

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

**December 10, 2013
Meeting**

**Agenda
and
Minutes**

BOARD OF WATER COMMISSIONERS

December 10, 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 November 2013.
2. Approval of the Financial Statements for the month of October 2013.
3. Resolution No. 7247 pertaining to acceptance of a gift from Water Research Foundation as reimbursement of costs related to SPRWS General Manager attendance at the Foundation's January 2014 executive board meeting in Austin, Texas.
4. Resolution No. 7248 pertaining to a Thirty-Fourth Rider to Agreement with the City of Little Canada to provide for construction and maintenance of a retaining wall and the realignment of an existing hard surface trail within Board-owned right-of-way north of Little Canada Road and east of McMenemy Street in the city of Little Canada.
5. Resolution No. 7249 pertaining to a Forty-Ninth Rider to an Agreement with Xcel Energy Inc. d.b.a. Northern States Power Company to allow installation and maintenance of an electric power pole and anchor guy within Board-owned right-of-way north of Little Canada Road and east of McMenemy Street in the city of Little Canada.

ACTION ITEMS:

6. Resolution No. 7250 pertaining to Amendment No. 2 to Agreement No. 01291 with the State of Minnesota providing for additional water facility work within the I-35E/Cayuga Street project.
7. Resolution No. 7251 pertaining to a revision to Subordinate Funding Agreement Board-02.
8. Resolution No. 7252 pertaining to a revision to Subordinate Funding Agreement Board-04.
9. Resolution No. 7253 pertaining to a revision to Subordinate Funding Agreement Board-05.
10. Resolution No. 7254 pertaining to a professional services agreement with CH2M Hill Engineers, Inc. to provide a 40-year asset management master plan.
11. Resolution No. 7255 pertaining to approval of a Settlement Agreement and Release regarding a loss at 445 Minnesota Street in the city of Saint Paul.
12. Resolution No. 7256 recognizing Jim Bykowski for dedicated service to the Board of Water Commissioners.
13. Resolution No. 7257 recognizing Will Rossbach for dedicated service to the Board of Water Commissioners. Item removed from agenda

DISCUSSION ITEM:

14. Ziittel Properties Update (no attachment)

GENERAL MANAGER'S REPORT

BOARD OF WATER COMMISSIONERS

December 10, 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, Rossbach, and Tolbert.

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

CONSENT AGENDA:

Consent Agenda Item Nos. 1 through 5 were moved for approval by Commissioner Lantry and seconded by Commissioner Bykowski as follows:

1. Approval of the Minutes of the regular meeting of November 2013.
2. Approval of the Financial Statements for the month of October 2013.
3. Resolution No. 7247 pertaining to acceptance of a gift from Water Research Foundation as reimbursement of costs related to SPRWS General Manager attendance at the Foundation's January 2014 executive board meeting in Austin, Texas.
4. Resolution No. 7248 pertaining to a Thirty-Fourth Rider to Agreement with the City of Little Canada to provide for construction and maintenance of a retaining wall and the realignment of an existing hard surface trail within Board-owned right-of-way north of Little Canada Road and east of McMenemy Street in the city of Little Canada.
5. Resolution No. 7249 pertaining to a Forty-Ninth Rider to an Agreement with Xcel Energy Inc. d.b.a. Northern States Power Company to allow installation and maintenance of an electric power pole and anchor guy within Board-owned right-of-way north of Little Canada Road and east of McMenemy Street in the city of Little Canada.

Approved

Yeas - 7

Nays - 0

ACTION ITEMS:

6. Resolution No. 7250 pertaining to Amendment No. 2 to Agreement No. 01291 with the State of Minnesota providing for additional water facility work within the I-35E/Cayuga Street project.

Mr. Schneider explained that the amendment to the October 2012 agreement with MnDOT would provide for reimbursement of Board costs to inspect the relocation of an additional section of 30-inch water main and to obtain a BNSF railroad license required for water main relocation work previously addressed in the initial agreement.

