



MEETING AGENDA – NOVEMBER 25, 2014

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

1. **Approval of Agenda**
2. **Approval of Minutes**

Public Utility Board - Regular Meeting - Nov 12, 2014 4:00 PM

3. **Approval of Accounts Payable**

A/P Board Listing

NEW BUSINESS

Open Comment Period

(This agenda section is for the purpose of allowing citizens to address the Utility Board. Comments are limited to 4 minutes, total comment period limited to 15 minutes. Any speakers not having the opportunity to be heard will be the first to present at the next Board meeting.)

4. **Regular Agenda**

1. Backhoe and Accessories
Resolution: Backhoe and Accessories
2. CapX 2020 Agreed Upon Procedures Deloitte
Resolution: CapX 2020 Agreed Upon Procedures Deloitte
3. Uniform Rental/Laundry Services
Resolution: Uniform Rental/Laundry Services
4. Contract for Market Participant Services with The Energy Authority
Resolution: Contract for Market Participant Services with The Energy Authority
5. Auction Services
Resolution: Auction Services
6. IBEW Local 949 (Clerical) 2015-16 Collective Bargaining Agreement
Resolution: IBEW Local 949 (Clerical) 2015-16 Collective Bargaining Agreement
7. IBEW Local 949 (Outside Group) 2015-16 Collective Bargaining Agreement
Resolution: IBEW Local 949 (Outside Group) 2015-16 Collective Bargaining Agreement

Informational

8. Solar Update
9. Conservation Minnesota Survey
10. Power Resources Status Update

5. **General Managers Report**

- 6. Management Report**
- 7. Other Business**
- 8. Adjourn**

The agenda and board packet for Utility Board meetings are available on-line at www.rpu.org and <http://rochestercitymn.iqm2.com/Citizens/Default.aspx>



MEETING MINUTES – NOVEMBER 12, 2014

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

Attendee Name	Title	Status	Arrived
Michael Wojcik	Board Member	Present	
Jerry Williams	Board President	Present	
Dave Reichert	Board Member	Present	
Roger Stahl	Board Member	Present	
Mark Browning	Board Member	Absent	
Terry Adkins	City Attorney	Present	

1. Approval of the agenda

1. **Motion to:** Approve the agenda

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Roger Stahl, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Roger Stahl

2. Approval of the Minutes

Public Utility Board - Regular Meeting - Oct 28, 2014 4:00 PM

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Dave Reichert, Board Member
SECONDER:	Michael Wojcik, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Roger Stahl

3. Regular Agenda

1. Approval of the 2015 Electric Budget

Resolution: Approval of the 2015 Electric Budget

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the 2015 RPU Electric Budget.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 12th day of November, 2014.

Minutes Acceptance: Minutes of Nov 12, 2014 4:00 PM (Approval of Minutes)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Dave Reichert, Board Member
SECONDER:	Michael Wojcik, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Roger Stahl

2. Approval of the 2015 Water Budget

Mark Kotschevar, General Manager, made some comments regarding the budget proposal as presented. There will be a rate study in 2015 with adjustments based on the cost of service study.

Mark Browning commented by email before the meeting and was supportive of the proposed rate increase.

President Williams asked if the Board reserve policies will be drafted based on the new rate schedule, Mark Kotschevar confirmed this.

President Williams wondered about the controllable costs and uncontrollable costs. Mark Kotschevar explained these costs.

Michael Wojcik was also supportive of the 2015 increase and the cost of service study in 2015.

Resolution: Approval of the 2015 Water Budget

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the 2015 RPU Water Budget.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 12th day of November, 2014.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Roger Stahl, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Roger Stahl

3. 2015 Water Revenue Adjustment

Mark Kotschevar commented that RPU has done a great job maintaining costs and this has limited rate increases.

The proposed increase for an average household is \$0.41 for an average use of 7 units which is .748 gallons per unit.

Michae Wojcik said the 3.5% increase is consistent with the previous Electric rate increase.

Dave Reichert commented that the cost of service study is timely here, we would be a year away from dipping below the Board policy reserve target and that wouldn't be very good Board decision making.

The increase of 3.5% is effective January 1, 2015.

Resolution: 2015 Water Revenue Adjustment

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a 3.5% increase water rates effective January 1, 2015 to the following rate classes:

Water Service (WTR-C)

Fire Hydrant Facilities Charge (FHFC)

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 12th day of November, 2014.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Roger Stahl, Board Member
SECONDER:	Dave Reichert, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Roger Stahl

4. Other Business

5. Adjourn

Motion to: adjourn the meeting at 4:15 PM

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Roger Stahl, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Roger Stahl

The agenda and board packet for Utility Board meetings are available on-line at www.rpu.org and <http://rochestercitymn.ig2.com/Citizens/Default.aspx>

Submitted by:

Secretary

Approved by the Board

Board President

Date

Minutes Acceptance: Minutes of Nov 12, 2014 4:00 PM (Approval of Minutes)

MANAGEMENT REPORT

Meeting Date: 11/25/2014

SUBJECT: A/P Board Listing

PREPARED BY: Terri Engle

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

Greater than 50,000 :

1			
2			
3	SOUTHERN MN MUNICIPAL POWER A	Monthly billing	6,695,064.68
4	XCEL ENERGY CORP	CapX - LaCrosse Project CMA	1,047,340.25
5	CONSTELLATION NEWENERGY-GAS D	Boiler Gas at SLP - October	243,895.48
6	CONSTELLATION NEWENERGY-GAS D	SLP Pilot and Boiler Gas - September	236,118.75
7	MAVO SYSTEMS INC (P)	SLP Asbestos Removal & Repair	203,342.50
8	SPARTA CONSULTING INC	Flex G/L Consulting	88,456.00
9	MCR PERFORMANCE SOLUTIONS INC	Develop FERC Section 205 Filing for FLTY	80,023.13
10	OSI-OPEN SYSTEMS INTERNATIONA	SCADA Replacement - Electric	79,956.86
11	OSI-OPEN SYSTEMS INTERNATIONA	SCADA Replacement - Water	75,601.24
12	TRI STATE DRILLING INC	Chester Sub Transmission Pole Construct	57,100.00
13	SPARTA CONSULTING INC	Sol Man Consulting	52,974.00
14			
15		Price Range Total:	8,859,872.89

5,000 to 50,000 :

16			
17			
18			
19	SOVRAN INC	45TB Raw, 34-68TB Usable, 600 GM	44,887.51
20	BILLTRUST dba	Credit Card/Billing/Mailing/IVR Services	42,430.86
21	WESCO DISTRIBUTION INC	Trans, PM, 3ph, 1000kVA, 13.8/8, 480/277	38,486.32
22	WESCO DISTRIBUTION INC	Trans, PM, 3ph, 750kVA, 13.8/8, 480/277	34,871.79
23	SAP PUBLIC SERVICES INC	SAP G/L Migration Service	34,000.00
24	WRIGHT TREE SERVICE INC	2014 Hourly Tree Contract	33,778.72
25	PEOPLES ENERGY COOPERATIVE (P	Services Compensable, 10/1/2014 - 10/31/	32,866.33
26	WESCO DISTRIBUTION INC	Trans, PM, 1ph, 37.5kVA,13.8/8,240/120	31,684.77
27	MASTEC NORTH AMERICA INC	2014 Directional Boring/Misc Excavation	29,136.09
28	ALL SYSTEMS INSTALLATION INC	Card Access System Upgrade	28,045.07
29	BLUESPIRE STRATEGIC MARKETING	2014 RPU Plugged In Contract	27,636.35
30	WESCO DISTRIBUTION INC	Trans, PM, 1ph, 25kVA, 13.8/8, 240/120	27,431.23
31	OSMOSE UTILITIES SERVICES INC	2014 Pole Testing & Treatment	25,895.88
32	OPOWER INC	2014 Home Energy Reports	24,000.00
33	SPARTA CONSULTING INC	Supply Chain Training	22,080.00
34	CONSTELLATION NEWENERGY-GAS D	Gas at Cascade Creek	21,662.38
35	SOVRAN INC	Cache Field Upgrade to 2.4TB	20,840.63
36	WERNER ELECTRIC SUPPLY	Luminaire, Residential, LED, PC, 120V	19,062.23
37	INSTITUTE FOR ENVIRONMENTAL	Asbestos Project Management	18,900.00
38	ENVENTIS dba	Catalyst 3750 x 48 port PoE IP base	15,561.00
39	U S ALLIANCE GROUP	Credit Card Processing Fees, Oct 2014	15,012.69
40	CENTURYLINK	2014 Monthly Telecommunications	14,741.05
41	BURNS & MCDONNELL INC	Transmission Line Design Guide	14,737.73
42	VISION COMPANIES LLC (P)	Org Strategy	14,700.00
43	WESCO DISTRIBUTION INC	Wire in Duct, AL, 600V, 4/0-2/0 Tri Urd	14,121.29
44	MINNESOTA ENERGY RESOURCES CO	Boiler Gas at SLP - October	13,511.25
45	ROCHESTER ATHLETIC CLUB	CIP Conserve & Save Rebates	13,224.50
46	MINNESOTA ENERGY RESOURCES CO	SLP Pilot and Boiler Gas - September	13,147.37
47	USIC LOCATING SERVICES INC	2014-2015 Locating Services	12,728.00
48	BAKER TILLY VIRCHOW KRAUSE LL	2014 Audit Fees	12,386.00

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

49	AVO INTERNATIONAL	Electrical Safety Training Safety	12,178.91
50	BLUESPIRE STRATEGIC MARKETING	2015 RPU Plugged In Contract	11,941.00
51	CASCADE MEADOW WETLANDS &	2014 Annual Lease at Cascade Meadows	11,000.00
52	WESCO DISTRIBUTION INC	P/C, 120V-305V, 20 yr	10,904.46
53	CHS ROCHESTER	Monthly Fuel, September	10,814.97
54	RESCO	Three Phase VT Pack Ratio 2.5:1	10,573.50
55	THE ENERGY AUTHORITY INC	MISO Resouce Mgmt Fee, Transmission Acti	10,112.84
56	RESCO	Conduit, HDPE, 2.00, Empty	9,990.68
57	ALVIN E BENIKE INC (P)	Secured Structure - Condenser	9,850.00
58	RESCO	Polyphase test set, ProbeWell	9,625.00
59	U S POSTMASTER	Mailing of the Tennessen letter	9,511.63
60	JENNINGS, STROUSS & SALMON PL	Legal Fees	9,511.48
61	ENVENTIS dba	Cisco UC phone 7945	9,384.48
62	JENNINGS, STROUSS & SALMON PL	FERC Filing - MISO	9,240.55
63	POWER SYSTEMS ENGINEERING INC	Services related to Downtown LRP	9,196.50
64	WELLS FARGO BANK ACCT ANALYSI	2014 Banking Services	9,154.67
65	ENVENTIS dba	Cisco UC phone 7965	9,027.20
66	CHARTER MEDIA	Public Power TV Spots	8,294.00
67	THERMO BOND BULDINGS LLC	Stainless Steel Outside Fiber Cabinet	8,168.00
68	WRIGHT TREE SERVICE INC	Lump Sum Tree Clearance Trimming 712D	8,130.82
69	WATER TOWER CLEAN & COAT INC	Exterior cleaning of 3 spheroid wtr towe	7,500.00
70	WESCO DISTRIBUTION INC	Trans, PM, 1ph, 25kVA, 13.8/8, 240/120	7,314.99
71	BORDER STATES ELECTRIC SUPPLY	Wire, Copper, 600V, #6 Str, XLP	7,075.81
72	BORDER STATES ELECTRIC SUPPLY	Wire, AL, 600V, 4/0-2/0 NEU YS Tri Urd	6,553.58
73	RESCO	Three Phase VT Pack Ratio 2.5:1	6,344.10
74	XYLO TECHNOLOGIES INC	2014 Timothy Myers - Corp Svs/IS	5,830.50
75	SOVRAN INC	4HR Parts Del, SW Supp & InfoSight	5,572.07
76	SIEMENS INDUSTRY INC	Switch, Air, Unit Arm, 3ph, 600A, LB	5,553.23
77	CHS ROCHESTER	Monthly Fuel, September	5,502.43
78	ELECTRICAL CONSULTANTS INC (P	Engineering Services	5,229.00
79	CRYTEEL TRUCK EQUIPMENT INC	Scale install V438	5,188.78
80	XYLO TECHNOLOGIES INC	2014 Dominic Avila - Corp Svcs/IS	5,004.00
81	PITNEY BOWES PURCHASE POWER	refill postage meter 9/17	5,000.00
82			
83			985,846.22
84			
85	<u>1,000 to 5,000 :</u>		
86			
87	ENVENTIS dba	2014 Network Maintenance Services	4,910.54
88	DELL MARKETING LP	OptiPlex 9020, 8GB memory	4,801.40
89	WESCO DISTRIBUTION INC	140-General Administration	4,508.63
90	McGRANN SHEA CARNIVAL STRAUGH	Review of Disconnection and Collection P	4,468.75
91	BORDER STATES ELECTRIC SUPPLY	Wire, Copper, 600V, 4/0 Str, XLP	4,468.44
92	WESCO DISTRIBUTION INC	Bulb, 100W, HPS	4,356.66
93	D P C INDUSTRIES INC	2014 Hydrofluorosilicic Acid - Delivered	4,281.08
94	STUART C IRBY CO INC	Grd Sleeve, 1ph Trans., 37 x 43 x 15	4,264.31
95	VERIZON WIRELESS	2014 Cell & iPad Monthly Service	4,097.36
96	JOHNSON PRINTING CO INC	Tennessen Letter Mailing	4,070.87
97	BILLTRUST dba	Invoice changes for Multiple Compound Me	3,900.00

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

98	STUART C IRBY CO INC	Metal Sec. Encl, 3ph, 30" x 67" x 22"	3,854.18
99	MILLER LAWNY	CIP Conserve & Save Rebates	3,850.00
100	MASTEC NORTH AMERICA INC	Extensin to fire station # 2 Viola RD	3,750.00
101	TSP INC	Disaster Site 2nd AC Unit Design	3,709.50
102	BADGER METER INC (P)	Meter, Bare 5/8x1/2" Badger Disk	3,648.00
103	RESCO	Mast Arm, Residential LED, Extension	3,545.58
104	MASTEC NORTH AMERICA INC	Fieldstone Third, new sub	3,509.39
105	KATS COMPANY LLC	Water SA service repair / 620 29 ST NW	3,500.00
106	BORDER STATES ELECTRIC SUPPLY	Elbow, 15kV, 200A, LB, 1/0 Sol, 175-220Mil	3,367.00
107	VIKING ELECTRIC SUPPLY INC	Conduit, Flexible, Corrugated PVC, 3.00	3,345.08
108	VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 4.00	3,331.65
109	BARR ENGINEERING COMPANY	Water Sustainability Study Services	3,314.00
110	WESCO DISTRIBUTION INC	Junction, LB, 200A, 4 Pos, w/Strap	3,238.32
111	CONCORDE SPECIALTY GASES INC	SF 6 Sulfur hexafluoride gas	3,197.00
112	KATS COMPANY LLC	Water SA service repair / 308 Meadow Run	3,000.00
113	CRESCENT ELECTRIC SUPPLY CO	Wire, Copper, 600V, 12-2 Solid w/Grd, UF	2,987.12
114	CRESCENT ELECTRIC SUPPLY CO	Wire, Copper, 4/0 Str, Bare, 19 Str.	2,985.02
115	CDW GOVERNMENT INC	Avocent advanced console server 6032	2,974.82
116	STUART C IRBY CO INC	Metal Sec. Encl, 1ph, 30" x 30" x 18"	2,958.30
117	D P C INDUSTRIES INC	2014 Carus 8500 Aqua Mag Kjell F35	2,949.20
118	VISION COMPANIES LLC (P)	Consulting Services	2,850.00
119	EXPRESS SERVICES INC	2014 Fred Rahn - Field Svcs	2,805.30
120	ALL SYSTEMS INSTALLATION INC	4th Street Holiday Station Fiber Splice	2,796.00
121	ENVENTIS dba	2014-2017 Monthly Data Services	2,742.89
122	ROCH LANDSCAPING SERVICES INC	West Circle Drive Ditch Repair, repair I	2,621.11
123	KITCHEN CONSTRUCTION LLC	Wind Turbine Maintenance	2,620.00
124	STUART C IRBY CO INC	Grd Sleeve, 1ph Trans., 37 x 43 x 15	2,558.59
125	UNITED RENTALS INC	Boom 60-64' Telescopic	2,535.02
126	ALL SYSTEMS INSTALLATION INC	Supply/install cat6 cables -SC stockroom	2,479.00
127	MASTEC NORTH AMERICA INC	Service rewire for Civic Inn	2,380.00
128	VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 3.00	2,361.79
129	TSP INC	Pre-design Study for RPU Bld Expansion	2,356.25
130	STEVE BENNING ELECTRIC	Lights on Morton	2,300.00
131	INTERSTATE POWER SYSTEMS INC	WS100 Net Biter module install	2,297.81
132	JOHNSON PRINTING CO INC	Tennessen letter mailing	2,294.61
133	ENVENTIS dba	2014-2017 Total Care Support	2,270.00
134	BORDER STATES ELECTRIC SUPPLY	Wire, ACSR, #4, 6/1, Swan	2,263.49
135	MN DEPT OF NATURAL RESOUCES	DNR Utility Crossing, Cascade Creek-Bamb	2,250.00
136	BADGER METER INC (P)	Mag meter, 8" M-2000	2,250.00
137	SOMA CONSTRUCTION INC	Rock for main break repairs - October	2,247.06
138	SOVRAN INC	4HR Parts Del Serv/Software Support	2,234.30
139	MASTEC NORTH AMERICA INC	Feeder extension Faifield inn	2,222.60
140	STEVE BENNING ELECTRIC	install wiring new mixing motor on 50 AV	2,214.83
141	WOTTRENG PETER	CIP Conserve & Save Rebates	2,200.00
142	FAIRWAY OUTDOOR FUNDING LLC	2014 Digital Billboard Contract	2,200.00
143	VALMONT INDUSTRIES INC	Anchor Cage (RPU-095B-AB)	2,185.00
144	VALMONT INDUSTRIES INC	Anchor Cage (RPU-094B-AB)	2,126.00
145	DAKOTA SUPPLY GROUP	R switch	2,107.50
146	VISION COMPANIES LLC (P)	2014 IT Controls Testing	2,100.00

Attachment: AP Board CRMO (3029 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

147	BORDER STATES ELECTRIC SUPPLY	Wire, AL, 600V, 1/0-#2 NEU YS Tri Urd	2,068.88
148	SHI INTERNATIONAL CORP (P)	Additional Software Assurance License	2,000.70
149	POMPS TIRE SERVICE INC	6 tires 225/70R19	1,925.10
150	BADGER METER INC (P)	Meter, Bare 3" Badger Compound Round Flg	1,907.72
151	ULTEIG ENGINEERS INC	Engineering Support for Q9 analysis	1,882.00
152	EINCK KATHY	CIP Conserve & Save Rebates	1,860.00
153	WESCO DISTRIBUTION INC	Arrester, 10kV, Dist, Parking Stand	1,814.74
154	CDW GOVERNMENT INC	2015 Avocent Maintenance	1,812.10
155	GOPHER STATE ONE CALL	Water calls	1,810.27
156	HI LINE UTILITY SUPPLY CO (P)	Reflective roll-up panel, 48"	1,808.94
157	ACCUVANT INC	J-Care Next Day Support SSG520M	1,800.35
158	VIKING ELECTRIC SUPPLY INC	Conduit, Flexible, Corrugated PVC, 3.00	1,794.91
159	BORDER STATES ELECTRIC SUPPLY	Wire, Copper, 600V, #6 Str, XLP	1,768.95
160	JOHNSON PRINTING CO INC	Print 2015 Calendar	1,767.71
161	SUBSURFACE LEAK DETECTION INC	Sensor for LC2500 correlator	1,750.00
162	CARLIN SYSTEMS INC	Hand crimp tool	1,748.64
163	METRO SALES INC	Maintenance per Copy Costs	1,726.76
164	CRESCENT ELECTRIC SUPPLY CO	Conduit, PVC Sch 40, 2.00, 20' LENGTH	1,692.43
165	MERIT CONTRACTING INC (P)	Roof Asset Mgmt Elec, 3 yrs (2014-2017)	1,683.00
166	NETWORKFLEET INC	2014 Monthly Charge - GPS Fleet tracking	1,660.80
167	ARNOLDS SUPPLY & KLEENIT CO (2014-2015 Alternates	1,656.56
168	ENTRIKIN GAEL	CIP Conserve & Save Rebates	1,650.00
169	MN UNCLAIMED PROPERTY DIVISIO	*Unclaimed Property 2014 - Refunds and R	1,621.79
170	RESCO	Crossarm, Wood, 8' HD	1,612.74
171	HUDSON WORKWEAR CO INC	Face Mask, FR	1,610.00
172	SCHAD TRACY SIGNS INC	Install RPU Signs	1,605.00
173	MASTEC NORTH AMERICA INC	OH to UG Cascade Beach Pole removals 23	1,525.00
174	SCHAD TRACY SIGNS INC	Signs for entry gate/rpu & visitor parki	1,524.37
175	WESCO DISTRIBUTION INC	Zforce Distribution Arrester 10kV	1,512.28
176	INNOVATIVE OFFICE SOLUTIONS L	Paper, Copier, 8-1/2 x 11 White 20# Bond	1,509.08
177	STUART C IRBY CO INC	Elbow, 15kV, 200A, LB,1/0 Sol,175-220Mil	1,509.00
178	LEAGUE OF MN CITIES INS TRUST	Claim, Heidi Hanson	1,500.00
179	ENVENTIS dba	Cisco 2911 configuration	1,458.84
180	ROCH FORD TOYOTA	Labor	1,441.00
181	WESCO DISTRIBUTION INC	CT, Bar Type, 600/5 600V High Accuracy	1,440.00
182	MADSEN BRIAN	2014-2015 Printer Maintenance contract	1,419.30
183	UNITED RENTALS INC	Mini Excavator	1,417.02
184	MINNESOTA ENERGY RESOURCES CO	Gas at Cascade Creek	1,414.99
185	VIKING ELECTRIC SUPPLY INC	Wire, 8 ga, 600V 3/C Control CB FREP-TC	1,370.67
186	ARNOLDS SUPPLY & KLEENIT CO (Lawn Mowing Services	1,361.00
187	WESCO DISTRIBUTION INC	Junction, LB, 200A, 4 Pos, w/Strap	1,349.30
188	AFFILIATED CREDIT SERVICES IN	2014 Third Party Collections	1,327.80
189	PAYMENT REMITTANCE CENTER	Travel, Social Media Summit, Benson Reg	1,300.00
190	WESCO DISTRIBUTION INC	Conn, Fire-On Stirrup, 336.4, ACSR	1,282.50
191	ROCH FORD TOYOTA	Parts	1,267.47
192	SHORT ELLIOTT HENDRICKSON INC	Sprint 2.5 Airport Ant Site Review	1,240.94
193	WESCO DISTRIBUTION INC	MOV Elbow Surge Arrester 10kV	1,240.82
194	GRAYBAR ELECTRIC COMPANY INC	Conn, CRP SL, #4-2/0 CU only	1,229.06
195	STUART C IRBY CO INC	Pedestal Base, Secondary, FG, w/o Cover	1,229.06

Attachment: AP Board CRMO (3029 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

