Board of Water Commissioners of the City of Saint Paul

April 5, 2011 Meeting

> Agenda and Minutes

BOARD OF WATER COMMISSIONERS

April 5, 2011

Meeting Agenda

CONSENT AGENDA:

- 1. Approval of the Minutes of the regular meeting of March 2011.
- 2. Approval of the Financial Statements for the month of February 2011.

ACTION ITEMS:

- 3. Resolution No. 7116 pertaining to an Agreement with Bolton & Menk, Inc. to provide construction engineering services for Dale Street Reservoir project.
- 4. Resolution No. 7117 pertaining to Amendment No. 4 to Agreement with Short Elliott Hendrickson, Inc. to provide additional review and inspection services for wireless communication installations.
- 5. Resolution No. 7118 pertaining to the issuance of Water Revenue Refunding Bonds, Series 2011D and 2011E.
- 6. Resolution No. 7119 directing that hydrant standards be revised to include STORZ connection nozzles.

DISCUSSION ITEM:

7. City of Maplewood Water System Evaluation. (attachment)

GENERAL MANAGER'S REPORT

Meeting will be closed at this time.

8. Discussion of Dale Street Reservoir project issues.

BOARD OF WATER COMMISSIONERS

April 5, 2011

Meeting Minutes

President Harris called the meeting to order at 5:00 p.m. in the Committee Hearing Room 330, City Hall.

Roll call.

Present: President Harris, Vice President Zanmiller, Secretary Gagnelius, Commissioners

Anfang, Bykowski, and Helgen.

Commissioner Kleindl arrived during Agenda Item number 6.

Steve Schneider, General Manager; Todd Hurley, Saint Paul Office of Financial Services; Dave Schuler, John Blackstone, Brad Eilts and Bill Tschida, Saint Paul Regional Water Services.

CONSTENT AGENDA:

Consent Agenda Item Nos. 1 and 2 were moved for approval by Commissioner Helgen and seconded by Commissioner Anfang as follows:

CONSENT AGENDA:

- 1. Approval of the Minutes of the regular meeting of March 2011.
- 2. Approval of the Financial Statements for the month of February 2011.

Approved

Yeas - 5

Nays - 0

ACTION ITEMS:

3. Resolution No. 7116 pertaining to an Agreement with Bolton & Menk, Inc. to provide construction engineering services for Dale Street Reservoir project.

Mr. Schneider explained that the agreement provides for construction services required to complete construction of the Dale Street Reservoir project following termination of an agreement for construction services with Short, Elliott, Hendrickson, Inc. (SEH) Bolton & Menk was next on the list of initial project bidders. The not to exceed cost of \$111,600 is very close to the amount that remained on the SEH agreement before it was terminated.

Resolution No. 7116 was moved for approval by Commissioner Anfang and seconded by Commissioner Bykowski as follows:

WHEREAS, the Board of Water Commissioners desires to obtain professional construction engineering services required to complete construction of a new 10 million gallon ground level water reservoir at its Dale Street Reservoir site in Roseville, Minnesota; and

WHEREAS, staff did solicit proposals from firms qualified to provide said services, and from such proposers does recommend the firm of Bolton & Menk, Inc. at a cost not to exceed \$111,600; and

WHEREAS, staff has prepared an agreement which sets forth the specifications for providing said services, and staff does recommend approval of said agreement; now, therefore, be it

RESOLVED, that the Agreement between the Board of Water Commissioners and Bolton & Menk, Inc. to provide professional construction engineering services required to complete construction of a 10 million gallon ground level water reservoir is hereby approved in substantially the form submitted, and that the proper officers are hereby authorized and directed to execute said Agreement on behalf of the Board following approval by the assistant city attorney.

Adopted. Yeas - 5 Nays - 0

4. Resolution No. 7117 pertaining to Amendment No. 4 to Agreement with Short Elliott Hendrickson,
Inc. to provide additional review and inspection services for wireless communication installations.

Mr. Schneider explained that the SEH personnel who performed the work on the Dale Street Reservoir project are not the same as those who perform water tower inspection related services, such as this wireless installation work. Staff is very satisfied with their work and wishes to add \$50,000 to the agreement in anticipation of upcoming work. The costs for these wireless engineering services will be reimbursed by the wireless carriers.

Resolution No. 7117 was moved for approval by Commissioner Helgen and seconded by Commissioner Anfang as follows:

WHEREAS, the Board of Water Commissioners entered into an agreement with Short Elliott Hendrickson, Inc. ("SEH") on December 4, 2007 to provide warrantee reconditioning inspections and plan review and inspection of wireless communication installations on the Board's elevated water towers in an amount not to exceed \$48,720 (the "Agreement"); and

WHEREAS, the Board entered into Amendment No. 1 to the Agreement with SEH on September 8, 2009 to provide for additional wireless equipment review and inspection services at a cost not to exceed \$36,000; and

WHEREAS, the Board entered into Amendment No. 2 to Agreement with SEH dated June 8, 2010 to provide for design and inspection services necessary for the reconditioning of the Board's Stillwater Road Water Tower at a cost not to exceed \$41,400; and

