

ROCHESTER PUBLIC UTILITIES  
BOARD MEETING MINUTES  
June 28, 2011

Members Present: Mr. Williams, Mr. Reichert, Mr. Stahl, and Mr. Browning  
Absent: Mr. Hanson  
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 May 31, 2011 meeting, seconded by Mr. Stahl.

All voting "AYE"

2. Mr. Williams opened the meeting for comments from the public. No one wished to be heard.
3. The bids for the Unit #4 generator breaker addition at the Silver Lake Plant were discussed. Mr. Mueller, Project Electrical Engineer, said the breaker would provide additional reliability and that the funds were within the budget. Mr. Stahl moved to approve a contract with Eaton Corporation, seconded by Mr. Browning.

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 Eaton Corporation and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Providing services to engineer, furnish and install a new generator breaker,  
breaker enclosure and provide all equipment settings

The amount of the contract agreement to be TWO HUNDRED NINETY-NINE THOUSAND NINE HUNDRED FIFTY-TWO AND 00/100 DOLLARS (\$299,952.00) and Eaton Corporation being lowest responsible bidder.

4. The request for blended coal from Dairyland Power Cooperative was discussed. Peabody CoalSales LLC has a "Right of First Refusal" clause under a previous agreement and has been notified of this request. A test burn of this blended coal was successful. Mr. Reichert moved to approve a purchases order for blended coal, seconded by Mr. Browning.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve purchase order agreements with Dairyland Power Cooperative and Cd Corporation Trucking (contingent upon a "Right of First Refusal" by Peabody COALSALES LLC) for

50,000 Tons of Coal to be shipped from Alma, Wisconsin to the  
Silver Lake Plant

The total amount of the purchase order agreements not to exceed FOUR MILLION THREE HUNDRED THOUSAND AND 00/100 DOLLARS (\$4,300,000.00).

5. Ms. Parker, Director of Corporate Services, discussed an amendment to the Master Services Agreement with HCL/Axon Solutions which would reduce RPU's monthly obligation under the agreement and would provide total savings of \$1,419,418 over the life of the agreement. In addition, the agreement continues to allow for early termination with proper notice. The 2011 budget contains funding for the existing contract. Mr. Stahl moved to approve the amendment, seconded by Mr. Browning.

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 amendment with HCL Axon Solutions Inc., and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Amendment to the Master Services Agreement for ongoing support  
of the SAP system for a six year and six month period  
subject to approval of future budgets by the Board and Council

The amount of the contract amendment to be ONE MILLION FIVE HUNDRED FIFTY FOUR THOUSAND TWENTY EIGHT AND 00/100 DOLLARS (\$1,554,028.00) for a six year and six month period.

6. The General Manager provided the following report to the Board:
  - a. Highlights from the annual American Public Power Association national conference were provided. Mr. Koshire and Mr. Williams attended the conference.
  - b. The impact of a state government shutdown is being discussed among the City Department Heads.
7. The management and financial reports were discussed. Mr. Stahl moved to approve the accounts payable, seconded by Mr. Reichert.

All voting "AYE"

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

All voting "AYE"

The meeting adjourned at 4:30 p.m.

Submitted by:

Hathie Wilson  
Secretary

Approved by the Board:

Jay Williams  
Board President  
7/26/11  
Date