

ROCHESTER PUBLIC UTILITIES  
BOARD MEETING MINUTES  
January 29, 2013

Members Present: Mr. Williams, \*Mr. Reichert, Mr. Stahl, Mr. Wojcik and Mr. Browning  
Absent: None  
Also Present: Mr. Adkins, City Attorney

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

- 1.a. Mr. Stahl moved to nominate Mr. Jerry Williams as Board President for the upcoming year. No further nominations were made.

Mr. Stahl moved to close the nominations, seconded by Mr. Browning.

All voting "AYE"

Mr. Wojcik seconded the motion to nominate Mr. Williams as President.

All voting "AYE"

- 1.b. Mr. Williams appointed Kathy Wilson as Board Secretary.

- 1.c. Mr. Williams made the following Board assignments:

- Legal and Policy – Mr. Stahl
- Strategic Planning and Communications – Mr. Browning
- Finance, Accounting and Audit – Mr. Reichert
- Operations and Administration – Mr. Williams
- Council Liaison – Mr. Wojcik

2. Mr. Browning moved to approve the minutes of the January 23, 2013 meeting, seconded by Mr. Wojcik.

All voting "AYE"

3. Mr. Stahl moved to approve the payables report, seconded by Mr. Browning.

All voting "AYE"

\*Mr. Reichert entered the meeting at this time.

4. Mr. Williams opened the meeting for comments from the public. No one wished to be heard.

- 5a. Mr. Schlink, Director of Power Resources, and Mr. Dzubay, Manager of Power Resources, gave an update on the engine generator bids. The budgetary number was initially a place keeper in the budget. After further review, it was determined the engines did not meet emissions requirements which resulted in a higher project price.

The Board asked why no more bids were received. Mr. Schlink explained that the deadline of the project and working with a list of approved vendors was the reasoning. Mr. Schlink also said that he is comfortable with the company and their bid proposal along with their ability to complete the project by the May 3 deadline.

Mr. Browning moved to approve the installation of a diesel oxidation catalyst and continuous parametric monitoring system for the generator sets at IBM, seconded by Mr. Wojcik.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with HiMEC, Inc. and to request the Mayor and the City Clerk to execute the agreement for

INSTALLATION OF DIESEL OXIDATION CATALYST AND  
CONTINUOUS PARAMETRIC MONITORING SYSTEM

The amount of the contract agreement to be TWO HUNDRED EIGHTY-EIGHT THOUSAND SEVEN HUNDRED TWENTY SEVEN AND 00/100 DOLLARS (\$188,727.00) and HiMEC, Inc. being lowest responsible bidder.

- 5b. Mr. Johnson, Manager of Water Maintenance and Construction, discussed the bids received for the water storage tank repair/repainting. Mr. Reichert moved to approve water storage tank repair/repainting at Arnold's high level tower #88, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Rory Grangruth dba Tri-State Coatings, and to request the Mayor and the City Clerk to execute the agreement for

WATER STORAGE TANK REPAIR/REPAINTING  
(100,000 gallon Arnold's High Level Tower #88)

The amount of the contract agreement to be ONE HUNDRED THIRTY ONE THOUSAND TWO HUNDRED AND 00/100 DOLLARS (\$131,200.00), and Rory Grangruth dba Tri-State Coatings being lowest responsible bidder.

- 5c. Mr. Kotschevar, Director of Core Services, gave an update on the bids for lump sum tree trimming. Only two bids were received. RPU has been satisfied with the work done by Wright Tree Service this past year. There is some catch up tree trimming to be done and a vegetation management consultant has created a four or five year tree trimming cycle for RPU. Mr. Wojcik also asked if RPU has been in contact with the City forester. Mr. Kotschevar stated RPU has worked closely with Mr. Ryg.

Mr. Stahl moved to approve the lump sum tree trimming, seconded by Mr. Wojcik.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Wright Tree Service, Inc. and to request the Mayor and the City Clerk to execute the agreement for

#### LUMP SUM TREE TRIMMING

The amount of the contract agreement to be TWO HUNDRED THIRTY-SIX NINE HUNDRED FORTY SIX THOUSAND AND 00/100 DOLLARS (\$236,946.00) and Wright Tree Service, Inc. being lowest responsible bidder.

