

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
August 28, 2007

Members Present: Mr. Landwehr, Mr. Jibben, Mr. Utz, Mr. Reichert
Absent: Mr. Hanson
Also Present: No one

Before the meeting was called to order, Mr. Landwehr recognized the RPU electric and water crews who assisted the City of Rushford with electric and water restoration services. Ten linemen, two water distribution workers, and three technical services representatives provided a total of 450 man-hours during this emergency. The crews described the various activities they performed. The Board thanked them for their hard work and dedication.

Board President Landwehr called the meeting to order at 4:30 p.m.

1. Mr. Utz moved to approve the minutes of the July 31, 2007 meeting, seconded by Mr. Jibben.

All voting "AYE"

2. Mr. Reichert moved to approve the accounts payable report, seconded by Mr. Utz.

All voting "AYE"

- 3a. Mr. Landwehr thanked Mr. Utz for his service on the Board and said that the leadership at RPU takes pride in what Mr. Utz did at the national, local and state levels. Mr. Roger Stahl will serve as his replacement. The following proclamation was read and presented to Mr. Utz.

WHEREAS, Mr. Utz has diligently served on the Utility Board since 2002 specializing in legal and policy Board responsibilities, and

WHEREAS, Mr. Utz has been a valuable asset and has contributed substantially to the well-being of Rochester Public Utilities and the local citizens by his leadership and efforts in such areas as energy efficiency, customer service, environmental protection, economic development, service territory disputes, and internal transitions within the Utility, and

WHEREAS, Rochester has benefited from the steady leadership of people like Mr. Utz who believe in municipal ownership, and

NOW, THEREFORE BE IT RESOLVED, that the Rochester Public Utility Board wishes to recognize and thank Mr. Utz for his leadership, many talents, commitment to

excellence and service to the Board and community.

- 3b. Mr. Landwehr opened the meeting for comments from the public. No one wished to be heard.
- 4. Mr. David Carl, Provost of the University of Minnesota – Rochester, appeared before the Board to express the University’s appreciation for RPU’s support of higher education, in particular cutting edge research using alternative energy resources such as the HESS project. The University is able to do such research due to the good public policy of the RPU Board. He further stated that RPU’s partnership with the University of Minnesota has been excellent. Mr. Landwehr informed him that it has been wonderful working with the U of M team.
- 5. Mr. Naeem Qureshi and Mr. Eric Maki from Progressive Consulting Engineers appeared before the Board to provide an update on a four year future water system expansion study initiated in 2006. The firm is evaluating future water system infrastructure needs in the more rapidly developing areas within and around the City of Rochester. A water system computer modeling technique is being used to assist in determining the future need for additional wells, water storage tanks, and trunk water mains. The results have been used to determine the appropriate size of a proposed 2,000,000 gallon water tower planned for construction in 2008.
- 6a. Mr. Utz moved to approve a contract with Alvin Benike Inc for the Emission Reduction Project substructure and demolition construction, seconded by Mr. Jibben.

All voting “AYE”

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota to approve a contract agreement with Alvin Benike Inc., and request that the Mayor and the City Clerk execute the agreement for

Emissions Reduction Project
Substructure and Demolition Construction

The amount of the contract agreement to be ONE MILLION FOUR HUNDRED NINETY-NINE AND 00/100 DOLLARS (\$ 1,499,000.00) and Alvin Benike Inc. being lowest responsible bidder.

- 6b. Mr. Reichert moved to approve the purchase of a 480 volt motor control center for the Emissions Reduction Project, seconded by Mr. Jibben.

All voting “AYE”

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota to approve a purchase order agreement with Werner Electric Supply Company for

Emissions Reduction Project
Purchase of 480 Volt Motor Control Centers

The amount of the agreement to be \$99,900 plus additional authorization to increase that amount by \$6,495 for taxes with a \$10,000 contingency. The total approved agreement amount to be \$107,395, and Werner Electric Supply Company being lowest responsible bidder.

- 6c. Mr. Utz moved to approve the purchase of an exhaust duct replacement for the Cascade Creek Gas Turbine No. 1, seconded by Mr. Jibben.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Universal Silencer, Inc. for

Exhaust Duct Replacement
Cascade Creek Gas Turbine No. 1

The amount of the agreement to be \$668,457.00 plus a 10% contingency fund for a total cost not to exceed \$735,302.00, and Universal Silencer, Inc. being lowest responsible bidder.

- 7. Mr. Reichert moved to approve the sale of capacity to the Minnesota Municipal Power Agency to replace an existing agreement which terminates October 31, 2007, seconded by Mr. Jibben.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota to approve a Confirmation Agreement – Sale of Capacity between the Minnesota Municipal Power Agency (MMPA) and the City of Rochester Minnesota acting through its Public Utility Board, and that the Mayor and City Clerk execute the agreement for

Confirmation Agreement – Sale of Capacity

The contract term to be November 1, 2007 through October 31, 2008.

- 8. A Letter of Understanding with IBEW Local 949 for a meal allowance adjustment was discussed. Mr. Utz moved to approve the agreement, seconded by Mr. Reichert.

All voting "AYE"

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

the Board requests the Common Council to approve a Letter of Understanding between the International Brotherhood of Electrical Workers Local 949 and the City of Rochester, Minnesota, and to authorize the Mayor and the City Clerk to execute such

Letter of Understanding
2005-07 IBEW Local 949 Contract Meal Allowance Adjustment

- 9. An Agreement to Hold the City of Rochester Harmless/Waiver of Water Services Rules and Regulations for a water service line on property owned by the River Trails Girl Scout Council was discussed. Mr. Rovang said that this particular situation is unique. He also said that RPU does not own the service and that when River Trails signs the annexation agreement, they know they are responsible for their service. Mr. Landwehr announced that he would abstain from the discussion and the voting on this matter. Mr. Utz moved to approve the Agreement, seconded by Mr. Jibben.

Three Voting "AYE" (Mr. Reichert, Mr. Utz, Mr. Jibben)
One "Abstain" (Mr. Landwehr)
Motion Carried

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

Agreement to Hold the City of Rochester Harmless/Waiver of Water Service Rules and Regulations - River Trails Girl Scout Council

- 10. Mr. Schlink, Director of Power Resources, informed the Board that one of the three vendors working on the Emission Reduction Project has requested that nondisclosure agreements be executed with all parties involved so that information such as design drawings could be shared. Mr. Utz moved to approve the nondisclosure agreements, seconded by Mr. Jibben.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve Mutual Nondisclosure Agreements with MobotecUSA, Utility Engineering and Novaspect for engineering services to provide the NOx reduction equipment for the Emission Reduction Project, contingent upon the approval of the Rochester City Attorney and the RPU General Manager, and to request the Mayor and the City Clerk to execute the Mutual Nondisclosure Agreements.

- 11. Mr. Lorber, Acting General Manager, provided the following report to the Board:
 - a. Mr. Utz noted that the Ronald McDonald House was very appreciative of the work RPU did during the flooding.

- 12. The management/financial reports were discussed.
- 13. Mr. Utz moved to adjourn the meeting, seconded by Mr. Jibben.

All voting "AYE"

The meeting was adjourned at 5:55 p.m.

Submitted by:

Kathleen Wilson
Secretary

Approved by the Board:

[Signature]
Board President

9-25-2007
Date