196	DIMENSION PLUMBING AND HEATIN	Install new sink & faucet	1,186.00
197	CRESCENT ELECTRIC SUPPLY CO	Tagging, Urd Cable	1,161.97
198	CRESCENT ELECTRIC SUPPLY CO	Tape, Plastic, .750" x 66', 3M Super +33	1,158.36
199	VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 3.00	1,154.66
200	MASTEC NORTH AMERICA INC	Install handhole 12 St & 3 AVE SE	1,150.00
201	READY MIX CONCRETE COMPANY LL	Interlocking concrete block, 2' x 2' x 4'	1,150.00
202	BERRY PLASTICS CORPORATION	Pails, 5 Quart Plastic	1,148.55
203	VIKING ELECTRIC SUPPLY INC	Material for new breaker // BPS	1,135.26
204	BADGER METER INC (P)	Meter, Bare 1" Badger Disk	1,128.60
205	SMS SYSTEMS MAINTENANCE SERVI	2014 Server Maintenance	1,120.34
206	SHORT ELLIOTT HENDRICKSON INC	Sprint 2.5 North Park Ant Site Review	1,102.63
207	SHORT ELLIOTT HENDRICKSON INC	Sprint 2.5 Willow Hgts Ant Site Review	1,061.40
208	BORDER STATES ELECTRIC SUPPLY	Deadend Recept, 15kV, 200A, LB	1,052.51
209	ROCHESTER ARMORED CAR CO INC	2014/15 Pick Up Services May-April	1,041.89
210	PRESTON JAMES	Travel, Reporting and Analytics Conf, ho	1,038.20
211	BLY LINDA	Travel, Reporting and Analytics Conf, ho	1,038.20
212	WESCO DISTRIBUTION INC	CT, XL Window 2000/5 600V High Accuracy	1,026.00
213	BORDER STATES ELECTRIC SUPPLY	Postage And Shipping	1,020.77
214			
215			281,796.28
216			
217	<u>0 to 1,000 :</u>		
218			
219	EXPRESS SERVICES INC	Summarized transactions: 31	17,255.83
220	PAYMENT REMITTANCE CENTER	Summarized transactions: 87	12,592.14
221	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 54	10,396.08
222	STUART C IRBY CO INC	Summarized transactions: 36	9,824.88
223	WESCO DISTRIBUTION INC	Summarized transactions: 34	8,594.78
224	REBATES	Summarized transactions: 39	7,209.99
225	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 46	5,910.19
226	Customer Refunds (CIS)	Summarized transactions: 56	5,128.09
227	LAWSON PRODUCTS INC (P)	Summarized transactions: 23	4,200.04
228	POMPS TIRE SERVICE INC	Summarized transactions: 10	4,096.60
229	RESCO	Summarized transactions: 9	2,956.35
230	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 14	2,812.58
231	HUDSON WORKWEAR CO INC	Summarized transactions: 24	2,579.73
232	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 27	2,478.37
233	CENTURLINK	Summarized transactions: 9	2,124.56
234	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 74	2,122.53
235	SHORT ELLIOTT HENDRICKSON INC	Summarized transactions: 3	2,098.09
236	MN PIPE & EQUIPMENT	Summarized transactions: 12	2,082.14
237	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 9	1,960.66
238	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 12	1,843.68
239	TWIN CITY SECURITY INC	Summarized transactions: 3	1,831.40
240	BAIER GERALD	Summarized transactions: 3	1,818.75
241	OSMOSE UTILITIES SERVICES INC	Summarized transactions: 3	1,684.95
242	D P C INDUSTRIES INC	Summarized transactions: 3	1,680.90
243	G & K SERVICES	Summarized transactions: 33	1,674.92
244	METRO SALES INC	Summarized transactions: 4	1,652.03

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

245	HEWLETT PACKARD CO INC	Summarized transactions: 2	1,621.30
246	CITY OF ROCHESTER	Summarized transactions: 7	1,580.42
247	TWO SOCKETS - TWO METERS INC	Summarized transactions: 6	1,572.84
248	POWER PROCESS EQUIPMENT INC (Summarized transactions: 4	1,515.49
249	SCHLINK WALTER	Summarized transactions: 6	1,500.08
250	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 5	1,436.65
251	GARCIA GRAPHICS INC	Summarized transactions: 10	1,421.25
252	MAJERUS WILLIAM	Summarized transactions: 3	1,382.50
253	CLEMENTS GM PARTS	Summarized transactions: 2	1,323.36
254	STAHL ROGER	Summarized transactions: 3	1,278.72
255	RONCO ENGINEERING SALES INC	Summarized transactions: 2	1,272.38
256	HI LINE UTILITY SUPPLY CO (P)	Summarized transactions: 4	1,246.65
257	CITY OF ROCHESTER	Summarized transactions: 3	1,241.09
258	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 5	1,157.39
259	NAPA AUTO PARTS (P)	Summarized transactions: 35	1,101.35
260	FEDEX FREIGHT INC	Summarized transactions: 2	1,100.83
261	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 8	1,056.55
262	ZIEGLER INC	Summarized transactions: 9	1,051.31
263	MAILE ENTERPRISES INC	Summarized transactions: 2	1,023.60
264	DAKOTA SUPPLY GROUP	Summarized transactions: 9	1,002.37
265	ADKINS TERRY L	Summarized transactions: 3	991.83
266	YETTER DAREND	Summarized transactions: 1	983.00
267	OLM COUNTY AUDITOR/TREASURER	Summarized transactions: 1	975.15
268	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 6	964.47
269	BEHNKEN STEVEN	Summarized transactions: 1	961.88
270	AMER ENGINEERING TESTING INC	Summarized transactions: 1	949.00
271	DAKOTA SUPPLY GROUP	Summarized transactions: 6	923.85
272	BARR ENGINEERING COMPANY	Summarized transactions: 1	892.00
273	FORSTNER JAY	Summarized transactions: 3	891.68
274	MASTEC NORTH AMERICA INC	Summarized transactions: 1	870.00
275	NOVASPECT INC	Summarized transactions: 5	864.12
276	G A ERNST & ASSOCIATES INC	Summarized transactions: 4	842.00
277	STEVE BENNING ELECTRIC	Summarized transactions: 4	829.31
278	A T & T	Summarized transactions: 2	825.23
279	MN DEPT OF HEALTH	Summarized transactions: 1	800.00
280	HD SUPPLY WATERWORKS LTD	Summarized transactions: 2	791.80
281	VIKING AUTOMATIC SPRINKLER IN	Summarized transactions: 1	790.00
282	OPEN ACCESS TECHNOLOGY	Summarized transactions: 1	788.06
283	ONLINE INFORMATION SERVICES I	Summarized transactions: 1	771.90
284	INGERSOLL RAND COMPANY	Summarized transactions: 10	771.18
285	OPERATION TECHNOLOGY INC	Summarized transactions: 2	762.02
286	CORPORATE WEB SERVICES INC	Summarized transactions: 2	755.00
287	NORTH AMERICAN ENERGY MARKETS	Summarized transactions: 1	750.00
288	CONSTELLATION NEWENERGY-GAS D	Summarized transactions: 1	743.48
289	AUTHORIZE.NET	Summarized transactions: 1	729.35
290	OMNI ENVIRONMENTAL INC	Summarized transactions: 1	700.00
291	CDW GOVERNMENT INC	Summarized transactions: 2	688.70
292	HALO BRANDED SOLUTIONS	Summarized transactions: 3	672.42
293	ENVENTIS dba	Summarized transactions: 4	664.55

Attachment: AP Board CRMO (3029 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

294	HACH COMPANY	Summarized transactions: 5	662.80
295	UNITED RENTALS INC	Summarized transactions: 5	660.19
296	GRAINGER INC	Summarized transactions: 5	658.62
297	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 12	653.51
298	BENSON ANTHONY	Summarized transactions: 3	642.27
299	KOSHIRE LARRY J	Summarized transactions: 2	606.16
300	ROCH LANDSCAPING SERVICES INC	Summarized transactions: 1	598.05
301	MN DEPT OF LABOR & INDUSTRY	Summarized transactions: 4	590.00
302	DIAMOND VOGEL PAINT CENTER	Summarized transactions: 4	569.60
303	McGRANN SHEA CARNIVAL STRAUGH	Summarized transactions: 1	568.75
304	SCHAD TRACY SIGNS INC	Summarized transactions: 1	565.20
305	HILLERS FLOORING AMERICA INC	Summarized transactions: 1	564.36
306	CARQUEST AUTO PARTS	Summarized transactions: 10	563.24
307	THERMO BOND BULDINGS LLC	Summarized transactions: 1	561.55
308	SHERWIN WILLIAMS CO	Summarized transactions: 7	547.68
309	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 15	540.25
310	TENG PHIL	Summarized transactions: 2	540.19
311	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 17	539.81
312	WRIGHTS SMALL ENGINE SERVICE	Summarized transactions: 4	532.36
313	THOMAS & BETTS CORP	Summarized transactions: 2	532.24
314	ON SITE SANITATION INC	Summarized transactions: 8	529.53
315	FRONTIER	Summarized transactions: 2	524.94
316	PHILIPS HEALTHCARE	Summarized transactions: 4	512.68
317	1SOURCE	Summarized transactions: 1	512.12
318	GATEWAY	Summarized transactions: 1	500.00
319	FASTENAL COMPANY	Summarized transactions: 11	492.80
320	FREDRICKSON & BYRON PA	Summarized transactions: 1	482.50
321	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 3	481.43
322	NALCO COMPANY	Summarized transactions: 5	480.24
323	GUNDERSON BRADLEY	Summarized transactions: 3	464.72
324	NETWORK SERVICES COMPANY	Summarized transactions: 3	459.29
325	EAGLE EYE POWER SOLUTIONS LLC	Summarized transactions: 1	450.00
326	VANCO SERVICES LLC	Summarized transactions: 2	445.70
327	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 4	433.71
328	FLOETER CHARLES	Summarized transactions: 2	433.04
329	JIM WHITING NURSERY/GARDEN CT	Summarized transactions: 1	427.50
330	SOVRAN INC	Summarized transactions: 1	422.15
331	HAWKINS INC	Summarized transactions: 4	416.09
332	OLSEN CHAIN & CABLE CO INC	Summarized transactions: 6	413.75
333	STURM DANNY K	Summarized transactions: 3	407.91
334	ASSOC OF ENERGY SERVICES PROF	Summarized transactions: 2	390.00
335	WERNER ELECTRIC SUPPLY	Summarized transactions: 1	389.02
336	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	379.00
337	POSSABILITIES OF SOUTHERN MN	Summarized transactions: 1	365.75
338	GOPHER STATE ONE CALL	Summarized transactions: 1	361.93
339	BLY LINDA	Summarized transactions: 2	337.00
340	R D O - POWERPLAN OIB	Summarized transactions: 2	336.18
341	BADGER METER INC (P)	Summarized transactions: 6	330.34
342	DELL MARKETING LP	Summarized transactions: 1	330.10

Attachment: AP Board CRMO (3029 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

343	CENTURLINK	Summarized transactions: 1	325.95
344	ALL SEASONS POWER & SPORT INC	Summarized transactions: 1	320.46
345	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	319.97
346	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 7	313.67
347	ANDERTON RANDY	Summarized transactions: 2	307.00
348	NU-TELECOM dba	Summarized transactions: 2	306.65
349	VALMONT INDUSTRIES INC	Summarized transactions: 2	296.38
350	HEARTLAND TIRE & SERVICE	Summarized transactions: 1	294.78
351	HUDSON WORKWEAR CO INC	Summarized transactions: 3	291.99
352	HY VEE	Summarized transactions: 9	289.41
353	PRESTON JAMES	Summarized transactions: 1	286.00
354	YETTER DAREND	Summarized transactions: 1	285.36
355	THOMAS TOOL & SUPPLY INC	Summarized transactions: 2	279.13
356	FRANZ REPROGRAPHICS INC	Summarized transactions: 2	275.10
357	USA BLUE BOOK DBA	Summarized transactions: 5	272.02
358	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	271.30
359	BOB GANDER PLUMBING & HEATING	Summarized transactions: 1	266.60
360	HAWKINS INC	Summarized transactions: 3	258.62
361	AFFILIATED CREDIT SERVICES IN	Summarized transactions: 1	255.19
362	EMEDCO INC	Summarized transactions: 2	252.92
363	REBATES	Summarized transactions: 4	250.00
364	JACKSON SIDNEY	Summarized transactions: 2	248.21
365	ENERGY ONE ELECTRONICS INC	Summarized transactions: 2	227.11
366	ROCH FORD TOYOTA	Summarized transactions: 4	225.71
367	BATTERIES PLUS	Summarized transactions: 1	224.37
368	T E C INDUSTRIAL INC	Summarized transactions: 2	218.51
369	FEDEX	Summarized transactions: 12	216.72
370	MENARDS ROCHESTER SOUTH	Summarized transactions: 4	215.52
371	STEVE BENNING ELECTRIC	Summarized transactions: 1	215.00
372	CITRIX ONLINE LLC	Summarized transactions: 1	208.41
373	PAPER & GRAPHICS INC	Summarized transactions: 1	203.30
374	SPECIALTY TURF & AG INC	Summarized transactions: 2	203.06
375	SOLAR CONNECTION INC	Summarized transactions: 1	200.00
376	PENTEK CHARLES	Summarized transactions: 1	195.00
377	MN MUNICIPAL UTILITIES ASSN C	Summarized transactions: 1	195.00
378	AFFILIATED GROUP INC	Summarized transactions: 1	194.10
379	CONCORDE SPECIALTY GASES INC	Summarized transactions: 1	192.39
380	ESSENTRA COMPONENTS dba	Summarized transactions: 2	189.81
381	REINDERS INC	Summarized transactions: 2	184.45
382	TOMPKINS MARY	Summarized transactions: 2	179.19
383	HUBBELL POWER SYSTEMS INC	Summarized transactions: 7	162.26
384	BOB THE BUG MAN LLC	Summarized transactions: 1	160.00
385	SCHEEL LAWRENCE	Summarized transactions: 2	158.15
386	JOHNSON CARY	Summarized transactions: 2	158.15
387	ALTEC INDUSTRIES INC	Summarized transactions: 2	148.15
388	PAYMENT REMITTANCE CENTER	Summarized transactions: 3	147.78
389	KOTSCHAVAR MARK	Summarized transactions: 1	147.41
390	SECURITY IMAGING CORP	Summarized transactions: 2	147.00
391	AVO INTERNATIONAL	Summarized transactions: 1	143.98

Attachment: AP Board CRMO (3029 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

392	MN DEPT OF NATURAL RESOURCES	Summarized transactions: 1	140.00
393	NUSS TRUCKS OF ROCHESTER INC	Summarized transactions: 1	137.16
394	HERCULES INDUSTRIES INC	Summarized transactions: 2	133.57
395	KEACH TODD	Summarized transactions: 1	130.00
396	QUALITY OVERHEAD DOOR INC	Summarized transactions: 2	128.25
397	CARLIN SYSTEMS INC	Summarized transactions: 1	120.22
398	PAULS LOCK & KEY SHOP INC	Summarized transactions: 3	118.60
399	JOHNSON PRINTING CO INC	Summarized transactions: 3	118.09
400	FASTENAL COMPANY	Summarized transactions: 3	111.94
401	TMS JOHNSON INC	Summarized transactions: 1	110.00
402	COOK WILLIAM	Summarized transactions: 2	109.06
403	INCOM DIRECT	Summarized transactions: 1	106.94
404	CARLIN SYSTEMS INC	Summarized transactions: 2	106.87
405	ADLERS SPORTING GOODS INC	Summarized transactions: 1	104.74
406	SNAP ON INDUSTRIAL	Summarized transactions: 1	104.61
407	SAFELITE FULFILLMENT INC	Summarized transactions: 1	100.00
408	DEMARINO CHRISTOPHER	Summarized transactions: 1	99.98
409	DEX MEDIA	Summarized transactions: 1	99.00
410	DZUBAY TONY	Summarized transactions: 1	92.30
411	GREAT RIVER ENERGY	Summarized transactions: 1	90.44
412	BERG SCOTT	Summarized transactions: 1	88.00
413	RONCO ENGINEERING SALES INC	Summarized transactions: 2	87.10
414	MR SHIMS	Summarized transactions: 7	86.90
415	BEST BUY BUSINESS ADVANTAGE d	Summarized transactions: 2	86.08
416	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
417	VERIFIED CREDENTIALS INC	Summarized transactions: 1	83.00
418	CHARTER COMMUNICATIONS HOLDIN	Summarized transactions: 1	80.28
419	READY MIX CONCRETE COMPANY LL	Summarized transactions: 1	79.06
420	G & K SERVICES	Summarized transactions: 1	76.96
421	OSWEILER TODD	Summarized transactions: 1	75.04
422	ARBOR DAY FOUNDATION	Summarized transactions: 1	75.00
423	MINOGUE PETER	Summarized transactions: 1	74.80
424	THE ENERGY AUTHORITY INC	Summarized transactions: 4	74.36
425	MENARDS ROCHESTER NORTH	Summarized transactions: 3	74.21
426	BERRY PLASTICS CORPORATION	Summarized transactions: 1	73.62
427	CONNEY SAFETY PRODUCTS LLC	Summarized transactions: 2	72.59
428	U S BANK	Summarized transactions: 1	70.47
429	RAMAKER CAROLYN	Summarized transactions: 1	69.75
430	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 1	69.42
431	MENARDS ROCHESTER NORTH	Summarized transactions: 2	66.10
432	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 1	60.00
433	HATHAWAY TREE SERVICE INC	Summarized transactions: 2	60.00
434	BAUER BUILT INC (P)	Summarized transactions: 2	52.83
435	OLM COUNTY PROPERTY RECORDS	Summarized transactions: 2	50.00
436	BLACKHAWK INC	Summarized transactions: 3	45.74
437	NICKELS SCOTT	Summarized transactions: 1	43.01
438	CENTER FOR ENERGY AND ENVIRON	Summarized transactions: 1	42.00
439	A T & T	Summarized transactions: 2	41.50
440	LANGUAGE LINE SERVICES INC	Summarized transactions: 1	41.38

Attachment: AP Board CRMO (3029 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 10/15/2014 To 11/13/2014

Consolidated & Summarized Below 1,000

441	DOUBLETREE HOTEL - BGDS HOTEL	Summarized transactions: 1	40.00
442	KANZ ELIZABETH	Summarized transactions: 1	36.39
443	STEFFL TIM	Summarized transactions: 1	32.00
444	FLEETPRIDE INC	Summarized transactions: 1	30.73
445	LARSON DRU	Summarized transactions: 1	29.50
446	MENARDS ROCHESTER SOUTH	Summarized transactions: 3	28.98
447	ABILITY BUILDING CENTER INC	Summarized transactions: 3	27.79
448	LARSON MARK	Summarized transactions: 1	25.00
449	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	23.93
450	JOHNSON MARK T	Summarized transactions: 1	19.00
451	BLEVINS JAN	Summarized transactions: 1	15.00
452	OLSON JEFF	Summarized transactions: 1	15.00
453	ENERGY ONE ELECTRONICS INC	Summarized transactions: 1	14.93
454	IDEXX DISTRIBUTION CORP	Summarized transactions: 2	13.88
455	MONSON STEVE	Summarized transactions: 1	6.50
456	TSP INC	Summarized transactions: 2	6.15
457	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 1	3.84
458	FEDEX	Summarized transactions: 1	3.83
459			
460		Price Range Total:	208,590.04
461			
462		Grand Total:	10,336,105.43

Attachment: AP Board CRMO (3029 : A/P Board Listing)

FOR BOARD ACTION

Agenda Item # (ID # 3031)

Meeting Date: 11/25/2014

SUBJECT: Backhoe and Accessories

PREPARED BY: Steve Monson

ITEM DESCRIPTION:

The 2015 Capital Improvement Budget included vehicle replacement of one backhoe for Water Maintenance & Construction crews.

This purchase will utilize the State of MN Cooperative Purchasing Venture (CPV) program authorized by Minn. Stat. §471.345, subd. 15(a). This eliminates the sealed bidding requirement.

Ziegler, Inc. was chosen based on our experience and familiarity with the equipment and their ability to meet the specification. Ziegler's price, per MN State Contract Release T-622(5), is \$149,690.00 for a Caterpillar 450F backhoe and accessories.

The total price of the unit and accessories is within the 2015 Capital Budget and less than the budget estimate of \$175,000.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Utility Board approve a resolution to enter into a purchase order with Ziegler, Inc., in the amount of \$149,690.00.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order with Ziegler, Inc. for:

One Caterpillar 450F Backhoe and Accessories

The amount of the purchase order agreement to be ONE HUNDRED FORTY NINE THOUSAND SIX HUNDRED NINETY AND 00/100 DOLLARS (\$149,690.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of November, 2014.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3044)

Meeting Date: 11/25/2014

SUBJECT: CapX 2020 Agreed Upon Procedures Deloitte

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

The Construction Manager for the CapX2020 project, Northern States Power (NSP), summarizes and reports the monthly construction costs via the Application for Deposit invoices. In order for NSP to comply with section 6.5 of the Project Participation Agreement of the CapX2020 Initiative they have engaged Deloitte and Tousche LLP to perform agreed upon procedures as outlined in Appendix A of the attached engagement agreement.

This engagement covers the period from October 1, 2013 through September 30, 2014.

Due to the timing of this contract, the City Attorney has not had an opportunity to review this agreement.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve this contract and the Mayor and City Clerk execute the CapX2020 Agreed Upon Procedures with Deloitte and Tousche LLP, contingent upon acceptance by the General Manager and Rochester City Attorney of any revisions to the Amendment.



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50 South Sixth Street
Minneapolis, MN 55402-1538
USA

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Memo

Date: October 20, 2014

To: CapX2020 LaCrosse Project Owners

From: Daniel Kobes – Deloitte & Touche LLP

Subject: Action Plan for the Attached Engagement Letter Appendix D

The attached letter confirms engagement of Deloitte & Touche LLP to perform certain agreed-upon procedures to assist Northern States Power Company, a subsidiary of Xcel Energy Inc., in connection with their compliance with section 6.5 of the Project Participation Agreement of the CapX2020 Initiative related to the Lacrosse Construction Project dated December 21, 2012 for the period of October 1, 2013 through September 30, 2014.

Please sign the engagement letter we have provided for you in the Supplement to the Engagement Letter which corresponds with your Company and send to Deloitte & Touche in the attached return-envelope. Please note that a final report of the results of our agreed upon procedures will not be sent to you unless a signed engagement letter has been returned to us.

If you have any questions or concerns, please feel free to contact Ben Skubic at 612-330-5841.

Regards,

The Deloitte Engagement Team

Attachment: Deloitte cap x contract (3044 : CapX 2020 Agreed Upon Procedures Deloitte)

Supplement to Engagement Letter Dated October 20, 2014

The City of Rochester, a Minnesota municipal corporation acting through its Public Utility Board, as an owner under the Agreement, specifically acknowledges and agrees to the following:

1. The engagement of Deloitte & Touche LLP (“D&T”) by Northern States Power Company, a Minnesota corporation and wholly owned subsidiary of Xcel Energy Inc. (the “Construction Manager”) pursuant to the engagement letter, dated October 20, 2014, (including its attachments, the “engagement letter”) to perform agreed-upon procedures (the “engagement”) will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, subject to the terms and conditions set forth herein and in the engagement letter. The specific procedures that D&T is to perform have been established based on discussions with the Construction Manager and are set forth in an appendix to the engagement letter and made a part hereof.
 2. The performance of the agreed-upon procedures will not constitute an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion on the elements, accounts, or items of a financial statement and the expression of an opinion on the effectiveness of internal control over financial reporting. Therefore, D&T will not be in a position to express, and will not express, an opinion, or any other form of assurance, with respect to any matters as a result of performing the agreed-upon procedures.
 3. The sufficiency of the procedures is solely the responsibility of the Construction Manager and the other owners to the Agreement. In addition, these procedures may be changed or modified by mutual agreement among the Construction Manager, the other owners to the Agreement, and D&T if, for example, unforeseen circumstances arise. D&T will promptly discuss any such circumstances with the Construction Manager and the other owners to the Agreement and, likewise, the other owners to the Agreement agree to promptly notify D&T if modifications to the procedures are requested.
 4. The agreed-upon procedures that D&T is to perform at the request of the Construction Manager, and with the agreement of D&T, are limited in nature and do not comprehend all matters relating to the Agreement that might be pertinent or necessary to the Construction Manager’s and the other owners’ evaluation of the various parties’ compliance with the terms of the Agreement. Accordingly, the procedures should not be taken to supplant other inquiries and procedures that the Construction Manager and the other owners should undertake for the purpose described above.
 5. D&T’s report will not extend to any financial statements of any owner, taken as a whole, or its internal control for any date or period.
 6. The nature, timing, and extent of the agreed-upon procedures that D&T is requested to perform are solely the responsibility of the Construction Manager and the other owners. Furthermore, D&T has no responsibility to advise any of the parties of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the Construction Manager and the other owners.
-
7. D&T’s responsibility is limited to performing the procedures specified and agreed to and to reporting the resulting findings, subject to the limitations contained herein, and D&T’s engagement cannot be relied on to disclose significant deficiencies, material weaknesses, or fraud should they exist. In addition, D&T’s engagement cannot be relied on to disclose errors,

other than those errors that may be reported as findings in connection with the application of the specified agreed-upon procedures. D&T has no responsibility for updating the procedures performed or for performing any additional procedures.

