

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
January 27, 2004

Members Present: Mr. Hunziker, Mr. Jibben, Mr. Utz, Mr. Landwehr, * Ms. Parker
Absent: None
Also Present: ** Mr. Adkins, City Attorney

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

1. Mr. Hunziker moved to nominate Mr. Landwehr for Board President for 2004, seconded by Mr. Utz.

All voting "AYE"

Board President Landwehr recommended the following appointments to serve as board-management liaison for the functions listed below:

Finance, Accounting and Audit – Ms. Parker
Communications – Mr. Hunziker
Strategic Planning – Mr. Landwehr
Operations and Administration – Mr. Jibben
Policy – Mr. Utz

2. Mr. Jibben moved to nominate Kathy Wilson as Board Secretary, seconded by Mr. Utz.

All voting "AYE"

3. Mr. Utz moved to approve the minutes of the December 30, 2003 meeting, seconded by Mr. Jibben.

All voting "AYE"

4. Mr. Utz moved to approve the accounts payable report, seconded by Mr. Jibben.

Four voting "AYE"

Ms. Parker stated she would vote for payables not associated
with Olmsted County due to her position with the County
Motion Carried

5. Mr. Landwehr opened the meeting for comments from the public. No one wished to be heard.

6. From the mid-1980's through the end of 2003, the Utility Board has approved a total of \$650,000 (approximately \$50,000 per year) in the RPU Water Utility budget for groundwater source studies. Matching funds from the U.S. Geological Survey, the

Minnesota Geological Survey and the Minnesota Department of Natural Resources have provided an additional \$450,000, making approximately \$1.1 million available for these worthwhile studies.

Mr. Geoffrey Delin and Mr. Perry Jones of the U.S. Geological Survey appeared before the Board to discuss the status of a groundwater study "Evaluating the Effects of Vegetative Buffers Along the Edge of the Decorah Shale, Rochester, Minnesota" began in 2002. The current study represents year two of a five year study. Mr. Jones said there will be two study sites; one agricultural and one transitional where monitoring wells will be installed. The focus of the current study is water quality and not quantity. Mr. Phil Wheeler, Planning Department, and Mr. Terry Lee, Health Department, will be at the next Board meeting to discuss groundwater issues in various areas of the country. A position paper with land use recommendations and areas for additional study is also being prepared by staffs from Olmsted County, the City of Rochester, the Minnesota DNR and the USGS.

- 7a. It was noted that the action requested for Graybar Electric in the For Board Action form should have stated items 13 and 14, but that the resolution was worded correctly. Mr. Hunziker moved to approve en bloc four resolutions involving the purchase of wire and cable for 2004, seconded by Mr. Jibben.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject the low bidder on items 16, 17, and 18 based on RPU will not be purchasing these items at this time.

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Border States Electric for Wire and Cable.

<u>Item #</u>	<u>Description</u>
9	"SWAN", #4 ACSR Bare, 6/1, 15,420 ft. per reel
15	500 MCM, 15kV, 1/C Stranded Copper

The amount of the purchase order agreement to be ONE HUNDRED SEVENTY-FOUR THOUSAND EIGHT HUNDRED FIFTY-FOUR AND 50/100 DOLLARS (\$174,854.50) and Border States Electric being lowest responsible bidder.

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Graybar Electric for Wire and Cable.

<u>Item #</u>	<u>Description</u>
13	1/0, 15kV, 1/C Stranded Aluminum with strand-fill

14 Primary Cable in Conduit, 15 kV, 1/0, 1/C Stranded Aluminum Conductor

The amount of the purchase order agreement to be TWO HUNDRED EIGHTY-ONE THOUSAND SEVEN HUNDRED EIGHTY-NINE AND 55/100 DOLLARS (\$281,789.55) and Graybar Electric being lowest responsible bidder.

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Wesco for Wire and Cable

<u>Item #</u>	<u>Description</u>
3	No. 12-2 with Ground, Copper, U.F., 600 V
5	Weslyan", (Triplex Stranded Aluminum), 600V, 350 MCM
6	"Sweetbriar", (Triplex Stranded Aluminum), 600V, 4/0 AWG
8	Cable in Conduit, Al, 600V, Triplex, 4/0-2/0 URD
10	"Penguin", 4/0 ACSR Bare, 6/1
12	"Hawk", 477 ACSR Bare, 26/7

The amount of the purchase order agreement to be ONE HUNDRED SEVENTY-SEVEN THOUSAND NINE HUNDRED TWO AND 28/100 (\$177,902.28) and Wesco being lowest responsible bidder.

