

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

**March 12, 2013
Meeting**

**Agenda
and
Minutes**

BOARD OF WATER COMMISSIONERS

March 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 February 2013.
2. Approval of the Financial Statements for the month of January 2013.
3. Resolution No. 7207 pertaining to an agreement with Northern States Power Company allowing access on Board property to install and maintain electrical service for wells within the Vadnais Conduit right of way in the city of Little Canada.

ACTION ITEMS:

4. Resolution No. 7208 pertaining to Amendment No. 1 to Agreement No. 01291 with the State of Minnesota providing for a reduction in Board costs for water facility betterment work within the I-35E/Cayuga Street project.
5. Resolution No. 7209 pertaining to an application for a loan from the Drinking Water Revolving Fund to fund a sludge filter press.
6. Resolution No. 7210 pertaining to amending the 2013 Adopted Budget to reflect the issuance of revenue refunding bonds to currently refund the Series 2003C and advance refund the Series 2005D Water revenue bonds.
7. Resolution No. 7211 pertaining to an agreement with the City of Falcon Heights for billing and collection services.
8. Resolution No. 7212 pertaining to an agreement with the City of Lauderdale for billing and collection services.
9. Resolution No. 7213 pertaining to an agreement with the City of Saint Paul for billing and collection services.

DISCUSSION ITEM:

10. Update on February 8 Water Main Break

GENERAL MANAGER'S REPORT

INFORMATIONAL ITEM:

- A. 2012 Claims Report (attachment)

BOARD OF WATER COMMISSIONERS

March 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, Kleindl, Lantry, and Rossbach.

Excused: Commissioner Tolbert.

Steve Schneider, General Manager; Steve Gleason, and Bill Tschida, Saint Paul Regional Water Services.

CONSENT AGENDA:

Consent Agenda Item Nos. 1 through 3 were moved for approval by Commissioner Bykowski and seconded by Commissioner Rossbach as follows:

1. Approval of the Minutes of the regular meeting of February 2013.
2. Approval of the Financial Statements for the month of January 2013.
3. Resolution No. 7207 pertaining to an agreement with Northern States Power Company allowing access on Board property to install and maintain electrical service for wells within the Vadnais Conduit right of way in the city of Little Canada.

Approved

Yeas - 6

Nays - 0

ACTION ITEMS:

4. Resolution No. 7208 pertaining to Amendment No. 1 to Agreement No. 01291 with the State of Minnesota providing for a reduction in Board costs for water facility betterment work within the I-35E/Cayuga Street project.

Mr. Schneider explained that this amendment revises the initial agreement to reflect the actual bids MnDOT received for relocation of a 30-inch water main to be performed by its contractor as part of the project. This will result in a \$58,706.44 reduction in cost.

Resolution No. 7208 was moved for approval by Commissioner Bykowski and seconded by

Commissioner Rossbach as follows:

WHEREAS, on October 9, 2012, the Board of Water Commissioners approved Agency Relocation Agreement No. 01291 with the State of Minnesota to provide for the relocation of certain water facilities within State Project No. 6244-308 on Trunk Highway 35E from 580 feet south of University Avenue to 760 feet north of Maryland Avenue in the city of Saint Paul (the "Agreement"); and

WHEREAS, the Agreement provided that Boards costs for said relocation work are estimated to be \$148,732.07, from which will be deducted Board costs to inspect certain relocation work, estimated to be \$73,857.66, resulting in a total estimated cost to the Board of \$74,874.41; and

WHEREAS, the Agreement further provided that the actual cost to the Board shall be based on the actual bid amount for said relocation work, as contained in a contract to be awarded by the State for work of the Project; and

WHEREAS, the State awarded said contract, and the bid amount for said relocation work has resulted in an actual cost to the Board of \$90,025.63, resulting in a revised total cost to the Board of \$16,167.97; and

WHEREAS, the State has prepared Amendment #1 to Agency Relocation Agreement No. 01291, which provides for said revised total cost to the Board, and the assistant city attorney has approved said Amendment as to form; now, therefore, be it

RESOLVED, that Amendment #1 to Agency Relocation Agreement No. 01291 between the Board of Water Commissioners of the City of Saint Paul and the State of Minnesota pertaining to revised costs to the Board for the relocation of water facilities within State Project No. 6244-308 on Trunk Highway 35E from 580 feet south of University Avenue to 760 feet north of Maryland Avenue in the city of Saint Paul, is hereby approved and that the proper officers are hereby authorized and directed to execute said agreement on behalf of the Board.

Approved

Yeas - 6

Nays - 0

5. Resolution No. 7209 pertaining to an application for a loan from the Drinking Water Revolving Fund to fund a sludge filter press.

Mr. Schneider explained that the State of Minnesota requires a resolution in this form to authorize Board to apply for a low-interest loan from the Drinking Water Revolving Fund.