- 8. The Construction Manager shall be solely responsible for the design and operation of effective internal control over construction costs and compliance with the terms of the Agreement and for complying with all applicable laws and regulations.
- 9. The Construction Manager shall be solely responsible for providing accurate and complete information requested by D&T. D&T has no responsibility for the accuracy or completeness of the information provided by or on behalf of the Construction Manager.
- 10. Should D&T determine that significant restrictions are being placed on the performance of the agreed-upon procedures by the Construction Manager or the other owners, including, without limitation, the failure of management of the Construction Manager to provide D&T with a management representation letter that D&T determines to be satisfactory, D&T shall be entitled to withdraw from the engagement.
- 11. Any report issued by D&T under the engagement letter will not be used by or circulated, quoted, disclosed, or distributed to, nor will reference to such report or D&T's engagement under the engagement letter be made to, anyone who is not a member of management or the board of directors of either the Construction Manager or the other owners who have signed and returned to us the supplement to this engagement letter.
- 12. The City of Rochester releases and holds harmless D&T, its subcontractors and their respective personnel from all claims, liabilities, and expenses arising out of or relating to the engagement, this supplement, any report issued by D&T under the engagement or the inclusion of The City of Rochester as a specified party to any such report. This supplement, and all matters arising hereunder or relating hereto (whether in contract, statute, tort (such as negligence), or otherwise) shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to the choice of law principles thereof), and the state and federal courts of New York shall have exclusive jurisdiction over any controversy or claim arising out of or relating to this supplement. This provision will apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

Accepted and agreed to by
The City of Rochester, a Minnesota municipal corporation acting through its Public Utility Board:

By: _____

Title: _____

Date: _____

Attachment: Deloitte cap x contract (3044 : CapX 2020 Agreed Upon Procedures Deloitte)

APPENDIX A

**CAPX2020 La Crosse Transmission Project
 Agreed-Upon Procedures Applied to Construction Costs
 For the Period October 1, 2013 through September 30, 2014
 Engagement Letter Dated October 20, 2014**

This Appendix A is part of the engagement letter dated October 20, 2014 between Deloitte & Touche LLP and the Participants and approved by the CapX2020 SE Twin Cities-Rochester-LaCrosse Management Committee.

The Construction Manager summarizes and reports the monthly construction costs via the Application for Deposit invoices. These invoices and related supporting detailed records for the period October 1, 2013 through September 30, 2014 will provide the basis for determining the construction costs that will be subject to the agreed-upon procedures. For purposes of reporting findings, differences greater than \$1,000 will be reported.

The procedures that we will perform are as follows:

1. Cost Allocation

- a. Make a random sample of three months for the period from October 1, 2013 through September 30, 2014. For each month selected, obtain copies of the monthly Application for Deposit.
- b. For each of the selected months, prove the arithmetic accuracy of the monthly invoices billed to the owners.
- c. For each of the selected months, recalculate the amount added to the invoices related to the general and administrative (A&G) cost provision and ensure that the inputs used to calculate the A&G cost provision are in accordance with Appendix D of the Construction Management Agreement.
- d. Obtain the minutes regarding the periodic recalculation of allocation percentages from the CapX2020 La Crosse Management Committee meetings. If the billing percentages changed during the audit period, obtain the Application for Deposit in which the change was implemented and prove the arithmetic accuracy.

2. Construction Cost Expenditures (excluding labor costs)

- a. Obtain the detail of construction cost expenditures relating to the consulting and materials for the shared and discrete costs that the Construction Manager is responsible for (hereinafter referred to as "construction cost expenditures") and are included in the monthly Application for Deposits for the period from October 1, 2013 through September 30, 2014 for the Construction Manager.
- b. From the detail of construction cost expenditures, randomly selected a sample of construction costs expenditures greater than \$50,000 until the total of selected expenditures equals an amount greater than 10%, or a maximum sample size of 40, of total construction cost expenditures incurred during the period from October 1, 2013 through September 30, 2014.

- c. For selected construction cost expenditures, email requests for positive confirmation of the construction cost expenditure to the respective vendors who invoiced the Construction Manager for the related goods or services. The confirmation will request that the vendor confirm via email that the amount invoiced was for a good or service related to the CapX2020 La Crosse Project, and that it was paid by the Construction Manager. For those accounts for which we do not receive a confirmation reply to our initial request, we will email a second request. For any construction cost expenditures that we do not receive a confirmation: (1) obtain the related invoices and evidence of payment from the Construction Manager and (2) trace the invoice and payment amounts to the amount per the detail of construction cost expenditures.

3. Construction Labor Costs

- d. Make a random sample of one month during the period from October 1, 2013 to September 30, 2014 to perform procedures upon and obtain a copy of the Schedule of Employee Hours (including labor expenses) for shared and discrete costs the Construction Manager is responsible for in the selected month.
- e. Select a random sample of employees from the Schedule of Employee Hours until the total hours selected are greater than 10%, or a maximum sample size of 40, of the total number of employee hours invoiced for the month.
- f. For each selected employee, if the total employee hours submitted for inclusion in construction costs invoiced include more than one timesheet, randomly sub-select one time sheet and obtain a copy of the employee's time card or other time recordkeeping system output. Compare the Schedule of Employee Hours to the employee's time card or other time recordkeeping system output.
- g. For each selected employee, obtain the labor rate being charged and compare that amount to the amount to be obtained from payroll records provided by the Construction Manager's payroll management.

4. Trust Account

- a. Obtain a schedule of all the trust account transactions from the Construction Manager (“Schedule of Trust Activity”). Make a random sample of three months during the period from October 1, 2013 through September 30, 2014 to perform procedures. For each selected month, mail requests to obtain original Trust Statements directly from Wells Fargo, agree the dollar amount of individual transactions from the Schedule of Trust Activity to the Wells Fargo Trust Statement for that month.
- b. Send confirmations to Wells Fargo to confirm the ending balance of the trust account at September 30, 2014. Compare ending balance per the confirmation to that in the Construction Manager’s records as of September 30, 2014.

5. Discrete Costs (excluding discrete costs the Construction Manager is responsible for)

- a. Obtain Cost Analysis Reports from RPU that contain the detail of total discrete costs for the Northern Hills and Chester Substations from September 1, 2013 through August 31, 2014.
- b. From the detail we prove the arithmetic accuracy and that the Actual amounts through August 31, 2014, reconcile to the Application for Deposit prepared in October 2014.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract contingent upon acceptance by the General Manager and the Rochester City Attorney of any revisions to the contract and authorize the Mayor and the City Clerk to execute the agreement for:

CapX 2020 Agreed Upon Procedures with Deloitte and Tousche LLP

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25day of November, 2014.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3042)

Meeting Date: 11/25/2014

SUBJECT: Uniform Rental/Laundry Services

PREPARED BY: Don Coldiron

ITEM DESCRIPTION:

RPU requires certain employees to wear flame resistant (FR) and non-FR uniforms depending on the employee's job specification. FR uniforms require specialized laundering techniques in order to preserve the fire resistant properties of each uniform which ultimately protect employees from electric hazards. In addition, FR uniforms have recently been deemed personal protective equipment (PPE) by the Occupational Safety and Health Administration (OSHA), which adds to the significance of providing safe and quality uniforms. RPU also provides towels for those employees that choose to shower at work. For safety and cleanliness reasons, RPU utilizes floor mats at virtually all of the entrances at the Service Center and SLP. The current contract for vendor provided uniform rental/laundry services expires on December 31st. Therefore, a new contract needs to be executed.

Staff seeks to purchase uniform rental/laundry services using the US Communities Contract, one of many cooperative purchase ventures available to public entities and is authorized by Minn. Stat. §471.345, subd. 15(b). The Cintas US Communities Contract has been reviewed by the City Attorney.

Cintas Corporation was selected based on their FR uniform expertise and experience, uniform rental/laundry process, and positive feedback provided by public and private entities that utilize Cintas and are similar in size to that of RPU. The cost of uniform rental/laundry services, to include uniforms, towels, and floor mats equates to approximately \$60,000.00 per year based on Cintas' rates with the US Communities Contract. To maximize cost efficiencies and minimize service disruptions, staff recommends a three year contract for a total of \$180,000.00.

The 2015 budget contains funding for this type of expenditure and will continue to be budgeted for future years.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Utility Board approve a resolution to enter into a three year contract with Cintas Corporation in the amount of \$180,000.00 for Uniform Rental/Laundry Services and authorize the Mayor and City Clerk to execute the Agreement.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Cintas Corporation and that the Mayor and the City Clerk to execute the agreement for:

Uniform Rental/Laundry Services

The amount of the contract agreement to be ONE HUNDRED EIGHTY THOUSAND AND 00/100 DOLLARS (\$180,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of November, 2014.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3036)

Meeting Date: 11/25/2014

SUBJECT: Contract for Market Participant Services with The Energy Authority

PREPARED BY: Jeremy Sutton

ITEM DESCRIPTION:

RPU has current marketing contracts with The Energy Authority and Minnesota Municipal Power Agency to conduct business within the MISO (Midcontinent Independent System Operator) market. It is Rochester Public Utilities intent to combine these service into one agency following the termination of the MMPA (Minnesota Municipal Power Agency) contract in June of 2015.

Staff will have a presentation to board at the meeting to review the details of the contract.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the resolution and the Mayor and City Clerk execute the contract for Market Participant Services with the Energy Authority , contingent upon acceptance by the General Manager and Rochester City Attorney of any revisions to the contract.

**Subject to approval of TEA's Board of Directors*

**RESOURCE MANAGEMENT AGREEMENT
BETWEEN
THE ENERGY AUTHORITY, INC.
AND
ROCHESTER PUBLIC UTILITIES**

Attachment: Resource Management Agreement - Draft Master Agreement RPU-TEA (3036 : Contract for Market Participant Services with The

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EXHIBITS and ATTACHMENTS:

Task Order 1 – MISO Services and Bilateral Trading Services

Exhibit A – RPU Resources

Exhibit B - RPU Banking, Notices, and Contract Administrator Information

Exhibit C - TEA Banking, Notices, and Contract Administrator Information

This RESOURCE MANAGEMENT AGREEMENT (this “Agreement”), dated this ____ day of _____, 2014, is made and entered into by and between THE ENERGY AUTHORITY, INC., (“TEA”), a Georgia nonprofit corporation all of the owners of which are instrumentalities of states or political subdivisions of states and Rochester Public Utilities, an instrumentality of the state of Minnesota (“RPU”). TEA and RPU are sometimes referred to herein individually as a “Party,” or collectively as the “Parties.”

1. **Recitals**

WHEREAS, RPU owns and operates an electric system; and

WHEREAS, RPU, is seeking assistance with certain tasks pursuant to this Agreement; and

WHEREAS, TEA wishes to assist RPU in managing such tasks subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

2. **Scope of Work**

Pursuant to the provisions of this Agreement, TEA shall provide the services to RPU as described in task orders (“Task Order”) as executed by the Parties from time to time during the term of this Agreement. Each Task Order by this reference is incorporated as part of this Agreement. The services provided pursuant to such Task Orders will be the “Scope of Work.” Task Order 1 “MISO Services and Bilateral Trading Services” attached hereto is the first such Task Order.

3. **Term and Effective Date**

3.1 This Agreement will become effective on the date written in the first paragraph of this Agreement (the “Effective Date”) and will remain in effect until terminated as provided herein. Notwithstanding the aforementioned date, the commencement of services under this Agreement will not be prior to the date this Agreement is executed by both Parties.

3.2 The provision of services pursuant to Task Order 1 will commence on the date specified in Task Order 1.

4. **Termination**

Either Party may terminate this Agreement by providing a minimum of 180 days’ advance written notice to the other Party (the “Termination Notice Period”) and provided further, that the termination date shall be selected to be the same date as a MISO commercial model change. However, notwithstanding the other provisions in this section, including the requirement to terminate this Agreement on the same date as a commercial model change, no Party shall be required to continue in this Agreement for more than 270 days after providing written notice of termination to the other Party.

- 4.1 During the Termination Notice Period, RPU shall continue to make payment to TEA for the services provided consistent with the payment provisions set forth herein. During the Termination Notice Period, TEA shall perform its services in a manner reasonably calculated to effect such termination in an orderly manner and to protect the interests of the Parties consistent with the terms of this Agreement.
- 4.2 Except for Task Order 1, additional individual Task Orders, if any, for services referred to in Section 2 hereof may have shorter terms and different termination provisions than the Agreement. Termination of this Agreement will serve to terminate any Task Order hereunder.
- 4.3 The Parties' rights to terminate this Agreement provided in this Section 4 are in addition to the Parties' rights to terminate this Agreement as provided in Section 30 hereof.
- 4.4 In the event transactions were entered into by TEA on behalf of RPU utilizing TEA's trading agreements that extend beyond the specified termination date of this Agreement, TEA and RPU will continue to operate under the terms of this Agreement with regard to such transactions until such time as the transactions terminate or are fully settled. Nothing in this Agreement will prevent TEA and RPU from agreeing to settle any such transaction prior to the normal settlement date of the transaction. Obligations between the Parties to pay for transactions or other services effected or rendered hereunder shall remain in force notwithstanding the termination of this Agreement.

5. **Compensation**

5.1 Professional Services.

The basis for and amount of compensation due TEA for the services (the "Compensation") will be as stated in each Task Order.

5.2 Expenses.

RPU shall reimburse TEA for reasonable out-of-pocket expenses incurred or accrued by TEA in connection with the Scope of Work unless otherwise agreed to in writing in accordance with a Task Order. Out-of-pocket expenses include, but are not limited to, travel, business meals and other usual and customary business expenses. Subject to RPU's pre-approval of such expenses, RPU shall also reimburse TEA for special or unusual expenses incurred by TEA in connection with TEA's performance of services. TEA agrees to manage all expenses in a prudent manner and will provide RPU with a reasonable accounting for all monthly out-of-pocket expenses.

5.3 Taxes and Fees

Notwithstanding any terms or provisions in this Agreement or the Scope of Work to the contrary, RPU shall be responsible for and shall reimburse TEA for any license, fees, or taxes, including without limitation, sales, use, property, excise, value added and gross receipts levied on the services or Trading Products (as defined herein) provided under this Agreement, except taxes based on TEA's net income.

6. Relationship of the Parties

6.1 Independent Contractor

TEA shall perform the Scope of Work as an independent contractor and shall not be treated as an employee of RPU for federal, state or local tax purposes, workers' compensation purposes, or any other purpose. The Parties acknowledge and agree that nothing contained in this Agreement will be deemed to create or constitute an employer-employee relationship, a partnership, or a joint venture between the Parties.

6.2 Contract Administrators.

RPU and TEA shall each appoint a contract administrator who will be responsible for administering this Agreement (the "Contract Administrator"). The Contract Administrator for RPU and TEA will be identified in exhibits to this Agreement. The Parties may designate other individuals responsible for operational communications in exhibits to this Agreement. Either Party may change its respective Contract Administrator or other contact and notice information by giving advance written notice to the other Party, consistent with the terms of Section 9 of this Agreement.

6.3 Cooperation of Parties.

RPU shall cooperate with TEA in effecting the Scope of Work and shall make authorized personnel of RPU available to TEA on reasonable notice and at reasonable times to assist in accomplishing the Scope of Work.

6.4 Non-Exclusive Relationship.

6.4.1 RPU hereby expressly acknowledges that part of the value of the services to be provided by TEA comes from TEA providing the same or similar services as contemplated under this Agreement to other entities. RPU acknowledges that the expertise and business plan of TEA requires that it be able to represent multiple parties and that the services rendered thereby are and may be beneficial to RPU.

6.4.2 Notwithstanding the nature of the Scope of Work, RPU specifically acknowledges that TEA is not precluded from representing or performing similar or related services for, or being employed by, other persons, companies or organizations.

6.4.3 RPU further acknowledges that TEA, from time-to-time, has established, or may establish, contractual relationships with users of power resources or natural gas, and generators or producers of such power resources or natural gas. Notwithstanding the existence of such contractual relationships, RPU desires the assistance of TEA as provided in this Agreement. RPU specifically represents to TEA that the existence of such contractual relationships does not in and of itself create a conflict of interest unacceptable to RPU.

6.4.4 The Parties specifically recognize and accept that there may be purchases and sales of power, natural gas, and financial instruments between and among TEA

RPU, including RPU, and that such transactions are the normal course of business in providing the services and that such transactions do not create any conflict of interest for TEA in carrying out its obligations pursuant to this Agreement.

- 6.4.5 RPU shall not, during the term of this Agreement, (i) enter into any agreement or arrangement with any other entity for services that would be provided during the term of this Agreement which are identical to or similar in scope, object or purpose to the Scope of Work provided by TEA under this Agreement or (ii) make any sales or purchases of electric capacity or energy, or ancillary services at wholesale, for a term of one year or less, except through TEA.

6.5 Allocation of Trading Products.

- 6.5.1 RPU recognizes that from time to time the Trading Products (as defined herein) that TEA purchases or sells for RPU and other entities may require allocation of amounts available among all such entities including RPU. Decisions by TEA to transact RPU's Trading Products in the market will be made on a non-discriminatory basis and will be based on the same methods and procedures used to purchase or sell Trading Products on behalf of TEA's other RPUs that hold agreements similar to this Agreement.

6.6 Provision of Trading Services – TEA as agent

Unless otherwise agreed to by the Parties, TEA shall provide trading services pursuant to this Agreement by trading as agent for RPU utilizing trading agreements between RPU and its counterparties.

6.7 Provision of Trading Services – TEA as principal in the transaction

- 6.7.1 As mutually agreed to by the Parties, TEA shall provide trading services on behalf of RPU with TEA acting as principal in the transaction utilizing trading agreements between TEA and its counterparties (referred to herein as TEA "trading as principal"), including, but not limited to, transacting as principal in the transaction with third parties for electricity products, or with a Regional Transmission Organization ("RTO"). In the event that TEA is providing trading services by trading as principal, then TEA shall provide such trading services on behalf of RPU utilizing TEA's trading agreements for electric power, natural gas, RTO services, and associated transmission, transportation and other related or ancillary services ("Trading Products") between TEA and its counterparties. In performing such trading services, TEA will, on the terms and subject to the conditions set forth in this Agreement, be entitled to enter into matching purchase or sale transactions with RPU and third party transaction counterparties ("Transaction Counterparties") under which TEA may purchase Trading Products from RPU for resale to one or more Transaction Counterparties, or may purchase Trading Products from one or more Transaction Counterparties for resale to RPU

(any such transaction with a Transaction Counterparty, a “Matching Transaction”).

- 6.7.2 Unless otherwise mutually agreed to by the Parties, any Trading Products purchase or sale transaction between TEA and RPU under a Matching Transaction will (i) be on the same terms and conditions (except for billing and payment, which will be pursuant to this Agreement) as the terms and conditions of the applicable Matching Transaction between TEA and the applicable Transaction Counterparty; (ii) in the event that TEA purchases Trading Products on behalf of RPU in a Matching Transaction, TEA shall resell such Trading Products to RPU at the same price as TEA paid for such Trading Products, and RPU shall pay TEA the amount payable by TEA to the Transaction Counterparty and the amounts payable to any third parties related to the purchase of Trading Products from the Transaction Counterparty and resell to RPU, including, but not limited to, transmission service charges, transmission loss payment costs, RTO fees and assessments, and the like, incurred by TEA (iii) in the event that TEA purchases Trading Products from RPU for purposes of resale to a Transaction Counterparty under a Matching Transaction, TEA shall pay to RPU the amount paid by the Transaction Counterparty to TEA less the amounts payable to any third parties related to the purchase of Trading Products from the RPU and resale to the Transaction Counterparty, including, but not limited to, transmission service costs, transmission loss payment costs, Regional Transmission Organization fees and assessments, and the like, incurred by TEA.
- 6.7.3 Notwithstanding any other provision of this Section 6 to the contrary, if the Transaction Counterparty to a Matching Transaction is another TEA RPU for which TEA is providing trading services, the price of the transaction will be set at market.
- 6.7.4 Notwithstanding any terms of this Agreement or the Scope of Work, nothing contained in this Agreement or the Scope of Work hereto will be construed as requiring TEA to execute any transaction as principal in the transaction where such transaction or traded commodity or instrument is regulated under regulations promulgated pursuant to the “Dodd-Frank Wall Street Reform and Consumer Protection Act.” (Pub.L. 111-203).
- 6.7.5 RPU may be requested by TEA to provide credit enhancement to support RPU-specific transactions executed by TEA as principle in the transaction. RPU may, in its sole and exclusive discretion, decline to provide credit enhancement and in which case TEA will offer to execute the transactions as RPU’s agent making RPU principal to the transaction directly between RPU and the counterparty and with the counterparty relying on RPU’s credit. In the event that RPU declines such a request for credit enhancement and TEA is unable to execute the transaction as agent as described in this section, then TEA shall have no obligation to proceed with the transaction in regard to which the enhancement was requested.

- 6.7.6 If RPU's credit in use approaches RPU's credit limit as set by TEA, TEA will notify RPU as soon as practicable to discuss alternatives and possible remedies to replenish RPU's available credit. Although TEA shall be under no obligation to permit RPU's credit in use to exceed its credit limit established by TEA, if RPU's credit in use does exceed the credit limit established for RPU by TEA, TEA will notify RPU as soon as practicable and TEA and RPU will cooperate to put remedies in place to reduce RPU's credit in use to a level below RPU's credit limit and/or RPU will provide credit support acceptable to TEA. However, if the above efforts are not successful and notwithstanding any billing or payment terms in this Agreement or any Task Order to the contrary, TEA, in its sole discretion, may tender invoices as frequently as daily and to demand payment (and prepayment) from RPU as reflected in such statements as promptly as it deems appropriate so long as such accelerated schedule is prompted, in TEA's sole judgment, by market conditions or credit concerns. If RPU fails to pay any amounts due TEA in accordance with the accelerated schedule, the payments will be deemed overdue, and interest will accrue on any unpaid amounts as provided herein.
- 6.7.7 TEA shall not be liable to RPU for the failure of any counterparty, including but not limited to any Transaction Counterparty (i.e. when TEA is trading on RPU's behalf as principal in the transaction), to pay or perform on its obligations. In the event of such failure by a Transaction Counterparty, TEA shall pursue any action against such defaulting entity at the direction of RPU, upon being provided with indemnity therefor satisfactory to TEA in its sole discretion, at RPU's sole cost and expense.
- 6.7.8 Under no circumstances will TEA be liable to RPU for the failure of an RTO to pay, or for assessments made by the RTO for any of the RTO's market participants' failure to pay or perform, related to transactions with the RTO performed on RPU's behalf by TEA as principal in the transaction (i.e. TEA acting as Market Participant on RPU's behalf).
- 6.7.9 If RPU interrupts a financially firm sale transaction without the contractual right to do so, TEA shall use reasonable efforts to purchase replacement capacity and energy in the wholesale market place and deliver it to the original purchaser. RPU shall receive any resulting gain or be responsible for any resulting loss on the transaction.
- 6.7.10 If RPU interrupts a financially firm purchase transaction without the contractual right to do so, TEA shall use reasonable efforts to sell the purchased capacity and energy in the wholesale market place. RPU shall receive any resulting gain or be responsible for any resulting loss on the transaction.
- 6.7.11 At RPU's request, TEA will make available for inspection by RPU a list of TEA trading counterparties. RPU may disapprove in writing any such counterparty for future Matching Transactions associated with RPU; provided however, that the terms of this section 6.7.11 will not apply to any Regional Transmission

Organization/Independent System Operator or transmission provider with which TEA is obligated to conduct business for RPU under the terms of this Agreement.

7. Indemnification

- 7.1 Subject to the limitations contained in Section 8 hereof, TEA and RPU, to the extent permitted by applicable law, agree to indemnify, hold harmless and defend the other Party and its respective officers, directors, members, subsidiaries, affiliates, partners, and employees from any and all liabilities, claims, actions, legal proceedings, demands, damages, losses, penalties, forfeitures and suits, and all costs and expenses incident thereto (including, but not limited to, costs of defense, settlements and reasonable attorneys' fees), which the other Party may hereafter incur, become responsible for, or pay out as a result of the death or bodily injury to any person or the destruction or damage to any tangible property caused in whole or in part by any negligent or wrongful act or omission of the indemnifying Party, its employees, officers, directors, members, subsidiaries, affiliates, partners, agents or subcontractors in the performance of this Agreement. Neither Party shall be required to indemnify the other Party for liabilities, claims, suits, actions, legal proceedings, demands, damages, penalties, forfeitures and suits, and all costs and expenses incident thereto (including, but not limited to, costs of defense, settlements and reasonable attorneys' fees), caused by the negligence or wrongful act or omission of the other Party.
- 7.2 Notwithstanding the foregoing provisions of Section 7, if either Party is prevented by operation of applicable law or otherwise from obligating itself in any way described in Section 7 above, then the same limitation will be made applicable to the other party hereto, all to the end that the obligations of the one to the other with respect to the matters mentioned in Section 7 will be identical.

