Board of Water Commissioners
of the City of Saint Paul

February 12, 2013
Meeting

Agenda
and
Minutes

BOARD OF WATER COMMISSIONERS

February 12, 2013

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 January 2013.

2. Approval of the Financial Statements for the month of December 2012.

3. Resolution No. 7199 pertaining to an easement for a public fire hydrant and two service connections from the State of Minnesota on property located at 75 Constitution Avenue in the city of Saint Paul.

4. Resolution No. 7200 pertaining to a Private Water Main Agreement with Crocus New Hill, LLC, to supply water to the Crocus New Hill Development in the city of Saint Paul.

5. Resolution No. 7201 pertaining to a Twenty-Seventh Rider to Agreement with CenturyLink, Inc. allowing the installation and maintenance of three fiber optics cables within the Mississippi River Conduits right-of-way at County Road I and the intersections of Terrace Road, Madison Street, and Jackson Street in Spring Lake Park.

6. Resolution No. 7202 pertaining to a Temporary Permit to Construct allowing the Minnesota Department of Transportation to maintain culverts within the Board's Vadnais Conduits Right-Of-Way at I-35E north of Little Canada Road in Little Canada.

7. Resolution No. 7203 pertaining to a Pipeline License Agreement with BNSF Railway Company to allow the installation of a 30-inch water main in railroad property as part of MnDOT 35E/Cayuga Interchange project.

ACTION ITEMS:

8. Resolution No. 7204 pertaining to a correction to 2013 water charges.

9. Resolution No. 7205 pertaining to the issuance of Water Revenue Refunding Bonds, Series 2013A, to refinance certain outstanding Water Revenue Bonds.

10. Resolution No. 7206 pertaining to an Amendment No. 1 to Agreement with Progressive Consulting Engineers, Inc. to expand the scope of a cost of service study.

DISCUSSION ITEMS:

11. 2013-2015 Strategic Plan (attachment)
12. Engineering Update and Future Plans (attachment)

GENERAL MANAGER'S REPORT

INFORMATIONAL ITEMS:

A. Employee Injury Report – 4th Quarter 2012 (attachment)
B. Vehicle Accident Report – 4th Quarter 2012 (attachment)
C. Performance Measures – 4th Quarter 2012 (attachment)

BOARD OF WATER COMMISSIONERS

February 12, 2013

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 5:00 p.m. in the Committee Hearing Room 330, City Hall.

Roll call.

Present: President Anfang, Vice President Brendmoen, Secretary Gagnelius, Commissioners Bykowski, Lantry, and Rossbach.

Commissioner Kleindl arrived during Item No. 10.

Commissioner Tolbert arrived during Discussion Item No. 12.

Dave Schuler (in place of Steve Schneider, General Manager); Fred Melo, Saint Paul Pioneer Press; Jonathan North, Office of Financial Services; David Thune, City Council Member; Steve Schneider, General Manager, Dave Wagner, Jim Graupmann, Lorrie Brown, Steve Gleason, Ruth O'Brien, Bill Tschida, Saint Paul Regional Water Services.

CONSTENT AGENDA:

Consent Agenda Item Nos. 1 through 7 were moved for approval by Commissioner Lantry and seconded by Commissioner Rossbach as follows:

1. Approval of the Minutes of the regular meeting of January 2013.

2. Approval of the Financial Statements for the month of December 2012.

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6. Resolution No. 7202 pertaining to a Temporary Permit to Construct allowing the Minnesota Department of Transportation to maintain culverts within the Board's Vadnais Conduits Right-Of-Way at I-35E north of Little Canada Road in Little Canada.

7. Resolution No. 7203 pertaining to a Pipeline License Agreement with BNSF Railway Company to allow the installation of a 30-inch water main in railroad property as part of MnDOT 35E/Cayuga Interchange project.

Approved Yeas - 5 Nays - 0

ACTION ITEMS:

8. Resolution No. 7204 pertaining to a correction to 2013 water charges.

Business Manager Steve Gleason explained that the resolution corrects the chart of water service base fees to show the Board's intent that accounts in cities other than those whose water systems are owned by the Board would pay 20% more for the base fee as well as 20% more consumption.

