

ROCHESTER PUBLIC UTILITIES  
BOARD MEETING MINUTES  
May 27, 2008

Members Present: Mr. Jibben, Mr. Reichert, Mr. Stahl, Mr. Williams  
Absent: Mr. Hanson  
Also Present: Mr. Adkins, City Attorney

Board President Jibben called the meeting to order at 4:00 PM.

1. Mr. Reichert moved to approve the minutes of the April 29, 2008 meeting, seconded by Mr. Williams.

All voting "AYE"

2. Mr. Williams moved to approve the accounts payable report, seconded by Mr. Stahl.

All voting "AYE"

3. Mr. Joe Koch, lead line worker, was recognized for his 36 years of service to RPU and the citizens of Rochester. Mr. Koch retires at the end of May.
4. Mr. Jibben opened the meeting for comments from the public. No one wished to be heard.
5. Mr. Schlink provided a brief status report on the Emission Reduction Project (ERP). Also present were Mr. Roger Anderson and Mr. Andy Nestos from Utility Engineering.
- 6.a. The professional services required for the repair of Unit 3 generator at the Silver Lake Plant were discussed. The nature of the repairs was discussed with the Board. The unit experienced a complete bearing failure and damages to various seals and associated equipment. The expenses will be covered by the 2008 contingency budget. Mr. Williams moved to approve a purchase order for the repair, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Power Generation Services for

Disassembly, Evaluation, Testing, Failure Analysis, Repair as Needed  
And Reassembly of the Silver Lake Plant Unit 3 Generator

The amount of the purchase order agreement not to exceed TWO HUNDRED AND FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00).

- 6.b. Mr. Dunnette, Manager of Power Resources, discussed the renewal of an existing plant software service agreement with reduced scope. The significant reduction in scope and associated cost is due to the ability of the SLP Measures & Control Supervisor, Mr. Jay Button, and his staff, to provide the service. Mr. Adkins noted that the agreement should state Minnesota rather than Illinois in it. Mr. Stahl moved to approve an agreement with Emerson Novaspect for control system software, subject to review of the terms and conditions and indemnification by the City Attorney, seconded by Mr. Reichert.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Emerson Novaspect for

Control System Software Support Services at the Silver Lake Plant

The amount of the agreement to be SEVENTY-SEVEN THOUSAND SEVEN HUNDRED SEVENTY-NINE AND NO/100 DOLLARS (\$77,779.00).

- 6.c. Distributed during the meeting was an agreement for physical and occupational therapy services by the Mayo Work Rehabilitation Center on site at RPU. The purpose of the agreement is to take a proactive approach to reducing on-the-job injuries related to strains and joint wear. Mayo would provide services at RPU related to education and types of exercises that RPU employees could perform to help prevent injury. This program would begin as a pilot among RPU's line crews. Mr. Adkins said that the League of Minnesota Cities Insurance Trust may provide these services too. Mr. Stahl said that if a similar program was available for less money, RPU could take a look at it. Mr. Williams said he supported the pilot because it was a great idea. Mr. Stahl moved to approve the agreement with Mayo contingent upon RPU staff's cost analysis of comparable resources, seconded by Mr. Williams.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Board approves a contract agreement between Mayo Foundation and the City of Rochester, Minnesota, and that the Mayor and the City Clerk are authorized to execute the agreement for

Physical and Occupational Therapy Services

The cost not to exceed the annual Rochester Public Utilities budget for such services, with billings at Mayo's standard hourly rate.

- 7.a. The bids for the Emissions Reduction Project Mechanical Construction II were discussed. Mr. Schlink, Director of Power Resources, informed the Board that the low bid came in

less than the estimate and that the project was approved in the 2008 capital budget. Mr. Reichert moved to approve the contract with Moorhead Machinery & Boiler Company, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Moorhead Machinery & Boiler Company, and request that the Mayor and the City Clerk execute the agreement for

Mechanical Construction II  
Emission Reduction Project

The amount of the contract agreement to be THREE MILLION FOUR HUNDRED AND TWO THOUSAND ELEVEN AND 00/100 DOLLARS (\$3,402,011.00) and Moorhead Machinery & Boiler Company being lowest responsible bidder.

- 7.b. The annual purchase of wire and cable was discussed with the Board. Mr. Williams moved to approve purchase order agreements with Border States Electric and Burmeister Electric, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Border States Electric for Wire and Cable.

<u>Item #</u>	<u>Description</u>
1	500 CU, 15KV, 220 mil EPR Insulation, Jacketed Cable

The amount of the purchase order agreement to be ONE HUNDRED SIXTY-TWO THOUSAND SIX HUNDRED TWENTY-FOUR AND 00/100 DOLLARS (\$162,624.00) and Border States Electric being lowest responsible bidder.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Burmeister Electric for Wire and Cable.

<u>Item #</u>	<u>Description</u>
2	750 Al, 15KV, 220 mil EPR Insulation, Jacketed Cable

The amount of the purchase order agreement to be EIGHTY-FIVE THOUSAND SIXTY AND 80/100 DOLLARS (\$85,060.80) and Burmeister Electric being lowest responsible bidder.

8. The 2007 Water Engineering & Operations Report was discussed with the Board. Mr. Rovang, Senior Civil Engineer, explained that 83% of the water meters have Automated Meter Reading devices installed. He also described how population projections are helpful for RPU's three to five year plans for the water utility.
9. Mr. Dunnette, Manager of Power Resources, requested approval of a Natural Gas Transportation Agreement and Addendum to the Gas Transportation Agreement for renewal of the existing gas transportation service to the Silver Lake Plant. Mr. Adkins stated that he had no concerns about the agreements. Mr. Reichert moved to approve the agreements, seconded by Mr. Williams.

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 contract agreement with Minnesota Energy Resources and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Large Volume Gas Transportation Service Agreement, and the Addendum electing a firm nomination of 200 Mcf per day, to provide the services as defined in the Addendum to Gas Transportation Agreement and the Daily and Monthly Balancing Services Contract.

10. Mr. Koshire, General Manager, provided the following report to the Board:
  - a. Mr. Hensel, Director of Field Services, discussed the Lake Zumbro restoration project. The Lake Zumbro Restoration Committee went to the legislature for funding for this project which was approved in the Minnesota bonding bill. The project involves dredging and sediment removal. The next phase involves preliminary engineering and project scope development. Mr. Hensel said Lake Zumbro is an important resource to the community and deserves the next phase of analysis. The County will also be involved and RPU will be doing some cost-sharing. The Lake Zumbro Association is also contributing.
  - b. Mr. Jibben asked if RPU could get involved in the disposal of compact fluorescent lights (CFLs). Mr. Koshire said that there are special handling precautions. As a result, the County will be handling disposal initially.
11. The management and financial reports were discussed.
12. Other Business:
  - a. Mr. Adkins, City Attorney, invited the Board to attend the June 9, 2008 Committee of the Whole meeting. A quorum of the Board may be present.

- b. Mr. Stahl moved that the June Board meeting be moved to June 26 at 4:00 p.m., seconded by Mr. Williams.

All voting "AYE"

13. Mr. Stahl moved to adjourn the meeting, seconded by Mr. Reichert.

All voting "AYE"

The meeting was adjourned at 6:13 p.m.

Submitted by:

Kathleen Wilson  
Secretary

Approved by the Board:

Jack Johnson  
Board President  
6/26/08  
Date