8. Limitation of Liability

- 8.1 TEA shall not be liable to RPU for errors made in the provision of the services unless such errors are the result of gross negligence or willful misconduct on the part of TEA.
- 8.2 The cumulative maximum amount of TEA's liability, if any, arising from any and all claims, lawsuits, actions, other legal proceedings by RPU or any other person or entity arising out of or in connection with TEA's performance or nonperformance hereunder, whether based upon contract, warranty, tort, strict liability, or any other theory of liability, will be no more than the Compensation collected by TEA from RPU for services hereunder (exclusive of payments made for expenses) during the six months prior to the occurrence of the event leading to the claim. If TEA should be liable to RPU pursuant to the provisions of this Section 8, payments shall be effected by offsetting monthly amounts due from RPU to TEA as set forth in the provisions relating to compensation in the Scope of Work. If TEA terminates this Agreement during the period in which its liability payments to RPU are being offset against monthly amounts due from RPU to TEA, TEA shall be obligated to pay any remaining liability payments upon the effective date of such termination.

8.3 Neither RPU nor TEA shall be liable to the other Party for any indirect, consequential, incidental, special or punitive damages, of any kind or nature whatsoever, including but not limited to lost profits or revenues, lost records or data, lost savings, loss of use of a facility or equipment, or loss by reason of increased cost or expense; provided, however, that the foregoing will not limit the enforceability of any provisions in any trading agreement that may apply to transactions between RPU and TEA. The provisions of this Section 8 take precedence over any conflicting provision of this Agreement, any Task Order, or any document incorporated into or referenced by this Agreement or any Task Order.

8.4 TEA makes no warranties whatsoever, express or implied, regarding the services or performance thereof, including but not limited to any warranty of fitness for a particular purpose.

9. **Notices**

Any notices, requests, demands or other communications required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly given if (i) delivered by hand, (ii) mailed by registered or certified mail, postage prepaid, or sent by a reputable overnight carrier such as FedEx, or (iii) sent by email and addressed to the Contract Administrator for the Parties at their addresses included in exhibits to this Agreement, or such changed addresses as may be forwarded to the other Party, consistent with the terms of this Section 9. In addition to the other methods described in this section, operational instructions and transaction orders and approvals may be documented via recorded telephone or internet based instant messaging services (e.g. AOL Instant Messenger®).

10. **Entire Agreement**

This Agreement supersedes any and all prior or contemporaneous agreements, whether written or oral, between the Parties hereto with respect to the subject matter of this Agreement. Each Party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made with respect to the subject matter of this Agreement that are not embodied in this Agreement, including any exhibits or schedules attached hereto.

11. **Proprietary Interest**

TEA shall retain sole ownership of any patent, copyright, trade secret, trademark, or service mark that TEA has developed or acquired in providing the services under this Agreement. RPU acknowledges and agrees that TEA shall be the sole owner of any intellectual property rights developed by TEA under this Agreement and that RPU is not receiving any license to use any of those intellectual property rights. TEA shall have the right to use, license and receive royalties or fees for the use of any of the intellectual property rights developed by TEA under this Agreement.

12. **Exhibits**

All exhibits and Task Orders attached to this Agreement are a part hereof as if set out in full herein. If there exists any conflict between the terms of the main body of this

Agreement and any Task Order or attachment hereto, the terms of the main body of this Agreement will control.

13. **Governing Law**

This Agreement will be subject to and construed under the laws of the State of Florida without resort to its conflicts of laws principles.

14. **Compliance with Law**

Notwithstanding any other provision of this Agreement, TEA and RPU shall at all times during the term of this Agreement comply with all applicable laws, regulations, orders and decrees of governmental authorities with jurisdiction.

15. **Authorization**

The Parties hereby warrant that the persons executing this Agreement are authorized to execute and obligate the respective Parties to perform under this Agreement in accordance with its terms.

16. **Standard of Care**

The standard of care applicable to provision of the services will be that of “Prudent Utility Practice.” Prudent Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to produce the desired result at the lowest cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a range of acceptable practices, methods or acts. Nothing in this Agreement will be construed to create any duty to or any standard of care with reference to any person not a party to this Agreement. TEA shall incur no liability to RPU with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to be necessary or commercially reasonable under the circumstances.

17. **Successors and Assignment**

17.1 Unless otherwise provided in the Scope of Work, neither Party shall assign this Agreement to any person or entity without the written consent of the other Party, such consent not to be unreasonably withheld, conditioned, or delayed.

17.2 Nothing contained in this Section 17 will be construed to prevent the Parties from making a collateral assignment of the revenues due under the terms of this Agreement. No assignment, merger or consolidation will relieve any Party of any obligation under this Agreement.

17.3 Subject to the foregoing restrictions in this Section 17, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective permitted successors and permitted assigns.

18. **Amendment**

This Agreement and any Task Order or exhibit incorporated herein may be amended only by an instrument in writing signed by the Parties.

19. **Counterparts**

This Agreement may be executed by the Parties in one or more counterparts, each of which, when executed and delivered will be an original, but all of which will constitute one and the same instrument.

20. **Severability**

If any provision of this Agreement will be deemed invalid or unenforceable in any respect for any reason, the validity of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired.

21. **Waiver**

A provision of this Agreement may be waived only by a written instrument executed by the Party waiving compliance. No waiver of any provision of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement will not operate as a waiver of such provision or any other provision.

22. **Further Assurances**

From time to time, each of the Parties shall execute, acknowledge and deliver any instruments or documents necessary to carry out the purposes of this Agreement.

23. **No Third Party Beneficiaries**

Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties, any right or remedy of any nature whatsoever.

24. **No Provision of Legal Services by TEA**

RPU acknowledges that, with respect to the services rendered or to be rendered by TEA under this Agreement: (i) TEA is not authorized to give legal advice and (ii) TEA does not intend to give and has not given RPU legal advice. RPU represents to TEA that RPU (i) has obtained and will obtain legal advice from RPU's own legal counsel regarding the legal aspects of any advice given or services performed by TEA under this Agreement and (ii) has not relied and will not rely on TEA for the giving of legal advice. RPU hereby waives and releases any claim that RPU may now or hereafter have that RPU has relied, directly or indirectly, on any advice given by TEA, or to be given by TEA, in connection with this Agreement as being in the nature of legal advice, and further waives and releases any claim for damages resulting therefrom.

25. **Billing and Payment**

25.1 Billing and payment terms will be as provided in each Task Order. Payments will be made by Automated Clearing House (ACH) transfer or wire transfer in United States Dollars. Each Party's banking information is provided in exhibits to this Agreement and

a Party's account information may be amended by providing the other Party written notice.

- 25.2 Payments owed pursuant to this Agreement and not received when due will be considered overdue. Interest will accrue on any unpaid amounts as of the day after the due date at a rate equal to the prime interest rate as established by Bank of America plus 300 basis points (the "Interest Rate").
- 25.3 In the event that any portion of an invoice related to a Matching Transaction is in dispute, then the dispute shall be governed by the dispute provisions of the market rules or contracts governing the specific transaction with the Transaction Counterparty.
- 25.4 In the event that any portion of an invoice for TEA's Compensation is in dispute, the undisputed amount shall be paid when due and payment may be withheld on the disputed amount. RPU shall notify TEA immediately of the reason for the dispute and the Parties shall cooperate to resolve the dispute. If either Party, after payment is made, discovers an error that is discernible from the terms of the invoice, the disputing Party has the right to dispute the error within ninety (90) days from the date of invoice or within ninety (90) days from termination of this Agreement, whichever comes first. Upon determination of the correct billing amount, if the disputed amount is found owing to the other Party, it shall promptly be paid to the other Party after such determination. For disputed amounts or billing errors that are discovered through the exercise of the audit rights pursuant to this Agreement, the other Party must receive written protest within one year from the date of the invoice.

26. **Resettlement**

- 26.1 From time-to-time transactions that may have otherwise been fully completed and settled may be required to be resettled due to market rules (often in the case of RTO markets) or order of a court, regulatory authority, or other entity with jurisdiction to order such. If such resettlement related to any transaction performed by TEA on behalf of RPU results in a refund to TEA from a third party, TEA shall pay to RPU any such refund received by TEA. If such resettlement related to any transaction performed by TEA on behalf of RPU results in a TEA owing any amount to a third party, RPU shall pay to TEA any such amount owed by TEA. This provision will survive the termination of this Agreement

27. **Audit Rights**

During the term of this Agreement and for one year following the effective date of termination, each Party may audit the other Party's books and records for the most recently past twelve month period for the sole purpose of verifying the calculation of payments made or received, including the calculation of pricing or Compensation due pursuant to this Agreement; provided that neither Party may conduct more than one such audit during any consecutive six-month period; and further provided that the Parties' audit rights under this Section 27 will not extend the period of any audit rights identified in a Task Order. Furthermore, following termination of this Agreement, neither Party may conduct more than one such audit during the one-year period referred to above. Any such audit will be conducted at the audited Party's offices during its normal business

hours, at the auditing Party's own expense. Copies of audit reports will be provided to the non-auditing Party upon such Party's payment of copying and delivery costs. If, following such audit, the Parties agree that any billing or payment in the previous year was incorrect, or it is otherwise found that such be the case, a corrected bill or payment will be prepared and a corrected billing submitted as provided for in Section 25. Any such payments will include applicable interest at the Interest Rate, accrued as of each payment's original Due Date.

Each Party shall maintain the confidentiality of the other Party's accounting records and supporting documents in compliance with Section 33 herein and shall use them only for the purpose of confirming the accuracy of billings and payments under this Agreement. In the event such information is required to be disclosed in a legal or regulatory proceeding, or otherwise required to be disclosed by law, the affected Party shall notify the other Party at the time of the request so that the affected Party may seek at its own expense to preserve the confidentiality of the information.

28. Force Majeure Event

- 28.1 For purposes of this Agreement, "Force Majeure Event" means an event that prevents the claiming Party from performing any of its obligations under or in connection with this Agreement, that is not within the reasonable control of, or the result of the negligence of, the claiming Party, and that by the exercise of due diligence the claiming Party is unable to avoid, cause to be avoided, or overcome. Force Majeure Events may include, but are not restricted to: acts of God; acts of the public enemy, war, blockades, insurrections, civil disturbances and riots, and epidemics; landslides, lightning, earthquakes, firestorms, hurricanes, tornadoes, floods, washouts, and extreme weather conditions; fire, explosion, breakage, freezing or accidents; strikes, lock-outs or other industrial disturbances or labor disputes; labor or material shortage; sabotage; and order or restraint by governmental authority (so long as the claiming Party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such order or restraint).
- 28.2 Except as otherwise provided in this Section 28, neither Party to this Agreement shall be considered to be in default in performance of any obligation hereunder if failure of performance shall be due to a Force Majeure Event. A Party shall not, however, be relieved of liability for failure of performance if such failure is due to events arising out of removable or remediable events which it fails to remove or remedy with reasonable dispatch. Any Party rendered unable to fulfill any obligation by reason of a Force Majeure Event shall exercise due diligence to remove such inability with all reasonable dispatch. Nothing contained herein, however, will be construed to require a Party to prevent or settle a strike or labor disagreement against its will. Notwithstanding the provisions of this Section 28, payment of liquidated damages or penalties due to nonperformance under the terms and conditions of transactions entered into on RPU's behalf will not be excused because of a Force Majeure Event.
- 28.3 If the claim of Force Majeure Event is in respect to any Matching Transaction or Trading Product, the force majeure provisions of the TEA trading agreement under which such Matching Transaction or Trading Product is provided will govern such claim.

29. **Recording.**

29.1 Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party (i) consents to the monitoring of, and creation of a tape or electronic recording (“Recording”) of, all telephone conversations between the Parties to this Agreement, (ii) agrees that any such Recordings will be retained in confidence, secured from improper access, and (iii) acknowledges that such Recordings may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers, employees, and agents of such monitoring or recording and to obtain any necessary consent of such officers, employees, and agents. The Recording, and the terms and conditions of a transaction discussed by the Parties in such Recording, if admissible, will be the controlling evidence of the Parties’ agreement with respect to a particular transaction between the Parties in the event a confirmation is not fully executed (or deemed accepted) by both Parties. Upon full execution (or deemed acceptance) of a confirmation, such confirmation will control in the event of any conflict with the terms of a Recording.

30. **Default.**

30.1 Each of the following will constitute an “Event of Default” under this Agreement:

30.1.1 the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three business days after written notice;

30.1.2 any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

30.1.3 the failure to perform any material covenant or obligation set forth in this Agreement if such failure is not remedied within three business days after written notice; or

30.1.4 a Party becomes Bankrupt. For purposes of this Agreement, “Bankrupt” means with respect to either Party, the Party (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

30.2 Upon delivery of written notice by one (1) Party to the other that an Event of Default has occurred, the defaulting Party shall have five (5) days from receipt of such notice to cure such Event of Default. The failure or inability of such Party to cure such Event of Default will constitute a default; and if the default is not caused by a Force Majeure Event as described in Section 28 hereof, the non-defaulting Party may immediately terminate this Agreement. Both Parties shall continue to make payments then due or

becoming due with respect to performance or payment obligations which arose prior to the date of termination.

31. **Dispute Resolution**

31.1 Except as otherwise provided herein, the Parties shall act in good faith to first seek resolution of any dispute arising hereunder through negotiation between the operating personnel of each Party. If the dispute cannot be settled through such negotiations within a period ending no longer than thirty (30) days of the date on which one Party notifies the other in writing of a dispute, the chief executive officers (or their designees who shall be empowered with the same authority as the chief executive officers to settle such dispute) of each Party will personally and in good faith seek to resolve the dispute through negotiation one with the other for a period ending no longer than ten (10) days after the end of the 30-day period described above before resorting to any other dispute resolution procedure.

31.2 After the expiration of the periods described in Section 31.1, either Party may submit any disputes arising under this Agreement, which cannot be resolved by the Parties, to binding arbitration pursuant to the procedures in the Commercial Arbitration Rules of the American Arbitration Association (the “Rules”), which Rules will apply to the extent not inconsistent with the following rules; provided, however, that the arbitration will not be conducted under the auspices of the American Arbitration Association if the total amount in controversy, as of the date of serving the Demand for Arbitration, exceeds \$300,000:

31.2.1 The arbitration process will be initiated after the expiration of the forty (40) day period described in Section 31.1 by either Party’s delivering to the other a written notice pursuant to R-4 of the Rules.

31.2.2 The Parties shall select a single arbitrator with at least ten (10) years of professional experience in connection with similar transactions and who has not previously been employed or retained by either Party and who does not have a direct or indirect interest in either Party or the subject matter of the arbitration. Such arbitrator will either be mutually agreed by the Parties within thirty (30) days after written notice from either Party requesting arbitration, or failing agreement, either Party may petition any Court with jurisdiction over the controversy and located in Duval County, Florida in even numbered years and in Olmsted County, Minnesota in odd numbered years to appoint such an arbitrator. Should any controversy arise which does not fall within the jurisdiction of the designated Court, then either Party may petition any Court with jurisdiction over the controversy to appoint such an arbitrator.

31.2.3 A preliminary hearing, by telephone only, may be conducted upon the agreement of both Parties. No preliminary hearing or administrative conferences will take place unless by telephone. During any preliminary hearing or administrative conferences, the arbitrator shall direct the Parties’ exchange of information contemplated by R-21 of the Rules.

31.2.4 The arbitration will be held at a site to be determined by the arbitrator.

- 31.2.5 The arbitration will be conducted according to the following procedures: (i) each Party shall divide equally the cost of the arbitrator and the arbitration and each Party shall be responsible for its own expenses and those of its counsel and representatives; and (ii) the details of any negotiation or offer of settlement made prior to arbitration and the cost to the Parties of their representatives and counsel will not be admissible as evidence in the arbitration.
- 31.2.6 The decision of the arbitrator will be final and binding on the Parties, enforceable in any court with jurisdiction.
- 31.3 Notwithstanding anything to the contrary contained herein, and regardless of any procedures or rules of the American Arbitration Association to the contrary, the Parties expressly agree that the following will apply and control over any other provision in this Section 31:
- 31.3.1 The arbitrator will have no authority to award punitive damages or attorneys' fees.
- 31.3.2 The Parties may, by written agreement signed by both Parties, modify any time deadline, location(s) for meeting(s), or other dispute resolution procedures set forth in this Section 31 or in the Rules.
- 31.3.3 Time is of the essence for purposes of the provisions of this Section 31.
32. **Certain Representations**
- 32.1 RPU represents that (i) one of the principal governmental purposes of RPU is to provide reliable electric service to its customers on the most favorable basis that such service can be provided and the transactions that TEA will engage in for RPU are directly analogous to transactions that RPU has directly engaged in (or could engage in) and will be performed instead by TEA to increase efficiency, reduce costs, and provide other benefits to enable RPU to better serve its customers; and (ii) RPU is either not subject to federal income tax or its income is exempt under Section 115 of the Internal Revenue Code.
- 32.2 Each Party represents and warrants to the other Party that it is and will remain duly organized, validly existing, and in good standing under the laws of the state of its organization throughout the term of this Agreement, and that the execution, delivery and performance of this Agreement are within its express or implied statutory powers, have been duly authorized by all necessary action, and do not violate any of the terms or conditions in its governing documents or applicable laws.
33. **Confidentiality**
- The Parties acknowledge that certain information and materials exchanged during the term of this Agreement contain proprietary and confidential information (“Confidential Information”) of the disclosing Party. Confidential Information will specifically include, but not be limited to any information disclosed in written form and clearly marked “Confidential.” The receiving Party agrees that such Confidential Information will be held confidential, to the extent permitted by law, under the same safeguards as it treats its

own confidential information and that it will not use, copy or disclose the Confidential Information other than for the sole purpose of supporting or performing the services in connection with this Agreement. The Confidential Information may be disclosed to officers, directors, employees, agents, representatives or consultants (who shall agree to be bound by the terms of this Section 33) of the receiving Party on a need to know basis and shall not be disclosed to any such third party without first having obtained the written permission of the disclosing Party. Confidential Information will specifically exclude any information which the receiving Party can show (i) was known to or was independently developed by the receiving Party without access to or use of the Confidential Information of the disclosing Party, (ii) was disclosed to the receiving Party in good faith by a third party who had the right to make such disclosure, (iii) was made public by the disclosing Party, or was established to be part of the public domain other than as a consequence of a breach of the Agreement by the receiving Party, or (iv) is independently developed by the receiving Party without use of the disclosing Party's Confidential Information as shown by documents and other competent evidence in the receiving Party's possession. If the receiving Party is requested or required by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand, regulatory proceeding or similar legal or regulatory process to disclose any Confidential Information supplied to the receiving Party by the disclosing Party, the receiving Party shall provide the disclosing Party with prompt notice of such request(s) so that the disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. However, disclosure pursuant to a legal order or statutory obligation will not constitute a breach of this Section 33.

* * * * *

[NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names by their respective duly authorized representatives as of the date written in the first paragraph of this Agreement.

ROCHESTER PUBLIC UTILITIES

By: _____
Name: _____
Its: _____

THE ENERGY AUTHORITY, INC.

By: _____
Name: Joanie C. Teofilo
Its: President and CEO

Attachment: Resource Management Agreement - Draft Master Agreement RPU-TEA (3036 : Contract for Market Participant Services with The

Task Order 1

MISO Services and Bilateral Trading Services

This Task Order 1 (“Task Order”) is made part of the Resource Management Agreement between THE ENERGY AUTHORITY INC. (“TEA”) and ROCHESTER PUBLIC UTILITIES (“RPU”), dated _____, 2014 (the “Agreement”), and is subject to all the terms and conditions of the Agreement. TEA and RPU are sometimes referred to herein individually as a “Party,” or collectively as the “Parties.”

Compensation for Services Described In This Task Order

Subject to the escalation provisions in the paragraph below, TEA shall provide the Services in accordance with the Task Order for the fixed fee of \$20,500.00 per month, plus \$0.50 per MWh for any Bilateral Transactions executed by TEA for RPU (“Compensation”).

Commencing on the first day of January 2016, and each January first thereafter, for the term of the Agreement, TEA’s fixed fee will escalate at the greater of (i) two and one-half percent (2.5%) or (ii) the percentage increase in the U.S. Consumer Price Index (CPI-U, not seasonally adjusted, U.S. City average, all items) from January through December of the previous year.

The services and pricing are based on RPU’s current portfolio of Loads and Resources listed in Exhibit A and current market design. Future significant changes to RPU’s Loads or Resources or the energy markets may require adjustment to the scope and pricing as agreed to by the Parties. Examples of ‘significant changes’ to RPU’s portfolio would include addition of generation Resources or transactions not listed in Exhibit A that would require additional manpower or special handling on TEA’s part, or market changes that result in additional software license fees, manpower, or other added cost to TEA. RPU and TEA agree to work in good faith in the event significant changes occur and to determine an appropriate amendment to this Task Order, given the circumstances.

Within the Task Order, certain of TEA’s systems, software, and vendors may be mentioned by name for clarity. TEA reserves the right to change its systems, software, vendors, or processes at any time, at its sole discretion.

Term and Termination

This Task Order shall become effective on the date the Agreement becomes effective and may be terminated in accordance with the provisions of Section 4 of the Agreement. Services and associated fees pursuant to this Task Order shall commence on May 1, 2015.

I. SUMMARY OF THE SERVICES

Subject to the terms of the Agreement, TEA shall be the Market Participant (“MP”) with the MISO for the purposes of this Task Order. TEA will provide the interface between RPU and the MISO Market. TEA will coordinate with RPU’s operations staff and make all bids and offers into the MISO Market, receive awards from the MISO Markets, provide settlement, manage payments, and provide dispute resolution on RPU’s behalf. RPU shall provide to TEA, in a timely manner, information required by TEA pursuant to this Task Order to prepare and submit bids, offers, and any other submittal as required by MISO.

Subject to the terms of the Agreement, TEA shall provide bilateral trading services as principal in the transaction for Bilateral Transactions in electricity products for physical delivery with terms of one year or less and with delivery dates within the next year; provided however, the Parties may agree for TEA to execute any Bilateral Transaction pursuant to this Task Order as agent and not as principal in the transaction. Execution of any other Bilateral Transaction by TEA pursuant to this Task Order not in conformance with the terms of this paragraph shall be as agent unless otherwise agreed to by the Parties.

Execution of any financially settled transaction by TEA for RPU shall be as agent only unless agreed to otherwise by the Parties.

From time-to-time, TEA as a Purchasing and Selling Entity, or RPU as a Load Serving Entity may be required to submit information to Regional Reliability Organizations related to audits or other inquiries. The Parties shall cooperate with each other and provide to each other any information acquired and maintained related to the services provided pursuant to this Agreement as necessary to comply with such audit or inquiry. This provision does not require any other actions by either Party related to such an audit or inquiry of the other Party.

II. SERVICES

Provided in the table below is a listing of the services TEA shall provide to RPU subject to the terms of the Agreement and this Task Order.

