

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
May 14, 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 April 30, 2013 meeting as corrected; seconded by Mr. Stahl.

All voting "AYE"

2. Mr. Williams opened the meeting for comments from the public. Mr. Schlink, Director of Power Resources, informed the Board that Austin Utilities, Owatonna Public Utilities and Rochester Public Utilities along with Minnesota Energy Resources and the Minnesota Center for Energy and Environment had received a Certificate of Recognition for Exemplary Programs to Energy Efficient Cities from the American Council for an Energy-Efficient Economy (ACEEE). Ms. Stephanie Humphrey, Residential Account Representative received the certificate on behalf of RPU. The certificate states that these programs helped customers realize greater levels of energy efficiency. ACEEE was founded in 1980 by leading researchers in the energy field and acts as a catalyst to advance energy efficiency policies, programs, technologies, investments, and behaviors.
3. Mr. Schlink discussed the proposed retirement/resignation incentive program for Power Resources employees at the Silver Lake Plant with the Board. The aggregated savings resulting from the program would occur over a three year period. He has received positive feedback from the Silver Lake Plant staff on this matter. Ms. Hillenbrand, Director of Human Resources, said staff is interested in participating in this program. Mr. Browning asked about the next steps. Mr. Schlink said the employees need to decide on participation in a Health Care Savings Account (HCSA) by voting on a Memorandum of Understanding which would be brought to the Board at a later date. Mr. Browning moved to approve the program, seconded by Mr. Wojcik.

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 authorize the Silver Lake Plant Retirement/Resignation Incentive Program as described in the following documents:

- City of Rochester and Rochester Public Utilities 2013-15 Early Retirement / Resignation Incentive Program for Retirement Eligible Employees at the Silver Lake Plant

- City of Rochester and Rochester Public Utilities 2013-15 Early Retirement / Resignation Incentive Program Participation Agreement and General Release Form

BE IT FURTHER RESOLVED by the Public Utility Board to fund the Silver Lake Plant Retirement/Resignation Incentive Program through appropriate RPU reserves in accordance with utility policy.

4. The bids for Phase 1 (watermain improvements) of the 3.4 million gallon reservoir project were discussed.

* Mr. Reichert entered the meeting at this time.

A revised For Board Action form was distributed during the meeting because the Elcor Construction bid amount was incorrectly transferred to the form from the bid tab. This error did not affect the lowest responsible bid result. Mr. Rovang, Senior Civil Engineer, said the City Council had approved the zoning variances necessary for the construction of the replacement reservoir to be located near the intersection of 4th Street and 10th Avenue SW. He also said the Park Board approved the proposed locations of the replacement watermains in the Saint Marys Park area so that construction of this project can now proceed. The watermains are to be installed in early July when construction of the replacement reservoir is scheduled to begin. Mr. Reichert asked who approves the final appearance of the reservoir. Mr. Rovang said that the Committee on Urban Design and Environment (CUDE) will be the group that determines the final design. Mr. Wojcik said CUDE is well-respected by the neighborhood. Mr. Wojcik moved to approve the watermain improvements, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a unit price contract agreement with JECH EXCAVATING, INC, and to request the Mayor and the City Clerk to execute the agreement for

3.4 Million Gallon Reservoir Project - Phase 1 Watermain Improvements

The amount of the unit price contract agreement to be THREE-HUNDRED-FOUR-THOUSAND-THREE-HUNDRED-SEVENTY-TWO AND 90/100 DOLLARS (\$304,372.90) and JECH EXCAVATING, 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. Mr. Anderton, Manager of Engineering, discussed the CapX Joint Prosecution Agreement Supplement with the Board. The original agreement was signed in 2006. The Agreement allows individual Counsels from each participating Utility to jointly share materials in the process of successfully completing the necessary Certificates of Need and "Other Regulatory Proceedings" for the construction of the projects. The Supplement to the

original agreement adds additional clarifications to the Agreement and is a subset of the Agreement. Mr. Adkins said that there are many parties involved in CapX and this agreement is needed. Certain parts are confidential. He also said that "Other Regulatory Proceedings" was amended to include the tasks that are to be done. He concluded by saying that this is a good agreement to have for the City. Mr. Stahl moved to approve the Supplement, seconded by Mr. Reichert.

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 the following agreement with the Twin Cities - Rochester - La Crosse CapX project participants and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Joint Prosecution Agreement Supplement

- 6. General Manager's Report.
 - a. Mr. Koshire said the final sale of the 2013B Electric Revenue Bonds produced a very good interest rate of 3.638%. The amount funded was \$40 million.
- 7. Mr. Wojcik moved to adjourn the meeting, seconded by Mr. Reichert.

All voting "AYE"

Mr. Williams announced that following the meeting, the Board would have an informal planning session but would take no action on the items discussed.

The meeting adjourned at 4:30 p.m.

Submitted by:

Kathleen Wilson
Secretary

Approved by the Board:

Greg Williams
Board President

5/28/13
Date