WHEREAS, the Board entered into Amendment No. 3 to Agreement with SEH dated November 9, 2010 to provide additional engineering services related to the installation of wireless communication equipment on the Board's water tower sites at a cost not to exceed \$33,000; and

WHEREAS, SEH has faithfully complied with all requirements and conditions of the Agreement; and

WHEREAS, the parties desire to amend the Agreement to provide further additional wireless equipment review and inspection services; and

WHEREAS, staff has prepared an Amendment No. 4 to Agreement which provides for such additional services at a cost not to exceed \$50,000, resulting in a total not to exceed cost of \$209,120, as amended; and

WHEREAS, staff recommends approval of said Amendment No. 4; now, therefore, be it

RESOLVED, that Amendment No. 4 to Agreement between the Board of Water Commissioners and Short Elliott Hendrickson, Inc. to provide additional wireless communication equipment review and inspection services is hereby approved in substantially the form submitted, and that the proper officers are hereby authorized and directed to execute said Amendment No. 4 on behalf of the Board, following approval by the assistant city attorney.

Approved. Yeas - 5 Nays - 0

5. Resolution No. 7118 pertaining to the issuance of Water Revenue Refunding Bonds, Series 2011D and 2011 E.

Mr. Schneider introduced Todd Hurley, Acting Director of St. Paul Office of Financial Services to explain the details of the proposed refunding.

Mr. Hurley explained that the concurring resolution before the Board is required in order to close the sale of two bonds intended to refund the 1998 Public Facilities Authority note, which has a remaining balance of \$6,435,000 at 3.48%. One first series is a taxable 1.19% four-year note and the second is a tax exempt 2.0% eight-year note. The blended rate on the entire refunding is 1.66%, resulting in a present value savings of \$400,000.

Mr. Schneider verified with Mr. Hurley that the term of the refunding is the same as the refunded 1998 note.

President Harris thanked Mr. Hurley and Bob Geurs of the Office of Financial Services for bringing the refunding opportunity to the Board's attention and for completing the work necessary to accomplish it.

Resolution No. 7118 was moved for approval by Commissioner Anfang and seconded by Vice President Zanmiller as follows:

RESOLUTION CONCURRING IN THE ACTION OF THE CITY OF SAINT PAUL WITH RESPECT TO THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2011, IN ORDER TO REFINANCE THE CITY'S OUTSTANDING WATER REVENUE NOTE OF 1998

WHEREAS, on January 12, 2011, the City Council of the City of Saint Paul, Minnesota (the "City") adopted a resolution preliminarily authorizing the issuance of one or more Water Revenue Bonds by the City for the purpose of redeeming and prepaying the outstanding principal amount plus accrued interest of the City's Water Revenue Note of 1998 (the "1998 Note"); and

WHEREAS, the City is proposing to refinance the 1998 Note in order to achieve debt service savings and on February 16, 2011, the City Council of the City will consider a resolution (the "City Resolution") authorizing the City to issue and deliver its (i) Tax-Exempt Water Revenue Refunding Bonds, Series 2011D (the "Series 2011D Bonds"), and its (ii) Taxable Water Revenue Refunding Bonds, Series 2011E (the "Series 2011E Bonds" and together with the Series 2011D Bonds, the "Series 2011 Bonds"), the proceeds of which will be used by the City to redeem and prepay the outstanding principal amount of the 1998 Note plus accrued interest to the date of redemption; and

WHEREAS, the City Resolution awards the sale of the Series 2011 Bonds to the purchasers and sets forth various terms of the Series 2011 Bonds; and

WHEREAS, and in order for the City to issue the 2011 Bonds, the Board of Water Commissioners of the City of Saint Paul (the "Board") must concur with the issuance of such 2011 Bonds; and

WHEREAS, a draft of the City Resolution is currently on file with the Board on the date hereof and will be considered by the City Council of the City substantially in the form on file with the Board, and the Resolution in the form adopted is before this Board meeting and on file.

NOW, THEREFORE, BE IT RESOLVED by the Board of Water Commissioners of the City of Saint Paul, as follows:

- 1. <u>Concurrence</u>. The Board hereby concurs in the City Resolution as on file with the Board on the date hereof, and all provisions of the City Resolution, when adopted, are hereby incorporated by reference in this resolution and joined in, adopted, approved and ratified, including all of the covenants and agreements therein, with the same force and effect as if the City Resolution had been adopted by the Board.
- 2 <u>Execution of Documents</u>. The President and the General Manager of the Board are also authorized to execute all documents, certificates and instruments required for the valid issuance of the Series 2011 Bonds by the City.

Adopted Yeas - 5 Nays - 0

6. Resolution No. 7119 directing that hydrant standards be revised to include STORZ connection nozzles.

Commissioner Bykowski moved to table discussion of the resolution, seconded by Vice President Zanmiller

Commissioner Bykowski expressed concern about moving forward with an initiative requested by the city of Maplewood at a time when the city is considering becoming a wholesale customer. He suggested the issue should wait until Maplewood decides its direction.