Resolution No. 7204 was moved for approval by Commissioner Bykowski and seconded by Commissioner Lantry as follows:

WHEREAS, the Board of Water Commissioners did adopt Resolution No. 7178, which recommended 2013 water charges to the Saint Paul City Council, and said Council did approve and adopt the recommended charges by Resolution No. 12-302; and

WHEREAS, the intent of the resolution was to create a two-tiered system for water charges, which would include a charge for water service base fee and a charge based upon water consumption, with both tiers having separate rates for accounts in the cities of Saint Paul, Falcon Heights, Lauderdale, Maplewood and West Saint Paul and a rate 20% higher for all others; and

WHEREAS, the adopted 2013 water charges included two rates for water consumption; one for accounts in the cities of Saint Paul, Falcon Heights, Lauderdale, Maplewood and West Saint Paul and one for all others, with the rate for all others being 20% higher; and

WHEREAS, the water service base fee rates listed in said Board and City resolutions erroneously did not specify the 20% higher rates to be charged for accounts in all other cities, and the Board desires at this time to correct that omission and accordingly revise the rates previously recommended by Board Resolution No. 7178; now, therefore, be it

RESOLVED, that pursuant to Section 85.01 of the Saint Paul Legislative Code the Board of Water Commissioners of the City of Saint Paul hereby recommends that the 2013 water charges established by St. Paul City Saint Paul City Council Resolution No. 12-302 be replaced in their entirety with the following schedule of water charges for all water bills levied on or after January 1, 2013; and, be it

FURTHER RESOLVED, that the Saint Paul City Council is hereby requested to establish said charges in accordance with Saint Paul Legislative Code Section 85.01.

2013 WATER CHARGES

1. 2013 WATER CONSUMPTION RATES

Cities	Winter* per 100 cu. ft.	Summer** per 100 cu. ft.
Saint Paul Falcon Heights Lauderdale Maplewood West St. Paul	$2.29	$2.39
All Others	$2.75	$2.87

FOR ACCOUNTS HAVING 1-INCH AND SMALLER METERS

*Winter rates shall apply to bills sent during January through May, and December.

**Summer rates shall apply to bills sent during June through November.

FOR ACCOUNTS HAVING METERS LARGER THAN 1-INCH, INCLUDING ROSEVILLE AND LITTLE CANADA

*Winter rates shall apply to bills sent during January through April, November and December.

**Summer rates shall apply to bills sent during May through October.

2. 2013 WATER SERVICE BASE FEE RATES

A water service base fee shall be charged to all active domestic and commercial accounts.

Meter Size	**Charge to accounts in Saint Paul, Falcon Heights, Lauderdale, Maplewood and West Saint Paul**	**Charge to accounts in all other cities**
Smaller than 1-inch	$9.00 per Quarter	$10.80 per Quarter
1-inch	$22.50 per Quarter	$27.00 per Quarter
1 ½-inch	$15.00 per Month	$18.00 per Month
2-inch	$24.00 per Month	$28.80 per Month
3-inch	$48.00 per Month	$57.60 per Month
4-inch	$75.00 per Month	$90.00 per Month
6-inch	$150.00 per Month	$180.00 per Month
8-inch	$240.00 per Month	$288.00 per Month
10-inch	$345.00 per Month	$414.00 per Month

PUBLIC RIGHT OF WAY RECOVERY CHARGE
FOR ACCOUNTS IN THE CITY OF SAINT PAUL

Within its proposed 2013 budget, the City of Saint Paul has included a charge to the Board of Water Commissioners in the amount of $1.928 million as reimbursement for costs the City incurs as a result of Board water facilities being situated within the City's rights of way. The application of the charge is limited to rights of way within the City of Saint Paul and no other municipalities served by the Board. In the event that the right of way charge becomes a part of the City's approved 2013 budget, the Board will recoup the $1.928 million charge from water service accounts within the City of Saint Paul based on water meter size, as shown below:

Meter Size	Charge
Smaller than 1-inch	$ 4.50 per Quarter
1-inch	$ 11.25 per Quarter
1½-inch	$ 7.58 per Month
2-inch	$ 12.08 per Month
3-inch	$ 24.17 per Month
4-inch	$ 37.75 per Month
6-inch	$ 75.50 per Month
8-inch	$120.83 per Month

Approved Yeas - 5 Nays - 0

9. Resolution No. 7205 pertaining to the issuance of Water Revenue Refunding Bonds, Series 2013A, to refinance certain outstanding Water Revenue Bonds.

Jon North from the Office of Financial Services explained that by refinancing the bonds, the Board will save upwards of $100,000 while leaving the term of the bond unchanged. S&P affirmed the Board's AAA rating and Moody affirmed its Aa1 rating.

