

ROCHESTER PUBLIC UTILITIES  
BOARD MEETING MINUTES  
November 24, 2009

Members Present: Mr. Williams, Mr. Landwehr, Mr. Reichert, Mr. Stahl, Mr. Hanson

Absent:

Also Present: Mr. Adkins, City Attorney

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

1. Mr. Hanson moved to approve the minutes of the November 10, 2009 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 results of the Service Center Energy Audit were presented to the Board. Mr. Cook, Manager of Work Management and Integrated Services, explained that the RPU Service Center facility was placed in service May 1988. It was designated to accommodate 20 years of growth. Mr. Lee Tapper, MEP Associated Project Manager, appeared before the Board to present the findings of the energy audit. The audit structure for the Leadership in Energy and Environmental Design (LEED) for existing buildings was used for the survey. Categories reviewed included sustainable site, water efficiency, energy and atmosphere, material and resources, and indoor environmental quality. Some of the suggestions included better landscape management, recycling mulching, creating alternative commuting and transportation plans for employees, charging station for electric vehicles, promoting telecommuting, planting native vegetation onsite and offsite, installing a green roof, reducing light pollution, improving plumbing fixtures to reduce water use, and installing efficiency motors. Mr. Tapper commented that RPU's storm water management system was very good, but that staff needed to document more in order to apply for LEED certification. He also suggested applying for the Energy Star rating. Staff plans to use the study for future maintenance requests. Mr. Williams asked if other government entities are encouraging these types of audits. Mr. Koshire replied that he was not aware of existing government buildings going LEEDS. Mr. Reichert asked what it would take for RPU to get LEEDS certified. Mr. Tapper said it would cost over a million dollars for the remodeling changes needed at the Service Center to allow for certification application and that the certification is good for five years. Mr. Landwehr said staff needs to make a choice on whether we do it. He also said we could use LEED as a guide point. Mr. Koshire said we need to show the public that we are moving towards green.
4. Mr. Greg Munson, Cascade Meadow Wetlands and Environmental Science Center, discussed the Center, which is scheduled to open in September 2010, with the Board. RPU has made a financial commitment to lease 2,000 square feet of the Center to provide

visitors with education on the efficient use of water and electricity. Mr. Munson said they had applied for LEED certification. The Center will hold a variety of exhibits.

5. Mr. Rovang, Senior Civil Engineer, provided an update on the Skyline Land NW water main lining project. Institutum Technologies USA has installed a liner inside the 6" water main as a pilot project to determine the cost effectiveness and appropriateness of this "trenchless" application in eliminating water main breaks. The project was completed in November.
6. Ms. Hanson, Manager of Marketing and External Affairs, requested the Board to approve an amendment to the existing agreement for demand side management and energy conservation sales to extend the contract with services provided by Franklin Energy Services with an annual renewal of the contract annually. This would be subject to approval of the RPU budget by the Board and Council. Mr. Reichert noted that the contract was not linked to any goals. He said he looked to staff to do an annual review of the contract. Mr. Stahl moved to approval amendment subject to staff's annual review of the contract, seconded by Mr. Reichert.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve Amendment 5 as an addition to the existing contract agreement with Franklin Energy Services, LLC, and request the Mayor and the City Clerk to execute the agreement for

#### Demand Side Management and Energy Conservation Sales

The amount of the contract agreement to be \$210,672 for 2010 with future annual levels to be determined by RPU, the contract to proceed annually, and subject to Board and Common Council approval of the annual electric utility budget.

7. The proposed use of Home Energy Reports by OPOWER for a new pilot residential energy efficiency program was discussed. Mr. Koshire said this represents a bridge to Smart Grid by educating the end user. Twenty-five thousand RPU customers will be selected for this new service. There is no charge to the customer. Mr. Hanson moved to approve the Implementation and License Agreement, seconded by Mr. Landwehr.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Implementation and License Agreement along with Appendix A, Appendix B, and Appendix C between OPOWER, Inc. and the City of Rochester acting through its Public Utility Board, and request the Mayor and the City Clerk to execute the agreement for

RPU's Conservation Improvement Program, *Home Energy Reports*

Not to exceed \$\$337,501 in 2010 and \$305,501 in 2011, and subject to Board and Common Council approval of the 2011 electric utility budget.

8. Mr. Schlink, Director of Power Resources, presented an amendment to a settlement agreement between the City of Rochester and IBEW, Local 949, to the Board. The Settlement Agreement was amended to allow shift employees to receive pay for actual hours worked. Mr. Hanson moved to approve the amendment, 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 of the said City to approve the Amendment to Settlement Agreement Between City of Rochester and IBEW, Local 949, per the terms, and to authorize the City Clerk and Mayor to execute the Amendment.

9. The boiler inspection door installation for Silver Lake Plant's Unit 4 was discussed. Mr. Schlink informed the Board that the door was needed due to the new Emission Reduction Project (ERP) system. Mr. Reichert moved to approve a purchase order agreement for the installation, 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 AZCO Inc. for

#### SLP 4 Boiler Inspection Door Installation

The amount of the purchase order agreement to be SEVENTY ONE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$71,500.00) and AZCO Inc. having the lowest responsible quote.

10. Mr. Sutton, Manager of Portfolio Optimization, introduced an addendum for Board consideration to the Participation Sales Agreement between the City of Rochester and the Minnesota Municipal Power Agency (MMPA). The addendum is necessary to maintain a transmission path from RPU generation sources to MMPA. Mr. Landwehr moved to approve the addendum, seconded by Mr. Hanson.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve Addendum No. 4 to the Participation Sales Agreement with the Minnesota Municipal Power Agency (MMPA) and to request the Mayor and the City Clerk to execute the Addendum.

11. The General Manager provided the following report to the Board:
  - a. The next board meeting will be held on December 17 at 4:00 p.m.
  - b. RPU's reliability statistics are down due to the recent ice storm.

12. The management and financial reports were discussed.

The payables were reviewed. Mr. Landwehr moved to approve the accounts payable report, seconded by Mr. Hanson.

All voting "AYE"

13. Other Business:

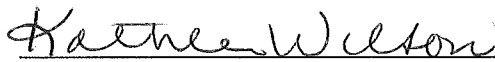
RPU had a very successful 2009 United Way campaign. The campaign was sponsored by the Power Resources section with assistance from others throughout RPU. The goal was exceeded by 117% with a total of \$28,001.21 contributed by employees. Mr. Williams expressed the Board's gratitude to staff for the powerful way they made a statement about giving in the community.

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

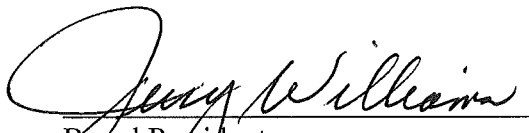
All voting "AYE"

The meeting was adjourned at 5:35 p.m.

Submitted by:

  
Secretary

Approved by the Board:

  
Board President  
12/17/09  
Date