

FOR BOARD ACTION

Agenda Item # 10

Meeting Date:

1/30/07

SUBJECT: Ratify Common Council Resolution No. 043-07 Adopting Limited 453 Agency Authority for Joint Transmission Construction

PREPARED BY: Walt Lorber, Director of Core Services

RPU's has been meeting and working with certain area utilities (calling themselves CapX) for purposes of strengthening the regional transmission grid. RPU's interest has been focused on establishing a new 345kV interconnection to the city's system. One of the four transmission lines currently proposed by CapX accomplishes that goal. The partners in the project are Xcel (64%), SMMPA (13%), Dairyland Power (11%), RPU (9%), and WI Public Power (3%).

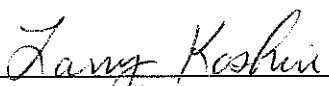
The Board has previously approved a number of agreements for CapX participation through the certificate of need process. Further agreements are forthcoming and will require significant commitments by the City through financial support and expeditious actions. The City Attorney, in consultation with outside counsel, determined that the City could best position itself to participate in joint transmission work by adopting limited agency authority as permitted in Minnesota Statute 453.

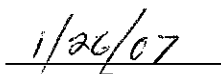
On January 17, the Council adopted the attached Resolution No. 043-07. This resolution authorizes the electric utility to perform in such transmission projects by:

- Entering into contracts with other utilities
- Acquiring rights
- Acting as own agent or designating another participant to act as its agent
- Issuing bonds to fund the expenses
- Contracting with others for construction without advertising for bids
- Acquiring real or personal property that it deems necessary

UTILITY BOARD ACTION REQUESTED:

It is recommended that the RPU Board ratify the use of Statute 453 authority adopted in Council Resolution No. 043-07 for purposes of facilitating RPU's participation in joint transmission projects.


General Manager


Date

ROCHESTER PUBLIC UTILITIES

RESOLUTION

WHEREAS, pursuant to the provisions of Minn Stat. §453.58, subdivision 1, the City is authorized to exercise any of the powers granted to a municipal power agency in Sections 453.51 to 453.62 notwithstanding any provision of any city charter or any other law denying, limiting, or placing conditions upon the exercise of any such power; and,

WHEREAS, the City of Rochester wishes to exercise the following powers granted by Section 453.54, subdivisions 2 and 14, and Section 453.55 to a municipal power agency:

1. Enter into contracts with other utilities to cooperatively plan, acquire, construct, reconstruct, operate, maintain, repair, extend or improve transmission projects within or outside the state as may best serve the interests of the City of Rochester;
2. Acquire any interest in or any right to capacity of a transmission project described above;
3. Act as agent or designate one or more of the other persons participating in such a transmission project to act as its agent, in connection with the planning, acquisition, construction, reconstruction, operation, maintenance, repair, extension or improvement of a transmission project described above; or
4. Issue bonds to fund the expenses incurred by the City and the investments undertaken by the City in furtherance of a transmission project described above; and,

WHEREAS, the City of Rochester wishes to exercise the following powers granted by Section 453.54, subd. 15 to a municipal power agency:

1. Contract with any person within or outside the state for the construction of any project or for the sale, with or without advertising for bids, or transmission of electric energy generated by any project, or for any interest therein or any right to capacity thereof, on such terms and for such period of time as its public utility board determines; and,

WHEREAS, the City of Rochester wishes to exercise the following power granted by Section 453.56 to a municipal power agency:

1. Acquire all real or personal property that it deems necessary for carrying out a transmission project described above, whether in fee simple absolute or a lesser interest, by condemnation and the exercise of the power of eminent

domain in accordance with Minnesota Statutes, Chapter 117; and,

WHEREAS, the City of Rochester wishes to exercise the following power granted by Section 453.57 to a municipal power agency:

1. Pledge the City's rates, rents and other revenues, or any part thereof, as security for the repayment, with interest and redemption premiums, if any, of any moneys borrowed by it or advanced to it for the purpose of carrying out the work necessary for such a transmission project and as security for the payment of amounts due and owing by it under any contract entered into as set forth above; and,

WHEREAS, the City of Rochester states its intent to fulfill any and all conditions required by Sections 453.51 to 453.62, except for any requirement to incorporate, in order to exercise the above-described powers.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Rochester that, pursuant to Section 453.58, subdivision 1, of the Minnesota Statutes, the City does hereby state its intent to exercise those powers described herein.

BE IT FURTHER RESOLVED that, pursuant to Section 453.58, subdivision 2, the Council directs the City Clerk to publish this resolution in the official newspaper of the City.

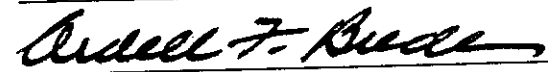
PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF

ROCHESTER, MINNESOTA, THIS 17th DAY OF JANUARY, 2007.


PRESIDENT OF SAID COMMON COUNCIL

ATTEST: 
CITY CLERK

APPROVED THIS 18th DAY OF JANUARY, 2007.


MAYOR OF SAID CITY

(Seal of the City of
Rochester, Minnesota)