

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
February 22, 2005

Members Present: Mr. Landwehr, Ms. Parker, Mr. Utz
Absent: Mr. Hanson, Mr. Jibben
Also Present: Mr. Adkins, City Attorney

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

1. Mr. Utz moved to approve the minutes of the January 24, 2005 meeting, seconded by Ms. Parker.

All voting "AYE"

2. Ms. Parker moved to approve the accounts payable report, seconded by Mr. Utz.

All voting "AYE"

3. Mr. Landwehr opened the meeting for comments from the public. No one wished to be heard.
4. The Board noted that the MN/DNR annual water use fee for Silver Lake Plant had increased 99%. Mr. Hensel, Director of Core Services, explained that this fee is a primary source of their funding. Ms. Parker moved to approve payment of the fee, seconded by Mr. Utz.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize payment of the Silver Lake Plant water use fee in the amount of \$72,877.50 for 2005, payable to DNR-Waters.

5. Staff discussed the subject of utility financial reserves with the Board. Mr. Kraft said that various pro formas were being worked on. He was also in the process of reviewing various insurance coverages, rate stabilization, and major capital projects. Mr. Utz suggested explaining the strategy behind the reserve levels to our customers. The Board requested staff to continue their research in this area.
6. The General Manager provided the following report:
 - a. Mr. Koshire announced that after the regular 4:00 p.m. Board meeting on March 29, there will be a public meeting in RPU's Community Room starting at 7:00 p.m. to present some of the findings of long-term power supply study.
 - b. The Mayor's emergency powers were used for repairs on one of the Silver Plant's

- c. units. Mr. Adkins stated that this authority comes from the Home Rule Charter. At the last Southern Minnesota Municipal Power Agency (SMMPA) Board meeting, projections for power supply load and capability were discussed out to 2020. Staff is reviewing the impact of these projections on RPU's long-term forecasts.
 - d. Mr. Koshire received a request from the Minnesota Pollution Control Agency to consider a proactive approach to air quality by providing filters for city buses. Mr. Koshire agreed look into the matter.
 - e. Mr. Walters, Director of Customer Relations, informed the Board that RPU, Austin Utilities and Owatonna Public Utilities are launching a registered trademark known as "Enfinity Energy[®]" to promote the benefits of public power. More details will be provided on this in the future.
7. The management/financial reports were discussed.
8. Ms. Parker moved to adjourn the meeting, seconded by Mr. Utz.

All voting "AYE"

The meeting was adjourned at 5:35 p.m.

Submitted by:

Kathleen Wilson
Secretary

Approved by the Board:

R. R. Sandberg
Board President

3-29-05
Date