

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
October 28, 2008

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

Board President Jibben called the meeting to order at 4:03 PM.

1. Mr. Hanson moved to approve the minutes of the September 30, 2008 meeting, seconded by Mr. Williams.

All voting "AYE"

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

All voting "AYE"

3. Mr. Jibben opened the meeting for comments from the public. No one wished to be heard.

4. A revised For Board Action with staff's recommendation for the repair of the Silver Lake Plant roof was distributed during the meeting. The Board reviewed the dollar amounts of the quotations. Mr. Hanson moved to approve a purchase order for the repair, seconded by Mr. Williams.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Schwicket's Roofing for

Silver Lake Plant Roof Repairs

The amount of the purchase order agreement to be FORTY-SEVEN THOUSAND EIGHT HUNDRED FIFTY AND 00/100 DOLLARS (\$47,850.00) and Schwicket's Roofing providing the lowest quotation.

5. Ms. Parker, Director of Corporate Services, explained the Identity Theft Prevention Program RPU has developed in compliance with the Federal Trade Commission's Red Flags Rule, Section 114 of the Fair and Accurate Credit Transactions Act. The size and complexity of RPU's operations and account systems, and the nature and scope of RPU's activities including the accounts billed on behalf of Rochester Public Works for waste water and storm water services were considered in developing the program.

According to the Rule a red flag is a “pattern, practice, or specific activity that indicates the possible existence of identity theft.” 16 C.F.R. §681.2(b) (9). For a utility, red flags would include use of suspicious documents or suspicious personal identifying information in attempting to set up a new account or change an existing account; and for established accounts suspicious account activity and alerts from others such as law enforcement or credit agencies.

Knowledge about specific Red Flag identification, detection, mitigation and prevention practices must be limited to the Program Administrator and those employees with a need to know them. Any documents that may have been produced or are produced in order to develop or implement this program that list or describe such specific practices and the information those documents contain are considered “security information” as defined in Minnesota Statutes Section 13.37. Under that statute such documents are unavailable to the public because disclosure of them would be likely to substantially jeopardize the security of information against improper use, that use being to circumvent the Utility’s Identity Theft prevention efforts in order to facilitate the commission of Identity Theft.

Ms. Parker will serve as Program Administrator. The program was developed with assistance from the Minnesota Municipal Utilities Association and will be effective November 1, 2008.

6. Mr. Koshire, General Manager, provided the following report to the Board:
 - a. RPU's United Way Co-Chairs Laura Andrews and Mary Borgschatz provided the Board with an update on the success of RPU’s annual United Way Campaign. This year’s goal was \$22,000. The total collected was \$23,155. The Board congratulated staff on the successful outcome.
 - b. Mr. Koshire stated that Southern Minnesota Municipal Power Agency (SMMPA) board is offering its 17 members an amendment to the Power Sales Contract which would extend it from 2030 to 2050. Each member will have the opportunity to decide whether to amend its contract with the Agency. The SMMPA board will consider this matter at its December meeting. Mr. Koshire also said that SMMPA wishes to do either a bond issue or commercial paper issue for \$100 million for long-term capital needs. If this does not occur, SMMPA may need to do a 12% wholesale increase in 2009. SMMPA also voted to raise reserves to \$100 million at its annual meeting. Mr. Koshire voted against this. Mr. Jibben recommended that the SMMPA By-Laws be closely reviewed.
 - c. Mr. Dzubay, Power Resources Engineer, distributed photos of the gas turbine repairs during the meeting. The turbine is expected to be operational on Friday.
 - d. Mr. Schlink said the Board would be invited to the grand opening of the completion of the Silver Lake Plant Emissions Reduction Project (ERP) sometime this spring.
7. The management and financial reports were discussed.

- 8. Mr. Reichert moved to adjourn the meeting, seconded by Mr. Hanson.

All voting "AYE"

The meeting was adjourned at 5:08 p.m.

Submitted by:

Kathleen Wilson
Secretary

Approved by the Board:

Jack Jbh
Board President
11/25/08
Date