Resolution No. 7250 was moved for approval by Commissioner Bykowski and seconded by Commissioner Lantry as follows:

WHEREAS, on October 9, 2012, the Board of Water Commissioners approved 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 were estimated to be \$148,732.07, from which will be deducted Board costs to inspect certain water main 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 on the Project; and

WHEREAS, the State awarded said contract, and the bid amount for said relocation work 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 parties executed Amendment No. 1 to Agreement No. 01291, which provided for said reduction in estimated Board costs; and

WHEREAS, the parties desire to further amend Agreement No. 01291 to provide for State reimbursement of Board costs to inspect certain additional relocation work and costs to obtain a railroad license required for previously addressed relocation work, at an estimated total reimbursement amount of \$41,000; and

WHEREAS, the State has prepared Amendment No. 2 to Agreement No. 01291, which provides for said revised reimbursement of Board costs and which results in a revised total reimbursement of Board costs of \$24,832.03; and

WHEREAS, the assistant city attorney has approved said Amendment No. 2 to Agreement No. 01291 as to form; now, therefore, be it

RESOLVED, that Amendment No. 2 to Agreement No. 01291 between the Board of Water Commissioners of the City of Saint Paul and the State of Minnesota pertaining to revised reimbursement to the Board for the cost of inspection work and cost of a railroad license required 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 - 7

Nays - 0

7. Resolution No. 7251 pertaining to a revision to Subordinate Funding Agreement Board-02.

Mr. Schneider explained that this Subordinate Funding Agreement reduces the amount of Metropolitan Council funds encumbered to close out the project. This allows Met Council to utilize the funds elsewhere on the project, but still leaves enough to reimburse the Board the cost of punch list and other minor work that remains.

Resolution No. 7251 was moved for approval by Commissioner Lantry and seconded by

Commissioner Kleindl 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-02 to provide such reimbursement by Metropolitan Council to Board in an amount not to exceed \$1,975,187 for construction in University Avenue W., Robert Street N., Twelfth Street, and Cedar Street, all in Saint Paul

WHEREAS, after substantial completion of work, the budgeted amount will not exceed \$1,870,000; now, therefore, be it

RESOLVED, that Subordinate Funding Agreement Number Board-02.1 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 \$1,870,000 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

8. Resolution No. 7252 pertaining to a revision to Subordinate Funding Agreement Board-04.

Resolution No. 7252 was moved for approval by Commissioner Bykowski and seconded by

Commissioner Lantry 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-04 to provide such reimbursement by Metropolitan Council to Board in an amount not to exceed \$520,016.31 for construction in University Avenue West, Hamline Avenue North to Robert Street North, and Cedar Street, 7th Street to 11th Street, all in Saint Paul;

WHEREAS, after substantial completion of work, the budgeted amount will not exceed \$350,000; now, therefore, be it

RESOLVED, that Subordinate Funding Agreement Number Board-04.1 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 \$350,000 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

9. Resolution No. 7253 pertaining to a revision to Subordinate Funding Agreement Board-05.

Resolution No. 7253 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 \$1,949,701.69 for construction in University Avenue West and Cedar Street all in Saint Paul;

WHEREAS, after substantial completion of work, the budgeted amount will not exceed \$1,200,000; now, therefore, be it

RESOLVED, that Subordinate Funding Agreement Number Board-05.1 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 \$1,200,000 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

10. Resolution No. 7254 pertaining to a professional services agreement with CH2M Hill Engineers, Inc. to provide a 40-year asset management master plan.

Mr. Schneider explained that the desired plan will incorporate the recent main replacement study by AECOM and water tower rehabilitation study by TIC, thereby resulting in a master plan for all utility assets based on age, condition and life cycles. It is to be a 40-year plan, with the first 10 being the most specific and having prioritized recommendations for asset reconditioning and replacement.

Three proposals were received, with CH2M Hill's being by far the most comprehensive. Among other credentials, CH2M Hill had prepared similar plans for the cities of Detroit and Minneapolis that were very impressive.

While acknowledging that studies of this kind are expensive, Vice President Brendmoen expressed concern about how high the top hourly rate was and how many hours were estimated at that rate.

Commissioner Bykowski asked if the study CH2M Hill performed for Minneapolis was implemented.

Mr. Schneider replied that implementation has begun with the replacement of chlorine handling equipment and sludge handling equipment.

Mr. Schneider added that if the agreement is approved, the goal would be to present a plan to the Board at its April or May meeting so that it can be utilized in developing the 2015 budget.

Resolution No. 7254 was moved for approval by Commissioner Bykowski and seconded by Commissioner Lantry as follows:

WHEREAS, the Board of Water Commissioners desires to obtain professional services required to provide a 40-year asset management master plan; and

WHEREAS, staff did solicit proposals from firms qualified to provide said services, and from such proposers does recommend the firm of CH2M Hill Engineers, Inc. at a cost not to exceed \$297,283; 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 CH2M Hill Engineers, Inc. to provide an asset management master plan 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 of the assistant city attorney.

Approved

Yeas - 7

Nays - 0

11. Resolution No. 7255 pertaining to approval of a Settlement Agreement and Release regarding a loss at 445 Minnesota Street in the city of Saint Paul.

