

BOARD OF WATER COMMISSIONERS

July 8, 2008

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

Role call.

Present: President Harris, Commissioners Anfang (non-voting), Bostrom, Carter III, Kleindl and Rossbach.

Excused: Vice President Zanmiller.

Commissioner Kleindl arrived during Item Number 8.

Lisa Veith, Board Attorney; Steve Hirsch, Minnesota Department of Natural Resources; Scott Cordes, Office of Financial Services; Martha Burckhardt, Steve Gleason, Jim Graupmann, Christine Meyer, Dave Schuler, Bill Tschida; Saint Paul Regional Water Services.

DISCUSSION ITEM:

8. Camp Dresser & McKee, Inc. Zebra Mussels and Other Invasive Species Management Plan.

Mr. Schneider explained that Production Manager Jim Graupmann would provide a power point presentation of the consultant's evaluation and recommendations to be followed by comments by Steve Hirsh of the Minnesota Department of Natural Resources (DNR).

Mr. Graupmann explained the issues and recommendations. A brief summary of the recommendations follows:

Objective 1

Effectively manage SPRWS infrastructure to minimize operational impacts caused by zebra mussels.

Management Plan

Increase monitoring and inspections, physical removal and cleaning, apply coating if removal costs become onerous.

Objective 2

Minimize the potential spread of zebra mussels and other exotic species to other water bodies as a direct result of SPRWS actions.

Management Plan

Pump between conduits, disinfect with ozone, limit overflows to adjacent waters.

Objective 3

Minimize the potential spread of other exotic species to SPRWS water bodies as a direct result of SPRWS actions.

Management Plan

Discontinue use of Centerville and Otter Lake. There are no feasible, cost effective options for the Mississippi River intake. Also, entry of invasive species could likely occur from activities beyond SPRWS' control.

Commissioner Rossbach asked if a plan exists for using Centerville and Otter Lakes on an emergency basis.

Mr. Schneider replied that he would look into that and report his findings.

Steve Hirsch from the DNR stated he respectfully disagrees with two of the consultant's conclusions; 1) that no cost effective options exist to prevent the spread of invasive species for the Mississippi River intake, and 2) that invasive species will likely spread by other means.

Mr. Hirsch offered DNR assistance in helping the Board develop a long-term plan to address the next generation of invasive species, such as Asian Carp and viral hemorrhagic septicemia.

Mr. Schneider stated that after hearing the comments, he suggests the issue be further discussed at the next Board meeting.

President Harris thanked Mr. Hirsch for his comments and asked him to provide a written response from the DNR for Board consideration by August 8, 2008.

Mr. Hirsch said he would provide the response.

Consent Agenda Items Nos. 1 through 4 were moved for approval by Commissioner Carter as follows:

CONSENT AGENDA:

1. Approval of the Minutes of the regular meeting of June 2008.
2. Approval of the Financial Statements for the month of May 2008.
3. Unaudited Financial Report for the year 2007.
4. Resolution No. 6096 pertaining to a private water main agreement with St. Paul's Monastery, to supply water to St. Paul Monastery and Maple Tree Monastery Childcare Center at Monastery Way and Benet Road in the City of Maplewood.

WHEREAS, St. Paul's Monastery has requested permission to install a private water main to serve St. Paul's Monastery and Maple Tree Monastery Childcare Center, in the City of Maplewood, with domestic water service and fire protection; and

WHEREAS, St. Paul's Monastery proposes to construct the private water main according to Saint Paul Regional Water Services Standards and agrees to accept full responsibility for the maintenance and repair of the private water main and hold the Board of Water Commissioners harmless from all claims that may arise from the existence or operation of the private water main; and

WHEREAS, staff has prepared a Private Water Main Agreement which sets forth those terms and conditions required by the city attorney's office for the installation and operation of a private water main, and Saint Paul Regional Water Services General Manager recommends approval of said Agreement; now, therefore, be it

RESOLVED, that the Board of Water Commissioners hereby approves the Private Water Main agreement with St. Paul's Monastery to provide domestic water service and fire protection to St. Paul's Monastery and Maple Tree Monastery Childcare Center, in the City of Maplewood, in substantially the form submitted and that the proper officers of the Board are hereby authorized and directed to execute said Private Water Main Agreement on behalf of the Board, following approval of the assistant city attorney.

