

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

**December 11, 2012
Meeting**

**Agenda
and
Minutes**

BOARD OF WATER COMMISSIONERS

December 11, 2012

Meeting Agenda

CONSENT AGENDA:

NOTE: ALL ITEMS LISTED UNDER CONSENT AGENDA WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS. IF DISCUSSION IS DESIRED, THAT ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED SEPARATELY.

1. Approval of the Minutes of the regular meeting of November 2012.
2. Approval of the Financial Statements for the month of October 2012.

ACTION ITEMS:

3. Resolution No. 7191 pertaining to an agreement with the City of Maplewood for billing and collection services.
4. Resolution No. 7192 pertaining to an Amendment No. 4 to Agreement for security services with Ramsey County to extend the term of the agreement to June 30, 2013.
5. Resolution No. 7193 pertaining to a professional services agreement with Toltz, King, Duvall, Anderson and Associates, Inc. to provide engineering services required for the design, procurement and installation of new heating system for the McCarrons Water Treatment Plant.
6. Resolution No. 7194 pertaining to the sale of water revenue refunding bonds in order to achieve debt service savings.
7. Resolution No. 7195 pertaining to settlement of a claim regarding a loss at 2307 Timber Trail East in the city of Maplewood.

GENERAL MANAGER'S REPORT

INFORMATIONAL ITEM:

- A. Investment Report – 3rd Quarter 2012 (attachment)

BOARD OF WATER COMMISSIONERS

December 11, 2012

Meeting Minutes

This publication is a summary of meeting proceedings.

The full text is available upon request at 651-266-6275.

President Anfang called the meeting to order at 5:05 p.m. in the Committee Hearing Room 330, City Hall.

Roll call.

Present: President Anfang, Secretary Gagnelius, Commissioners Lantry, Rossbach, and Tolbert.

Excused: Vice President Brendmoen.

Commissioner Bykowski arrived during Item No. 4.

Commissioner Kleindl arrived during Item No. 6.

Steve Schneider, General Manager; Sandra Bodensteiner, Saint Paul Risk Management; Dave Schuler, Bill Tschida and Dave Wagner, Saint Paul Regional Water Services.

CONSTENT AGENDA:

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

1. Approval of the Minutes of the regular meeting of November 2012.
2. Approval of the Financial Statements for the month of October 2012.

Approved

Yeas - 4

Nays - 0

ACTION ITEMS:

3. Resolution No. 7191 pertaining to an agreement with the City of Maplewood for billing and collection services.

Mr. Schneider explained that the agreement will revise the fees charged by the Board for billing and collecting miscellaneous charges for the City of Maplewood as part of the water bill. Staff worked extensively with Maplewood staff to arrive at new fees, which reflect the results of the recent Cost of Service study. The agreement has been approved by Maplewood city council.

Staff has begun working with cities that receive similar billing services to revise their fees to be consistent with those in this agreement.

Resolution No. 7191 was moved for approval by Commissioner Rossbach and seconded by

Commissioner Lantry as follows:

WHEREAS, the City of Maplewood and the Board of Water Commissioners entered into an Agreement in 1996 whereby the Board would provide water service to the City of Maplewood at water rates that would become equal to the rates charged within the City of Saint Paul and, in return, the City of Maplewood would convey title to its water facilities to the Board; and

WHEREAS, said Agreement acknowledged that Maplewood desired that the Board provide billing and collection services for sanitary sewer and other miscellaneous city charges, and also acknowledged that Maplewood may request additional billing and collection services in the future; and

WHEREAS, subsequent amendments to said Agreement numbered 1, 2, 4 and 5 provided various billing and collection services for which Maplewood paid the Board various fees; and

WHEREAS, at this time, the parties desire to initiate new standardized fees for billing and collection services to be applied to existing and future billings of miscellaneous city charges by the Board; and

WHEREAS, staff has prepared an Agreement which sets forth the terms and conditions for the Board to provide said billing and collection services for the City of Maplewood; now, therefore, be it

RESOLVED, that the Board of Water Commissioners does hereby approve the Agreement with the City of Maplewood which provides for the billing and collection of various City of Maplewood charges, and that the proper officers are hereby authorized and directed to execute said Agreement on behalf of the Board, following approval of the assistant city attorney.