#### 6. CapX Financing

Ms. Parker, Director of Corporate Services, presented information on outstanding issues related to CapX financing. There is an uncertainty of the final cost estimate for the project. Three financing options were given: short-term financing which carries a market movement risk; long-term financing; and a blended approach. The blended approach is the recommended approach from staff and Springsted. Current interest rates were discussed. Mr. Wojcik commented that it would be nice to be able to take advantage of some of the low rates. The plan is to have two bond issuances. More details will be presented at the February board meeting. It was the consensus of the Board to direct staff to proceed with gathering additional information on the blended approach plan for discussion at the February meeting.

7. Mr. Rovang, Senior Civil Engineer, gave an update on the proposed seven amendments to seven T-Mobile site agreements. He commented that the amendments reflected upgrading of equipment and antenna additions at each site to provide 4G cellphone service. Mr. Rovang also noted the City Attorney had been involved in the extended negotiations related to the amendments because T-Mobile was reluctant to agree to the increased annual site rents. Mr. Wojcik moved to approve the amendments to seven T-Mobile site agreements, seconded by Mr. Browning.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the attached seven (7) Amendments to the T-Mobile Central, LLC Site

Agreements for the seven (7) sites listed below, and to request the Mayor and the City Clerk to execute those Amendments.

- 1) Golden Hill Water Tower Site
- 2) Northern Heights Standpipe Site
- 3) John Adams Water Tower Site
- 4) Saint Marys Water Tower Site
- 5) Country Club Water Tower Site
- 6) North Park Water Tower Site
- 7) Rose Harbor Water Tower Site

8. Mr. Rovang presented a status report for the 4<sup>th</sup> street reservoir replacement project. He noted that RPU's proposed reservoir site layout submittals and Mayo's responses had been exchanged during the time period from December through today's meeting date.

The two major issues being discussed were the amount of Saint Marys Hospital property to be made available for temporary construction activities, and the diameter of the reservoir. RPU had been requesting a larger diameter reservoir (with higher floor elevation) which would extend beyond the existing site lease area, but Mayo was not receptive. Mr. Wojcik suggested being very cautious about an increased reservoir diameter in the context of neighborhood reaction, and to keep the neighborhood informed of the project progress.

Mr. Williams asked about the schedule for CUDE Committee involvement, and was told it would take place soon after the reservoir detailed design began. Mr. Rovang said Park Department staff had been updated on the project status. Mr. Koshire noted the application for a variance from certain site zoning requirements would need to be submitted soon and would require Mayo, as owner of the reservoir site, to also sign the application. Proceeding with final design of the replacement reservoir project at this time was needed if the project was to be completed as currently planned. Mr. Reichert asked about the proposed design fee. Staff stated the proposed consultant fee was appropriate for the proposed level of professional design services to be provided, and was within the amount included in the preliminary project cost estimate.

Mr. Wojcik moved to approve the engineering services contract for the design of the 4<sup>th</sup> Street reservoir replacement, seconded by Mr. Reichert.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the contract for professional engineering services with TKDA in the amount of two-hundred-sixty-three-thousand-eight-hundred dollars (\$263,800), and to request the Mayor and the City Clerk to execute the contract for

Final design and inspection services related to the 4<sup>th</sup> St SE Reservoir  
Replacement Project

- 9. The General Manager provided the following report to the Board:
  - a. The Environmental Achievement Awards were recently given. This continues to be a good event for RPU. Mr. Wojcik made a suggestion regarding the possibility of a municipal awards banquet in the future.
  - b. RPU has been conducting safety and security drills with employees including fire, bomb, and robbery drills.
  - c. RPU had a successful bond sale last week.
  - d. Ms. Parker is working on preparing the decommissioning costs for SLP.
  - e. Mr. Kotschevar presented graphs highlighting the 2011 reliability numbers between several investor-owned utilities and RPU.

At 5:03 p.m. Mr. Williams announced that there would be short recess while the Board left the room to have their pictures taken for RPU's annual report. At 5:08 p.m., Mr. Williams called the meeting to order.

- 10. The management reports were discussed.
- 11. Mr. Stahl moved to adjourn the meeting, seconded by Mr. Reichert.

All voting "AYE"

The meeting adjourned at 5:23 p.m.

Submitted by:

*Lana Anderson*  
Acting Secretary

Approved by the Board:

*Jeff Williams*  
Board President  
2/26/13  
Date