- 7b. The bids received for the two year tree trimming contract were discussed. Mr. Jibben asked if there were other bidders. Staff informed him that bids were sent to four companies, but two declined to bid. Ms. Parker moved to approve two resolutions en bloc for tree trimming services, seconded by Mr. Utz.

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 two-year contract agreement with Asplundh Tree Expert Co. and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

HOURLY LINE CLEARANCE TREE TRIMMING
(2004 AND 2005)

The amount of the contract agreement not to exceed ONE HUNDRED SEVENTY-FIVE THOUSAND ONE HUNDRED THIRTY-EIGHT AND 00/100 DOLLARS (\$175,138.00) in 2004 and ONE HUNDRED EIGHTY-EIGHT THOUSAND SEVEN HUNDRED TWENTY AND 00/100 DOLLARS (\$188,720.00) in 2005, with the 2005 expenditure subject to Common Council approval of the 2005 electric utility budget.

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 Hathaway

Tree Service Inc. and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

LUMP-SUM LINE CLEARANCE TREE TRIMMING
for 2004

The amount of the contract agreement to be NINETY-FIVE THOUSAND NINE HUNDRED EIGHTY-ONE AND 00/100 DOLLARS (\$95,981.00).

- 7c. A revised For Board Action form and Resolution were distributed during the meeting for the SLP Unit 2 turbine generator overhaul requesting approval of a purchase order agreement rather than a contract which is not required for this major maintenance overhaul. Mr. Schlink, Power Production Manager, informed the Board that the overhaul is done for insurance purposes, but that we will not know the scope of the work until the unit is opened up. Mr. Hunziker moved to approve the purchase agreement, seconded by Mr. Jibben.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Power Generation Services Inc. for

SLP Unit 2 Turbine Generator Overhaul

The amount of the agreement to be based on services and materials as defined in the specification. The agreement will be a firm price for Workslope I of the specification, and identified Workslope II items as determined by staff. The total amount of the agreement not to exceed TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00).

8. Ms. Parker moved to approve a purchase order agreement with SAP Public Services, Inc. for 2004 annual software maintenance, seconded by Mr. Utz.

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 purchase order agreement with SAP Public Services Inc. for

Software maintenance and support for 2004

The amount of the purchase order agreement to be SEVENTY TWO THOUSAND SEVEN HUNDRED NINETY SEVEN AND 23/100 DOLLARS (\$72,797.40)

* Ms. Parker left the meeting at this time.

- 9. Mr. Hunziker moved to approve a contract agreement for a second genset unit at IBM to provide standby electric service, seconded by Mr. Jibben.

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 IBM and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Agreement for Standby Electric Service for B301/EG#2

Initial pricing for the included services shall be finalized by the Designated Representatives prior to initiating service.

- 10. The General Manager provided the following report to the Board:
 - a. Mr. Koshire thanked Ms. Wilson for creating an electronic version of the board packet for RPU's external Web site.

** Mr. Adkins left the meeting at this time.

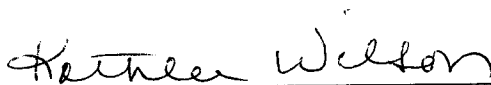
- 11. The management/financial reports were discussed. Mr. Kraft provided financial highlights for the 2003/2004 timeframe to the Board. There was a 2.5% electric customer growth and a 3.4% water customer growth. RPU has taken over the water utility assets from the City in the amount of \$39 million.

- 12. Mr. Utz moved to adjourn the meeting, seconded by Mr. Hunziker.

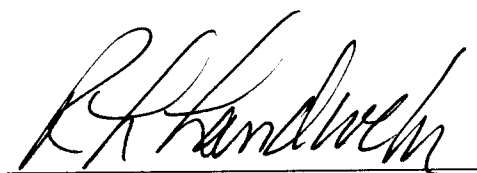
All voting "AYE"

The meeting was adjourned at 5:45 p.m.

Submitted by:


 Secretary

Approved by the Board:


 Board President

2-24-04
 Date