Approved

Yeas - 4

Nays - 0

4. Resolution No. 7192 pertaining to an Amendment No. 4 to Agreement for security services with Ramsey County to extend the term of the agreement to June 30, 2013.

Mr. Schneider explained that Ramsey County Sheriff has provided security services for the Board since 2002 and the current agreement expired December 31, 2012. Rates proposed for 2013 were quite a bit higher, so staff investigated hiring a security firm from the State of Minnesota contractor list. One firm was identified as a good candidate, but Saint Paul Livable Wage requirements must be worked out with the firm before a contract can come before the Board for action. In the meantime, staff is seeking approval of this 6-month extension of the current agreement at the higher rates.

Resolution No. 7192 was moved for approval by Commissioner Lantry and seconded by Commissioner Rossbach as follows:

WHEREAS, Ramsey County entered into an Agreement with the Board of Water Commissioners dated January 13, 2004, for the purposes of having the County's Sheriff Department provide security services at Board facilities and properties (the "Initial Agreement"); and

WHEREAS, Amendment No. 1 to Agreement dated December 5, 2006, which extended the expiration date to March 31, 2007 at a total cost of \$24,071.50, was duly executed by the parties; and

WHEREAS, Amendment No. 2 to Agreement dated March 6, 2007, which extended the expiration date to December 31, 2009 at a total cost of \$276,494.80, was duly executed by the parties; and

WHEREAS, Amendment No. 3 to Agreement dated December 8, 2009, which extended the expiration date to December 31, 2012 at a total cost of \$338,096.18, was duly executed by the parties; and

WHEREAS, the parties wish to further amend the Initial Agreement in order to extend the term through June 30, 2013 at a cost not to exceed \$76,900.00; and

WHEREAS, staff has prepared an Amendment No. 4 to Agreement which provides for said extension of term and additional cost and does recommend approval; now, therefore, be it

RESOLVED, that Amendment No. 4 to Agreement between Ramsey County and the Board of Water Commissioners, which provides for security services from January 1, 2013 through June 30, 2013 at a cost not to exceed \$76,900.00 is hereby approved in substantially the form submitted, and that the proper officers of the Board 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 - 4

Nays - 0

5. Resolution No. 7193 pertaining to a professional services agreement with Toltz, King, Duvall, Anderson and Associates, Inc. to provide engineering services required for the design, procurement and installation of new heating system for the McCarrons Water Treatment Plant.

Mr. Schneider explained that the current heating system was installed in the 1950s and is in desperate need of replacing. The proposed agreement is for professional services required to design and procure the system and inspect the installation for an amount not to exceed \$97,300. Staff recommends award to TKDA, which was the lowest bidder and which has a good track record of performance on Board projects.

Resolution No. 7193 was moved for approval by Commissioner Lantry and seconded by Commissioner Rossbach as follows:

WHEREAS, the Board of Water Commissioners desires to obtain professional engineering services required for the design, procurement and installation of a new heating system for its McCarrons Water Treatment Plant; and

WHEREAS, staff solicited proposals from firms qualified to provide said services, and from such proposers does recommend the firm of Toltz, King, Duvall, Anderson and Associates, Inc. at a cost not to exceed \$97,300; and

WHEREAS, staff has prepared an agreement which sets forth the requirements 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 Toltz, King, Duvall, Anderson and Associates, Inc. to provide professional engineering services required for the design, procurement and installation of a new heating system for the McCarrons Water Treatment Plant 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 - 5

Nays - 0

6. Resolution No. 7194 pertaining to the sale of water revenue refunding bonds in order to achieve debt service savings.

As part of its annual review of Board debt, Saint Paul Office of Financial Services identified two bond issuances where refunding would produce a total interest cost savings of around \$100,000 per year. This resolution gives the City authorization to work towards the refunding, which will eventually require another Board resolution and one Saint Paul city council resolution.

