: 5.2

From: Brady Powers
To: Public Utilities Commission

Subject: Digester Improvements - Valves

Policy/Action Requested: Motion to approve purchase order #

Vote Required: Simple Majority Roll Call

Recommendation: Staff is recommending approval.

Overview: This project includes the purchase of three 6” Dezurik Plug valves with AUMA Actuator, three 6” swing check valves and 3 manual gate valves. Two of the valves have failed. These valves are approximately 20 years old.

\$ 65,414.00

PO # 14787

Budget Impact:

This project is included in the 2023 CIP Budget – Digester Improvements

PUC Action: _____ Date: _____

C I T Y O F L A K E S

II P.O. 14787



800 6th Street
 New Prague, MN 56071 USA
 Tel: (952) 758-9445
 Cell: (952) 221-9800
 Fax: (952) 758-9661

Quotation

Customer Name: Fairmont, MN

Quotation Date: 07/18/2023

Contact: Brady

Prepared By: Cory Malay

Lead Time: 8 - 10 Weeks

Quality Flow Systems is pleased to provide a quotation in accordance with your request and as follows:

Replacement Valves, WWTP;

This will consist of supplying the requested gate and check valves for the WWTP. Please see my itemized parts breakdown below.

Item	Description	Qty	Net Each	Total Net
1	Dezurik, Eccentric Plug Valve, 6", Cast Iron Body, SS Fasteners, Epoxy Paint, ANSI Flanges, AUMA Actuator On/Off Electric Motor Operator, 480/60/3, NEMA 4X Watertight Submersible Enclosure, Limit Switches, Torque Switches, Declutch able Handwheel Manual Override, Position Indicator <ul style="list-style-type: none"> • Freight 	3	\$12,563.00	\$37,689.00
2	Flowmatic, Model 745, 6" Swing Check Valve, Epoxy Coated Ductile Iron Const., Class 150, BUNA N Coated Disk, Class 150 ANSI Flanged	2	\$2,852.00	\$5,704.00
3	Flowmatic, Model 109 NRS, 8" Wedge Gate Valve, Epoxy Coated Ductile Iron Const., Bronze Stem, Class 150 ANSI Flanged	2	\$5,468.00	\$10,936.00
4	Flowmatic, Model 109 NRS, 6" Wedge Gate Valve, Epoxy Coated Ductile Iron Const., Bronze Stem, Class 150 ANSI Flanged (2 for discharge of pumps, 1 for grinder isolation)	3	\$3,695.00	\$11,085.00
	*Installation of item (1) by others		Total:	\$65,414.00 +any applicable tax



Fairmont Public Utilities Commission
August 1, 2023

Agenda Item: 5.3

From: Brady Powers
To: Public Utilities Commission

Subject: Digester Improvements – Feed Pumps

Policy/Action Requested: Motion to approve purchase order #

Vote Required: Simple Majority Roll Call

Recommendation: Staff is recommending approval.

Overview: This project will consist of supplying and installation of a new Allen Bradley motor control center and complete electrical for the new Borger pumps and grinders. The project includes two new control panels for forward/reverse operation on the grinders. Complete installation and electrical.

\$ 110,678.00

PO # 14790

Budget Impact:

This project is included in the 2023 CIP Budget – Digester Improvements

PUC Action: _____ Date: _____



CITY OF FAIRMONT
 100 DOWNTOWN PLAZA
 FAIRMONT, MN 56031
 507-238-9461 507-238-9044 (fax)

GL ACCOUNT NO. 602 00000 16200	PURCHASE ORDER NO. / WORK ORDER NO. 14790
VENDOR: Quality Flow	SHIP TO: WWTP

DATE ORDERED:	7/27/23	DATE REQUIRED:	
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QUANTITY	STOCK #	DESCRIPTION	PRICE	AMOUNT
1		WWTP MCC Modifications / Electrical Improvements		\$110,678,000.00
		Feed Pumps and Grinder Pumps Replacement		

PLEASE ENTER OUR ORDER FOR GOODS LISTED ABOVE. NOTIFY US IMMEDIATELY IF YOU ARE UNABLE TO COMPLETE BY DATE REQUIRED

SALES TAX EXEMPT

 AUTHORIZED SIGNATURE



800 6th Street
 New Prague, MN 56071 USA
 Tel: (952) 758-9445
 Cell: (952) 221-9800
 Fax: (952) 758-9661

Quotation

Customer Name: Fairmont, MN

Quotation Date: 04/04/2023

Contact: Dave Schiltz

Prepared By: Cory Malay

Lead Time: 10 - 12 Weeks

Quality Flow Systems is pleased to provide a quotation in accordance with your request and as follows:

Replacement Pump / Grinder with Optional Installation;

This will consist of supplying two new Borger rotary lobe pumps with two Borger grinders mounted on a common skid. These pumps and grinders are designed according to the existing Moyno pumps. I included two control panels for forward / reversing operation to run the grinders. I also included an optional installation of two pumps and grinders. Please see my itemized parts breakdown below.

