

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
July 31, 2012

Members Present: Mr. Williams, Mr. Reichert, *Mr. Stahl, Mr. Wojcik and Mr. Browning
Absent:
Also Present: Mr. Adkins, City Attorney

Board President Williams called the meeting to order at 4:00 PM.

1. Mr. Williams said that he wished to make a few comments in memory of Denny Hanson, Council President and Utility Board member. He described him as a valued community leader, board member, colleague and friend who cared deeply for the City. Mr. Hanson always spoke highly of RPU and very much enjoyed serving RPU employees at the annual employee recognition event. He also said that Denny would want all he served to move forward. He will be sorely missed.

Mr. Williams introduced Michael Wojcik as the new Council liaison on the Board.

2. Mr. Reichert moved to approve the minutes of the June 26, 2012 meeting, seconded by Mr. Browning.

3 Voting "AYE" (Mr. Reichert, Mr. Browning, Mr. Williams)
1 "Abstain" (Mr. Wojcik)
Motion Carried

3. Mr. Wojcik moved to approve the payables report, seconded by Mr. Reichert.

All voting "AYE"

4. Mr. Williams opened the meeting for comments from the public.
 - a. Wishing to be heard was Wayne Norrie. Mr. Norrie wished to discuss the new water tank. He asked why there were no neighborhood groups involved in the discussions. He also asked how neighborhood groups could be involved. Mr. Williams informed him that staff is involved in the discussions and not the Board at this time. Mr. Norrie said he would like input before the decision is made. He asked for a more open process for public involvement. Mr. Wojcik said major capital expenditures go to the City Council for approval and that the Utility Board is an advisory board.

Mr. Norrie mentioned that at Disneyworld the water system is not visible. In the City of Rochester, it does not matter where the water tank site is located because it's still a tank. If the huge industrial tank is built at Saint Marys Hill, it will be the first thing visitors will see when they come to town. He asked the Board to

look at other solutions.

Mr. Wojcik said the Utility Board is a public body. Mr. Koshire said the public has been involved throughout the process. Mr. Koshire pointed out that several concerned citizens have been coming to board meetings and expressing their concerns about the water storage project since January of this year when this topic was presented at a board meeting. Their names and comments are part of the board meeting minutes and posted on RPU's web site. The RPU web contains the consultant reports discussed at the meetings along with numerous presentations. When staff's recommendation is brought back to the Board, it will also be an open process. Mr. Williams stated that the Board had no intention of rushing this decision.

* Mr. Stahl entered the meeting at this time.

- b. Wishing to be heard was Judge Kevin Lund. Judge Lund asked who the Board was talking to at the Mayo Clinic. He said that historically things have been done administratively before the decision is done. He expressed concern about what has been happening behind the scenes by non-elected officials. He asked what engineering alternatives were available. He believes the least intrusive alternatives should be addressed.
- c. Wishing to be heard was John Kruesel. Mr. Kruesel requested that the public see drawings of what the actual structures would look like. He described Rochester as a "think tank." He asked if it would be prudent to deal with the issue of "gray water" which needs to be separate from drinking water.

Mr. Williams thanked the individuals for their comments.

- 5. The quotations received for RPU's Service Center's custodial services were discussed. Proposals from five vendors were considered. The best value proposal was selected. Mr. Browning moved to approve a contract agreement with Arnolds Supply & Kleenit, seconded by Mr. Reichert.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Arnolds Supply & Kleenit Company, and request the Mayor and the City Clerk to execute the agreement for

RPU Service Center Custodial Services Contract

- 6. The replacement and upgrade of the core computer switches in RPU's network infrastructure was discussed. The replacement would also provide additional bandwidth, increased reliability, and greater scalability for the growth of RPU's network

infrastructure in the next 10 years. The intent of the technology is consistent with the recommendation in the McGladrey study. The cost of the project includes a zero percent lease agreement with Key Government Finance and related equipment costs. The state contract will be used for the purchase. Mr. Browning moved to approve en bloc two resolutions for the lease agreement and equipment purchase required for the core switch replacement project, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a contract agreement with Key Government Finance, Inc., subject to review by the City Attorney, and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Capital Lease for Core Network Switch Replacement and Upgrade

The amount of the contract agreement to be SEVEN HUNDRED NINETY FIVE THOUSAND ONE HUNDRED SEVENTY ONE AND 10/100 DOLLARS (\$795,171.10) payable in Annual installments of \$265,057.03 subject to Board and Council approval of the RPU budget for future years.

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a purchase order with Enventis for

Equipment & Maintenance for Core Network Switch Replacement & Upgrade

The amount of the purchase to be SEVEN HUNDRED TWENTY NINE THOUSAND SIX HUNDRED SEVENTY ONE AND 10/100 DOLLARS (\$729,671.10).

7. Mr. Koshire provided the following report to the Board:
 - a. RPU staff is beginning work on the preliminary 2013 budget. RPU hopes to have no electric or water rate increases next year, but this is not finalized.
 - b. There will be a special board meeting on August 7 at 4:00 p.m. to discuss the 2012 update to RPU's infrastructure plan.
 - c. RPU's lobby remodeling project has been completed. The design encourages customer interaction while providing for improved safety and security.
 - d. A financial update for the second quarter was provided.
8. The management reports were discussed.
9. Mr. Stahl moved to adjourn the meeting, seconded by Mr. Browning.

All voting "AYE"

The meeting adjourned at 5:10 p.m.

Submitted by:

Kathleen Wilson
Secretary

Approved by the Board:

James Williams
Board President
8/28/12
Date