Resolution No. 7194 was moved for approval by Commissioner Lantry and seconded by Commissioner Bykowski as follows:

WHEREAS, the Board of Water Commissioners has been presented with an opportunity to refund outstanding maturities of its outstanding \$10,650,000 Water Revenue Bonds, Series 2003C, its \$11,380,000 Water Revenue Bonds, Series 2005D, and its \$4,269,844 Water Revenue Note of 1996, to achieve substantial debt service savings through the issuance of Water Revenue Refunding Bonds; now, therefore, be it

RESOLVED, by the Board of Water Commissioners of the City of Saint Paul, Minnesota as follows:

1. Finding Purpose. It is hereby found, determined and declared that the City of Saint Paul, Minnesota should, based on market conditions, issue Water Revenue Refunding Bonds to refund outstanding maturities of its \$10,650,000 Water Revenue Bonds, Series 2003C, its \$11,380,000 Water Revenue Bonds, Series 2005D, and its \$4,269,844 Water Revenue Note of 1996, to achieve substantial debt savings.

2. Meeting. The Board shall meet on or about February 12, 2013 for the purpose of adopting a resolution concurring with the bond resolution as adopted by the City Council awarding the sale of said bonds.

Approved

Yeas - 6

Nays - 0

7. Resolution No. 7195 pertaining to settlement of a claim regarding a loss at 2307 Timber Trail East in the city of Maplewood.

Mr. Schneider explained that settlement of claims over \$7,500 require Board approval. This claim in the amount of \$11,267, and a number in lesser amounts, is the result of damage caused by flooding in a single family home that resulted from a hydrant malfunctioning during flushing. The malfunction caused a sudden stop of water flow while in the full open position, which sent a high-pressure surge into a dead-end main, which caused the bottom of the water meter to fail. Building restoration professionals were immediately called to the site and their prompt work helped minimize damage.

The Board is liable for damages in this type of event only in the case of negligence. While there is questionable negligence in this case, the hydrant did malfunction while being operated by SPRWS crews and homeowners would have a difficult time believing that their operation did not contribute in some way to the pressure surge. For that reason, Board President Anfang and Mr. Schneider directed Saint Paul Risk Management to settle the claims on behalf of the Board.

All services that experienced the pressure surge have static pressures over 80 psi and therefore had pressure reducing valves installed on the service line. However, the PRVs were installed during a time when the standard location was after the water meter, thereby offering no protection to the meter. SPRWS has since installed new pressure reducing valves ahead of the meter on the services affected by this event.

President Anfang asked how many other PRVs have been installed after the meter.

Mr. Schneider replied that he didn't know, but he would have staff investigate that and report the findings.

Resolution No. 7195 was moved for approval by Commissioner Lantry and seconded by Commissioner Rossbach as follows:

RESOLVED, that, upon execution and delivery of a release in full to the Board of Water Commissioners, the proper Board officers are hereby authorized and directed to pay from the Injuries and Damages fund, Activity 850-1028171-0511 to Wilber Lane Law Firm acting as representatives of Liberty Mutual Group as subrogees of Sadanand Pathre the sum of \$11,267.73 as full settlement of a claim for damages sustained on August 9, 2012 at 2307 Timber Trail East, Maplewood, Minnesota.

Approved

Yeas - 6

Nays - 0

GENERAL MANAGER'S REPORT

1. 2012 budget update.

It appears there may be a slight surplus, as revenue will be very close to projections and expenses will be slightly less. Exact numbers will be provided at the next update.

2. An email will be sent to Board members and supporting staff inviting them to an informal holiday gathering for snacks and refreshments at Champps on Larpenteur at 35-E.

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

Approved.

Yeas - 6

Nays - 0

The meeting was adjourned at 5:25.

Attest:


Secretary Gagnelius

President Anfang