Resolution No. 7205 was moved for approval by Commissioner Lantry and seconded by Commissioner Rossbach as follows:

RESOLUTION GIVING APPROVAL TO THE ISSUANCE OF WATER REVENUE REFUNDING BONDS, SERIES 2013A, IN ORDER TO REFINANCE CERTAIN OF THE CITY'S OUTSTANDING WATER REVENUE BONDS

WHEREAS, on January 9, 2013, 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 its: (i) Water Revenue Bonds, Series 2003C (the "Series 2003C Bonds"), and (ii) Water Revenue Bonds, Series 2005D (the "Series 2005D Bonds"); and

WHEREAS, the City is proposing to refinance the outstanding Series 2003C Bonds and the Series 2005D Bonds in order to achieve debt service savings; and

WHEREAS, on February 13, 2013, the City Council of the City will consider adopting a resolution (the "City Resolution") authorizing the City to issue and deliver its Water Revenue Refunding Bonds, Series 2013A (the "Series 2013A Bonds"), the proceeds of which will be used by the City to redeem and prepay the outstanding Series 2003C Bonds and defease the outstanding Series 2005D Bonds; and

WHEREAS, the City Resolution will award the sale of the Series 2013A Bonds to the purchaser and set forth various terms of the Series 2013A Bonds; and

WHEREAS, and in order for the City to issue the 2013A Bonds, the Board of Water Commissioners of the City of Saint Paul (the "Board") must concur with the issuance of such Series 2013A Bonds; and

WHEREAS, the form of the City Resolution that is anticipated to be adopted on February 13, 2013 has been made available to this Board.

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

1. Concurrence. 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. Execution of Documents. 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 2013A Bonds by the City.

Approved Yeas - 5 Nays - 0

10. Resolution No. 7206 pertaining to an Amendment No. 1 to Agreement with Progressive Consulting Engineers, Inc. to expand the scope of a cost of service study.

Mr. Schuler explained that the agreement provides a study to quantify Board costs to provide water to Roseville and Little Canada. The proposed amendment adds the cost of the Dale Street reservoir and certain administration costs to the study at a cost of $7,010, bringing the total cost of the agreement to $31,410.

Resolution No. 7206 was moved for approval by Commissioner Lantry and seconded by Commissioner Bykowski as follows:

WHEREAS, the Board of Water Commissioners ("Board") entered into an agreement with Progressive Engineers, Inc. (the "Consultant") dated June 22, 2012 to obtain a study of the cost to provide water service to the cities of Little Canada and Roseville for an amount not to exceed $24,500 (the "Initial Agreement"); and

WHEREAS, the Initial Agreement was duly executed on behalf of the Board by Saint Paul Regional Water Services General Manager and the Director of the Office of Financial Services; and

WHEREAS the Board desires to expand the scope of work to include revised cost analysis of the Board's Dale Street reservoir and administration cost allocations; and

WHEREAS, the Consultant is willing to perform such additional work at additional compensation of $7,010, which would bring the total cost of the Initial Agreement to $31,510; and

WHEREAS, City of Saint Paul Administrative Code Sec. 86.02 and Board of Water Commissioners Resolution No. 4825 require that professional services agreements in amounts greater than $25,000 be approved and executed by the Board; and

WHEREAS, staff has prepared an Amendment No. 1 to Agreement which provides for the additional work at cost not to exceed $7,010, resulting in a total cost of $31,510, with all other conditions of the Agreement remaining unchanged; now, therefore, be it

RESOLVED, that Amendment No. 1 to Agreement between the Board of Water Commissioners and Progressive Engineers, Inc. to provide additional cost of service analysis at a cost not to exceed $7,010 is hereby approved in substantially the form submitted and that the proper officers are hereby authorized and directed to execute said Amendment No. 1 on behalf of the Board following approval by the assistant city attorney.

Approved Yeas - 5 Nays - 0

DISCUSSION ITEM:

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11. Engineering Update and Future Plans

Mr. Schuler presented an update on current and future capital improvement projects.

12. Downtown Water Main Break

Mr. Schneider provided a high level briefing on the 20-inch water main break of February 9, 2013, which caused a water outage and boil water order for large areas of downtown, west side and West Seventh Street.

Board members asked questions regarding communication with affected customers, asking if improvements could be made.

Mr. Schneider acknowledged that the current systems were overwhelmed by the event. He will be participating in an after-action session with St. Paul's Emergency Management to discuss what worked and what could be done better in response to events such as this. An update will be presented to the Board at its March meeting.

Council member Dave Thune, who represents most of the affected area, reported that many of the comments he's received about the utility's response have been positive and he wishes to compliment the department for its efforts. However, this event identifies there needs to be improvement in notifying the public during an emergency event such as this.

13. 2013-2015 Strategic Plan

Lorrie Brown presented an update to the Strategic Plan.

Commissioner Lantry requested that staff try to develop measurable customer service benchmarks which could be developed and tracked.

GENERAL MANAGER'S REPORT

No report.

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

Approved. Yeas - 7 Nays - 0

The meeting was adjourned at 6:20.

Attest:

Secretary Gagnelius

President Anfang