

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
November 29, 2005

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

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

1. Mr. Hanson moved to approve the minutes of the October 25, 2005 meeting, seconded by Ms. Parker.

All voting "AYE"

* Mr. Utz entered the meeting at this time.

2. Mr. Jibben moved to approve the accounts payable report, seconded by Mr. Hanson.

All voting "AYE"

3. Mr. Dave Ingebritson was recognized by the Board and RPU staff for his 27 years of service to the citizens of Rochester.
4. Mr. Landwehr opened the meeting for comments from the public. No one wished to be heard.
5. Mr. Jon Neubauer of TSP presented the results of a detailed space-needs and facility study to the Board. The RPU Service Center was designed to accommodate the growth of RPU for approximately 20 years. Staff moved into the Center in 1987. The move consolidated staff under one roof except for the power resources staff at the Silver Lake Plant. The study reviewed growth patterns and facility needs over a 20-year timeframe. Also discussed were the Silver Lake Plant and a potential satellite customer service center. No action was taken by the Board on the study.
6. The amendment requested by Charter Communications to an antenna agreement at the SE Water Tower Site due to an incorrect address was discussed. Mr. Hanson moved to approve the amendment, seconded by Mr. Utz.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota to approve the attached Amendment to Site Agreement with CC VIII Operating, LLC d/b/a Charter Communications (which amends the June 14, 2005 Site Agreement with Charter Communications), and to request that the Mayor and the City Clerk execute the Site Agreement for

Correcting the address of the Southeast Water Tower Site

7. Mr. Utz moved to approve an agreement for antennas on the Southeast Water Tower with Midwest Wireless Communications, LLC, seconded by Mr. Hanson.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the attached Site Agreement with Midwest Wireless Communications, LLC with 2006 rent of Thirteen Thousand Six Hundred Ninety and No/100 Dollars (\$13,690.00) adjusted by the 2005 change to the CPI-U and prorated based on equipment installation date, and to request that the Mayor and the City Clerk execute the Site Agreement for

Maintaining Antennas and Appurtenant Equipment for a
Wireless Communications Facility at the Southeast Water Tower Site

8. Mr. Kraft, Director of Corporate Services provided the Board with a review of the preliminary 2006 electric and water budgets. He said the Board would be requested to take action on the budgets at its December 15 meeting to allow time for public input. Council approval of the budgets is also required. The budgets are based on electric and water sales forecasts, major maintenance, operating expenses and capital needs in each utility. The budgets also reflect the continued growth in the community. As in the past, the largest expenditure in the electric budget is the wholesale power purchased from the Southern Minnesota Municipal Power Agency (SMMPA). The budget reflects a 5% increase in the wholesale power rates for 2006. Both the electric and water budgets reflect a 5% revenue adjustment that would occur in January 2006.

RPU's reserve targets were also discussed with the Board. The goal is to meet 80% of RPU's cash reserve needs by 2008. Mr. Kraft stated that staff reviews both bond borrowing and market-based rates periodically.

Mr. Koshire stated that in the last few weeks, SMMPA has informed its Board that additional increases to the wholesale power rate are being looked at for the second quarter of 2006 due to an outage at Sherco and higher market prices. The SMMPA Board will review the matter at its December 14 meeting.

9. The General Manager provided the following report to the Board:
- a. The RPU December Board meeting will be held at 4:00 p.m. on December 15 at the Silver Lake Plant. A steam project dedication is also scheduled at 2:00 p.m. that same day.
 - b. Mr. Tony Benson, RPU's new Communication Coordinator, was introduced to the Board.
 - c. Board Secretary Wilson was asked to change the December 2006 board meeting date to mid-December and announce the final date. It will be December 14, 2006.
10. The management/financial reports were discussed.
11. Mr. Utz moved to adjourn the meeting, seconded by Mr. Jibben.

All voting "AYE"

The meeting was adjourned at 6:05 p.m.

Submitted by:

Kathleen Wilson
Secretary

Approved by the Board:

R. H. Sandweh
Board President

12-15-2005
Date