

ROCHESTER PUBLIC UTILITIES  
BOARD MEETING MINUTES  
February 24, 2004

Members Present: Mr. Hunziker, \*Mr. Utz, Mr. Landwehr, Ms. Parker

Absent: Mr. Jibben

Also Present: Mr. Adkins, City Attorney

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

1. Ms. Parker moved to approve the minutes of the January 27, 2004 meeting, seconded by Mr. Hunziker.

All voting "AYE"

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

Four voting "AYE"

Ms. Parker stated she would vote for payables not associated with Olmsted County due to her position with the County

Motion Carried

3. Mr. Landwehr opened the meeting for comments from the public.
  - a. Wishing to be heard was Mr. Norm Erickson, 1303 5<sup>th</sup> Avenue NE on the topic of energy information. Mr. Erickson gave a book to the Board to read entitled The Party's Over, which focuses on petroleum and the global production of oil. He also distributed other documents and Web sites containing information about our future as an electrical society and the potential impact of the climate change on our country.

\* Mr. Utz entered the meeting at this time.

- b. Mr. Chuck Gysi, Box 142, appeared before the Board as a public information officer of 120 amateur radio members wishing to speak on the subject of broadband communications over power lines (BPL). His group was concerned about potential signal interference from BPL. He also said in Raleigh, NC ham operators are working with utility staff on BPL. He invited two RPU staff to attend the next meeting of the radio operators.
4. A draft copy of a "White Paper – The Decorah Shale "Edge" Area Rochester, Minnesota" prepared by RPU staff Joseph Hensel and Douglas Rovang was discussed with the Board.

Mr. Phil Wheeler, Consolidated Planning Department, provided a presentation on the value of the Decorah Edge with respect to groundwater quality benefits and aquifer recharge/infiltration. At this point, all of the information is in draft concept form per Mr. Wheeler. Mr. Wheeler discussed the Decorah Edge overlay area (divided into three

districts) with development options for each. Mr. Utz expressed concern about imposing a new Groundwater Protection Checklist requirement on General Development Plan submittals when there is no enabling ordinance requiring this Groundwater checklist. Utz informed the Board that some of the information requested on the checklist is not even available to professionals who prepare the General Development plans and may only be obtained by further expenditures to those who submit the general development plans. Mr. Utz stated that we don't want to do things to impede the growth of the community and create additional regulations that are not needed. Mr. Hunziker asked how the City would grow beyond the buffer areas. Mr. Wheeler said that any suburban development has a risk. Mr. Wheeler said developers need to know the ground rules in these particular areas. Mr. Utz said when land is turned, the developer has to file a discharge permit. Mr. Utz believes that Mr. Wheeler's land development concerns are captured with existing regulations. Mr. Hensel, RPU's Environmental Manager, said that RPU staff is still trying to understand the best way to handle these concerns. Mr. Jay Burke, Heartwood Homes and member of the Rochester Area Builders (RAB), said if we start looking at density incentives, are we going to create the opposite of what we are trying to do? He also asked about the accuracy of the overlay districts. Mr. Hensel said that the map is being revised, and that the intention is no net loss to the developer. Mr. Burke said the RAB is doing research on this issue and that developers are sensitive to the areas and how they are managed and taken care of. The Board asked RPU staff to meet with the people who file the General Development Plan (GDP) and possibly work with the RAB, but took no action on the proposed "Groundwater Protection Checklist." Similar presentations will be made to the County Board and City Council.

5. Mr. Hunziker moved to approve a contract agreement with Conco Services Corporation to provide services and parts for the Silver Lake Plant Unit 3 condenser retube, seconded by Mr. Utz.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Conco Services Corporation and to request that the Mayor and the City Clerk execute the agreement for

SLP Unit 3 Condenser Retube As Defined in the Specification

The total amount of the contract agreement not to exceed TWO HUNDRED THOUSAND AND 00/100 DOLLARS (\$200,000.00) of which \$17,757 is identified as contingency.

6. Mr. Hunziker moved to approve payment of the Silver Lake Plant annual water use fee to the DNR-Waters, seconded by Ms. Parker.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize payment of the Silver Lake Plant water use fee in the amount of \$78,521.70 for 2004, payable to DNR-Waters.

7. Mr. Adkins stated that he had re-written the Confidentiality and NonDisclosure Agreement with the AWWA Research Foundation. RPU staff wishes to obtain a security report from this organization and must sign the agreement to do so. Mr. Utz moved to approve the NonDisclosure Agreement, seconded by Mr. Hunziker.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to request the Mayor and the City Clerk execute the

Confidentiality and NonDisclosure Agreement with the AWWA Research Foundation  
For Materials Related to Vulnerability Assessments, Security Events  
and all Other Research Done by the Foundation in this Topic Area and  
Identified as Proprietary and Confidential

- 8.. The General Manager provided the following report to the Board:
  - a. The audit of RPU's financial information for year 2003 has been completed. The auditor will review the results with the RPU audit committee, consisting of Board President Landwehr, Board Member Parker and RPU staff, prior to presenting the results to the Board at the April Board meeting.
  - b. With respect to the topic of broadband communications over power line (BPL), RPU staff will attend the amateur radio operators meeting. Mr. Lorber said RPU's relationship with Hiawatha Broadcast Communications (HBC) still needs to be determined. RPU has placed \$50,000 in its 2004 budget for a study of the technology in Rochester using a small group of customers. Mr. Lorber said RPU is not sure what the hardware costs will be or what the Utility Board will want RPU's role to be. Mr. Lorber also said RPU is interested in the communications aspects of BPL in that it could provide closer contact with the customer with respect to energy management, but RPU does not plan to actually provide the service. Mr. Adkins stated that any franchise with the City has to be non-exclusive. The City has no franchise with HBC. Mr. Adkins suggested that RPU reduce to writing any relationship or understanding it has with HBC. He said the Board needs to decide how far it wishes to get into this technology. He also said if this is just a research study, and we are just leasing our equipment the way we do our poles, there is no need to go to the Charter Commission. Mr. Koshire said education is part of the BPL issue. RPU staff will keep the Board, law enforcement and the public informed about this technology with correspondence, meetings and use of RPU's Web site. Staff agreed to prepare some Frequently Asked Questions (FAQ's) for RPU's Web site to facilitate communications. A press release was already issued.

- c. Ms. Judy Anderson, RPU's new Management Accountant, was introduced to the Board.
- 9. The management/financial reports were discussed.
- 10. Mr. Utz moved to adjourn the meeting, seconded by Mr. Hunziker.

All voting "AYE"

The meeting was adjourned at 5:50 p.m.

Submitted by:

Kathleen Wilson  
Secretary

Approved by the Board:

R. K. Hundwisch  
Board President

3-30-04  
Date