

**Board of Water Commissioners
of the City of Saint Paul**

**February 14, 2012
Meeting**

**Agenda
and
Minutes**

BOARD OF WATER COMMISSIONERS

February 14, 2012

Meeting Agenda

CONSENT AGENDA:

1. Approval of the Minutes of the regular meeting of January 2012.
2. Approval of the Financial Statements for the month of December 2011.

ACTION ITEMS:

3. Resolution No. 7157 pertaining to a Settlement Agreement and Release with Short Elliott Hendrickson, Inc.
4. Resolution No. 7158 pertaining to Civil East Central Corridor LRT Subordinate Funding Agreement Number Board-05 with Metropolitan Council to provide reimbursement of Board costs for water facility work in University Avenue West and Cedar Street.

DISCUSSION ITEM:

5. 2011 Budget Review (no attachment)

GENERAL MANAGER'S REPORT

INFORMATIONAL ITEMS:

- A. Employee Injury Report – 4th Quarter 2011 (attachment)
- B. Vehicle Accident Report – 4th Quarter 2011 (attachment)
- C. Performance Measures – 4th Quarter 2011 (attachment)
- D. Investment Report – 3rd Quarter 2011 (attachment)
- E. 2012 Adopted Budget (Attachment to be handed out at the Board meeting)
- F. Letter from customer complimenting Saint Paul Regional Water Services and Northern Waterworks regarding meter replacement project (attachment)

Resolution No. 7157 was moved for approval by Commissioner Lantry and seconded by Vice President Brendmoen as follows:

WHEREAS, Short Elliott Hendrickson Inc. entered into an agreement with the Board of Water Commissioners of the City of Saint Paul dated August 11, 2009 to provide design, contract preparation and inspection services for the demolition of the Board's 30 million gallon underground reservoir and the construction of a 10 million gallon reservoir on the Board's Dale Street Property; and

WHEREAS, in accordance with the terms of the Agreement, the Board provided due notice to terminate said agreement for cause on March 23, 2011; and

WHEREAS, the Board filed a claim for damages resulting from the cause of said Agreement termination; and

WHEREAS, the assistant city attorney and staff negotiated a settlement of claims by the parties resulting from said termination in the amount of \$146,299.97, consisting of a cash payment to the Board in the amount of \$86,535.47 and waiver of Short Elliott Hendrickson Inc.'s right to seek collection of accounts receivable determined to be \$59,764.50; and

WHEREAS, Short Elliott Hendrickson Inc. has drafted a Settlement Agreement and Release which provides for said cash settlement and waiver of rights; and

WHEREAS, the assistant city attorney has reviewed and approved said Agreement as to form and staff has recommended approval of said Agreement; now, therefore, be it

RESOLVED, that the Board of Water Commissioners does hereby approve the Settlement Agreement and Release with Short Elliott Hendrickson Inc. for settlement of a claim related to an Agreement for Dale Street Reservoir engineering services dated August 11, 2009 , in the amount of \$146,299.97, which \$86,535.47 represents a cash payment to the Board and \$59,764.50 represents a waiver of Short Elliott Hendrickson Inc.'s right to seek collection of accounts receivable, and that the proper officers are hereby authorized and directed to execute said Agreement on behalf of the Board.

Approved

Yeas - 7

Nays - 0

4. Resolution No. 7158 pertaining to Civil East Central Corridor LRT Subordinate Funding Agreement Number Board-05 with Metropolitan Council to provide reimbursement of Board costs for water facility work in University Avenue West and Cedar Street.

Mr. Schneider explained that this subordinate funding agreement is likely the last one necessary to complete water facility relocations within the Central Corridor Light Rail Project. This one specifically reimburses the utility's costs related to relocations on University Avenue from Hamline Avenue to the State Capitol and also Cedar Street from 12th Street to 7th Street in downtown St. Paul. The amount of reimbursement is estimated to be \$1.95 million. Relocation work is expected to be completed this year.

Commissioner Bykowski asked if the project was presently on budget with respect to reimbursement of Board costs.

Mr. Schneider replied that for the most part all invoiced work has been reimbursed. Not all work has been invoiced and a couple minor issues remain regarding work already invoiced, but those are being discussed and are expected to be resolved.

Resolution No. 7158 was moved for approval by Commissioner Lantry and seconded by Commissioner Bykowski as follows:

WHEREAS, the Metropolitan Council intends to award a contract for the construction of its Civil East Central Corridor-Light Rail Transit Project, which boundaries are Fifth Street at Cedar Street and University Avenue at Emerald Street in Saint Paul; and

WHEREAS, on March 9, 2010, the Board approved a Master Funding Agreement with Metropolitan Council to provide for reimbursement of water facility work within the Project, with Metropolitan Council to reimburse Board for costs incurred to provide coordination, inspection, testing, temporary water service and valve operations required for relocation of water facilities, and Board to reimburse Metropolitan Council for costs incurred to provide upgrades to the Board's water system; and

WHEREAS, said Master Agreement specified that the parties intend to address the exact amount of said reimbursements by execution of future Subordinate Funding Agreements; and

WHEREAS, Metropolitan Council and Board staff have prepared Subordinate Funding Agreement Number Board-05 to provide such reimbursement by Metropolitan Council to Board in an amount not to exceed \$1,949,701.69520,016.31 for construction in University Avenue West and Cedar Street all in Saint Paul; now, therefore, be it

RESOLVED, that Subordinate Funding Agreement Number Board-05 between the Board of Water Commissioners and the Metropolitan Council pertaining to reimbursement by Metropolitan Council to the Board for costs incurred to relocate water facilities within the Civil East Central Corridor-Light Rail Transit Project in an amount not to exceed \$1,949,701.69 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.

Approved

Yeas - 7

Nays - 0

DISCUSSION ITEM:

5. 2011 Budget Review

Revenues were 11% below projections. The \$4.9 million shortfall was made up by reducing operating costs and cancelling \$1.0 million of capital work which was placed into contingency at the beginning of 2011.

GENERAL MANAGER'S REPORT

1. Meter Replacement project
 - Approximately 49% (46,000 of 94,000) of meters have been replaced.
 - Project is on track for completion in first quarter of 2013.
2. Fifty main breaks have occurred between October and January; about half of the usual number for that period.
3. Water facility replacements for major projects such as Central Corridor Light Rail and St. Paul street projects are scheduled to begin earlier than usual this year.
4. Minnesota is currently in a moderate drought and the Minnesota Drought Task Force will be meeting soon to discuss ramifications. Jim Graupmann and I attend the meetings to keep abreast of conditions and proposed contingencies because a sprinkling ban must be initiated if Mississippi River flows at our Fridley intake drop below 2,000 CFS.
5. National AWWA Conference to be held June 10 through June 14, 2011 in Dallas, Texas. Board members interested in attending should contact Steve Schneider.

Motion to adjourn was made by Commissioner Lantry and seconded by Commissioner Bykowski.

Approved

Yeas - 7

Nays - 0

The meeting was adjourned at 5:30.

Attest:

Secretary

President Anfang