Vice President Zanmiller expressed support for the motion, stating that he prefers the Board wait to act until all retail cities have had the chance to evaluate the STORZ nozzle and render an opinion on their desire to use it.

President Harris expressed opposition to the motion, stating that the nozzles are believed to make a difference in public safety and that the Board should be able to decide the issue at this time.

[Commissioner Kleindl arrived]

Vice President Zanmiller called the question on the motion to table the discussion.

Vice President Zanmiller moved for a roll call vote.

Commissioner Anfang: No

Commissioner Bykowski: Yes

Commissioner Helgen: No

Commissioner Kleindl: Abstain

Vice President Zanmiller: Yes.

President Harris: No

Yeas - 2

Nays - 3

Abstain - 1

Motion to table discussion of the resolution failed.

Commissioner Helgen moved approval of Resolution No. 7119, seconded by Commissioner Anfang.

Vice President Zanmiller stated he is in possession of resolutions from the cities of West St. Paul, Mendota Heights and South St. Paul in opposition to the move to STORZ hydrant nozzles. It is good that that the proposed resolution provides that cities can opt out of the change, but because of the added cost associated with providing the STORZ nozzle, it would be better for the utility as a whole if the cities that wanted the nozzle in their cites were to pay a surcharge to cover the additional cost.

Commissioner Anfang asked if the capital budget would increase to account for the additional cost of providing the STORZ nozzles.

Mr. Schneider replied that the capital budget would remain unchanged, resulting fewer hydrant replacements.

Vice President Zanmiller offered an amendment to the resolution which would replace "at no cost to the cities" with "provided the cities impose a surcharge to pay for said improvements"

President Harris called for a vote on the amendment to Resolution No. 7119.

Roll call vote on the motion to approve the amendment to Resolution No. 7119:

Commissioner Anfang: No

Commissioner Bykowski: Yes

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Commissioner Helgen: No

Commissioner Kleindl: Abstain

Vice President Zanmiller: Yes

President Harris: No

Yeas - 2

Nays - 3

Abstain - 1

Amendment failed

Resolution No. 7119 was moved for approval by Commissioner Helgen and seconded by Commissioner Anfang as follows:

WHEREAS, the Board of Water Commissioners of the City of Saint Paul provides retail water service to the cities of Saint Paul, Maplewood, West Saint Paul, Lauderdale, Falcon Heights, Mendota and Mendota Heights; and

WHEREAS, included in the services the Board provides to said cities is fire hydrant maintenance, which includes replacement when deemed necessary; and

WHEREAS, the City of Maplewood has requested that all new and replacement fire hydrants installed by the Board include one STORZ connection nozzle in order to facilitate emergency response; and

WHEREAS, representatives from fire departments serving all other said cities indicated they had no objection to such STORZ connection nozzle, provided it incurs no additional cost to the served city; and

WHEREAS, the Board is willing to grant such request at no additional cost to the cities, beginning in calendar year 2012; now, therefore, be it

RESOLVED, that the Board of Water Commissioners of the City of Saint Paul hereby directs Saint Paul Regional Water Services staff to revise its standards for fire hydrants in the Board's retail service area so as to include one STORZ connection nozzle; and, be it

FURTHER RESOLVED, that Saint Paul Regional Water Services staff is hereby directed to prepare appropriate amendments to water service agreements with all retail water service cities desiring said revision and that said amendments be presented to the Board and cities for action.

Adopted.

Yeas - 3

Nays - 2

Abstain - 1

Commissioner Helgen left the meeting.

DISCUSSION ITEM:

7. City of Maplewood Water System Evaluation. (attachment)

GENERAL MANAGER'S REPORT

1. Infinity Link

The online water bill site is now live. Board members are encouraged to review it.

Possibility of collecting St. Paul storm sewer change on water bills
 Discussions have begun with St. Paul Public Works Department.

3. Meter Replacement project

Approximately 16,000 of the 94,000 meters have been replaced.

Replacement of large meters is to begin next week.

4. Light Rail (LRT)

SPRWS advanced work is complete on University from Emerald to Fairview.

• SPRWS now has 10 full-time employees working on the project. The work includes valve

replacement and operation, engineering, inspection and pressure and bacteria testing.

Meeting with Metropolitan Council tomorrow to revise the estimate for SPRWS work

addressed in SFA-02, which was approved by the Board at its March meeting. The estimate

is expected to be revised downward, so an amendment will likely not be necessary.

5. April Fool's Day prank

On April 1, someone placed a phony combination water and electric shut-off placard on a building

on Raymond at University, near LRT work. One of our plumbing inspectors made an appearance

and quickly ended the prank.

Motion by Vice President Zanmiller, seconded by Commissioner Anfang, to close the open

meeting and open a closed session to discuss the Board's contract with Short, Elliott Hendrickson, Inc. for

services pertaining to the Dale Street Reservoir, which has been terminated as discussed in Agenda Item

No. 3, and the legal matter of pursuing claims for damages pursuant to that contract.

Yeas - 5

Nays - 0

Motion passed.

Open meeting closed.

President Harris reconvened the open meeting.

The meeting was adjourned at 6:30.

Attest:

Secretary

President