Approved.

Yeas - 5

Nays - 0

ACTION ITEMS:

5. Resolution No. 6097 pertaining to a professional services agreement with EMA Engineering Services, P.C. to provide Phase One implementation of improvements to Computerized Maintenance Management System.

Mr. Schneider explained that the agreement is the result of EMA's 2007 evaluation of the utility's Computerized Maintenance Management System (CMMS). One of EMA's recommendations was to issue an RFP for a consultant to work with staff to develop workflow improvements and software configurations that better utilize CMMS. The RFP was issued and of the responding proposers, a selection committee recommended EMA be awarded the contract in the amount of \$435,780.

The services in this agreement are part of Phase IV, continuous improvement, of the initial CMMS project, for which \$435,000 is budgeted.

Chief Engineer Dave Schuler provided a power point presentation explaining the history and background of CMMS.

Mr. Schneider stated that the services are necessary to correct the initial configuration of the system. Staff developed that configuration without the assistance of a consultant and ultimately ended up with a system that attempted to automate the existing paper system. As a result, we are not fully utilizing the power of CMMS.

Commissioners Anfang and Rossbach asked questions about the proposal of the firm of Camp Dresser & McKee, Inc.

Mr. Schneider explained that their proposal did not address the issues required by the RFP.

Resolution No. 6097 was moved for approval by Commissioner Bostrom as follows:

WHEREAS, the Board of Water Commissioners desires to obtain professional consulting services for the implementation of modifications and improvements to its Computerized Maintenance Management System; and

WHEREAS, staff does not possess the expertise necessary to provide such services; and

WHEREAS, staff did solicit proposals from firms qualified to provide said services, and from such proposers does recommend the firm of EMA Engineering Services, P.C. to provide said services at a cost not to exceed \$432,780; 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 EMA Engineering Services, P.C. for professional consulting services for the implementation of modifications and improvements to CMMS is hereby approved in substantially the form submitted, and that the proper officers are hereby authorized to execute said Agreement on behalf of the Board following approval by the assistant city attorney.

Approved.

Yeas - 5

Nays - 0

6. Resolution No. 6098 pertaining to an agreement with NetSPI to provide a vulnerability assessment.

Mr. Schneider explained that the agreement provides a vulnerability assessment of electronic systems and will produce recommendations for improvements, at a cost of \$36,000. It is being proposed at this time to receive the benefits prior to the Republican National Convention (RNC). The specific scope of services, findings and recommendations will be treated as confidential and not shared with any firms or individuals without written consent from the Board.

President Harris asked how the agreement came about.

Christine Meyer, IS Manager, explained that it came about during a discussion at the City's IS Leadership Board meetings. Scott Phalen, head of the City's Core IS information security team, mentioned that the City was using NetSPI for certain services and suggested we might also be interested.

Initial discussions with NetSPI revealed a number of possible vulnerabilities we were not aware of. Further discussions led to this agreement for services, which are exclusively for Saint Paul Regional Water Services systems.

Resolution No. 6098 was moved for approval by Commissioner Bostrom as follows:

WHEREAS, the Board of Water Commissioners desires to obtain professional vulnerability assessment of its electronic communication and information systems; and

WHEREAS, staff does not possess the expertise necessary to provide such services; and

WHEREAS, staff did solicit a proposal from the firm of NetSPI to provide said services at a cost not to exceed \$36,000; and

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

RESOLVED, that the Agreement between the Board of Water Commissioners and NetSPI for a vulnerability assessment of electronic communication and information systems is hereby approved in substantially the form submitted, and that the proper officers are hereby authorized to execute said Agreement on behalf of the Board following approval by the assistant city attorney.

Approved.