Mr. Schneider explained that Xcel, the Board and Tower Asphalt were defendants in a lawsuit for damages that resulted from water from a water main break entering the building. The settlement is the result of a triple-blind settlement by the parties, and City Attorney's Office recommends approval.

Resolution No. 7255 was moved for approval by Commissioner Lantry and seconded by Commissioner Tolbert as follows:

BE IT RESOLVED, that the Saint Paul Board of Water Commissioners does hereby approve settlement (in the amount of \$54,000) of the claims asserted by Plaintiff, Town Square Realty, Inc., against the Saint Paul Regional Water Services in *Town Square Realty, Inc. v. Northern States Power Co., et al*, Case No. 27-CV-12-8793, for damages incurred on January 25, 2011.

BE IT FURTHER RESOLVED, that the proper officers of the Board of Water Commissioners are hereby authorized and directed to execute the Settlement Agreement and Release on behalf of the Saint Paul Board of Water Commissioners and pay from the Injuries and Damages fund, Activity 850-28171-0511-00000, the amount of \$54,000 to Harens Mediation Center, LLC Trust Account on behalf of Town Square Realty, Inc., as full and final settlement of all claims asserted against the Saint Paul Regional Water Services in *Town Square Realty, Inc. v. Northern States Power Co., et al*, Case No. 27-CV-12-8793.

Approved

Yeas - 7

Nays - 0

12. Resolution No. 7256 recognizing Jim Bykowski for dedicated service to the Board of Water Commissioners.

President Anfang expressed his appreciation for Commissioner Bykowski's insightful comments and questions during Board proceedings and his contributions to improvement in the utility's asset management practices.

Resolution No. 7256 was moved for approval by Commissioner Lantry and seconded by Vice President Brendmoen as follows:

WHEREAS, Commissioner Jim Bykowski has served diligently in his capacity as a member of the Board of Water Commissioners, representing the city of Falcon Heights and all the other suburban members of Saint Paul Regional Water Services through active participation on the Board; and

WHEREAS, Commissioner Jim Bykowski has provided strong support for upgrades in technology, a strong capital improvement program, including buried infrastructure replacement and treatment process upgrades and, most importantly support for all SPRWS employees; and

WHEREAS, Commissioner Jim Bykowski has shown this commitment through his ongoing dedication to the Board of Water Commissioner evidenced by his 4 years as Commissioner; now, therefore, be it

RESOLVED, that the Board of Water Commissioners hereby extends to Jim Bykowski its sincere thanks for his dedicated work as a member of the Board; and, be it

FURTHER RESOLVED, that the Board extends to Jim Bykowski its best wishes in his future endeavors.

Approved

Yeas - 7

Nays - 0

DISCUSSION ITEM:

13. Resolution No. 7257 recognizing Will Rossbach for dedicated service to the Board of Water Commissioners.

This item was removed from agenda because Commissioner Rossbach was appointed to represent the City of Maplewood on the Board. The suburban members of Falcon Heights, Lauderdale, Maplewood and West St. Paul recently agreed that Maplewood is to have a permanent seat on the Board and the other suburban seat is to be rotated amongst the remaining member communities.

14. Ziittel Properties Update

Mr. Schneider explained that negotiations have been completed to purchase the 13-acre Ziittel Greenhouse property situated roughly in the northeast quadrant of Rice Street and Roselawn Avenue for \$2.5 million. The funds are included in the 2014 budget, which should be approved by the city council tomorrow. A purchase agreement will be presented to the Board for action at its January meeting.

The property is being sought to allow for future relocation of utility functions in the event the water treatment plant must be expanded for future treatment processes or increased production.

President Anfang stated that a strip property along Rice Street could be sold for development in the future, providing the city of Maplewood with additional tax revenue.

Commissioner Rossbach stated he wanted the Board to be aware that the city of Maplewood is not very excited about removing a parcel of this size from the tax rolls, with only a portion of it to become tax generating.

GENERAL MANAGER'S REPORT

1. Employee Conference

The successful day-long employee conference was held today at the Holiday Inn East in Maplewood. The theme of the conference was safety and health and wellness. President Anfang addressed the attendees and Mayor Coleman made an appearance.

2. City of Saint Paul budget

3. Legistar to be used for Board meeting materials

Beginning with the January 2014 Board meeting, Board meeting agendas and materials will be available electronically through Legistar, the city of Saint Paul's legislative management program. Paper copies will continue to be available for those who request them.

The meeting was adjourned at 5:35.

Attest:


Secretary Gagnelius

President Anfang