Number	Service Requirements
1	General and System Requirements
2	Supply a Data Submission tool other than the market portal for RPU to submit all load bids and generation offers to the market
3	Supply a Settlement tool/Database that maintains all RPU’s submitted data and related market data
4	INTENTIONALLY OMITED
5	Attend and participate in MISO subcommittees, working groups, and task force meetings associated with both existing MISO market rules and developing MISO rule changes, products and charge types
6	Continuously monitor all MISO Business Practice Manuals (BPMs) to confirm all current approved rules are being followed

7	Continuously review pending BPMs as they develop and advise RPU to make sure RPU is prepared to meet all new market requirements
8	Supply RPU with informal training when MISO makes changes to the market
9	Commercial Model Management
10	Verify changes are made to the Market Portal
11	Testing of Data Submission and Settlement tools for Commercial Model changes
12	Ensure Commercial Model updates are ready
13	Management of monthly MISO Market changes
14	Monthly communications on upcoming changes in the market
15	Consolidating and tracking all upcoming changes
16	Day Ahead Load Bids – for Tomorrow, and for Tomorrow +1
17	Verify data looks correct
18	Analyze potential impact of bids and advise RPU as needed
19	Submit Day Ahead Load Bids to the Market
20	Day Ahead Generation and Energy Offers -- for Tomorrow, and for Tomorrow +1
21	Verify generation data looks correct
22	Analyze potential impact of offers and advise RPU as needed
23	Submit Day Ahead Generation and Energy Offers to the Market
24	Day Ahead GFA submittals
25	Make recommendations on daily use of GFAs
26	Data checking before submittal to the market for Tomorrow, and for Tomorrow +1
27	Review all data submittals
28	Confirm data submitted to the Market actually was received by the Market
29	Confirm there are no IMM violations
30	Confirm must-offer obligations
31	Confirm match between Outage Scheduler and Asset Capacity offered to the Market
32	Maintain data Audit Path that shows what Market data was changed, when it was changed, and who changed it
33	Day Ahead Hedge Strategies
34	Review unit operational parameters
35	Review energy purchases and sells currently in place
36	Review the load forecast
37	Review LMP forecasts for generation and load points
38	Gather market intelligence
39	Review wind forecasts
40	From above data, make recommendations on how to bid the load and offer generation and energy into the Market for best revenue outcome with minimal price risk exposure -
41	Day Ahead versus Real Time recommendations
42	Track the outcome of the recommendations
43	Optimization of Fixed Price Options versus LMPs
44	Optimize other contracts
45	Recommend price sensitive demand bids for loads and evaluate risks associated with such strategies
46	Monitor real time exposure and real time call options
47	INTENTIONALLY OMITED
48	Weekly and Monthly Hedge Strategies

49	Review forward Energy projections
50	Review forward load forecasts
51	Gather market intelligence
52	Do forward market Price Discoveries along with forward LMP forecasting
53	Evaluate forward energy and load balances determining where RPU is either long or short energy to cover load requirements
54	Compare imbalance periods with forward price and LMP forecasts to develop strategies for best revenue outcome with minimal price risk exposure
55	FinSched and MISO Contract Management
56	Use Financial Bilateral transactions to optimize load and energy assets both short term and long term by buying or selling forward at fixed prices or hedging price exposure on both load and energy assets
57	Optimize existing contracts by constantly evaluating market scenarios and contractual terms, to apply a strategy that maximizes revenue or minimizes cost
58	Have available and utilize market expertise and in-house tools to forecast forward pricing to maximize finsched opportunities by either buying or selling to the market or to other counterparties
59	Input, maintain and verify all the details of RTO Financial Schedule contracts and daily schedules
60	Base financial option transactions & management on market knowledge and LMP Forecasting
61	Day Ahead Award Report
62	Develop a DA Award report showing which loads and assets were awarded LMPs in the DA Market and which will be exposed to RT prices
63	Virtual Transaction Management
64	Recommend use of Virtual Transactions
65	When authorized, use Virtual Bids and Offers to help mitigate market exposure for generation and load
66	Physical Bilateral Transaction Management
67	When authorized, purchase transmission for bilateral transactions as needed
68	Manage all Day Ahead and Real Time MISO Tagging transactions within OATi
69	Confirm schedules with counterparties
70	Coordinate any changes to the schedule with the transmission providers, the seller and the purchaser of the power
71	Input, adjust, and verify all bilateral transactions tagged in OATi
72	Provide bilateral transaction monthly MW schedule recommendations
73	Real Time Generation Updates
74	Receive RT cost and operational parameter changes for generation or energy, verify the data and submit to the Market via 24x7 Real Time Trading and RTO Desk
75	RT decision support for management and optimization of behind-the-meter assets
76	Transmission Request Administration
77	Maintain and monitor all of RPU's network reservations including redirects, resales and renewals
78	Manage the MISO system impact study process when a network request or Point-to-Point (PTP) request is submitted to MISO
79	Act as RPU's Purchasing/Selling Entity (PSE) for all PTP transmission requests
80	Calculate and manage all losses on the transmission as required by the transmission providers

81	Continually monitor all of RPU's transmission request on MISO OASIS
82	Maintain a database of Current and anticipated usage of RPU's transmission reservations, as well as the capacity remaining for further utilization and optimization
83	MISO Settlements
84	Supply RPU an advanced software tool to interface with the MISO market portal to get a more detailed breakdown of all charges to verify correctness and to evaluate the effect of various Market strategies
85	Shadow Settlements
86	Use advanced software tool that develops an estimate of RPU's daily revenue and charges on a daily basis
87	Create an estimate of financial responsibility to/from MISO
88	Charge Type Validation
89	Ensure estimated charges/credits appear reasonable
90	Validate charges/credits on MISO published statements and invoices
91	Reconciliation of Market Adjustments
92	Reconcile expected market adjustments with MISO invoiced adjustments
93	Communicate expected adjustments to RPU
94	Statement of Activity
95	Distribute a weekly statement of market specific activity on MISO timeline
96	Dispute Management
97	Enter and track disputes with MISO
98	Provide updates on status of disputes
99	Transmission Billing
100	Ensure that RPU has received all charges/credits from MISO for network transmission
101	Accounts Payable/Receivable Management
102	Manage payments to/from MISO on its respective timeline
103	Data Management and Analysis
104	Deliver requested market information
105	Perform requested analysis on charges/credits assessed to RPU
106	Deal capture and settlement tracking of purchased power agreements with different counterparties
107	Market Changes
108	Assess impact of potential and upcoming market changes to RPU's MISO settlement
106	Ensure services are in compliance with the Dodd-Frank Act
107	RSG analysis
108	Monitors RSG charges that affect RPU's CPNodes and incorporate that information into market strategies
109	Meter Data
110	Verify submission of meter data to MISO
111	Verify reasonableness of meter data
112	Use meter data to develop shadow settlement of weekly invoices
113	Verify changes to market model are reflected in meter data
114	Ensure all names changes and new points are entered properly
115	Commercial Model changes
116	Manage all MISO registration for RPU

117	Coordinate submission of all required forms and Attachments along with all supporting documents needed by MISO
118	Review the commercial model prior to the change taking effect to verify the changes to the commercial model
119	As a result of the commercial model changes, make sure that all systems and tools along with the Market Portal have been modified to reflect the changes
120	Module E, MECT and Capacity
121	Manage all Module E filings for load and capacity
122	Review all data for accuracy
123	Develop and maintain a good relationship with MISO for quick response to specific questions and issues of concern
124	Facilitate discussions with MISO to resolve issues
125	When authorized submit Units and Loads into annual Capacity Auction
126	Submit Fixed Resource Plans (if needed)
127	Miscellaneous Data Needs
128	Provide quick access to historical information on RPU's LMPs, settlement data, and meter data, all in format that is exportable to Excel
129	Analyze and verify IMM data requirements
130	Upload required reference files to the IMM site
131	Work closely with the IMM to ensure the proper data is being supplied to the IMM for RPU's assets
132	Computer systems and tools
133	Maintain all systems and tools that view, send and receive all the various forms of market data required by MISO
134	Maintain off site backup of all sent and received Market data
135	Maintain off site backup of all Market settlement data
136	Supply 24 hour a day / 7 days a week IT support of Market systems and tools
137	Provide secondary operation center for all market activity
138	Supply Computer Hardware, Network Software and IT personnel to maintain these systems and tools
139	INTENTIONALLY OMITED
140	Create and maintain all the OATi certificates needed for access to all the various areas of the MISO portal
141	Troubleshoot all issues related to market access through certificates
142	Assess the impact of FERC filings
143	Have an active Regulatory and Legislative Committee to continuously monitor FERC actions related to MISO
144	Supply Credit and Contracts for all Market and counterparty transactions
145	Provide on-going credit management to make sure all Market credit requirements are being met
146	Provide trading agreements with financially sound and experienced energy trading counterparties to execute MISO Financial Schedules (FinScheds) and Physical Bilateral transactions
147	Provide credit with credit worthy trading counterparties to execute MISO Financial Schedules (FinScheds) and Physical Bilateral transactions
148	Actively monitor the credit of all the counterparties transacted with on RPU's behalf to assure they continually remain credit worthy

149	Provide Data Verification and Confirmations on transactions
150	Provide secure credit for transactions that require secure backing
151	Maintain a high level of involvement in the MISO Credit Practices Working Group to keep up to date on all MISO related Credit issues
152	INTENTIONALLY OMITED
153	INTENTIONALLY OMITED
154	INTENTIONALLY OMITED
155	INTENTIONALLY OMITED
156	INTENTIONALLY OMITED
157	INTENTIONALLY OMITED
158	INTENTIONALLY OMITED
159	INTENTIONALLY OMITED
160	INTENTIONALLY OMITED
161	INTENTIONALLY OMITED
162	INTENTIONALLY OMITED
163	INTENTIONALLY OMITED
164	Annual/Monthly ARR/FTR Auction Strategies
165	Validate entitlements for network, point-to-point, and GFA entitlements
166	Nominate ARRs and manage ARR multi-stage allocations
167	Self-schedule ARRs and submit FTR bids and offers to hedge congestion risk associated with positions in the MISO market
168	INTENTIONALLY OMITED
169	Maintain adequate credit with MISO FTR market
170	Congestion History Management
171	Maintain a database of hourly congestion charges for the MISO market that allow for a review of congestion patterns for any CPNode in the MISO market.
172	Do analysis of historic congestion for RPU's CPNodes to evaluate if or how they have changed through time
173	Capacity Market Transactions
174	Evaluate the Capacity Market and develop strategies on how much to take to the MISO Capacity Auction and how much to transact in the Bilateral Capacity Market.

Functions performed by RPU:

The following MISO-related services are considered ‘out of scope’ for the purposes of this Agreement and shall be performed by RPU. However, MISO may require certain data submittals or filings that would otherwise be performed by RPU under this Agreement, to be performed by the MP. In such an event, RPU shall prepare the data submittal or filing and provide it to TEA and TEA shall deliver it to the MISO on RPU’s behalf. Out of scope services include, but are not limited to the following:

- (a) Any interaction or obligations with MISO not provided pursuant to this Task Order, including but not limited to provision of any System Control and Data Acquisition systems or telecommunications interconnections with MISO, any reliability obligations or functions, or any activities related to RPU being a Transmission Owner.
- (b) Load forecasting.
- (c) Meter Data Management Agent functions.
- (d) Generator outage or curtailment reporting.

III. MISO SERVICES SETTLEMENT, BILLING, AND PAYMENTS

TEA shall provide RPU with a statement of MISO settlement activities on a regular basis in coordination with MISO’s settlement calendar (currently weekly). Other reporting may be provided by TEA as agreed to by the Parties. Customized reports may require a set-up fee and/or maintenance fee depending on complexity and work involved in developing and producing the report.

TEA shall provide shadow settlement of RPU related business with MISO and reconcile MISO invoices. Should TEA or RPU dispute a MISO invoice amount, then TEA shall file a dispute with MISO pursuant to the MISO tariff. Once a dispute determination has been made by MISO, further appeals or action from TEA on RPU’s behalf would be provided as requested and paid for by RPU under a separate agreement.

As it relates to services provided pursuant to this Task Order, TEA shall make payments to the MISO and receive payments from the MISO and payments between RPU and TEA shall be made on the following terms: (i) if an amount is owed MISO for RPU’s account, then RPU shall make payment to TEA one business-day prior to the date TEA must make payment to the MISO; (ii) if an amount is received by TEA from MISO for RPU’s account, then TEA shall make payment to RPU one-business day after funds are received from the MISO.

IV. SETTLEMENT, BILLING AND PAYMENTS, BILATERAL TRANSACTIONS EXECUTED BY TEA AS PRINCIPAL IN THE TRANSACTION

On or before the fifth business day of each month, TEA shall provide RPU with a statement of the immediately preceding month’s activities and settlement due, including Compensation, pursuant to this Section B of this Task Order and any other obligations incurred pursuant to this Section B of this Task Order during the monthly billing period, including any related penalty, interest, payments, or credits.

If an amount is due RPU, TEA will remit this amount to RPU by the 25th of each month in immediately available funds.

If an amount is due TEA, RPU will remit this amount to TEA by the 15th of each month in immediately available funds.

Notwithstanding the above provisions of this section, billing and payment provisions for Trading Products are dependent upon the market rules or contracts governing the specific transactions. If said billing and payment provisions require earlier payments than the provisions of this Section IV, then billing and payment shall be in accordance with the earlier payment provisions of such contracts or market rules.

V. SETTLEMENT, BILLING AND PAYMENTS, TRANSACTIONS EXECUTED BY TEA AS AGENT

For transactions executed by TEA as agent in the transaction for RPU, TEA shall provide confirmation, invoice reconciliation with counterparties, and provide information of amounts owed by or due to RPU and provide other information in TEA's possession obtained in the due course of providing trading services as agent to the extent reasonably necessary for RPU to prepare or reconcile invoices with its counterparties. TEA shall not be responsible for invoicing counterparties or making payments to counterparties in connection with transactions executed by TEA as agent for RPU.

VI. BILATERAL TRANSACTION TRACKING AND REPORTING

TEA shall enter Bilateral Transactions executed for RPU by TEA either as principal in the transaction, or as agent, into TEA's energy trading system of record for tracking and reporting purposes. TEA shall provide RPU with an open position report that provides transaction details and a mark-to-market of forward transactions (i.e., transactions for delivery beyond the prompt month) executed by TEA on RPU's behalf. Other reporting may be provided by TEA as agreed to by the Parties. Customized reports may require a set-up fee and/or maintenance fee depending on complexity and work involved in developing and producing the report.

VII. AMENDMENT

This Task Order may be amended by an instrument in writing signed by each Party's representative.

**** SIGNATURES ARE ON THE NEXT PAGE ****

IN WITNESS WHEREOF, the Parties hereto have caused this Task Order to be executed in their respective names by their respective duly authorized representatives.

ROCHESTER PUBLIC UTILITIES

THE ENERGY AUTHORITY, INC.

By: _____

By: _____

Name:

Name: Joanie C. Teofilo

Its:

Its: President and CEO

Attachment: Task Order 1 (3036 : Contract for Market Participant Services with The Energy Authority)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement contingent upon the acceptance by the General Manager and the Rochester City Attorney of any revisions to the contract and authorize the Mayor and the City Clerk to execute the agreement for:

Contract for Market Participant Services with The Energy Authority

The amount of the contract agreement to be \$20,500 AND 00/100 DOLLARS (\$20,500.00) per month with escalation as noted in the contract.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of November, 2014.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3049)

Meeting Date: 11/25/2014

SUBJECT: Auction Services

PREPARED BY: Don Coldiron

ITEM DESCRIPTION:

With the decommissioning and repurposing of the RPU Silver Lake Power Plant continuing to make progress, staff is now ready to proceed with the disposal of assets that are no longer needed by the Utility. Due to the specialized and industry specific assets and the large quantity of assets, RPU recommends utilizing Stuart B. Millner & Associates (SBMA) to provide auction services in accordance with applicable state laws. SBMA was selected based on their knowledge and experience with the assets that RPU is seeking to dispose of and positive feedback provided by other municipal utilities that also utilized SBMA.

RPU assets will be categorized into two types of assets: Emission Reduction Project (ERP) and non-ERP assets. For ERP, a resolution was passed by the Utility Board and ratified by the Common Council in 2013 authorizing the Utility to exercise the powers granted by Minn. Stat. §§453.51 - 453.62. Non-ERP assets will be sold in accordance with Minn. Stat. § 471.345 Subd. 17 which states a municipality may contract to sell supplies, materials, and equipment which is surplus, obsolete, or unused using an electronic selling process in which purchasers compete to purchase the surplus supplies, materials, or equipment at the highest purchase price in an open and interactive environment.

SBMA will retain from the proceeds of the sale of the assets a commission of 10% of the total dollar value of all sales up to and including \$1,000,000.00 for a maximum commission of \$100,000.00. In addition, a "buyer's premium" of 15% will be paid by equipment buyers to SBMA for all sales. The Contract Agreement is attached.

The City Attorney has reviewed the contract.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board approve the resolution and that the Common Council authorize the Mayor and the City Clerk to execute the Asset Management Agreement with Stuart B. Millner & Associates, for Auction Services.

2014

ASSET MANAGEMENT AGREEMENT
ROCHESTER PUBLIC UTILITIES



4000 EAST RIVER ROAD • ROCHESTER, MN



BY: BOB FINDEISS
VICE PRESIDENT SALES
STUART B. MILLNER & ASSOCIATES
10/16/2014

Attachment: RPU-SBMA Contract for Auction Services (3049 : Auction Services)

ASSET MANAGEMENT AGREEMENT

THIS ASSET MANAGEMENT AGREEMENT (the “**Agreement**”), dated as of this __ day of November, 2014, is made by and between WATSON ROAD HOLDING CORPORATION, d/b/a STUART B. MILLNER & ASSOCIATES (“**SBMA**”), a Missouri corporation located at 102 East Springfield Avenue, Union, MO 63084 and the City of Rochester, Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board and with its principal office located at 4000 East River Road; Rochester, MN 55906 (“**SELLER**”).

WITNESSED:

WHEREAS, as part of the decommissioning of the Silver Lake Power Plant located ~~Seller owns surplus personal property located~~ at Silver Lake Plant, 425 West Silver Lake Drive Northeast; Rochester, MN 55906 (the “**Premises**”), Seller is engaged in an Emission Reduction Project (“ERP”) involving the Silver Lake Plant Air Quality Control System; and,

WHEREAS, the ERP consists of various equipment used to remove criteria pollutants and particulate emissions in decommissioned coal burning boilers which can be used effectively in other existing electrical generation and industrial plants; and,

WHEREAS, Seller has adopted a Resolution invoking the powers granted to a municipal power agency by Minn. Stat. §§453.51 – 453.62 in order to construct its pollution control equipment at another site in order to continue the equipment’s pollution control effectiveness. A copy of the Resolution is attached and incorporated herein as Exhibit B; and,

WHEREAS, Seller also possesses non-ERP equipment associated with the decommissioning of the Silver Lake Power Plant. This property can be disposed of pursuant to Minn. Stat. §471.345, subd. 17; and,

WHEREAS, the ERP equipment and the non-Emission Reduction Project equipment are ~~to be~~ described in, but not limited to, Exhibit A (the “Assets”), and;

WHEREAS, Seller desires to retain SBMA ~~to conduct liquidation of the Assets~~ for two reasons; First, to form a project team between SBMA, the Seller and the Buyer in an effort to relocate the ERP equipment to the Buyer’s site in order to continue the pollution control effectiveness of the equipment consistent with the Resolution found at Exhibit 1; Second, to dispose of the non-ERP equipment pursuant to Minn. Stat. §471.345, subd. 17;

NOW, THEREFORE, in consideration of the conditions and the mutual covenants set forth herein, the parties hereto agree as follows:

1. **RETENTION.** Seller hereby grants to SBMA the exclusive right to form a project team between SBMA, the Seller, and a Buyer to sell ~~its surplus~~ and relocate its ERP equipment, machinery and other Assets as identified in Exhibit A upon the terms and conditions set forth herein including the requirement that the ERP equipment continue its pollution control effectiveness. The Assets are to be sold by private sale or public auction AS IS, WHERE IS, AND WITH ALL FAULTS, WITH NO WARRANTIES OF ANY KIND. SBMA has sole discretion to determine whether the Assets are to be sold by private sale or at public auction, either live at the plant site, live on-line or on-line only and such determination shall be binding upon Seller. Seller, during the term of this Agreement, may not sell or attempt to sell any of the Assets except with the prior written consent of SBMA. Seller shall promptly forward all inquiries from prospective purchasers of the Assets to SBMA. No reserves will be imposed on any of the Assets unless agreed to in writing by the parties. Any asset not sold after the term of this Agreement remains the property of Seller.

2. **TERM OF AGREEMENT.** This Agreement shall commence as of the date hereof and shall continue in effect until December 31, 2015 (the "Termination Date"). This Agreement may be renewed for additional terms and extended to include additional items in subsequent exhibits upon written agreement by both parties.

3. **COMPENSATION.** SBMA shall retain from the proceeds of the sale of the Assets a commission of ten percent (10%) of the total dollar value of all sales up to and including One Million Dollars (\$1,000,000) for a maximum commission of One Hundred Thousand Dollars (\$100,000), whether made by negotiated sale or by auction (the “SELLER’S COMMISSION”). In addition, pursuant to Paragraph 5 of this Agreement, a “Buyer’s Premium” will be paid by equipment buyers to SBMA for all sales.

4. **EXPENSES.** Subject to Paragraphs 8, 9 10, 12, and 22 of this Agreement, all expenses associated with the sale of Assets will be paid by SBMA and shall include, but will not be

limited to, advertising, marketing, out of pocket expenses and removal supervision staffed by SBMA employees and/or representatives. During the term of this agreement, if Seller requests that SBMA perform work not directly related to the sale of assets, then Seller and SBMA will negotiate an amount to perform such work.

5. **BUYER'S PREMIUM.** In conjunction with conducting the Asset Liquidation program, SBMA will charge an industry standard fee (a "**BUYER'S PREMIUM**") on all sales, whether made by auction or negotiated sale, to be paid directly to SBMA by the Buyer as compensation for SBMA's services to the Buyer. This fee will be fixed at fifteen percent (15%).

6. **INTERNET FEE.** In addition to a Buyer's Premium, SBMA will collect from online buyers the three percent (3%) internet fee charged by its web host provider for all sales made online. This fee is a direct cost paid to a third-party by SBMA.

7. **RECONCILIATION AND PAYMENT TO SELLER.** Proceeds from the sale of the Assets will be paid by buyers of the Assets directly to an SBMA client proceeds account. A reconciliation will be provided to Seller every thirty (30) days, at which time SBMA will pay to Seller an amount equal to all cleared funds for lots sold and removed from the Premises with clear title, less commissions due to SBMA. The final reconciliation will be sent forty-five (45) days after all assets sold are removed from the Premises with clear title. SBMA shall direct all payments and the accompanying documents (listed below) to: **Donald Coldiron at dcoldiron@rpu.org**.

With each reconciliation, Seller will receive a series of reports, directed to Seller's representative identified in the "Notices" paragraph. These reports will include the following:

- a. Reconciliation Summary
- b. Registered Buyer Report
- c. Buyer Invoice Summary Report – summary of Commissions and Buyer's Premiums
- d. Lot Sales Report
- e. Unsold Lot Report

SBMA will use its best efforts to collect payment from auction buyers. If a buyer does not pay the full amount due for any reason, SBMA's sole obligation shall be to resell the affected assets. SBMA shall collect applicable sales taxes from buyers and shall further remit the sales taxes to the appropriate taxing authorities.

8. **ADVERTISING.** SBMA may advertise the sale of the Assets in its usual and customary manner and may prepare such promotional materials and utilize such marketing media as SBMA to be the most advantageous for the sale of the Assets, subject to the terms and conditions of this Agreement. Seller hereby authorizes SBMA to use Seller's name and address in promotional materials pertaining to the sale of the Assets by SBMA for the purposes of identifying the owner and the location of the Assets. Seller further authorizes SBMA to use its corporate logo and/or trademark in SBMA's advertising and marketing campaigns related to the sale of the Assets and hereby grants SBMA a limited use license for this purpose.

9. **USE OF THE PREMISES.** After SBMA agrees to, completes, signs and returns the RPU Contractor Safety Acknowledgement form (Exhibit C) and with prior notice, Seller hereby

authorizes SBMA to enter upon and use the Premises, without charge, and agrees to provide access to Premises from and after the date hereof and continuing throughout the term of the Agreement for the purposes of preparing, exhibiting and selling the Assets by private sale, public auction or otherwise. During such term, Seller, at Seller's cost, shall provide adequate utilities to the Premises and other required supplies and services as agreed upon in advance by the parties to allow SBMA to conduct private sales or public auctions thereon and to demonstrate and exhibit the Assets to prospective purchasers thereof.

10. **OFFICE SPACE, UTILITIES, AND TECHNOLOGY.** Seller will provide to SBMA office space, desks or tables, and chairs that are located on-site at no charge. Seller will also provide to SBMA an internet connection, high speed if available. SBMA will provide its own computers, printers, software, office supplies, and cell phones. SBMA shall bear the risk of loss or damage to its personal property used on the Premises.

11. **DISCONNECTS.** All electrical connections will be terminated by the Seller at the first disconnect point from the Asset.

12. **SECURITY.** Security for the premises and the Assets shall be provided by Seller at Seller's expense. SBMA shall comply with the Seller's reasonable safety and security guidelines.

13. **STATUTORY AUTHORITY FOR SELLING ASSETS.** Seller's assets shall be sold in accordance with the applicable Minnesota Statutes. For emission reduction equipment ("Emission Reduction Project or ERP"), a resolution was passed by the Utility Board and ratified by the Common Council authorizing the Seller to exercise the powers granted by Minn. Stat. §§453.51 - 453.62. A copy of the Resolution is incorporated herein as Exhibit B. All other assets shall be sold in accordance with Minn. Stat. § 471.345 Subd. 17 which states a municipality may contract to sell supplies, materials, and equipment which is surplus, obsolete, or unused using an electronic selling process in which purchasers compete to purchase the surplus supplies, materials, or equipment at the highest purchase price in an open and interactive environment.

14. **EMISSION REDUCTION PROJECT.** The intent and primary purpose of this agreement is to form a project team between SBMA, the Seller and the Buyer in an effort to relocate the ERP to the Buyer's site in order to continue the pollution control effectiveness of the equipment.

15. **ENVIRONMENTAL CONDITION OF ASSETS.** SBMA shall have no obligation whatsoever to conduct any environmental remediation or abatement of any kind. Seller shall be responsible to complete all required environmental surveys. Seller represents and warrants that the Assets to be sold are in compliance with all applicable local, state, and federal laws, statutes, regulations, rules, orders, or similar requirements, approvals or standards concerning environmental, health or safety matters (including, but not limited to, the clean-up standards and practices for hazardous materials) in equipment applicable to the sale of the Assets.