Yeas - 5

Nays - 0

7. Resolution No. 6099 pertaining to a Settlement Agreement and Release with SunGard Recovery Services Inc.

Mr. Schneider explained that the resolution approves settlement of a claim in the amount of \$31,000 related to a Recovery Services Agreement.

The 1997 agreement provided for automatically renewing three-year terms, unless notice to terminate is delivered to SunGard by United States Postal Service not later than six months prior to the end of any term. In 2006, it was decided to purchase and operate our own recovery equipment off-site, resulting in no longer requiring SunGard's services. However, staff provided only e-mail notice to terminate the agreement, and only three months prior to the end of a term. SunGard responded by demanding payment of \$62,000 for the next three-year term. Lisa Veith and Steve Gleason negotiated a settlement amount of \$31,000, which staff is recommending be approved by the Board.

Commissioner Kleindl asked how often contracts are reviewed and why the termination requirements on this one were missed.

Mr. Schneider replied that the 1997 agreement was executed by a staff member without review by the City Attorney's Office. All new agreements are now reviewed by the Attorney's Office, which would likely object to such undesirable termination language.

Commissioner Carter asked if other older contracts exist that could have clauses like this.

Mr. Schneider replied that staff would review all maintenance contracts and report its findings.

Resolution No. 6099 was moved for approval by Commissioner Kleindl as follows:

WHEREAS, Saint Paul Regional Water Services entered into a Recovery Services Agreement with SunGard Recovery Services Inc. dated September 8, 1997, which automatically renews for successive 3-year terms and which requires written notice to terminate no less than 6 months prior to the end of each 3-year term, and

WHEREAS, Saint Paul Regional Water Services provided notice to terminate the Recovery Services Agreement in December 2006, 4 months prior to the end of the term that ended February 28, 2007; and

WHEREAS, because the notice to terminate the Recovery Services Agreement was not in accordance with the terms and conditions of the Recovery Services Agreement, SunGard Recovery Services Inc. sought payment of \$62,820, which is the entire amount due for the 3-year term of March 1, 2007 to March 1, 2010; and

WHEREAS, the assistant city attorney and staff negotiated a settlement amount of \$31,410, which is 50% of the amount sought by SunGard Recovery Services Inc.; and

WHEREAS, SunGard Recovery Services Inc. has drafted a Settlement Agreement and Release which provides for said settlement amount of \$31,410 and does also release Saint Paul Regional Water Services from any future liabilities related to the Recovery Services Agreement; and

WHEREAS, the assistant city attorney has reviewed and approved said Recovery Services 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 SunGard Recovery Services Inc., for settlement of claim related to a Recovery Services Agreement dated September 8, 1997, and that the proper officers are hereby authorized and directed to execute said Agreement on behalf of the Board.

Adopted.

Yeas - 4

Nays - 0

DISCUSSION ITEM:

9. 2009 Budget (To be handed out at the Board meeting).

Mr. Schneider presented his 2009 Budget recommendation letter (attached to these minutes for record purposes), which includes a base rate increase of 8.38%. The proposed increase is requested to provide for increased operational expenses, especially chemicals, electricity and fuel.

Budget adoption schedule:

July 8 (current) Board meeting	Initial presentation
August 12 Board meeting	Board discussion
August 26 Workshop	Board discussion
September 12 Board meeting	Board discussion, possible recommendation to City Council
October 14 Board meeting	Deadline for Board recommendation to City Council

Early December

Public hearings at City Council and Truth in Taxation hearings

December

Adoption by City Council

GENERAL MANAGER'S REPORT

1. Habitat For Humanity.


Employees used vacation leave to work for one day on the Habitat For Humanity house. They appreciated the T-shirts and lunches purchased by the Board.

2. AWWA Annual Conference. Atlanta, Georgia June 7 through 12, 2008.

Along with the General Manager, Commissioners Carter and Kleindl attended the conference and received an award on behalf of the utility for achieving a 10th consecutive Phase III Partnership of Safe Water status. Only two other water utilities in the country have received this award.

The meeting was adjourned at 7:00 pm.

Attest:


Secretary

President