

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
November 15, 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. Hanson moved to approve the minutes of the October 25, 2011 meeting, seconded by Mr. Stahl.

All voting "AYE"

2. Mr. Williams opened the meeting for comments from the public. No one signed up to speak.

3. The proposed 2012 electric utility and water utility capital and operating budgets were reviewed with the Board. Mr. Koshire, General Manager, said that the budgets had been reviewed by the RPU finance committee in October and that a draft of the budgets had been presented at the October 25 meeting. He also said that staff had not received any negative comments from the public. No rate increases for electric or water services are being proposed at this time. Ms. Parker, Director of Corporate Services, said that conservative forecasts are used, and that RPU continues to invest in capital for utility improvements to ensure safe and reliable service, and in our cash reserves. Mr. Koshire said that RPU's reserves are strong and that the Board is basically approving a deficit budget. Mr. Reichert moved to approve the 2012 budgets, seconded by Mr. Hanson.

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 the 2012 electric and water capital and operating budgets.

4. The General Manager provided the following report to the Board:
 - a. The Charter Commission is reviewing various Charter provisions regarding governing boards, including the Utility Board. Their next meeting to discuss this topic will be in January, 2012.
 - b. The Southern Minnesota Municipal Power Agency's (SMMPA) board approved its 2012 budget. SMMPA is discussing a \$200 to \$300 million upgrade to Sherco 3.
5. Mr. Hanson moved to adjourn the meeting, seconded by Mr. Reichert.

All voting "AYE"

The meeting adjourned at 4:25 p.m.

Submitted by:

Kathleen Wilson
Secretary

Approved by the Board:

Jerry Williams
Board President
11/29/11
Date