

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
August 30, 2005

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

Board President Pro Tem Jibben called the meeting to order at 4:12 p.m.

1. Mr. Utz moved to approve the minutes of the July 26, 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.

Wishing to be heard was Mr. Bob Rouillard, CERTS member, 811 6th Avenue SE. He asked why all the units of the Silver Lake Plant were not covered by the Infrastructure Plan approved at the July 25 Board meeting. He also asked how the emission control choices were made. Mr. Schlink, Director of Power Resources, stated that the maximum efficiency option was chosen for NOX and that the only concession made for SO2 was dry scrubbing versus wet scrubbing because of the size of the site. Mr. Schlink also said that he would distribute a timeline for these changes later in the meeting. He also stated units 1 through 3 are not addressed in the Infrastructure Plan because they are small and scrubbing SO2 on these units would not be affordable. A retirement schedule will be used for these units instead.

Wishing to be heard was Mr. Dan Litwiller; CERTS member, 112 8th Avenue SE. He asked about the scrubber technology. Mr. Schlink informed him that this was researched during the 18-month study.

Mr. Rouillard said we need to keep things as clean as possible because the air quality is not good in Rochester. Mr. Schlink stated that he disagreed with Mr. Rouillard.

4. The Amendment to the Site Agreement with Midwest Wireless (Apache Water Tower Site) was reviewed. Mr. Koshire said that the Agreement was consistent with other sites. Mr. Utz moved to approve the Amendment, seconded by Ms. Parker.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to

approve the attached Amendment to the Site Agreement dated December 16, 2004, with Midwest Wireless Communications, L.L.C. and to request the Mayor and the City Clerk execute the amendment for

Increasing to eighteen (18) the Number of Antenna Equivalents and
Appurtenant Equipment at the Apache Water Tower Site

5. Activities for Public Power Week (October 2 – 8, 2005) were discussed with the Board. There will be displays in the RPU Service Center lobby during that week promoting renewable energy. A Community Education class on geothermal is scheduled for October 5. A special section (a vendor sponsored magazine) will be included in the October 3 Post-Bulletin paper. Mr. Schlink stated that another benefit of public power is local control which provides citizens like Mr. Rouillard and Mr. Litwiller the opportunity to have their concerns addressed by the Board. Mr. Utz moved to approve the resolution designating October 2 – 8 as Public Power Week, seconded by Ms. Parker.

All voting “AYE”

*Proclamation recognizing Public Power Week, October 2 - 8,
and how RPU powers our lives throughout the year*

WHEREAS, we, the citizens of Rochester, MN, place high value on local control over community services and therefore have chosen to operate a community-owned, locally controlled, not-for-profit electric utility and, as consumers and owners of our electric utility, have a direct say in utility operations and policies; and

WHEREAS, RPU provides our homes, businesses, farms, social service, and local government agencies with reliable, efficient, and cost-effective electricity employing sound business practices designed to ensure the best possible service at not-for-profit rates; and

WHEREAS, RPU is a valuable community asset that contributes substantially to the well-being of local citizens through energy efficiency, customer service, environmental protection, economic development, and safety awareness; and

WHEREAS, RPU is a dependable and trustworthy institution whose local operation provides many consumer protections and continues to make our community a better place in which to work and live;

NOW, THEREFORE BE IT RESOLVED: that RPU will continue to work to bring lower-cost, safe, reliable electricity to community homes and businesses just as it has since 1894, the year when the utility was created to serve all the citizens of Rochester; and

BE IT FURTHER RESOLVED: that the Mayor and Common Council of the said City are requested to designate the week of October 2 - 8 as the 19th annual Public Power Week in

order to honor RPU for its contributions to the community and to make its consumer-owners, policy makers, and employees more aware of its contributions to their well-being and how it makes their lives powerful; and

BE IT FURTHER RESOLVED: that our community joins hands with more than 2,000 other public power systems in the United States that through local, community-ownership ensure cost-cutting service for electricity customers.

- 6. The General Manager provided the following report to the Board:
 - a. RPU staff is currently preparing the 2006 budget. The wholesale power costs from the Southern Minnesota Municipal Power Agency (SMMPA) are scheduled to go up 5% per year for the next five years. The SMMPA Board meets on September 14 to vote on the increase.
 - b. RPU was ranked 3 out of 12 in an IBM vendor survey. Rating categories included technology, quality, performance against commits, terms & conditions, and communication.
 - c. During the meeting, Mr. Schlink distributed a document entitled "Infrastructure Plan Key Dates" covering the years from 2005 through 2018. The Clean Air Interstate Rule and Clean Air Mercury Rule are applicable only to Silver Lake Plant Unit 4. Mr. Koshire said that we need to budget on a long-term basis for these projects.
 - d. The RPU Strategic Plan which guides the budgeting process and programs for employees was briefly discussed.
- 7. The management/financial reports were discussed.
- 8. Mr. Utz moved to adjourn the meeting, seconded by Ms. Parker.

All voting "AYE"

The meeting was adjourned at 4:53 p.m.

Submitted by:

Katherine Wilson
Secretary

Approved by the Board:

R. R. Landwehr
Board President

9-27-05
Date