16. **SELLER REPRESENTATIONS AND WARRANTIES.** Seller represents and warrants to SBMA that Seller has good and marketable title to the Assets, free and clear of all liens, encumbrances,

security interests, adverse claims, judgments, mortgages, liabilities, pledges, conditional sale agreements, taxes, restrictions and charges of any kind and description (collectively referred to as "Liens"), except as otherwise stated in writing and attached to this Agreement.

17. **COVENANT OF SELLER.** Seller agrees that prior to the auction or sale of the Assets, Seller will have good and marketable title to the Assets, free and clear of all Liens, unless Seller provides to SBMA written authorization to sell the relevant Asset from a third-party possessing the Lien. If SBMA is unable to sell, or is prevented from selling, any of the Assets due to the existence of Liens, Seller shall pay to SBMA an amount equal to SBMA's expected Seller's Commission, plus SBMA's Buyer's Premium for that particular Asset.

18. **INDEMNIFICATION BY SELLER FOR LIABILITY RELATED TO LIENS.** Seller agrees to indemnify, hold harmless and defend SBMA from and against all damages, losses, costs, and expenses (including reasonable attorneys' fees and other costs related to dispute) that arise out of or result from any claim of a third party related to Liens on any item sold or auctioned by SBMA pursuant to this Agreement.

19. **RISK OF LOSS.** Seller shall bear the risk of loss of the Assets from and after the date of this Agreement until such time as title to and possession of the Assets is delivered to the purchasers thereof. It shall be Seller's sole obligation to obtain and maintain insurance on the Assets.

20. **INSURANCE.** SBMA shall, throughout the term of this agreement, keep and maintain policies of insurance providing coverage in accordance with the following:

- A. A 30-day notice of cancellation and/or non-renewal.
- B. Workers' Compensation. The contractor shall obtain and maintain workers' compensation insurance policy with limits of at least \$500,000 per incident or injury to cover claims for injury or disease resulting or arising from the actions of the contractor, its officers, employees or agents during the contract. Insurance coverage will meet statutory requirements for Minnesota.
- C. Liability Insurance. The contractor shall obtain and maintain a commercial liability insurance policy with limits of at least \$1,500,000 each occurrence/\$3,000,000 aggregate for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the contractor, its officers, employees or agents during the term of the contract. Products and completed operations coverage is to be included within the required limits.
- D. Excess Umbrella Liability. The contractor shall obtain and maintain an umbrella policy with limits of at least \$1,000,000 to cover the excess above the underlying policies requested in this insurance section.
- E. Auto Insurance. The contractor shall obtain and maintain commercial auto insurance policy with limits of at least \$1,000,000 each occurrence for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions

of theClick here to enter text., its officers, employees or agents, including hired and non-owned vehicles, during the contract. If such insurance contains a general aggregate limit, the general aggregate limit shall not be less than \$2,000,000.

- F. Contractor's liability insurance policies shall name the City of Rochester as an additional insured for claims from work conducted pursuant to this agreement, and shall be primary to any liability insurance maintained by the City. Certificate holder shall be listed as:

City of Rochester
Acting Through Its Public Utility Board
4000 East River Road NE
Rochester MN 55906

21. **INDEMNIFICATION FOR THIRD-PARTY CLAIMS.** To the extent permitted by applicable laws, each party (the "Indemnifying Party") shall defend, at its sole expense, any third-party claim, demand or suit ("Claim") against the other party alleging and/or arising out of the following, and shall indemnify and hold harmless the other party from and against any and all losses, liabilities, damages, fines, penalties, costs, expenses and/or fees (including reasonable attorneys' fees) incurred by, or awarded or assessed against the other party in connection with any Claim or reached through a negotiated settlement of any Claim against the other party:

- a. That either party, its employees, or subcontractors was/were negligent or committed an intentional act that caused injury to a person or damage to property, or failed to comply with any applicable law, statute, regulation or ordinance; and/or
- b. That either party breached this Agreement, including, without limitation, any representation or warranty set forth in this Agreement.

22. **PURCHASE OR WITHDRAWAL OF ASSETS BY SELLER.** Unless otherwise agreed to in writing by the parties, after Seller has approved the description of the Assets to be sold or auctioned by SBMA pursuant to this Agreement and the exhibit(s) hereto, Seller shall pay to SBMA an amount equal to SBMA's expected Seller's Commission and Buyer's Premium based upon estimated fair market value of the affected Assets if:

- a. Seller removes or causes the removal of Assets from the sale or auction; or
- b. Seller sells or otherwise transfers Assets to anyone other than SBMA; or
- c. Seller's agents or representatives purchase Assets at the sale or auction on behalf of Seller.

23. **CHANGES IN ASSETS/SITE CONDITIONS.** Prior to the implementation/occurrence thereof, Seller will advise SBMA of any change to sale site regarding overall condition, movement/removal of any of the Assets, elimination/modification of power to machinery and/or air conditioning/heating/utilities to building, alteration of maintenance programs, or any events or knowledge that would affect the value of the sale or hinder SBMA in the performance of its contract to the best of its ability.

24. **TRASH ROLL OFF CONTAINERS:** Seller will provide at no charge to SBMA trash roll off containers.

25. **NOTICES.** All notices required or permitted hereunder shall be made in writing and shall be deemed delivered (i) when hand delivered, or (ii) two days after being deposited in the mail, registered or certified, postage prepaid or (iii) by facsimile, or (iv) by email, addressed to the parties at their respective addresses set forth below:

SBMA:
STUART B. MILLNER
PRESIDENT / CEO
STUART B. MILLNER & ASSOCIATES
 102 E Springfield Avenue, Suite 300
 Union, MO 63084
 Telephone. 636.744.1400
 Facsimile. 636.744.1403
 e-mail. SMillner@sbmac.com

SELLER:
DONALD COLDIRON
MATERIALS MANAGER
ROCHESTER PUBLIC UTILITIES
 4000 East River Road
 Rochester, MN 55906
 Telephone. **507.280.1674**
 e-mail: **dcoldiron@rpu.org**

26. **MODIFICATION OF AGREEMENT.** This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by all parties.

27. **DISPUTES.** Any claim, controversy or dispute arising out of this Agreement shall be subject to non-binding mediation as a condition precedent to the institution of legal or equitable proceedings by either party. The mediation shall be conducted in Olmsted County, Minnesota, and in accordance with the Minnesota Civil Mediation Act, Minn. Stat. 572.31, et., seq. Any claim, controversy or dispute not resolved by mediation may be the subject of legal or equitable proceedings filed by either party. The venue for legal or equitable proceedings shall be in Olmsted County, Minnesota. The parties waive all rights to and claims for monetary awards other than compensatory damages.

28. **GOVERNING LAW.** This Agreement between the parties is made, governed by, and shall be construed in accordance with the laws of the state of Minnesota and the laws of the United States applicable therein, which shall be deemed to be the proper law hereof.

29. **NON-WAIVER.** No delay or failure at any time on the part of any party to this Agreement in exercising any right, power or privilege under this Agreement, shall impair any such right, power or privilege, or be construed as a waiver of such provision, or be construed as a waiver of any default or as any acquiescence therein, or shall affect the right of the party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

30. **SEVERABILITY.** If any provision of this Agreement is held unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

31. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, including, but not limited to facsimile and electronic (*e.g.* pdf) transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

32. **BINDING EFFECT.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may not be assigned by either party without the prior written consent of the other party.

33. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties and supersedes all prior oral or written understandings and agreements. No changes of, modification of, or additions to this Agreement shall be valid unless the same shall be in writing and signed by Seller and SBMA.

34. **HEADINGS.** The headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

===== **END OF SECTION** =====
Signatures Next Page

IN WITNESS WHEREOF, the undersigned have executed this Agreement, in duplicate, as of the date first above written.

"SBMA"
STUART B. MILLNER & ASSOCIATES

By: _____
Stuart B. Millner
Title: President/CEO

Date: November ____, 2014

"SELLER"

CITY OF ROCHESTER

By: _____
Ardell Brede, Mayor

Attest: _____
Aaron Reeves, City Clerk

Approved
as to Form: _____

Terry Adkins, City Attorney

ROCHESTER PUBLIC UTILITIES

By: _____
Mark Kotschevar, General Manager

Date: November ____, 2014

Attachment: RPU-SBMA Contract for Auction Services (3049 : Auction Services)

EXHIBIT A ASSET LIST

As soon as is commercially reasonable after the execution of the Agreement, SBMA will send to the "Premises" a Photo/Spec Writer, who will inventory and catalog the Assets to be sold. Once available, SBMA's CFO will present the list to Seller, who will review and accept the list as presented or remove items from the list within five (5) business days. Seller shall notify SBMA's CFO of items to remove from the list within the prescribed time period or the list is deemed approved. Once an asset list is approved, all items on said list officially become Exhibit A and available for SBMA to market and sell according to SBMA's usual terms and conditions. The Assets shall then be subject to the Agreement in its entirety, including, but not limited to, Paragraph 20.

"SBMA"
STUART B. MILLNER & ASSOCIATES

By: _____

Stuart B. Millner

President/CEO

Date: November ____, 2014

"SELLER"

CITY OF ROCHESTER

By: _____
Ardell Brede, Mayor

Attest: _____
Aaron Reeves, City Clerk

Approved
as to Form: _____

Terry Adkins, City Attorney

ROCHESTER PUBLIC UTILITIES

By: _____
Mark Kotschevar, General Manager

Date: November ____, 2014

EXHIBIT B



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Resolution Adopting Limited §453 Powers and recommend approval by the Common Council to authorize the Utility to enter into an Emissions Reduction Project exercising the powers granted by the resolution.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of November, 2013.

Paul Williams

 President

Don Selma

 Secretary

RESOLUTION

BE IT RESOLVED by the Common Council of the City of Rochester that the Common Council concurs in the resolution of the Rochester Public Utility Board appended hereto, which resolution requests approval for the City to authorize the Utility to enter into an Emission Reduction Project.

The Mayor and the City Clerk are authorized and directed to execute said agreement on behalf of the City.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF ROCHESTER, MINNESOTA, THIS 2nd DAY OF DECEMBER, 2013.

Randy Stover
PRESIDENT OF SAID COMMON COUNCIL

ATTEST: Judy Kay Elwood
CITY CLERK

APPROVED THIS 3rd DAY OF DECEMBER, 2013.

Andrew F. Bueck
MAYOR OF SAID CITY

(Seal of the City of Rochester, Minnesota)

res.pu\EmisRedProj.

Attachment: Council signed Emission Reduction Project (3049 : Auction Services)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the resolution and Asset Management Agreement with Stuart B. Millner & Associates and that the Common Council authorize the Mayor and the City Clerk to execute the agreement with:

Stuart B. Millner & Associates

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of November, 2014.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3063)

Meeting Date: 11/25/2014

SUBJECT: IBEW Local 949 (Clerical) 2015-16 Collective Bargaining Agreement

PREPARED BY: Linda Hillenbrand

ITEM DESCRIPTION:

The attached document reflects the proposed changes to the current Collective Bargaining Agreement between the City of Rochester and the International Brotherhood of Electrical Workers, Local 949 (Clerical) for 2015-2016.

UTILITY BOARD ACTION REQUESTED:

Recommend the Board approve the resolution and that the Common Council approve the resolution authorizing the Mayor and City Clerk to execute the respective 2015-2015 Collective Bargaining Agreement with IBEW, Local 949 (Clerical), with the changes as noted on the attached document.

**IBEW INSIDE GROUP
RCA ATTACHMENT 12-01-14**

1. Article 8, Term of Agreement, amend to reflect a two-year agreement for 2015 and 2016.
2. Article 13, Work Periods, new section, modify to reflect double time compensation shall be paid for overtime time hours worked on a holiday:

Employees who work on a holiday shall be paid at an overtime rate of two times (2X) their normal hourly rate of pay for all hours worked.

3. Article 14, Pay, Section C, amend to reflect double time pay for work performed on a holiday:

Newly hired employees will start at the Step A wage rate established in the pay grid, Appendix C, for the appropriate classification; however, Management may start a new employee at a higher step providing the previous work experience warrants a higher step. Employees on six- (6) months' probation for initial regular employment shall receive such rate of pay as established by Management, and shall receive time and one-half (1 ½) for overtime and double time for holiday work. However, such employees shall not receive vacations, leaves of absence, family emergency leave or paid time off for funerals.

4. Article 14, Pay, Section F, modify to clarify additional compensation for work performed outside of the scope of employee's existing position:

Employees accepting additional duties (of a higher job classification) outside the scope of the work performed by the bargaining unit, which exceeds ten (10) twenty five (25) calendar working days, due to an unfilled vacancy, long-term absence, or special project(s), shall be paid an additional two one dollars and twenty-five fifty cents (\$21.2550) per hour above their current rate of pay if the additional work assignment was, or could be, performed by an exempt level employee. This additional compensatory adjustment is subject to the approval of the General Manager and the Director of Human Resources and this authorization must occur before the employee performs the additional duties.

5. Article 15, Holidays, Section B, modify to reflect double time pay for work performed on a holiday:

On holidays or days designated by the Employer as holidays, employees who are required to work shall be paid two one and one half (1 ½) times (2X) their regular hourly rate of pay in addition to their regular pay for actual hours worked.

6. Article 18, Unused Sick Leave, delete this paragraph as it is informational in nature:

~~A HCSP is a tax free savings account. The account can be used to voucher medically necessary expenses and pay health care and long term care insurance premiums after retirement or termination. The money deposited is tax deferred and payouts are tax free for medically related expenses that the HCSP participant incurs subject to the rules applied the MSRS.~~

7. Article 19, Option to Purchase Benefits upon Retirement, delete the second paragraph as agreed to in previous medical plan Memorandum of Understanding (MOU):

~~After the retiree's 65th birthday and if the retiree has enrolled in Medicare and if s/he has dependent coverage in effect, the retiree can pay a dollar amount equivalent to the cost of covering two (2) individuals under the City's plan, if no other dependents require coverage. The same holds true if the retiree's spouse turns age 65 prior to the retiree and is eligible for and enrolled in Medicare.~~

8. Article 19, Option to Purchase Benefits upon Retirement, modify the fifth paragraph as follows:

For the retiree, until age sixty-five (65), the amount of life insurance coverage which can be purchased is any amount, in thousand-dollar increments, between a minimum of ten thousand dollars (\$10,000.00) and a maximum of the amount of coverage available to the employee on the date of retirement from the City of Rochester. Beginning on the ~~first of the month following a~~ retiree's sixty-fifth (65th) birthday, the amount of life insurance coverage is limited by the underwriter to ten thousand dollars (\$10,000.00).

9. Appendix A, Positions, delete the Power Resources Administrative Assistant title from the position list as this eliminated in the SLP decommissioning process; change the Purchasing Assistant title to Assistant Buyer (job title change only).

10. Appendix B, amend as agreed to in the previous medical plan MOU:

The following employee benefits will be provided by the employer as set forth in the City's Organizational Policies for the term of this Agreement:

- Tuition Reimbursement Program
- Automobile Reimbursement
- Meal Reimbursement
- Dental Insurance
- Life Insurance
- ~~Health Insurance Major Medical Program~~
- PERA
- Flexible Benefits
- 457 – Deferred Compensation Plan

~~Insurance Premiums: Employee only health coverage cost sharing would be five percent (5%) of the cost established for 2013 and 2014. Employee dependent health coverage cost sharing would be fifteen percent (15%) of the cost established for 2013 and 2014.~~

~~All eligible employees may participate in the City's health insurance program. An eligible employee is defined as an individual who would be covered under the health insurance coverage provisions of both the City's personnel policies and insurance plan documents. For new eligible employees, coverage is effective the first (1st) of the month following his or her hire date.~~

~~For the term of this agreement, the City will contribute the following percentage of the total medical premium as follows:~~

<u>Basic Medical Plan Tier</u>	<u>City's Monthly Cost Effective January 1, 2015</u>	<u>City's Monthly Cost Effective January 1, 2016</u>
Employee Only	93.0%	92.0%
Employee + Spouse	89.5%	88.5%

Employee + Child(ren)	89.5%	88.5%
Family	89.5%	88.5%
<u>High-Deductible Medical Plan</u>		
Employee Only	93.0%	92.0%
Employee + Spouse	89.5%	88.5%
Employee + Child(ren)	89.5%	88.5%
Family	89.5%	88.5%

Effective January 1, 2015, the City shall contribute the following amounts to a Health Savings Account for all full-time, benefit-eligible employees selecting the High-Deductible Health Plan coverage:

<u>High-Deductible Medical Plan</u>	<u>Annual Contribution to HSA</u>
Employee Only	\$1,400.00
Employee + Spouse	\$2,800.00
Employee + Child(ren)	\$2,800.00
Family	\$2,800.00

11. Appendix C, Wage Grid, remove Power Resources Administrative Assistant position from the wage grid; change the Purchasing Assistant title to Assistant Buyer; adjust the hourly rates of pay to reflect a 2.25 percent increase for 2015 and 2.50 percent increase for 2016.
12. Continue forward with the SLP Decommissioning/Health Care Savings Plan MOU through December 31, 2015.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution and that the Common Council authorizing the Mayor and City Clerk to execute the respective 2015-2016 Collective Bargaining Agreement with IBEW, Local 949, (clerical group), with the changes as noted on the attached document.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of November, 2014.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3062)

Meeting Date: 11/25/2014

SUBJECT: IBEW Local 949 (Outside Group) 2015-16 Collective Bargaining Agreement

PREPARED BY: Linda Hillenbrand

ITEM DESCRIPTION:

The attached document reflects recommended changes to the current Collective Bargaining Agreement between the City of Rochester and the International Brotherhood of Electrical Workers, Local 949 (outside group). The recommended changes are more extensive than usual due to the modifications that resulted from the Silver Lake Plant decommissioning process and updates to the seniority language which are more reflective of current practices. Other key modifications involve updating the language to reflect the new 2015 medical plan for employees.

The term of this agreement is for two years with a general wage increase of 2.25 percent in 2015 and 2.50 percent in 2016.

UTILITY BOARD ACTION REQUESTED:

Recommend the Board approve the resolution and the Common Council approve the resolution authorizing the Mayor and City Clerk to execute the respective 2015-2016 Collective Bargaining Agreement with IBEW, Local 949 (outside group), with the changes as noted.

MASTER DOCUMENT

1. SLP REVISIONS
10/10/14

2. TENTATIVE
AGREEMENT 10/22/14

3. SENORITY CHANGES
10/22/14

**COLLECTIVE
BARGAINING
AGREEMENT**

**CITY OF ROCHESTER
PUBLIC UTILITIES
BOARD
AND
INTERNATIONAL
BROTHERHOOD OF
ELECTRICAL
WORKERS
LOCAL 949**

20153 - 20164

3. To the extent permitted by City Charter and law, the decision of the arbitrator shall be final and binding.

B. Employer Grievances

Grievances may be presented by the Employer against the Union by filing such grievance in writing with the Union Business Manager within seven (7) working days of the occurrence of the grievance. If the grievance is not settled to the satisfaction of the Employer within seven (7) working days, the Employer may proceed to arbitration in the same manner and with the same provisions outlined in this Agreement for employee initiated grievances, starting at Step 4 above.

12. **SENIORITY**

A. Types of Seniority

Comment [HL3]: Seniority Agreement
10/22/14

A. **Master Seniority**

Master seniority is the employee's length of employment with the City of Rochester. Master seniority is used in determining benefits which are based on the total length of service, such as vacation or sick leave.

Master seniority will be determined from the original employment date with the City of Rochester, including time with other City departments, provided that there is no interruption in employment at the time the employee transfers from one department to another.

B. **Bargaining Unit Seniority**

Bargaining unit seniority is the employee's length of employment within positions covered by this bargaining agreement for regular employees. Bargaining unit seniority is used, when applicable, in matters involving employee bidding and appointment, layoff, re-employment, and vacation scheduling as set forth in other aArticles of this Agreement.

Bargaining unit seniority will be determined from the original employment date within all positions covered by this bargaining agreement for regular employees. Seasonal, temporary and hourly work shall not count toward seniority.

C. Job Classification Seniority

Job classification seniority is the employee's length of employment within a classification covered by this bargaining agreement for regular employees. Job classification seniority is used, when applicable, in matters involving employee bidding and appointment, layoff, re-employment, and temporary assignments as set forth in other articles of this Agreement.

Job classification seniority will be determined from the date of employment in the employee's current position covered by this Agreement for regular employees.

D. Seniority List

1. The employer shall annually, in the month of February, revise and post an up-to-date seniority list showing each employee's seniority date under master seniority, bargaining unit seniority and job classification seniority.

4.2. A copy of the seniority list shall be posted in each of the following locations:

- RPU General Office Lunchroom
- Silver Lake Plant
- Electric Break Room
- RPU Intranet
- Water Break Room

3. A copy of the seniority list will be electronically forwarded to the IBEW Business Manager or his/her designee and local union steward(s).

E. Matching Seniority Dates

Master seniority dates that match shall be determined by using the following employee employment information:

1. Date on property (pay records)
2. Date of physical (medical records)
3. Date job offer was accepted by applicant (personnel records)
4. Date of job offer (personnel records)
5. Date of employment interview (personnel records)
- 4-6. If unable to determine seniority using 1 through 5, use lottery or draw lots

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at: 1"

Bargaining unit seniority dates that match shall be determined by using an employee's master seniority date and then the above numbers 1 through 6.

Job classification seniority dates that match shall be determined by using employee information in the following order: bargaining unit seniority date, master seniority date and then the above numbers 1 through 6.

F. Seniority During Unpaid Leave of Absences

Employees will retain the bargaining unit and job classification seniority they accrued prior to being placed in an authorized unpaid leave status for more than thirty (30) consecutive calendar days, but shall not accrue additional bargaining unit and job classification seniority during the period of said unpaid leave. Authorized unpaid leave of absences of thirty (30) days or less shall not affect one's status as a regular employee for purposes of seniority.

G. Seniority During Layoffs

Employees shall retain the bargaining unit and job classification seniority they accrued prior to layoff, but shall not accrue additional bargaining unit and job classification seniority during the time they are in a layoff status.

Determination of Seniority

1. Master Seniority

Master seniority will be determined from the original employment date with the City of Rochester, including time with other City departments, provided that there is no interruption in employment at the time the employee transfers from one department to another.

2. Bargaining Unit Seniority

~~Bargaining unit seniority will be determined from the date of employment with a position covered by this bargaining agreement for regular employees. A regular employee is one who is employed on a continuous basis to work twenty (20) hours or more per week and who has completed the probationary period of six (6) months. The time spent during the probationary period shall count toward a regular employee's seniority. Seasonal, temporary, and hourly work shall not count toward seniority.~~

~~Authorized leaves of absence for periods of under thirty (30) calendar days shall not affect one's status as a regular employee for purposes of seniority. Authorized leaves of absence and layoffs for thirty (30) consecutive calendar days or longer shall constitute termination of employment. If re-employed after such termination, a regular employee's seniority shall include the amount of seniority the employee has accumulated prior to being terminated. In such case, the regular employee's date for computing bargaining unit seniority shall be a date determined by counting back from the date of re-employment, a period of time equivalent to the employee's seniority accumulated prior to being terminated.~~

13. EMPLOYMENT

A. Posting Procedure

1. Without limiting the authority of Management to advertise for outside recruiting, all new positions and all vacancies declared by Management in existing positions within the bargaining unit shall be posted within the employer's facilities for a minimum of seven (7) working days.
2. Posting bulletins shall be in a form prescribed by Management but will include:
 - a. The duties and qualifications for the position as established in the Employer's published classification and position descriptions.
 - b. The closing date of the posting.
 - c. The wage rate of the position.
 - d. The application procedure for the position.
3. Posting bulletins shall be distributed by Management in the following manner:
 - a. One copy shall be posted in each of the following locations:
 - 1) RPU General Offices Lunchroom
 - 2) Silver Lake Plant
 - 3) Electric Break Room
 - 4) RPU Intranet
 - 5) Water Break Room
 - b. A copy of the posting will be electronically forwarded to the IBEW Business Manager or his designee and local Union Steward(s).
4. The Employer agrees to discuss additions or changes to classification or position descriptions with members of the Labor-Management Committee prior to posting for the classification or position which will be affected by the change.

B. Bidding Procedure

1. Members of the bargaining unit who wish to apply for a bargaining unit posting may do so by completing a City of Rochester employment application and providing it to Human Resources prior to the closing date of the posting.
2. After the closing of a posting period, the Union Business Manager or his designee may obtain a list of applicants who are employees within the bargaining unit.
3. Applicants who are members of the bargaining unit shall be informed of the disposition of their application.