Item	Description	Qty	Net Each	Total Net
1	<p>Borger, Model PL 300, 5hp, 208-230/460/3, 1800rpm Rotary Lobe Pump to Include:</p> <ul style="list-style-type: none"> • MIP (maintenance in place) fitted pump • One-piece block casing from grey cast iron • Dual Lobe Screw Form Rotors, NBR • Radial and axial casing liners • Maintenance free single acting seals • 8" ANSI Inlet flange (galvanized) • 8" ANSI Discharge flange (galvanized) • Nord inline helical reducer with SK22-180TC-5.18,1750rpm/338rpm • 5hp Weg premium efficiency motor, TEFC • Flexible coupler with guard <p>Borger, Model HPL 300, 7.5hp, 208-230/460/3, 1800rpm Multicrusher to Include:</p> <ul style="list-style-type: none"> • MIP (maintenance in place) fitted pump • One-piece block casing from grey cast iron • Individually Replaceable Hardened Steel 	2	\$32,362.00	\$64,724.00

Item	Description	Qty	Net Each	Total Net
	<p>Cutter Blades</p> <ul style="list-style-type: none"> • Hardened Radial and axial casing liners • Maintenance free single acting seals • 8" ANSI Inlet flange (galvanized) • 8" ANSI Discharge flange (galvanized) • Nord inline helical reducer with SK22-180TC-5.18,1750rpm/338rpm • 7.5hp Weg premium efficiency motor, TEFC • Flexible coupler with guard • Complete assembly for pump and grinder mounted to a galvanized frame <p>Qty <u>Description; Start-up & Training</u></p> <p>A/R Onsite start-up of pump</p> <p>1 Freight</p>			
2	<p>Grinder Control Panel (utilizing 3.5-inch color touchscreen controller); Simplex grinder control panel for operation on 460 Volt, 3-Phase, 3-Wire, 60-Hz incoming service. The enclosure is single-door, NEMA 4X, 304 Stainless Steel, measuring 20"H x 16" W x 8" D. Steel (painted white) component chassis will be provided. The system will provide control for two (2) up to 10 HP Borger reversing grinder in response to start/stop command by operator or other equipment. To include:</p> <ul style="list-style-type: none"> • Main Disconnect; MSP; 460VAC; with adjustable OL; interlocked with enclosure door • Transformer; Control Power; 75VA; with fusing • PLC; with 3.5-inch Color Touchscreen • E-Stop pushbutton; Red • Switch; 3-Position; (Local-Off-Remote) • Provisions for shut-down and start/stop by external equipment • A/R Control Relay; 1PDT; 120VAC; w/ Indicating Light • Ground Lug • 2 Motor Contactors; Reversing; IEC; sized for load; with mechanical and electrical interlock • 2 Current Sensor; analog; 0-10VDC; (fault-shutdown system upon grinder overcurrent) 	2	\$5,847.00	\$11,694.00

Item	Description	Qty	Net Each	Total Net
	<ul style="list-style-type: none"> • A/R Terminal Block; Single; 18-10AWG • A/R Alarm & Status Contacts wired to terminals • A/R UL508A Serialized listing • A/R Wiring diagrams, bills of material, equipment data sheets, etc. Installation of Control Panel not Included			
3	<p>Optional Installation to Include (2 Pumps & 2 Grinders):</p> <p><u>Description; Installation of Listed Equipment</u></p> <ul style="list-style-type: none"> Removal / disposal of existing pumps Pour New Slabs Installation of above listed equipment A/R Ductile Iron Pipe / 90's / Reducers A/R Gaskets / Hardware A/R Flange acc. kits A/R Freight to jobsite Installation Labor Freight 			\$14,700.00

Terms:

Quotation is valid for 30 days. Based upon Quality Flow Systems Standard Terms and Conditions of Sale; copy provided upon request.

If you have any other questions or concerns, please give me a call.

Thanks for the opportunity,
 Cory Malay
 (952) 221-9800



800 6th St. N.W.
 New Prague, MN 56071
 Office: (952) 758-9445
 Fax: (952) 758-9661

Quotation			
To:	<u>Fairmont, MN</u>	Date:	<u>07/18/2023</u>
		From:	<u>Cory Malay</u>
Attn:	<u>Brady</u>	Phone:	<u>(952) 221-9800</u>

Re: Fairmont, MN; WWTP MCC Mods / Electrical Installation

Item A

MCC Modifications / Complete Electrical Installation;

This will consist of supplying and installing a new Allen Bradley Motor Control Center bucket, along with complete electrical installation for the Borger pump and grinder project. Please see my itemized parts and labor breakdown below.

To include:

<u>Qty</u>	<u>Description</u>
1	Allen Bradley, Rockwell Automation; Centerline 2100 Motor Control Center bucket to include: Dual 15A FCB bucket, dual operator handles for each breaker, (2) 3-pole 480/3 thermal magnetic breaker, plug in style bucket, rating of 125A, includes engraved nameplates
1	Remove blank cover from empty MCC bucket and install above listed bucket into existing MCC, reidentify cabinet
1	Demo existing electrical system
1	Install new conduits and electrical for (2) 5hp pumps and (2) 5hp grinders
1	All wiring to be fed from MCC using existing underground conduits and or new rigid / liquid tight conduit
1	Feed (2) 5hp pumps from existing disconnect and H-O-A systems
1	Feed (2) 5hp grinder control panels from MCC bucket
1	Mount grinder control panels, to be located near grinders either on concrete wall or stainless-steel strut rack system
1	Connect all motor points on pumps and grinders, includes liquid tight conduit into motor entry
1	Disconnect and eliminate unused control panel for existing grinder
1	Electrical permit and associated fee's
1	All wiring will be completed and inspected according to the national electric code-NEC
1	Includes misc. fittings, clamps, hardware, etc.
1	Installation Labor
1	Freight to Jobsite

Total Sell Price for Item A is \$19,560.00 (any applicable taxes)