

ROCHESTER PUBLIC UTILITIES  
BOARD MEETING MINUTES  
February 22, 2011

Members Present: Mr. Williams, Mr. Reichert, Mr. Stahl, Mr. Hanson and Mr. Browning  
Absent: None  
Also Present: Mr. Adkins, City Attorney

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

1. Mr. Reichert moved to approve the minutes of the January 25, 2010 meeting, seconded by Mr. Hanson.

All voting "AYE"

2. Mr. Williams opened the meeting for comments from the public. No one wished to be heard.

- 3a. The Light Emitting Diode Luminaires (LED) bids for streetlights were discussed. Mr. Cook, Senior Electrical Engineer, explained the process that was used by RPU's engineering department in evaluating the bids. The intent of the project is to replace RPU's older existing mercury vapor luminaires with LED luminaires to reduce energy consumption and maintenance costs. A pilot study was done using the LED luminaires. No negative comments from the public were received. This project is also part of the federal Energy Efficiency and Conservation Block Grant (EECBG) Program funds. RPU is contributing a minimum of 20% of the costs of the project. Mr. Hanson moved to approve a purchase agreement with WESCO, 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 WESCO for:

Beta LED Luminaires

The amount of the purchase order agreement not to exceed TWO HUNDRED EIGHTY EIGHT THOUSAND AND 00/100 DOLLARS (\$288,000.00) and WESCO being lowest evaluated bidder. In addition, this project is part of a block grant of Federal EECBG funds with RPU contributing a minimum of 20% of the costs of the project.

- 3b. The repair of the Silver Lake Plant Unit 4 boiler economizer was discussed. Mr. Williams, Senior Mechanical Engineer, informed the Board that it would cost approximately \$500,000 to replace the entire economizer, but staff felt it was more cost efficient to repair the economizer at this time rather than replacing it. Mr. Hanson moved to approve a purchase order agreement with The Jamar Company, 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 The Jamar Company for:

Unit 4 Economizer Repair  
Silver Lake Plant

The amount of the purchase order agreement not to exceed SEVENTY-THREE THOUSAND FIVE HUNDRED FORTY-EIGHT AND 00/100 DOLLARS (\$73,548.00) and The Jamar Company being lowest responsible bidder.

4. The Board discussed the purchase of a new truck cab and chassis for a new digger derrick truck for Electric Maintenance & Construction crews. The derrick and utility body for the vehicle will be replaced at a later date. The purchase is within budget and replaces an existing unit. Mr. Stahl moved to approve a purchase order with Astleford International, seconded by Mr. Hanson.

All voting "AYE"

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

One 2012 International Model 7400 SFA 4x2 (SR525)  
Single Axle Truck Cab and Chassis

The amount of the purchase order agreement to be NINETY THREE THOUSAND TWO HUNDRED FIFTEEN AND 00/100 DOLLARS (\$93,215.00) plus sales tax priced by Astleford International Trucks (Contract #443428) available on State Contract Release T-647(5), and Astleford International Trucks being lowest responsible bidder.

5. Mr. Wally Schlink, Director of Power Resources, provided an update on RPU's Carbon Offset Program. He distributed the brochure for the program and provided a sample of the certificate which is issued to customers who participate in the program. The program is currently open to residential customers. Residential customers may purchase surplus credits known as Renewable Energy Credits (REC) from RPU's renewable sources like the hydroelectric dam. One REC equals one megawatt-hour (1,000 kWh) of renewable energy. The purchase of one REC equals the offset of one metric ton of carbon dioxide. Once purchased, RPU retires the credits and issues a certificate to the customer with the REC serial numbers, the customer's name, and the statement, "*The following RPU customer, by purchasing Renewable Energy Credits (REC), is proudly supporting renewable energy while offsetting their carbon footprint.*" A bill insert with more information about the program will be sent out later this year. Mr. Schlink also said that one of the newspaper blogs about the program was not accurate because this program does not represent an additional tax on a customer's bill.

6. Mr. Reichert moved to approve the annual maintenance agreement of RPU's enterprise business software, 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 SAP Public Services Inc. for

Annual Maintenance and Support of Enterprise Business Software for 2011

The amount of the purchase order agreement to be ONE HUNDRED SIX THOUSAND FOUR HUNDRED THIRTY EIGHT AND 18/100 DOLLARS (\$106,438.18).

7. The General Manager provided the following report to the Board:
  - a. RPU recently held its annual employee recognition breakfast event on site in its warehouse. Mayor Brede and Board President Williams addressed the group. Employee feedback has been very positive regarding the event and the location.
  - b. Staff has been working on RPU's application for a Transmission Owner (TO) in the Midwest Independent System Operator (MISO). Mr. Kotschevar, Director of Core Services, said acceptance of the application would allow RPU to receive approximately \$600,000 in revenue which it currently does not receive.
  - c. RPU participated in the Rochester Area Builders Home Show from February 11 – 13. It gave RPU volunteers an opportunity to discuss smart grid with customers and answer a variety of questions. Mr. Schlink, Director of Power Resources, said RPU will be conducting smart grid surveys and forming customer focus groups in the near future.
8. The management reports were discussed. Mr. Hanson moved to approve the accounts payable, seconded by Mr. Browning.

All voting "AYE"

9. Other Business:
  - a. Mr. Williams said that the Minnesota Student Energy Project has received the National Outstanding Youth in Philanthropy Award by the Association of Fundraising Professionals in Chicago. This solar project was presented to the Utility Board by three high school students with plans to build solar panels on Rochester high schools. RPU staff assisted the students in receiving a grant from the American Public Power Association for their project.

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

All voting "AYE"

The meeting adjourned at 4:50 p.m.

Submitted by:

Kathie Wilson  
Secretary

Approved by the Board:

Jerry Williams  
Board President

3/29/11  
Date