C. Regular Appointments

1. It is intended that priority be given to present bargaining unit employees when filling vacant positions within the bargaining unit.
2. It is also intended that the most able and qualified individuals for such positions be appointed to such vacant positions and that selections will take into account work attitude and performance records.
3. Present bargaining unit employees who apply for bargaining unit openings in accordance with this Article must have the abilities and qualifications set forth in the Employer's published classification and position descriptions before they will be considered for the position. Bargaining unit employees, who meet the minimum qualifications for the vacant position, will be granted an employment interview.
4. To establish that they are the most able and qualified individual for a vacant position, the employee must not only meet the minimum qualifications for the vacant position as set forth in the Employer's published classification and position descriptions, but they must demonstrate that their qualifications and abilities are greater than those of any other of the qualified candidates from the bargaining unit.
5. Qualifications and abilities will be determined by Management through evaluation of the candidate's experience and training and/or Management may elect to utilize job related tests, such as oral, written or on the job examinations to determine qualifications and abilities. If such tests are to be utilized, it shall be so noted on the job posting bulletins, including a description of the types of test(s) to be utilized, the general area each test will cover, and the weight to be given the test results in the selection process. The Union Business Manager or other authorized representative of the Union may be present during testing sessions.
6. After consideration of 1 through 5 above, if no one (1) qualified candidate establishes that their qualifications and abilities for the position exceed those of the other qualified candidates, then seniority shall prevail in appointments on the priority basis outlined in 7 and 8 below.
7. When it is established that seniority shall be the determining factor in selection, the regular employee with the greatest ~~bargaining unit job classification seniority, within the same classification, and~~ who is working within the ~~division section as defined in Appendix A, Section E, when the opening exists,~~ shall be appointed first.

Comment [HL4]: Seniority TA 10/22/14

8. If a qualified candidate cannot be selected per 7 above, the regular employee with the greatest bargaining unit seniority ~~shall be appointed first in the department, who presently holds a position which is not within the division when the opening exists, shall be second in line.~~

Comment [HL5]: Seniority TA 10/22/14

9. The above criteria may be modified to the extent necessary to comply with any equal employment opportunity plan established in compliance with Federal or State requirements.

10. When an employee transfers to or is promoted within the bargaining unit, such transfer or promotion shall not be regarded as regular employment until a six- (6) month probationary period has passed. The employee, however, may use earned sick leave, vacation and other benefits during this six- (6) month period.

11. Whenever a regular employee is transferred or promoted within the bargaining unit, he or she shall carry with them any accumulated sick leave, vacation benefits, ~~master~~ and bargaining unit seniority. In case the promoted or transferred employee fails the six- (6) month probationary period, he or she shall be given the opportunity of returning to their former position at its current rate.

Comment [HL6]: Seniority TA 10/22/14

D. Temporary Appointments

1. It is understood that the Employer may from time to time assign employees to temporary positions or temporarily reassign employees to regular position within the bargaining unit. It is further understood that such temporary assignments or temporary reassignments may be made for any reason deemed by Management to be in the best interests of the Public Utility Department and that such actions are expressly reserved as a right of Management.

2. A temporary assignment shall normally be effective for a period of six (6) months or less, unless the assignment is intended to provide employee training for a regular position or to evaluate the need for such position on a long-term basis.

3. All temporary positions established to provide employee training shall be filled in accordance with the posting, bidding and assignment provisions of this Article. All other temporary positions shall be filled by Management assignment without posting.

4. Regular employees, upon completion of temporary assignments, shall return to their previous regular classification at its current rate of pay, unless such employees, having been regularly assigned through the bidding procedure, are promoted by Management to the regular classification for which they were being trained.

E. Layoff and Recall

In the event a reduction in work force or the elimination of a position within the bargaining unit, the following rules shall apply:

1. Within the ~~job~~ classification(s) scheduled for reduction, employees shall be laid off in the reverse order of ~~job classification seniority, their appointment(s) to the classifications(s).~~ The Employer agrees to give two- (2) weeks' notice of layoff. Temporary employees, part-time employees and seasonal employees shall be laid off prior to regular employees of RPU.

Comment [HL7]: Seniority TA 10/22/14

2. In the event of an increase in working force within a job classification which was previously reduced, employees on layoff status who formerly held such job classification shall be recalled in the reverse order of their layoff, provided that they are physically qualified to return to work.

Comment [HL8]: Seniority TA 10/22/14

2.3. Notice of recall shall be sent to employees at their last known address by registered or certified mail. If the employee fails to report to work within fourteen (14) calendar days from the date of mailing of notice of recall, the employee shall be considered as having resigned and shall forfeit all seniority rights. The employee has the obligation to notify the employer of any changes to their home address for purposes of receiving recall notices.

3.4. Employees on layoff status who refuse to accept recall to the regular job classification from which they were laid off shall be terminated.

Comment [HL9]: Seniority TA 10/22/14

4.5. Employees who remain on layoff status for one (1) year may be terminated.

5.6. Employees on layoff status may bid for any posted opening(s) within the bargaining unit in accordance with the bidding provisions of this Article.

6.7. A senior employee may, within two (2) weeks after receiving notification of their scheduled layoff, exercise the option of bidding for a position of lesser classification and pay within the bargaining unit, which is occupied by a junior employee. In such cases, the senior employee must complete and file an employment application. To establish that they are qualified for the position, the employee must meet the minimum qualifications for the position, as set forth in the Employer's published classification and position descriptions. Qualifications and abilities will be determined by Management through evaluation of the employee's experience and training.

If it is determined that two (2) or more employees who have bid for the same position both meet the minimum qualifications for the position, the employee with the greatest bargaining unit seniority shall be appointed to the position. When an employee is appointed to a position in the preceding manner, such appointment shall not be regarded as permanent until a six- (6) month probationary period has passed.

F. Outside Employment

Employees working on a full-time basis who accept scheduled part-time employment elsewhere agree to do so only to the extent that the outside employment does not impair their ability to perform work for the Employer in a safe and effective manner. Such outside employment must be approved in advance by the General Manager and shall, in no event, involve more than twenty (20) hours per week.

G. Unauthorized Leave of Absence

Unauthorized leave of absence by an employee for three (3) consecutive work days or non-notification given to a Section Supervisor by an employee of their whereabouts for three (3) consecutive work days may be considered by the Utility as a resignation by the employee.

14. WORK PERIOD

A. Work Week

1. Non-shift Employees

- a. The normal work week for all employees other than shift workers and service crews shall be five (5) consecutive eight- (8) hour days, commencing on Monday and ending in Friday, for a total of forty (40) hours per week.
- b. When the nature of the work requires working on Saturday and/or Sunday, such as ~~coal and ash handling~~, janitorial work, customer service work, meter reader work (including Leads) or service crew work, Management will establish a work week to include one or both of these days, but this work week shall consist of five (5) consecutive eight- (8) hour days.

Comment [HL10]: TA 9/04/14

2. Shift Employees

Silver Lake Plant Operations personnel shall work twelve- (12) hour shifts in accordance with the RPU – IBEW Letter of Agreement on Twelve-Hour Shifts contained in Appendix B.

The work week for all employees on regular shift work shall take into consideration present existing shift schedules which require employees to work more than five (5) consecutive days in order to permit the proper rotation of shifts. Under these circumstances, the work week shall be considered to be operated on an average basis, the average to be five (5) eight- (8) hour days.

The work week for all employees on regular shift work shall be established by mutual agreement between the Union and Management. As such agreements are established or modified, they will be attached to this Agreement as an Appendix upon the subsequent Agreement renewal.

B. Hours of Work

1. Work hours for maintenance, ~~coal crew~~, SLP stores and SLP Instrument and Control employees shall be from 7:00 a.m. to 3:30 p.m.

Comment [HL11]: TA 9/04/14

2. Non-shift Employees

The regular hours of employment for all employees in the bargaining unit, other than operating personnel and service crews, shall be from 7:30 a.m. to 4:00 p.m. with one-half (1/2) hour intermission for lunch. By mutual agreement of the parties hereto, the regular hours of employment may be established from 8:00 a.m. to 5:00 p.m. with one (1) hour intermission for lunch.

The workweek for all non-shift employees shall be established by mutual agreement between the Union and Management. As such agreements are established or modified, they will be attached to this Agreement as an Appendix upon the subsequent Agreement renewal.

3. Electric Service Crews

The hours of work for the electric service crews shall be 1:00 p.m. to 9:00 p.m., Monday through Friday, unless otherwise modified in accordance with this Agreement.

4. Shift Employees

The regular hours for all shift employees shall be eight (8) continuous hours of work with shift changes scheduled as:

Water Division - 7:00 a.m. and 3:00 p.m.

B.A. Lunch Periods

1. Outside Crews

All outside crews will bring their lunch and eat on the job. The normal lunch period will be 12:00 noon to 12:30 p.m.

2. Electric Service Crews

Electric service crews on duty afternoons and evenings are required to bring their lunch and to eat on the job.

D. Coffee Breaks

1. Coffee breaks will be limited to fifteen (15) minutes.
2. For outside crews the following rules will apply:

Crews working away from the garage or plants will have coffee on the job. Coffee pots will be furnished by the Employer.

Exception: Small traveling crews of three (3) employees or less (service crew and meter crew) will be allowed to stop for coffee if travel time is not involved. Coffee breaks will still be strictly limited to fifteen (15) minutes.

~~15. EMPLOYMENT LEVELS~~

Comment [HL12]: Edit made 9/29/14

~~A. It is the intent of Management that every effort be made to maintain a full complement of operating employees at the Silver Lake Plant at all times when this plant is in full operation generating electricity, provided that Management receives sufficient notice from any employees who does not expect to report to work as scheduled.~~

~~B. A full complement is defined as a Shift Foreman, Operator, Assistant Operator, and Auxiliary Operator for Silver Lake Plant.~~

~~C. Operating personnel shall not be permitted to change or trade vacations, holidays, or days off unless approved by Management. Operating personnel shall be permitted to exchange shifts worked, provided that the trade is within the same job classification, that no conflict of any kind will be caused by the trade, that the trade will be for a period of time not to exceed two (2) shifts, and that a legitimate reason exists for the trade.~~

16. PAY

A. A schedule of hourly wages for all bargaining unit positions is found in Appendix A of this Agreement. Effective the first full pay period of 201~~5~~³, the prevailing schedule of hourly wages for all bargaining unit positions shall be increased by ~~two and one-quarter percent (2.25%)~~ one

~~point seven five percent (1.75%)~~. Effective the first full pay period of 201~~6~~4, the prevailing schedule of hourly wages for all bargaining unit positions shall be increased by two ~~and one-half~~ percent (2.~~50~~%).

Comment [HL13]: TA Item No. 4 – 10/22/14

- B. Pay days shall be at two- (2) week intervals.
- C. The hourly rate of pay for all purposes, including overtime and payroll deductions, shall be calculated by dividing the individual's yearly salary by two thousand eighty (2,080) hours. All hours worked in excess of two thousand eighty (2,080) hours shall be paid.
- D. Overtime payments and payroll deductions will generally be made each pay period. Such records as payroll withholding, vacation time and sick leave, will be kept current on payroll advice document.
- E. A shift premium of one dollar thirty cents (\$1.30) per hour will be paid for work performed by the 3:00 p.m. to 11:00 p.m. water operator, and the 1:00 p.m. to 9:00 p.m. evening electric service crew and the evening water distribution worker.

A premium of eighty-five cents (\$0.85) per hour will be paid to a Water Maintenance and Construction employee holding a NACE Coating Inspector Certificate for all hours of related work performed.

- F. Employees who are temporarily appointed or reassigned shall receive the rate of pay of that position for the entire period of the appointment. The rate of pay for employees who are temporarily appointed or reassigned shall be the greater of the employee's base rate of pay prior to the appointment or the lowest base rate of pay of any other employee currently holding such position. Such temporary assignments for heavy crew foreman and lead lineworker shall be on the basis of the qualified individual on the crew with the greatest job classification seniority.

Comment [HL14]: Seniority TA 10/22/14

- G. Employees on six- (6) months' probation for initial regular employment, shall receive such rate of pay as established by Management, and shall receive time-and-one-half (1 ½) for overtime and double time (2x) for overtime worked on Sundays and holidays. However, such employees shall not receive vacations, leaves of absence, family emergency leave, or paid time off for funerals.

- H. When two (2) or more employees who hold equal job classifications are temporarily called upon to perform work of greater or lesser responsibility than their current classifications, the employee with the greatest bargaining unit job classification seniority shall be assigned the work of the higher responsibility, providing they are qualified to perform such work.

Comment [HL15]: Seniority TA 10/22/14

- I. When two (2) or more lineworkers are working together in the absence of a lead lineworker, the senior lineworker with the greatest job classification seniority shall receive the lead lineworker rate of pay.

Comment [HL16]: Seniority TA 10/22/14

- J. When four (4) or more distribution workers are working together in the absence of a lead distribution worker on a water repair or water construction project, the distribution worker who has held the classification the longest shall receive the lead distribution worker rate of pay for all hours worked.

- K. For the water operator and distribution worker positions, the following one-time, lump-sum payment will be provided for obtaining the Water Supply System Operator Certification:

ard to themselves or others.

- H. The employer shall provide flame-retardant clothing in accordance with the labor-management agreement reached in 1999, as revised from time to time by mutual agreement.

~~24.20.~~ **VACATIONS**

A. Eligibility

1. All regular full-time employees who are regularly scheduled to work forty (40) hours or more per week, on a year round basis, shall be granted annual paid vacations, as set forth below in Section B, Accrual.
2. Regular part-time employees, who are regularly scheduled to work twenty (20) hours or more per week, on a year round basis, shall be granted vacations pro-rated on the basis of time actually worked.
3. Employees who are regularly scheduled to work less than twenty (20) hours per week, or those classified as hourly, temporary, or seasonal employees, shall not be eligible for vacation benefits.
4. New employees who have not completed their initial six (6) months probationary period, shall accrue vacation benefits, but will not be eligible to use vacation until the completion of their six- (6) months' probationary period.

B. Accrual

1. Vacation time for eligible employees shall accrue from master seniority date (date of hire) to seniority date.
2. Eligible employees shall be entitled to vacations in accordance with the following schedule:

Comment [HL17]: Seniority TA 10/22/14

Years of Service	Vacation Allowed
Less than 1 year	Prorated 80 hours
1 - 2 years	80 hours (10 days)
3 - 5 years	120 hours (15 days)
6 - 10 years	152 hours (19 days)
11 - 15 years	176 hours (22 days)
16 - 19 years	192 hours (24 days)
20 + years	200 hours (25 days)

C. Scheduling

1. Management shall determine vacation schedules but will respect the wishes of the employees insofar as the needs of the service will permit.

2. Where there is no conflict among employees in a particular work group over vacation schedules, such employees may not be required to formally sign up for their vacations in advance, but may arrange for their vacations independently with Management. This privilege may be terminated at any time at the discretion of Management.
3. Where there are conflicts over a particular period, the senior employee with the greatest bargaining unit seniority shall be given preference. National Guard and Federal Reserve duty will take precedence over vacations where only a limited number of employees can be allowed off at any one time.
4. Vacation periods of less than one (1) week (5 work days) are specifically discouraged. Vacation periods of one (1) to four (4) days may, however, be granted upon proper arrangements with Management on a case by case basis. In no case will vacation periods of less than four (4) hours be granted.
5. An employee may carry-over up to two (2) times his/her annual vacation accrual rate as an annual vacation cap to be applied after the last pay date in December. After the vacation cap is applied in December, an employee may accrue vacation hours in excess of two (2) times his/her annual vacation accrual rate up until the point the vacation cap is applied the next December. Regular full-time and regular part-time employees hired on or before 12/31/02 would retain any saved vacation balances to use, but no more vacation would be added to a saved vacation balance.
6. Upon termination or retirement, any unused saved vacation balance for employees with less than ten (10) years of service will be converted to taxable earnings. For separating employees with ten (10) or more years of regular full-time or regular part-time employment with the City of Rochester, the City will convert the employee's entire unused and saved vacation balance by multiplying by the hourly rate of pay upon termination to be deposited to an individual Minnesota State Retirement System (MSRS) Health Care Savings Plan (HCSP).

Comment [HL18]: Seniority TA 10/22/14

D. Payment for Vacation Hours

Employees entitled to vacation privileges whose employment has terminated, shall be paid for vacation not received, except when two- (2) weeks' notice is not given or when termination is for cause.

E. Other Uses of Vacation Hours

Unauthorized time off will not be charged against vacation. Such absences must be covered by payroll deduction.

F. Scheduling Power Plants

Comment [HL19]: Remove to Addendum 9/29/14

~~When conflict over vacations exists among employees in the Power Plant operating crews, the following regulation will apply:~~

~~1. During the month of January of each year, Management will post a blank vacation schedule. Employees concerned will be given a period of one (1) month to sign in their vacation preference, military service, and job classification seniority receiving priority. After April 1st the vacation schedule will be posted.~~

~~2. Vacations up to five (5) weeks in length may be taken at one time. Vacations may also~~

~~be split into any combination of complete calendar weeks.~~

- ~~3. Any employee who does not sign up for all of their vacation on the first round will have to take such time as is left on the second round. Seniority applies only in the order of signing up for vacations. Bumping will not be allowed.~~
- ~~4. Not more than three (3) employees will be allowed on vacation at any one time, and not more than two (2) in any job classification, including shift foreman. An exception will be made if it becomes possible to partially or completely shut a plant down, in which case additional employees may be allowed or required to take vacations.~~
- ~~5. The use of other personnel to substitute for operating personnel during vacation periods will be limited to illness and other emergencies, and then only to complete the particular vacation involved. If, due to illness or other emergencies, regular operating personnel are not available to allow following the vacation schedule, then such vacations as necessary shall be postponed.~~
- ~~6. During vacation periods, employees other than operating personnel, including temporary employees, may substitute for plant attendants and auxiliary operators.~~
- ~~7. When a recognized holiday falls during an employee's vacation, the employee will receive an extra day off. The employee actually working the holiday will receive the premium pay. Extra time will be added to accumulated days off.~~
- ~~8. After taking calendar weeks of vacation, it may happen that an employee still has a working day of vacation coming. This will entitle the employee to an additional eight (8) hours off, and is to be added to accumulated days off.~~
- ~~9. Once the vacation schedule has been posted, no changes will be made except by agreement between Union and Management.~~
- ~~10. After the heavy vacation season, vacation rules shall be relaxed to the following extent for operating personnel: Employees will be allowed to take accumulated time with their vacation. Arrangements shall be negotiated separately with Management in each case, and Management shall have the right to make the necessary qualified substitutions on the most practical basis.~~

~~"Heavy vacation season" means a period when three (3) or more employees are on vacation in accordance with paragraph 4 above.~~

~~Allowing employees to take accumulated time with their vacation shall be limited to the maximums established in paragraph 4 above.~~

~~22-21.~~ **HOLIDAYS**

A. Designated Holidays

The below listed holidays will be recognized as follows:

- | | |
|----------------------------------|--------------------------|
| 1. New Year's Day | January 1 |
| 2. Martin Luther King's Birthday | Third Monday in January |
| 3. Presidents' Day | Third Monday in February |
| 4. Memorial Day | Last Monday in May |

5. Independence Day	July 4
6. Labor Day	First Monday in September
7. Veteran's Day	November 11
8. Thanksgiving	Fourth Thursday in November
9. Day after Thanksgiving	Fourth Friday in November
10. ½ Day Christmas Eve	December 24
11. Christmas Day	December 25
12. ½ Day New Year's Eve	December 31

Whenever any of the listed holidays fall on a Saturday, except December 24th and December 31st, the preceding Friday shall be a holiday.

Whenever any of the listed holidays fall on Sunday, except December 24th and December 31st, the following Monday shall be a holiday.

B. Holiday Procedure - Non-shift Employees

1. All regular employees with the exception of operating crews, ~~coal crew,~~ and standby lineworkers will normally not work on the above designated holidays and the associated Fridays and Mondays. They shall receive no deduction in their regular pay for taking days off.
2. All regular employees, with the exception of operating crews and standby lineworkers, required to work on one (1) of the above-designated holidays shall receive in lieu of the holiday, pay at double time (2x) in addition to their regular pay.
3. Standby lineworkers required to work on a holiday weekend shall be scheduled and paid in accordance with the standby provisions of this Agreement.
4. Service crews shall be considered regular monthly employees and shall enjoy the holiday procedures outlined in B 1 above, unless otherwise modified in accordance with this Agreement.
5. In the event a holiday falls during an employee's vacation period, such employee shall not have the holiday time charged against their vacation hours' account.

Comment [HL20]: TA 9/04/14

C. Holiday Procedure - Shift Employees

1. Water maintenance and construction operators, who are required to work on one (1) of the above designated holidays, shall receive, in lieu of the holiday, pay at double (2x) time in addition to their regular pay.
2. When a holiday falls on a regular shift worker's day off, such employee shall receive an additional eight (8) hours off, or in the case of a half-holiday, four (4) hours off. These hours shall be added to bank time, records of which are kept by Management. Bank time may be taken off in one of two ways:
 - a. Immediately following a holiday, Management will list the employees who have a day off coming for the holiday, and the days on which the employees may take their day off. Such days will start on the earliest Sunday and Tuesday or Thursday and Saturday as practical following the holiday, and shall run on consecutive Sundays and Tuesdays, Thursdays and Saturdays, until all employees have had the opportunity to receive their day off. The employees will sign for their days off in the order of job

classification seniority. Time taken off in this way will be subject to the following rules:

- b. Anyone desiring to take a holiday must sign up by Friday the second week in advance.

3. ~~Goal crews and w~~Water operators shall observe scheduled holidays on the actual day they occur on the calendar. The employees will not receive more holiday benefits than those received by non-shift employees. An employee called in to work on a holiday shall receive equal compensation to an employee working a regularly scheduled shift on a holiday if he works an equal number of hours.

Comment [HL21]: TA 9/04/14

~~23.22.~~ SICK LEAVE

A. Eligibility

1. Regular employees including those on probation for regular status and regular part-time employees who are regularly scheduled to work twenty (20) hours or more per week on a year round basis, shall be eligible for sick leave at their regular rate of pay, with the latter on a pro-rata basis.
2. Employees regularly scheduled to work less than twenty (20) hours per week as well as hourly, temporary, and seasonal employees, shall not be eligible for sick leave benefits.

B. Accrual

1. One (1) work day of sick leave shall be accrued for each calendar month of employment or major fraction thereof. Unused sick leave shall accrue. There shall be no maximum accumulation limit. Additions or deductions from each employee's sick leave account shall generally be made semi-monthly.
2. Employees using earned sick leave shall be considered to be working for the purpose of accumulating additional vacation leave or sick leave. Only days that an employee would normally have worked will be charged against their sick leave account.

C. Use of Sick Leave

1. Sick leave with pay will be granted for a bona fide personal illness, medical and dental examination, legal quarantine, or in case of work-connected injury. Sick leave will not be granted in case of injury sustained while in the employ of others.
2. Sick leave may also be used in case of serious illness in the immediate family requiring the employee's attendance, and shall be for the actual time required, but not to exceed three (3) work days. "Immediate family" means an employee's brother, sister, children, parents, spouse, or spouse's parents.
3. When an employee is eligible for workers' compensation payments from the City, they may supplement these payments with a pro-rated portion of their sick leave so that the combination of the two will equal their regular pay. When an employee's sick leave account is exhausted, they will receive workers' compensation payments to the extent available.

D. Exclusions

must notify their Section Supervisor (or Division Director if Section Supervisor is not available) of their need for leave at the earliest possible moment and preferably before the start of their scheduled working hours. Failure to make diligent effort to give such notification may result in payroll deduction for such time taken.

2. Each employee and their Section Supervisor shall be held accountable for the reasonable, prudent and bona fide use of sick leave privileges.
3. Reasonable, prudent and bona fide use of sick leave normally includes the requirements that the employee must be confined to resident and/or medical facilities, or in route between same, for the purpose of treatment or recuperation.
4. An employee claiming sick leave may be required to file competent written evidence that they have been absent as authorized. Sick leave taken immediately preceding termination of employment or retirement of an employee must be substantiated by written medical report.

24.23. OPTION TO PURCHASE CITY-SPONSORED INSURANCE

An employee who retires from regular full-time employment with the City of Rochester may continue to participate indefinitely in the City-sponsored health and/or dental insurance group that the employee participated in immediately prior to retirement. The retiree may receive dependent coverage only if s/he received dependent coverage immediately prior to retirement. A retiree who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage, but the retiree may not drop individual coverage and retain dependent coverage. City-sponsored life insurance may be continued until the retiree's seventy-fifth (75th) birthday.

