

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
October 26, 2004

Members Present: Mr. Hunziker, Mr. Landwehr, Ms. Parker, Mr. Jibben, *Mr. Utz
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 approve the minutes of the September 28, 2004 meeting, seconded by Ms. Parker.

All voting "AYE"

2. Mr. Jibben 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.

* Mr. Utz entered the meeting at this time.

4. At the September Board meeting, Mr. Hensel, Director of Field Services, provided the Board with an update on RPU's Wellhead Protection Program (WHP). RPU officially initiated WHP planning in 2001. Minnesota Rules, parts 4720.5100 to 4720.5590 require development and implementation of WHP plans by all public water systems. RPU has completed Part I (found on RPU's Web site www.rpu.org) of this program and submitted a report to the Minnesota Department of Health. A public meeting is also part of Part I requirements after Minnesota Department of Health approval of the plan. The public meeting has tentatively been set for November 22, 2004.

5. The proposed October 8, 2004 Settlement Agreement with the Minnesota Municipal Power Agency (MMPA) was discussed with the Board. Mr. Jibben announced that he would abstain from voting and the discussion due to the mention of the steam project in the Agreement. Mr. Adkins, City Attorney, stated even if the Agreement is approved, either party could still pursue other legal issues. Mr. Utz moved to approve the Agreement, seconded by Ms. Parker.

4 Voting "AYE"
1 Abstain (Mr. Jibben)
Motion Carried

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Settlement Agreement with the Minnesota Municipal Power Agency and that the

Board requests the Mayor and the City Clerk to execute the agreement for

Settlement Agreement
October 8, 2004

6. The purchase of the Rueb property adjacent to the Chester Substation was discussed. Mr. Landwehr asked if there was an environmental evaluation of the site. Mr. Stiller, Senior Electrical Engineer, informed him that there was no specific investigation on the property. Mr. Adkins informed the Board that he would not recommend an environmental assessment unless staff was concerned that we might find something on the site. Mr. Koshire stated that acquisition of the Rueb property is essential for bringing additional transmission capacity into the RPU system. A professional appraisal of the property was completed. Mr. Jibben moved to approve the purchase of the property, seconded by Ms. Parker.

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 Wilbert and Grace Rueb and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Residential Property which has a street address of 390 50th Avenue SE, Rochester, Minnesota, commencing at the Southwest corner of the Northwester Quarter, thence North 600 feet for a place of beginning, thence North 165 feet, thence East 314 feet, thence South 165 feet, thence West 314 feet to the place of beginning, Section 3, Township 106, Range 13, Olmsted County, Minnesota.

The amount of the purchase order agreement to be ONE HUNDRED THIRTY-NINE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$139,500.00).

7. The General Manager provided the following report to the Board:
- a. Construction has begun on the steam project.
 - b. A third meeting on the power infrastructure plan was held with an advisory task force of community members. The next step will be to have the engineering consultant prepare Phase 2 of the plan utilizing the task force feedback. Phase 3 will be the financial model. A presentation to the Board in January of both phases is tentatively planned.
 - c. Graphs from a Southern Minnesota Municipal Power Agency (SMMPA) Board meeting on projected SMMPA power resources were discussed.
 - d. The preliminary RPU 2005 budget will be presented to the Board at the November 30 meeting. Approval of the budget will be requested at the December meeting.
8. The management/financial reports were discussed.
9. Mr. Utz moved to adjourn the meeting, seconded by Mr. Hunziker.

All voting "AYE"

The meeting was adjourned at 5:20 p.m.

Submitted by:

Karen A Wilson
Secretary

Approved by the Board:

Rh Sandwich
Board President

11-30-04
Date