

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES

June 29, 2004

Members Present: ** Mr. Hunziker, * Mr. Utz, Mr. Landwehr, Ms. Parker, Mr. Jibben
Absent: None
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 May 25, 2004 meeting, seconded by Mr. Hunziker.

All voting "AYE"

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

All voting "AYE"

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

4. Mr. Hunziker moved to approve the revised list of employees authorized to conduct financial business for RPU, seconded by Mr. Jibben.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the following person or persons are hereby authorized for and in behalf of the City of Rochester, D/B/A Rochester Public Utilities, to endorse or cause to be endorsed such documents regarding deposits, checks, drafts, investments or any other matter necessary for or pertaining to the financial operation of the Rochester Public Utilities.

Larry J. Koshire
Tina Livingston
Curtis Kraft
Douglas Noga
Judy Anderson

5. The Board discussed the proposed confidentiality agreement with Amperion, Inc. City Attorney Adkins informed them that state law allows trade secret information to be kept from the public. Mr. Lorber, Director of Core Services, stated that Amperion, Inc., a prospective provider of BPL equipment to HBC, has asked that both HBC and RPU sign the agreement because HBC is currently testing BPL technology in Rochester. Mr. Lorber also stated that Amperion, Inc. was asked to agree to some additional language changes. Mr. Utz moved to approve the Mutual Confidentiality Agreement with Amperion, Inc., contingent upon the City Attorney's approval of any language modifications, seconded by Ms. Parker.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Board approves, contingent upon acceptance by the Rochester City Attorney of language clarifying the applicability of Minnesota law on data practices, a contract agreement with Amperion, Inc. and that the Mayor and the City Clerk are authorized to execute the agreement for

Mutual Confidentiality Agreement

6. The engineering services required for Phase II and Phase III of the RPU Infrastructure Plan were discussed. Mr. Koshire said that this is part of an 18 month process which is taking a long-term look at the electrical load for the City of Rochester. The Phase II study requires public input. Staff is recommending the engineering services of Burns & McDonnell because they did the original power supply study in 1999 and also prepared the Phase I Report on the Electric Utility Baseline Strategy for 2005-2030 Electric Infrastructure.

Mr. Hunziker moved to approve a purchase order agreement with Burns & McDonnell in the amount of \$93,500 which includes a 10% contingency, 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 Burns & McDonnell for

Professional Engineering Services for Development of Phase II & III of the RPU Infrastructure Plan

The amount of the purchase order agreement to be NINETY-THREE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$93,500.00) which includes a 10% contingency.

7. Financing options for purchasing two backup generators for the IBM site were discussed with the Board. The estimated cost is \$1.6 to \$2 million. Mr. Koshire stated that with attractive interest rates, the Board may want to consider financing the entire project. Mr. Kraft, Director of Corporate Services, said that staff recommends a bond pool approach because this would give RPU greater flexibility rather than using cash reserves which might impact rates. The Board directed staff to provide more specific information on the bond pool option at a future meeting.
8. The General Manager provided the following report to the Board:
 - a. The pilot test of broadband over power lines (BPL) technology will begin mid-July. The test sites have been identified. The local ham radio club is involved. Additional updates on the project will be provided to the Board as they are available.

b. A news release on the two Governor’s Safety Awards RPU recently received for excellence in workplace safety and health and the awards were distributed to the Board.

9. The management/financial reports were discussed. Board member Utz asked about the status of Decorah Edge development mentioned at the May Board meeting as well as the timeframe for Planning & Zoning and input from Jeff Broberg of McGhie & Betts on the topic. Mr. Hensel, Director of Field Services, responded that Mr. Broberg has been invited to do a presentation at a future RPU Board meeting. Mr. Adkins stated that the Council has not been asked to adopt anything. Mr. Hunziker said that we also need to know what the County is doing. Board member Utz said he would check into this.

* Mr. Utz left the meeting at this time.

10. At 5:05 p.m., City Attorney Adkins announced that he was closing the meeting for the purpose of allowing the Board to receive communication from legal counsel concerning the status of Rochester Public Utilities Application for a PSD Permit No. 10900011-003 for the Silver Lake Plant and the resulting PSD Appeal No. 03-03 pending before the United State Environmental Protection Agency Environmental Appeals Board. The closed meeting occurs pursuant to Minnesota Statutes, Section 13D.05, Subd. 3 (b).

The City Attorney and the City's Washington D.C., legal counsel then discussed with the Board and RPU staff the current status of, recent legal developments involving and various legal strategies to be followed for this pending administrative legal proceeding

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

11. Ms. Parker moved to adjourn the meeting, seconded by Mr. Jibben.

All voting “AYE”

The meeting was adjourned at 6:15 p.m.

Submitted by:

Kathleen A. Wilson
Secretary

Approved by the Board:

R. H. Sandberg
Board President

7-29-04
Date