

ROCHESTER PUBLIC UTILITIES  
BOARD MEETING MINUTES  
May 28, 2013

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

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

1. Mr. Wojcik moved to approve the minutes of the May 14, 2013 meeting, seconded by Mr. Browning.

All voting "AYE"

2. Mr. Reichert moved to approve the accounts payables, seconded by Mr. Wojcik.

All voting "AYE"

3. Mr. Williams opened the meeting for comments from the public. No one wished to be heard.
- 4a. A revised For Board Action and resolution were distributed during the meeting to correct the dollar amount to be paid to DNTank, Inc. They remained the lowest responsible bidder for the reservoir project.

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

Mr. Wojcik asked if a longer construction period would incur greater savings. Mr. Rovang, Senior Civil Engineer, said he had talked to the contractor about potential savings and was told that one more week would be worth a \$25,000 deduction and not much more after that. Mr. Wojcik asked if any curbs on lawn watering would be needed. Mr. Rovang said he did not believe this would be needed.

Mr. Wojcik asked for a layout of the pre-fab pieces that he could show the neighbors. Mr. Rovang said he would accommodate this request. Mr. Reichert asked if the design was done. Mr. Rovang said he was still working with Rochester's Committee on Urban Design and Environment (CUDE) on this. Mr. Wojcik said there was a neighborhood meeting on June 13 at 7:00 p.m. at Zumbro Lutheran if Mr. Rovang wished to attend. Mr. Browning asked when demolition and tree replacement would be done. Mr. Rovang said they would be done this fall. He also said that many of the park trees had suffered due to the heavy snowfall. Mr. Williams said that the Board will do what is right for the neighborhood. He feels that RPU's budget can accommodate the project and that the Board has performed due diligence in reviewing the matter. Mr. Stahl moved to approve a contract agreement with DNTank, Inc., 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 DNTank, Inc., and to request the Mayor and the City Clerk to execute the agreement for the

3.3 Million Gallon Reservoir Project - Phase 2 (Reservoir)  
to include  
7/15/2013 Construction Start and Alternate Bid Items 1, 2, 3 and 4

The amount of the unit price contract agreement to be THREE-MILLION-FIFTY-THREE-THOUSAND FIVE HUNDRED FIFTY AND NO/100 DOLLARS (\$3,053,550.00) and DNTANK, INC. being lowest responsible bidder.

BE IT FURTHER RESOLVED by the Public Utility Board to approve staff to manage project change orders using the existing approval structure and authorization levels.

- 4b. Mr. Rovang informed the Board that construction of a new Municipal Well No. 41 is necessary to provide for water demand in the east and southeast parts of the Main Level Service Area, which includes the University Center Rochester, the Marion Road SE area, and the east portion of the center City area. The proposed well will also reduce operating times for Wells 27, 28 and 30 which are approaching 70% average annual runtime (seventeen - eighteen hours per day) and near-continuous operation during the peak summer months. Mr. Reichert moved to approve a contract agreement for the construction of the well, 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 E.H. Renner & Sons, Inc., and to request the Mayor and the City Clerk to execute the agreement for the

Construction of Municipal Well No. 41

The amount of the unit price contract agreement to be TWO-HUNDRED-FIFTY-SEVEN-THOUSAND-SIX-HUNDRED FIFTY AND NO/100 DOLLARS (\$257,650.00) and E.H.Renner & Sons, Inc., being lowest responsible bidder.

BE IT FURTHER RESOLVED by the Public Utility Board to approve staff to manage project change orders using the existing approval structure and authorization levels.

5. The amendments to five antenna site agreements were discussed. A formula is used for site rents to ensure uniformity. Mr. Rovang said that he showed Mr. Adkins some changes to the agreements that had been made just prior to the board meeting. Mr. Adkins said that the changes were technical in nature and non-substantive. He recommended that the Board

proceed with approving the agreements. Mr. Reichert moved to approve the 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 five (5) Amendments to the New Cingular Wireless PCS, LLC (AT&T) Site Agreements for the five (5) sites listed below, and to request the Mayor and the City Clerk to execute those Amendments.

- 1) Baihly Water Tower Site
- 2) Airport Water Tower Site
- 3) Southeast Water Tower Site
- 4) Willow High Water Tower Site
- 5) Saint Marys Water Tower Site

6. The 2012 Water Engineering & Operations Report was presented to the Board. Mr. Rovang discussed the topics of capital projects, maintenance projects and projected water use with the Board. This included planning for the 3.3 million gallon replacement water reservoir to be located at 4<sup>th</sup> Street and 10<sup>th</sup> Avenue SW, and the design of Municipal Well No. 41 which will improve fire flow capacity at the University Center Rochester and reduce run times on Wells Nos. 27 and 30. The schedule for water storage tank maintenance was also included in the report. Mr. Rovang mentioned that RPU had received the Minnesota Department of Health Fluoridation Award for 2009, 2010 and again in 2011. He also said that in 2012, RPU's water system pumped an average of 13.2 million gallons per day, the highest since 2007.