Resolution No. 7209 was moved for approval by Commissioner Lantry and seconded by

Commissioner Rossbach as follows:

WHEREAS, the Board of Water Commissioners of the City of Saint Paul, Minnesota has been provided an opportunity to finance the purchase and installation of a sludge filter press and appurtenances for approximately \$2,065,000.00; and

WHEREAS, the City Council of the City of Saint Paul and the Mayor have approved this financing and spending in the City's 2013 adopted budget; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Water Commissioners of the City of Saint Paul, Minnesota is hereby authorized to apply to the Minnesota Public Facilities Authority for a loan from the Drinking Water Revolving Fund for improvements to its drinking water system as described in the loan application; and

BE IT FURTHER RESOLVED, that the Board of Water Commissioners of the City of Saint Paul,

Minnesota estimates the loan amount to be \$2,065,000.00, or the as-bid costs of the project; and

BE IT FURTHER RESOLVED, that the Board of Water Commissioners of the City of Saint Paul, Minnesota has the legal authority to apply for the loan, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the project for its design life; and

BE IT FURTHER RESOLVED, that the Board of Water Commissioners of the City of Saint Paul, Minnesota hereby expresses its official intent to use proceeds of this loan to reimburse it for design and construction expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority.

BE IT FINALLY RESOLVED, that the Board of Water Commissioners of the City of Saint Paul, Minnesota hereby authorizes Saint Paul Regional Water Services' General Manager Stephen P. Schneider to make application to the Minnesota Public Facilities Authority for said loan on its behalf.

Approved

Yeas - 6

Nays - 0

6. Resolution No. 7210 pertaining to amending the 2013 Adopted Budget to reflect the issuance of revenue refunding bonds to currently refund the Series 2003C and advance refund the Series 2005D Water revenue bonds.

Mr. Schneider explained that this resolution is required to amend the 2013 budget to reflect recent refinancing of water revenue bonds, which are expected to close on March 18, 2013.

Resolution No. 7210 was moved for approval by Commissioner Rossbach and seconded by Commissioner Bykowski as follows:

WHEREAS, on December 11, 2012, the Board of Water Commissioners adopted resolution No. 7194, authorizing the issuance of the 2013 revenue refunding bonds to achieve debt service savings; and

WHEREAS, on January 9, 2013, City Council passed RES 13-40 preliminarily approving 2013 Bond Sale scheduled for February 13, 2013; and

WHEREAS, on February 12, 2013 the Board of Commissioners adopted resolution No. 7205 concurring with City Council RES 13-231 to award the sale of the 2013 revenue refunding bonds; and

WHEREAS, the 2013 bonds will have two parts: the current refunding of the Series 2003C revenue bonds in the amount of \$6,613,033, and refunding in advance of the call date of the 2005D revenue bonds in the amount of \$8,534,824 and to pay certain costs of issuance of the 2013 bonds; and

WHEREAS, the City of Saint Paul, Minnesota (the "City") previously issued its (i) Water Revenue Bonds, Series 2003C, dated March 1, 2003 (the "Series 2003 Bonds"), in the original aggregate principal amount of \$10,650,000 and currently outstanding in the principal amount of \$6,525,000, (ii) Water Revenue Bonds, Series 2005D (the "Series 2005 Bonds"), dated March 15, 2005, in the original aggregate principal amount of \$11,380,000 and currently outstanding in the principal amount of \$7,925,000; and

WHEREAS, the City has now determined it prudent to exercise its option to call, based on market conditions, and prepay the Series 2003C and 2005D revenue Bonds to achieve debt service savings; and

WHEREAS, the City proposes to finance the refunding through issuance of water revenue refunding bonds; and

WHEREAS, the issuance of the 2013 revenue bonds is expected to produce lower interest rates compared to the original Series 2003C and 2005D bonds; and

WHEREAS, it is the intent of the Administration that the annual savings resulting in the Water Fund be realized in the Water Department operating budget beginning in 2013; and, now therefore, be it

RESOLVED, that the Board of Water Commissioners does hereby amend its 2013 budget by \$15,303,902 as specified in the attached budget amendment document, and does recommend approval by the Saint Paul City Council.

Approved

Yeas - 6

Nays - 0

7. Resolution No. 7211 pertaining to an agreement with the City of Falcon Heights for billing and collection services.

Mr. Schneider explained that the agreement will revise the fees charged by the Board for billing and collecting miscellaneous city charges as part of the water bill. The intent is to execute similar agreements with all cities receiving billing and collection services from the Board, which will result in the same fees being charged for similar services.

Resolution No. 7211 was moved for approval by Commissioner Bykowski and seconded by Commissioner Lantry as follows:

WHEREAS, the City of Falcon Heights and the Board of Water Commissioners entered into an Agreement in 1997 whereby the Board would provide water service to the City of Falcon Heights at water rates that would become equal to the rates charged within the City of Saint Paul and, in return, the City of Falcon Heights would convey title to its water facilities to the Board; and

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

WHEREAS, Amendment No. 2 to said Agreement provided billing and collection services for street lighting for which Falcon Heights paid the Board a billing fee; 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 city utility charges by the Board; and

WHEREAS, staff has prepared a Billing and Collection Services Agreement which sets forth the terms and conditions for the Board to provide said billing and collection services for the City of Falcon Heights; and

WHEREAS, the Billing and Collection Services Agreement renders null and void all previous billing and collection provisions contained in any agreement and amendment between the parties; now, therefore, be it

RESOLVED, that the Board of Water Commissioners does hereby approve the Billing and Collection Services Agreement with the City of Falcon Heights which provides for the billing and collection of various City of Falcon Heights 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 - 6

Nays - 0

8. Resolution No. 7212 pertaining to an agreement with the City of Lauderdale for billing and collection services.

Mr. Schneider explained that the agreement, similar to the above agreement with the City of Falcon Heights, will revise the fees charged by the Board for billing and collecting miscellaneous city charges as part of the water bill.

