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REQUEST FOR COUNCIL ACTION

Meeting Date 07/07/03

AGENDA SECTION	ORIGINATING DEPT:	ITEM NO.
Rochester Public Utilities	Consent Agenda	D-41
ITEM DESCRIPTION: Consideration of Public Utility Board Action		PREPARED BY: Kathy Wilson

The Rochester Public Utility Board has approved the following on June 24, 2003 and requests the Common Council's favorable consideration:

- to approve a resolution to approve a contract agreement with Dig America and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for the Saint Marys Feeder Duct System Reroute in the amount of $695,336.15.
- to approve a resolution to approve four contract agreements, subject to approval by Cornerstone Energy of the handwritten revisions noted in the contracts, and that the Common Council authorize the Mayor and the City Clerk to execute the agreements for Professional Services as Defined in the Two Base Agreements and Two Daily and Monthly Balancing Services Contracts for Silver Lake Power Plant and the Cascade Creek Generating Facility.
- to approve a resolution to approve a contract agreement, subject to review of the terms and conditions by the City Attorney's Department, with the Minnesota Department of Transportation (MNDOT) and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for Highway 52 Project MNDOT Contract 85448 – Reimbursement Agreement – 7th Street Duct Bank Relocation.

GENERAL MANAGER: Larry Koshiol 6/25/03

COUNCIL ACTION: Motion by: _____ Second by: _____ to:

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FOR BOARD ACTION

Agenda Item # 3.b. **Meeting Date:** 6/24/03

SUBJECT: CONSIDERATION OF BIDS
RELOCATION OF SAINT MARYS DUCT BANK

PREPARED BY: Steven J. Cook
Senior Electrical Engineer

ITEM DESCRIPTION:

On June 17, 2003 three bids were received for the relocation of approximately 1100 feet of concrete encased electrical duct bank including the construction of two new manholes and the expansion of two existing manholes. This work is required because the existing facilities are in conflict with the new US T.H. 52 bridges over the DM&E railroad line north of T.H. 14 and east of RPUs Cascade Creek Substation. The relocation of the duct system and the associated electrical feeders will begin immediately after RPU receives a signed relocation agreement with the Minnesota Department of Transportation which is expected in July 2003.

Of the three bids, the one from MasTec was returned to the bidder unopened because it was delivered after the specified bid opening time. The bid received from Knutson Construction was incomplete and had a higher total price then that of the lowest apparent bidder who was Dig America, Inc.

The two bids opened are listed below:

BID SUMMARY

Bidder	Bid Amount
Knutson Construction	$ 737,903.00
Dig America	$ 695,336.15

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board approve a resolution requesting the Common Council approve a contract agreement with Dig America, Inc. in the amount of 695,336.15 and that the Common Council authorize the Mayor and the City Clerk to execute the agreement.

Larry Koshiu
General Manager

6/20/03
Date

ROCHESTER PUBLIC UTILITIES

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FOR BOARD ACTION

Agenda Item # 4 **Meeting Date:** 6/24/03

SUBJECT:

Professional Services Contracts
Cornerstone Energy

PREPARED BY:

Wally Schlink, Manager of Power Production

ITEM DESCRIPTION:

Aquila has provided non-regulated professional services for RPU for a number of years related to transport, purchase, nominating and balancing of natural gas for the Silver Lake and Cascade Creek generating sites. Aquila has disposed of their non-regulated business units to concentrate on the regulated portion of their business and has assigned the existing contracts to Cornerstone Energy, which is comprised of the same key personnel we have been working with for years at Aquila.

Relating to those services, Cornerstone Energy has submitted four contract agreements for approval.

The first is a Base Agreement that allows Cornerstone to provide transportation services to the city gate for the Cascade Creek gas turbine site.

The second is a Base Agreement for the same services for the Silver Lake Power Plant site.

The third and fourth are Daily and Monthly Balancing Service Contracts to provide those services at a rate of $.14 per MMBtu of gas delivered to both SLP and Cascade Creek RPU premises. This service is required and necessary for the operation of both generating facilities.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board approve a resolution requesting the Common Council to approve four contract agreements with Cornerstone Energy, to provide the professional services as defined in the two Base Agreements and the two Daily and Monthly Balancing Services Contracts for Silver Lake Power Plant and the Cascade Creek generating facility.

Reviewed 6-10-03 WNS

Larry Koshiu — General Manager

6/20/03 — Date

ROCHESTER PUBLIC UTILITIES

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FOR BOARD ACTION

Agenda Item # 5 **Meeting Date:** 6/24/03

SUBJECT: Highway 52 Project MNDOT Contract 85448
Reimbursement Agreement Approval
7th Street Duct Bank Relocation

PREPARED BY: Greg Woodworth
Engineering Manager

ITEM DESCRIPTION:

At the February Board meeting, a reimbursement agreement was approved for relocation of the 161kV Q7 transmission line that crosses Highway 52 just north of the intersection of Highways 52 and 14. That relocation was just completed in early June.

Also at the February meeting, staff informed the Board that on February 14th MNDot had requested that we relocate an underground duct bank in the same area. We have been working with MNDot and Zumbro River Constructors since that time to find an acceptable route and conditions to allow relocation of the duct and the five distribution feeders that it contains. On June 12th we came to final agreement with MNDot on the overall reimbursement methodology for the relocation.

As of the writing of this For Board Action Form, ZRC has not yet finalized the details for the duct route, including the depth, and therefore the total project estimate has not been finalized. Until the project estimate has been finalized, MNDot will not issue the final reimbursement agreement for execution. Attached is the previous reimbursement agreement for the transmission line which will be the basis for this reimbursement agreement. The final language will differ only in relation to the specific work to be done.

Based on the best information available at this time, the estimated costs are listed below:

Estimated total project cost	$750,000
RPU portion	75,000
Approximate Amount of Reimbursement Agreement	675,000

Approximately 1,100 feet of existing duct is being replaced by 1,250 feet of new duct. The RPU portion of the project cost arises from the 164 feet of existing duct that is located within the original MNDot Right-of-Way dating back to 1931. This portion of the project is not reimbursable.

UTILITY BOARD ACTION REQUESTED:

The Board is requested to approve a reimbursement agreement with the Minnesota Department of Transportation for the 7th street duct relocation on the Highway 52 project. The wording of the final agreement shall be subject to acceptable final wording being crafted by RPU staff and the City Attorney.

Larry Koshiu — General Manager

6/20/03 — Date

ROCHESTER PUBLIC UTILITIES