

WATER AND LIGHT COMMISSION MINUTES

REGULAR MEETING

MAY 16, 2011

The regular meeting of the Water and Light Commission was called to order in the Worthington Public Utilities Conference Room at 3:00 P.M., DST, by President Robert J. Demuth with the following members present: Randy Thompson, James Elsing, Ron Wood and Gary Hoffmann.

Staff members present were Scott Hain, General Manager; Deb Scheidt, Secretary to the Commission

Others present: None

AGENDA ADDITIONS/CLOSURE

Commissioner Wood requested that *Discussion on Meeting Time Change* be added to the agenda. A motion was made by Commissioner Hoffmann, seconded by Commissioner Thompson and unanimously carried to close the agenda with the addition of *Discussion on Meeting Time Change*.

WATER AND LIGHT COMMISSION MINUTES

A motion was made by Commissioner Thompson, seconded by Commissioner Hoffmann and unanimously carried to approve the Water and Light Commission minutes of the regular meeting held May 2, 2011.

FINANCIAL STATEMENTS AND STAFF REPORTS

A motion was made by Commissioner Wood, seconded by Commissioner Thompson and unanimously carried to accept the Financial Statements and the Staff Reports for April 2011.

APPROVE PLANS AND SPECIFICATIONS FOR 2011 SEWER AND WATER RECONSTRUCTION PROJECT

The 2011 wastewater and water budgets include funding for the reconstruction of the sanitary sewer and water main in Second Avenue from 15th Street to Okabena Street. The reconstruction of the storm sewer in this segment of Second Avenue is also budgeted to be completed in 2011. The reconstruction of these subsurface improvements is proposed due to their condition and is not associated with a planned street reconstruction project. The sanitary sewer will be reconstructed on its current alignment and increased in size from 6" in diameter to the current minimum standard of 8". The total estimated cost of the sanitary sewer work (including engineering and contingencies) is \$135,000 compared to the budgeted amount of \$197,200. The water main will be reconstructed on a revised alignment and will also be increased in size from

6" to 8" in diameter. The total estimated cost for the water main reconstruction work (including engineering and contingencies) is \$158,000. The amount budgeted for the water reconstruction project is \$202,750. Final pavement restoration is not included in either project estimate and is budgeted for a future year.

In addition to the storm sewer reconstruction on Second Avenue, the proposed 2011 sewer and water reconstruction project includes a segment of storm sewer reconstruction on Oslo Street north of County Ditch 12. The storm sewer projects are funded from the storm water utility fund. The estimated cost for these two projects equals the budgeted amount of \$259,200

A motion was made by Commissioner Wood, seconded by commissioner Elsing and unanimously carried to approve the plans for the 2011 sewer and water reconstruction project and authorize an advertisement for bids to be received on June 17, 2011, and considered at the June 20, 2011, Commission meeting.

LEAK DETECTION SURVEY

Scott Hain, General Manager, reported that Westrum Leak Detection, Inc. completed their annual leak detection survey of our water distribution system on April 29, 2011. A total of five leaks were identified. Of the five leaks, two water main leaks and two hydrant leaks are Worthington Public Utilities' responsibility to repair and one service line leak is the homeowner's responsibility to repair.

DISCUSSION ON FUTURE LEWIS & CLARK FINANCING

Scott Hain, General Manager, reported that an open forum/brainstorming session will be held at the May 26, 2011, Lewis and Clark Board of Directors meeting to discuss the concept of borrowing money (possibly in the form of bonding or conventional loans) in an effort to keep construction on the project moving forward since the level of federal funding remains uncertain at this time. Commission members and utility staff held a discussion on future financing options, the proposed construction sequence and the administrative budget for the project. Comments, questions and concerns generated from the discussion will be shared with the Lewis and Clark board members at their May 26 meeting.

Commissioner Wood left the meeting at this time.

MIDWEST INDEPENDENT SYSTEM OPERATOR (MISO) MARKET IMPLEMENTATION AGREEMENT (MIA) CHARGE REFUND

Scott Hain, General Manager, reported that after several months of discussion, the MRES Board of Directors approved refunding a portion of the MISO MIA charges assessed to the MISO footprint members. The charges were implemented in 2005 to cover the costs incurred by MRES for delivery of power to their members located within the MISO footprint. Mr. Hain reported that participation in the MISO market has resulted in cost savings to MRES which has benefited

the entire MRES membership. As a result of these cost savings, refunds will be issued to all MRES members who have paid MISO MIA charges in the years 2005 through 2011, which includes Worthington.

MISSOURI RIVER ENERGY SERVICE (MRES) ANNUAL MEETING

Commissioners Hoffmann and Demuth and Scott Hain, General Manager, provided a verbal report on the Missouri River Energy Services (MRES) annual meeting held on May 10-11, 2011. Mr. Hain also briefly discussed future power supply strategies that MRES has been discussing. Mr. Hain also reported that he was elected to the MRES Board of Directors at the Annual Meeting.

MISSOURI RIVER ENERGY SERVICES (MRES) POLICY MAKERS WORKSHOPS

Earlier this year, Missouri River Energy Services (MRES) member's policy makers completed a survey regarding their interest in the organization of workshops designed to provide them with more in depth information. As a result of the surveys received, MRES will be holding their first policy makers workshops in Moorhead, Minnesota, on June 14 at 12:45 p.m. and 6:00 p.m. and in Sioux Falls, South Dakota, on June 29 at 12:45 p.m. and 6:00 p.m. Commission members were asked to consider attending one of the sessions in Sioux Falls on June 29. More information on the workshop will be provided to the Commission as it is received.

DISCUSSION ON MEETING TIME CHANGE

At the request of Commissioner Wood, discussion was held on the Commission's interest in changing the regular Water & Light Commission meeting time to something other than 3:00 p.m. in order to accommodate a scheduling issue that he will experience during his tenure as interim President at Southwest Minnesota State University, beginning in July. Commission members discussed how the current 3:00 p.m. meeting time worked for them and potential alternative meeting times that might be considered. The Commissioners were all in agreement that continuity on the Commission is very important and that, due to the complexities of the utility business, experience is crucial.

Utility staff will research the City of Worthington Charter provisions and the Water & Light Commission by-laws to see if the meeting time is incorporated in the documents and report back to the Commission at the next meeting where further discussion will be held.

UTILITY BILLS PAYABLE

A motion was made by Commissioner Thompson, seconded by Commissioner Hoffmann and unanimously carried to approve the utility bills payable totaling \$144,248.52 for May 6 and May 13, 2011.

ADJOURNMENT

A motion was made by Commissioner Thompson, seconded by Commissioner Hoffmann and unanimously carried to adjourn the meeting at 4:29 P.M., DST. President Demuth declared the meeting adjourned.

Deb A. Scheidt

Secretary to the Commission