Resolution No. 7212 was moved for approval by Commissioner Lantry and seconded by Commissioner Rossbach as follows:

WHEREAS, the City of Lauderdale and the Board of Water Commissioners entered into an Agreement in 1997 whereby the Board would provide water service to the City of Lauderdale at water rates that would become equal to the rates charged within the City of Saint Paul and, in return, the City of Lauderdale would convey title to its water facilities to the Board; and

WHEREAS, said Agreement acknowledged that Lauderdale desired that the Board provide billing and collection services for sanitary sewer and storm sewer charges, and also acknowledged that Lauderdale may request additional billing and collection services in the future; 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 city utility charges by the Board; and

WHEREAS, staff has prepared a Billing and Collection Services Agreement which sets forth the terms and conditions for the Board to provide said billing and collection services for the City of Lauderdale; and

WHEREAS, the Billing and Collection Services Agreement renders null and void all previous billing and collection provisions contained in any agreement and amendment between the parties; now, therefore, be it

RESOLVED, that the Board of Water Commissioners does hereby approve the Billing and Collection Services Agreement with the City of Lauderdale which provides for the billing and collection of various City of Lauderdale 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 - 6

Nays - 0

9. Resolution No. 7213 pertaining to an agreement with the City of Saint Paul for billing and collection services.

Mr. Schneider explained that the agreement, similar to the above agreements with the cities of Falcon Heights and Lauderdale, will revise the fees charged by the Board for billing and collecting miscellaneous city charges as part of the water bill.

Resolution No. 7213 was moved for approval by Commissioner Lantry and seconded by Commissioner Rossbach as follows:

WHEREAS, Sections 77.03, 77.04 and 77.05 of the Legislative Code of the City of Saint Paul pertain to the Board's authority to calculate and collect sanitary sewer service charges for properties within the City of Saint Paul based on metered water use and gives the Board the authority to regulate any collection, refunding or adjustment of such sanitary sewer service charges; and

WHEREAS, the City of Saint Paul requested the Board also bill and collect the rain leader variance charge for properties within the City of Saint Paul along with the water bill; 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 city utility charges by the Board; and

WHEREAS, staff has prepared a Billing and Collection Services Agreement which sets forth the terms and conditions for the Board to provide said billing and collection services for the City of Saint Paul and also acknowledges that Saint Paul may request additional billing and collection services in the future; and

WHEREAS, the Billing and Collection Services Agreement renders null and void all previous billing and collection provisions contained in any agreement and amendment between the parties; now, therefore, be it

RESOLVED, that the Board of Water Commissioners does hereby approve the Billing and Collection Services Agreement with the City of Saint Paul which provides for the billing and collection of various City of Saint Paul 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 - 6

Nays - 0

DISCUSSION ITEM:

10. Update on February 8 Water Main Break on Wall Street in Saint Paul's Lowertown District

A. Distribution system evaluation

The location of the break on Wall Street between 5th and 6th Street is at one of the lowest elevations in that distribution area. Consequently, water drained from a large area and greatly increased the customer impact. Staff is evaluating the desirability of replacing three blocks of main on Wall Street in 2014.

B. February 25 After Action Meeting

Representatives from Ramsey County Sheriff, Public Works, DSI and other departments and agencies were in attendance, as was President Anfang. The members reviewed and critiqued the activities of the various responders and made recommendations for future events. A final report of the meeting outcome and recommendations is expected soon and will be provided to the Board.

Among the recommendations that will be included in the report is that the same notification system be used by all. Saint Paul, Ramsey County and SPRWS use Code Red, but each has different data bases, and these should be shared with all.

C. Marketing of customer enrollment in Code Red emergency notification program.

Customers can enroll in the program by a number of means and there are ongoing discussions on which should be encouraged and how to communicate that encouragement. Commissioners favored on-line enrollment and that simpler, easier to understand notices be distributed with water bills and posted on agency websites.

GENERAL MANAGER'S REPORT

1. 2013 AWWA Conference and Exposition will be conducted June 9 through June 13 in Denver, CO. Board members should contact the General Manager if they wish to attend.
2. Halloween Express claim resolution will likely be presented at the April Board meeting.
3. Town Square claim is ongoing.
4. Water's Off Program will again be held this year on one Saturday in April. Union plumbers from Local 34 volunteer their time to repair plumbing problems for elderly, disabled and low-income homeowners. SPRWS plumbing inspectors and one turn-on crew will be working with them.

The meeting was adjourned at 5:30.

Attest:

Secretary Gagnelius

President Anfang