Mr. Osweiler, Environmental & Regulatory Affairs Coordinator, distributed RPU's 2012 Water Quality Report and provided a water environmental update. As part of its Wellhead Protection Plan, RPU and Olmsted County are working jointly on the results of the wellhead protection area delineation and the inventory of potential contaminants that could impact each well's drinking water supply management area (DWSMA).

RPU, Olmsted County, the Minnesota Geological Survey (MGS) and the United States Geological Survey (USGS) have contributed more than \$500,000 to conduct a five-year groundwater management study which is intended to help RPU further understand the Prairie du Chien-Jordan Aquifer supplying the City's water. In 2012, RPU received a Source Water Protection Award from the Minnesota Department of Health.

In 2013 RPU plans to participate in a water sustainability study to help RPU better manage and conserve our groundwater resource for future generations for the City of Rochester by partnering with other agencies (DNR, MDH, MGS and USGS).

As part of the DNR Water Supply Plan, RPU has implemented a water conservation

program. The program is broken into four main areas:

- a. Water Rebates
- b. Educational and Promotional Activities
- c. Lead Detection
- d. Water Conservation Rates.

RPU promotes water conservation throughout the year at a variety of events including the Home Show, Annual Water Quality Report, RPU Plugged In newsletter, RPU Web Page, Drinking Water Week, school and service club presentations, and the annual Arbor Day celebration.

RPU has partnered with Cascade Meadow Wetlands and Science Center, a new environmental learning center that opened in June 2011. As a major partner, RPU has developed four educational exhibits helping our customers learn more about our water source with a focus on protection and conservation.

Mr. Hensel, Director of Field Services, told the Board that staff has been evaluating the efficiency of water quality using watering days. Mr. Williams said that he fully supports the Water Engineering and Operations Report's statements about the need for a better understanding of water sustainability and the education efforts that could support water conservation. Mr. Hensel said hydrology experts have said that we need a long record of data to draw conclusions. He anticipates this will take the next five to ten years to develop. He also said that we need monitoring wells located away from the producing wells.

7. Mr. Anderton, Manager of Engineering, discussed the 2012 Electric Engineering and Operations Report with the Board. RPU added 583 new customers in 2012. At the end of 2012, there were a total of 49,990 electric customers. RPU set a summer peak of 288.0 megawatts in 2012 compared to the record high peak of 292.1 megawatts which was set in 2011. Mr. Anderton presented information on the number of customers per year since 2003 along with the average megawatt-hours used by customers during this same timeframe. Electric system reliability and net energy were also presented and discussed.
8. As part of its annual report to the Public Utility Board, Mr. Schlink discussed RPU's Renewable Energy Objective for 2012. The report stated:
  - Retired Certificates 457-MN-06-2008-2164-732 to 945, 457-MN-07-2008-2500-1 to 646, 456-MN-07-2008-2790-448 to 500, 374-MN-09-2008-3141-2 to 7, and 456-MN-11-2008-3977-1 to 489.
  - Total of 1,089 Renewable Energy Certificates
  - 12% of 9,074 MWhr's (RPU load over CROD, per MISO)
9. General Manager's Report.
  - a. Mr. Schlink, Director of Power Resources, informed the Board that the Council approved the Silver Lake Plant Power Resources incentive plan. Staff is currently working with union business agents on a Memorandum of Understanding which

they hope to present to the Board at its June 25 meeting.

- b. Mr. Koshire attended a strategic planning session with the Southern Minnesota Municipal Power Agency board and staff.
  - c. Mr. Schlink said the last coal delivery arrived at Silver Lake Plant today.
  - d. Mr. Hensel, Director of Field Services, provided the following legislative update to the Board.
    - The Energy Bill became the Jobs Bill with solar standards for 2020 for investor-owned utilities. The goal is to have 10% solar energy by 2030.
    - Through the Finance Bill, funding for groundwater monitoring may be available to local cities.
    - Under the Sales Tax Bill, the water utility will save \$118,000 per year. The electric utility does not qualify for this.
  - e. Mr. Kotschevar, Director of Core Services, said staff plans to attend a CapX ground breaking near Pine Island on June 7. A quorum of the Board will not be present at this event.
  - f. Ms. Parker, Director of Corporate Services, said the Electric Revenue Series 2013B bond sale closing will be on Wednesday. RPU will reimburse itself \$3.5 million at that time.
10. The management reports and financials were discussed.
  11. Other Business: Mr. Williams announced that the Board would have an informal planning session following the June 25 board meeting, but would take no action on the items discussed.
  12. Mr. Reichert moved to adjourn the meeting, seconded by Mr. Wojcik.

All voting "AYE"

The meeting adjourned at 5:45 p.m.

Submitted by:

Kathleen Wilson  
Secretary

Approved by the Board:

Jerry Williams  
Board President

6/25/13  
Date