~~After the retiree's sixty fifth (65th) birthday and if the retiree has enrolled in Medicare and if s/he has dependent coverage in effect, the retiree can pay a dollar amount equivalent to the cost of covering two (2) individuals under the City's plan, if no other dependents require coverage. The same holds true if the retiree's spouse turns age sixty five (65) prior to the retiree and is eligible for and enrolled in Medicare.~~

Comment [HL22]: TA Item No. 5

In order to retain City-sponsored health and/or dental coverage or life insurance, the retiree and his/her spouse, if applicable, must authorize the requisite deductions from a checking or savings account in the amount that is designated by the City and may be changed from time to time through written notification from the City.

If a retired employee dies, the surviving spouse may continue to participate in the City-sponsored health and/or dental insurance group that the surviving spouse participated in at the time of the retired employee's death. The surviving spouse must authorize the requisite deductions from a checking or savings account in the amount that is designated by the City and may be changed from time to time through written notification from the City.

For the retiree, until age sixty-five (65), the amount of life insurance coverage which can be purchased is any amount, in thousand-dollar increments, between a minimum of ten thousand dollars (\$10,000.00) and a maximum of the amount of coverage available to the employee on the date of retirement from the City of Rochester. Beginning on the first of the month following a retiree's sixty-fifth (65th) birthday, the amount of life insurance coverage is limited by the underwriter to ten thousand dollars (\$10,000.00).

Comment [HL23]: TA Item No. 6 – 10/22/14

Any life-time maximum benefit designated in the health coverage plan document continues to be applied after retirement.

26.24. HOSPITAL ASSISTANCE PROGRAM HEALTH INSURANCE

Comment [HL24]: TA Item No. 7

All eligible employees may participate in the City's health insurance program. An eligible employee is defined as an individual who would be covered under the health insurance coverage provisions of both the City's personnel policies and insurance plan documents. For new eligible employees, coverage is effective the first (1st) of the month following his or her hire date.

For the term of this agreement, the City will contribute the following percentage of the total premium as follows:

<u>Basic Medical Plan Tier</u>	<u>City's Monthly Cost Effective January 1, 2015</u>	<u>City's Monthly Cost Effective January 1, 2016</u>
<u>Employee Only</u>	<u>93.0%</u>	<u>92.0%</u>
<u>Employee + Spouse</u>	<u>89.5%</u>	<u>88.5%</u>
<u>Employee + Child(ren)</u>	<u>89.5%</u>	<u>88.5%</u>
<u>Family</u>	<u>89.5%</u>	<u>88.5%</u>
<u>High-Deductible Medical Plan</u>		
<u>Employee Only</u>	<u>93.0%</u>	<u>92.0%</u>
<u>Employee + Spouse</u>	<u>89.5%</u>	<u>88.5%</u>
<u>Employee + Child(ren)</u>	<u>89.5%</u>	<u>88.5%</u>
<u>Family</u>	<u>89.5%</u>	<u>88.5%</u>

Effective January 1, 2015, the City shall contribute the following amounts to a Health Savings Account for all full-time, benefit-eligible employees selecting the High-Deductible Health Plan coverage:

<u>High-Deductible Medical Plan</u>	<u>Annual Contribution to HSA</u>
<u>Employee Only</u>	<u>\$1,400.00</u>
<u>Employee + Spouse</u>	<u>\$2,800.00</u>
<u>Employee + Child(ren)</u>	<u>\$2,800.00</u>
<u>Family</u>	<u>\$2,800.00</u>

A.—Eligibility

1. ~~Regular full-time (forty [40]-hours per week)-employees.~~
2. ~~For new employees it will be effective the same date as their City hospitalization is effective.~~

B.—Coverage

1. ~~Medical and hospital expenses which are partially covered by the City's hospitalization plan.~~
2. ~~The employee shall pay the first one hundred dollars (\$100.00) which is not paid by the City's hospitalization plan except in cases where the employee is hospitalized for at least one (1) day. The Employer will pay the balance up to a total of five hundred dollars (\$500.00) for any one (1) illness or injury.~~
3. ~~Drugs are covered only so far as they are used during hospital confinement.~~

C. Not Covered

1. ~~Fitting or purchase of eye glasses.~~
2. ~~Dental work or hospitalization required to receive dental work.~~
3. ~~Drugs not used during hospital confinement.~~
4. ~~Cosmetic surgery unless for the repair of injuries caused by an accident.~~
5. ~~Self-inflicted injuries.~~
6. ~~Injury or illness caused by war.~~
7. ~~Injury caused from participation in a riot.~~
8. ~~Injury caused while committing a crime.~~
9. ~~Injury or illness resulting from dissipation, self-indulgence or immoral conduct.~~

D. Implementation

1. ~~A written request must be made by the employee to their Section Supervisor within thirty (30) days of their return to work following the accident or illness.~~
 - a. ~~The report must contain data concerning the nature of the accident or illness.~~
 - b. ~~The bills from the doctor, hospital and for drugs must be furnished together with a statement from the City's insurance carrier showing the amount it has paid.~~

~~26.25.~~ LEAVE OF ABSENCEA. Death in the Family and Funeral Leave

1. When death occurs to an employee's legal spouse, children, stepchildren, children where the employee is legal guardian, the employee's and spouse's father, mother, step-father, step-mother, sisters, brothers, grandparents, and grandchildren, an employee, upon request, will be excused and paid for up to a maximum of three (3) scheduled shifts (or for such fewer shifts as the employee may be absent) which fall within a three (3) consecutive work-day period; provided, however, that the day of the funeral falls within this period. An employee will not receive funeral pay when it duplicates pay received for time not worked for any other reason.
2. Pallbearers will be allowed paid leave of absence up to a maximum of four (4) hours to attend a funeral. However, if more time is required because of distance involved, arrangements must be made in advance with Management, but in no case will more than eight (8) hours of paid leave be allowed.
3. To obtain paid leave, the employee may be required to provide the payroll office with evidence that they have complied with the above rules. Also, employees will be required to notify Management in advance of taking leave.
4. Leave of absence for other funerals will generally be granted, but work time used to attend these funerals will be charged against vacation or bank time, or covered by payroll

A. Training Classes

Employees attending local classes and seminars at times other than normal work hours to maintain the continuing education needed for safe and competent completion of job responsibilities will take time off during the work day or work week so that the total of class and work hours do not create a premium pay situation.

B. Schools, Conventions and Conferences, etc.

Absence with pay may be granted an employee for attendance at schools, conventions, etc., by mutual agreement between Management and the Union. The Employer will also pay all reasonable expenses, including travel expenses, but in no case will the Employer be obligated to pay overtime or other such forms of extra ordinary compensation, in conjunction with travel to or attendance at such functions.

C. Licenses

The Employer will pay the fees for required licenses. This includes the initial and renewal fees for power plant operator's licenses, water supply systems operator's certification and the differential between the minimum Class C driver's license and either the Class B or the Class A license. This policy does not include payment for re-examination after test failure.

~~28.27.~~ **AUTOMOBILE REIMBURSEMENT**

- A. Members of the bargaining unit who are classified as meter readers may be required by the Employer to use their personal automobile in the performance of their duties.
- B. Reimbursement for the use of their personal automobile, if required by the Employer, shall be at the mileage rate established by the Rochester City Council.

~~29.28.~~ **SIGNATURES**

This Agreement is entered into between the City of Rochester, Minnesota, acting through its Public Utility Board and the International Brotherhood of Electrical Workers, Local 949.

Dated at Rochester, Minnesota, this _____ day of _____, 2014~~3~~.

FOR THE PUBLIC UTILITY BOARD:

FOR IBEW, LOCAL 949:

President

President

Business Manager

FOR THE CITY OF ROCHESTER:

Mayor

4.7.a

Attachment: IBEW Outside 2015-16 RCA Attachment (3062 : IBEW Local 949 (Outside Group) 2015-

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APPENDIX A

RPU – IBEW – PAY

Wage Increases Effective First Full Pay Period of Corresponding Year

A. Hourly Wages

POSITION	Effective 2013 (1.75% Increase)	Effective 2014 (2.00% Increase)	
OPERATIONS DIVISION			
Assistant Coal Foreman	\$29.01	\$29.59	Comment [HL25]: TA 9/04/14
Assistant Operator	\$31.93	\$32.57	
Auxiliary Operator	\$28.29	\$28.86	Comment [HL26]: TA 9/04/14
Coal Equipment Operator	\$27.00	\$27.54	Comment [HL27]: Position will remain due to pending Pyfferoen arbitration.
Certified Welder (A)	\$34.40	\$35.09	
Coal Crew Foreman	\$31.38	\$32.01	Comment [HL28]: TA 9/04/14
Chemistry Technician (April 2008)	\$38.37	\$39.14	Comment [HL29]: TA 9/04/14
Control & Operations Assistant	\$34.25	\$34.94	
Control Instruments/Results Tech	\$38.37	\$39.14	
Distribution Worker	\$30.28	\$30.89	
Electrician (A)	\$35.58	\$36.29	
Electronics Specialist	\$40.29	\$41.10	
Electronics Technician	\$38.37	\$39.14	
Facilities Systems Technician	\$30.13	\$30.73	
Fleet Mechanic (A)	\$34.07	\$34.75	
Heavy Crew Foreman	\$39.53	\$40.32	
Janitor	\$23.25	\$23.72	
Lead Distribution Worker	\$31.95	\$32.59	
Lead Fleet Mechanic	\$35.76	\$36.48	
Lead Line Worker I	\$38.12	\$38.88	
Lead Line Worker II	\$38.84	\$39.62	
Lead Meter & Service Technician	\$38.47	\$39.24	
Lead Plant Electrician	\$38.37	\$39.14	
Lead Plant Mechanic	\$35.76	\$36.48	
Senior Substation Electrician	\$38.37	\$39.14	
Lead Tree Trimmer	\$35.58	\$36.29	
Lead Utility Tech	\$42.31	\$43.16	
Lead Water Operator/Meter Tester	\$34.39	\$35.08	
1st Class Lineworker (A)	\$35.96	\$36.68	
Machinist	\$34.40	\$35.09	Comment [HL30]: TA 9/04/14
Meter & Service Technician	\$35.58	\$36.29	
Plant Operator	\$35.58	\$36.29	
Water Operator	\$31.85	\$32.49	
Painter	\$29.64	\$30.23	Comment [HL31]: TA 9/04/14

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Plant Mechanic (A)	\$34.07	\$34.75
Property Maintenance Worker	\$27.47	\$28.02
Senior Custodian	\$24.58	\$25.07
Service & Meter Helper	\$32.64	\$33.29
Shift Foreman	\$38.84	\$39.62
Skilled Laborer	\$26.42	\$26.95
Technician Assistant	\$30.13	\$30.73
Tree Trimmer Operation Assistant	\$30.61	\$31.22
Underground Locator	\$35.96	\$36.68
Utility Equipment Operator	\$29.02	\$29.60
Utility Technician	\$40.29	\$41.10
Work Planner	\$34.03	\$34.71

Comment [HL32]: TA 9/04/14

Comment [HL33]: SLP Revision 10/10/14

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ADMINISTRATION DIVISION

Customer Relations Field Rep	\$31.32	\$31.95
Lead Customer Relations Field Rep	\$32.89	\$33.55
Lead Stores Clerk	\$28.67	\$29.24
Meter Reader	\$27.88	\$28.44
Stores Clerk	\$26.56	\$27.09
Stores Controller	\$32.60	\$33.25

POSITIONS WITH PERCENT INCREASE FOR LUNCH BUY-OUT

Heavy Crew Foreman	\$40.39	\$41.20
Lead Line Worker I	\$38.92	\$39.70
Lead Line Worker II	\$39.66	\$40.45
Lead Tree Trimmer	\$36.35	\$37.08
Lineworker	\$36.72	\$37.45

B. Apprentice Rates

Individuals on Apprenticeship programs will normally receive the following percentages of the base rate of pay established for the classification for which they are training:

First Six Months	80%
Second Six Months	82.5%
Third Six Months	85%
Fourth Six Months	87.5%
Fifth Six Months	90%
Sixth Six Months	92.5%
Seventh Six Months	95%
Eighth Six Months	97.5%

The apprentice will receive the base rate of pay for the classification after satisfactory completion of the training program.

C. Entry Rates

Upon initial employment with the Utility, newly hired employees shall normally receive the following percentages of the base rate of pay established for the classification for which they were hired:

First Six Months	85%
Second Six Months	90%
Third Six Months	95%
Fourth Six Months	100%

D. Promotion or Transfer Rates

1. Permanent bargaining unit employees promoted or transferred to a new classification shall normally receive the following percentages of the base rate of pay established for the new classification:

First Six Months	90%
Second Six Months	95%
Third Six Months	100%

If prior to promotion or transfer the employee's base rate exceeds the ninety percent (90%) or ninety-five percent (95%) outlined above, the employee may promote or transfer at their existing base rate; but the employee must observe the time frames outlined above before eligible for an additional percentage.

Employees who transfer to a new classification will immediately receive one hundred percent (100%) of the base rate for the new classification if their base rate of pay prior to the transfer was equal to or greater than one hundred percent (100%) of the new base rate. This will apply even if the employee will ultimately realize a reduction in pay as a result of the transfer.

2. Employees who transfer or promote to the following classifications shall immediately receive one hundred percent (100%) of the rate of pay established for the classification.

All foremen classifications
All lead classifications

The above is granted to compensate for the immediate assumption of leadership responsibilities.

E. General

Management agreed to assess on a section by section basis, the Union's request for summer hours. Further, it was agreed that within each section, should summer hours be granted, all employees in the section would work the same summer hours, or no change will be made. In addition, the Union will submit a written request for summer hour change(s) to the RPU General Manager to initiate this process. The following groups reflect the definition of "section" for purposes of summer hours:

Meter Readers
Fleet
Power Plant Operations
Power Plant Maintenance
~~Power Plant Coal Crew~~

Comment [HL34]: TA 9/04/14

Stores
Tech Services
Transmission & Distribution
Transmission & Distribution Locator
Water Distribution
Water Operations

F. Medical Coverage

Comment [HL35]: TA Item No. 8 – 10/22/14

~~Employee only health coverage cost sharing would be five percent (5%) of the cost for 2013. For 2013, the employee's cost per month is \$29.90 per month ($\$597.88 \times 5\% = \29.90).~~

~~Employee dependent health coverage cost sharing would be fifteen percent (15%) of the cost for 2013. For 2013, the employee's cost is \$158.30 per month ($\$1,653.12 - \$597.88 = \$1,055.24 \times 15\% = \158.30).~~

APPENDIX B

RPU – IBEW LETTER OF AGREEMENT
TWELVE-HOUR SHIFTS

PERSONNEL COVERED BY THE 12-HOUR AGREEMENT

The positions covered by the 12-Hour Shift Agreement will be the shift foreman, plant operator, and assistant operator, ~~and auxiliary operator. The total number of operations personnel shall be twenty-one (21).~~

Comment [HL36]: Changes agreed to by Union/Mgmt work group on 9/29/14.

COVERAGE TO ELIMINATE BUILT IN OVERTIME

This Agreement shall be in compliance with all provisions set forth in the Fair Labor Standards Act, 29 USCS §207 (b) and meet all requirements of a valid "2080 plan" as defined by the FLSA.

To comply with 29 USCS §207(b)(2) "For employees whose hours exceed 2,080, compensation at time and one-half (1 ½) for all hours worked over forty (40) per week during the prior fifty-two- (52) week period must be given" the following relief provision shall be observed: To comply with this Section and to remain cost neutral; each shift employee shall work a "floater" each twenty-eight- (28) day schedule period to restrict his scheduled hours to one hundred sixty (160) in the schedule period. The "floater" shall consist of each shift employee working only four (4) hours on one (1) day shift each twenty-eight- (28) day rotation. ~~See attached schedule.~~

~~The Shift Foreman that is on the relief rotation shall work 09:30 – 17:30 for his twenty-eight (28) day rotation and shall fill in for the employee off on his "floater." Relief Foremen shall be rotated on a twenty-eight (28) day rotation among the five (5) Shift Foremen.~~

Comment [HL37]: Changes agreed to by Union/Mgmt work group on 9/29/14.

SUMMARY OF INTENTIONS

It is the intention of Rochester Public Utilities/Silver Lake Plant Management to work with the Union to resolve any unforeseen problems that may arise in administering the twelve- (12) hour shift schedule as covered by the Letter of Agreement.

TWELVE-HOUR SHIFT AGREEMENT

14. WORK PERIOD

A. Work Week

2. Shift Employees

The work week for Operation's personnel ~~assigned to the twelve (12) hour shift~~ shall begin at 05:30 on Sunday and consist of seven (7) consecutive twenty-four- (24) hour periods.

Comment [HL38]: Changes agreed to by Union/Mgmt work group on 9/29/14.

B. Hours of Work

4. Shift Employees

The regular hours for all shift employees covered by this agreement shall be twelve (12) continuous hours of work with shift changes scheduled as the day shift shall be 05:30 – 17:30 and the night shift shall be 17:30 – 05:30. One (1) day per twenty-eight- (28) day rotation shall be scheduled as four (4) hours work and shall be scheduled between 05:30 – 09:30.

If it becomes necessary, due to partial or complete shutdown of the plant, to rearrange the schedule of an employee on shift, every effort shall be made to maintain the existing rotation of his/her schedule and to maintain the employee on shift.

15. EMPLOYMENT LEVELS

A. ~~It is the intent of Management that every effort shall be made to maintain a full complement of operating employees at the Silver Lake Plant at all times when this plant is in full operation generating electricity, provided that Management receives sufficient notice from any employee who does not expect to report work as scheduled. An exception will be made if it becomes possible to partially or completely shut a plant down, in which case a full complement shall not be required for a limited period.~~

Comment [HL39]: Changes agreed to by Union/mgmt. work group on 9/29/14.

B.A. ~~It is the intent of Management that every effort be made to maintain a full complement of operating employees at the Silver Lake Plant at all times when this plant is in full operation generating electricity or steam, provided that Management receives sufficient notice from any employees who does not expect to report to work as scheduled.~~

Comment [HL40]: Moved from main body of contract to addendum, changes to Sections A, B, and C agreed to by Union/mgmt. work group on 9/29/14.

B. ~~A full complement is defined as a Shift Foreman and another Operations' employee. Operator, Assistant Operator, and Auxiliary Operator for Silver Lake Plant.~~

C. ~~Operating personnel shall not be permitted to change or trade vacations, holidays, or days off unless approved by Management. Operating personnel shall be permitted to exchange shifts worked, provided that the trade is within the same job classification, that no conflict of any kind will be caused by the trade, that the trade will be for a period of time not to exceed two (2) shifts, and that a legitimate reason exists for the trade.~~

16. PAY

A. A shift premium of two dollars and twenty cents (\$2.20) per hour will be paid for work performed by the 17:30 – 05:30 power plant operating crew. No other shift premium will be applicable to personnel on the twelve- (12) hour shift.

17. OVERTIME

A. All work performed in excess of twelve (12) hours in any one (1) day or forty-eight (48) hours in the forty-eight- (48) hour week or thirty-six (36) hours in the thirty-six- (36) hour week shall be considered overtime and shall be paid for at the rate of one and one-half (1 ½) times the regular hourly rate of pay. ~~During the "floater week" hours greater than scheduled hours shall be considered overtime.~~ Employees shall not be required to take time off for overtime work.

Comment [HL41]: Changes agreed to by Union/Mgmt workgroup on 9/29/14.

19. MEAL ALLOWANCES

Comment [HL42]: Changes to delete Article 19 agreed to by Union/Mgmt workgroup on 9/29/14. Article 19 in main body of contract addresses this topic (duplication here).

~~When working the twelve (12) hour shift meals shall be provided for as in Article 19 of the Agreement with the words "fourteen (14)" substituted for "ten (10)" continuous hours for shift workers.~~

21. VACATIONS

Paid leave shall be charged in the same increments as the work was scheduled, i.e., it shall take twelve (12) hours of paid leave to cover a twelve- (12) hour shift. Leave shall be accrued and charged based on hours, not days.

F. Vacations Scheduling – Power Plant

~~When conflict over vacations exists among employees in the Power Plant Operating crews, the following regulation will apply:~~

- ~~1. During the month of November~~January of each year, Management will post a blank vacation schedule. Employees concerned will be given a period of one (1) month to sign in their vacation preference, military service, and job classification bargaining unit seniority receiving priority. After ~~January~~April 1st the vacation schedule will be posted.
- ~~2. During the first round of vacation sign up, no compensatory or bank time may be used. During the second round, compensatory and bank time may be used with vacation leave.~~
- ~~3. Any employee who does not sign up for all of their vacation on the first round will have to take such time as is left on the second round. Bargaining unit seniority applies only in the first round order of signing-up for vacations. Bumping will not be allowed. The use of compensatory and bank time shall not create overtime for other employees unless approved by Management.~~
- ~~4. Not more than one (1) employee from each of the~~ two~~four~~ (24) sister shifts will be allowed on vacation at any one time, a total of two~~four~~ (24), regardless of classification. An exception will be made if it becomes possible due to business conditions or partial or complete shutdown of the plant, in which case additional employees may be allowed or required to take vacation.

Comment [HL43]: These provisions moved from main body of contract to Addendum, all changes in Article 21 agreed to by Union/Mgmt work group on 9/29/14.

Comment [HL44]: TA on 9/04/14

~~Not more than three (3) employees will be allowed on vacation at any one time, and not more than two (2) in any job classification, including shift foreman. An exception will be made if it becomes possible to partially or completely shut a plant down, in which case additional employees may be allowed or required to take vacations.~~

~~The use of other personnel to substitute for operating personnel during vacation periods will be limited to illness and other emergencies, and then only to complete the particular vacation involved. If, due to illness or other emergencies, regular operating personnel are not available to allow following the vacation schedule, then such vacations as necessary shall be postponed.~~

~~During vacation periods, employees other than operating personnel, including temporary employees, may substitute for plant attendants and auxiliary operators.~~

- ~~5. When a recognized holiday falls during an employee's vacation, the employee will receive an extra day off. The employee actually working the holiday will receive the premium pay. Extra time will be added to accumulated days off.~~

6. After taking calendar weeks of vacation, it may happen that an employee still has a working day of vacation coming. This will entitle the employee to an additional eight (8) hours off, and is to be added to accumulated days off.
7. Once the vacation schedule has been posted, no changes will be made except by agreement between Union and Management.

~~After the heavy vacation season, vacation rules shall be relaxed to the following extent for operating personnel: Employees will be allowed to take accumulated time with their vacation. Arrangements shall be negotiated separately with Management in each case, and Management shall have the right to make the necessary qualified substitutions on the most practical basis.~~

~~"Heavy vacation season" means a period when three (3) or more employees are on vacation in accordance with paragraph 4 above.~~

~~Allowing employees to take accumulated time with their vacation shall be limited to the maximums established in paragraph 4 above.~~

22. HOLIDAYS

B. Holiday Procedure – Shift Employees

1. SLP operating personnel (shift workers) including shift foreman, operators, ~~and assistant operators, and auxiliary operator~~ who are required to work on one of the above designated holidays, shall receive, in lieu of the holiday, pay at time and one half (1 ½) in addition to their regular pay for the first eight (8) hours worked and double time (2) for the remaining four (4) hours in the twelve- (12) hour period.

Comment [HL45]: TA on 9/04/14
2. When a holiday falls on a regular shift workers day off, such employee shall receive an additional eight (8) hours pay or at the discretion of the employee an additional eight (8) hours off, or in the case of a half (1/2) holiday, four (4) hours off, to be added to bank time, record of which are kept by Management. Bank time may be taken off as follows:
 - a. Bank time shall be treated in the same manner as vacation. ~~One (1) employee from each shift shall be allowed to take bank time if no one from the shift is on vacation.~~ The employees shall sign up for bank time according to the vacation schedule. Bank time may not interfere with the vacation schedule.

Comment [HL46]: Change agreed to by Union/Mgmt work group on 9/29/14.
3. SLP operators shall observe scheduled holidays on the actual day they occur on the calendar. The employees will not receive more holiday benefits than those received by non-shift employees. An employee called in to work on a holiday shall receive equal compensation to an employee working a regularly scheduled shift on a holiday if he works an equal number of hours.
4. ~~Hourly employees working as auxiliary operators but not promoted to that position, who have a regular day off on one (1) of the designated holidays, shall receive no additional time off.~~

Comment [HL47]: TA on 9/04/14

One-half (1/2) holidays shall be treated as six (6) hours worked or four (4) banked. If the one-half (1/2) holiday is on a "floater", it shall be treated as two (2) hours worked.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF ROCHESTER AND
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCAL 949
OUTSIDE GROUP – 2015 RELIEF OPERATOR WORK SCHEDULE**

Comment [HL48]: TA Item No. 9 -- 10/22/14

This Memorandum of Understanding is entered into between the City of Rochester (hereafter "City"), and the International Brotherhood of Electrical Workers (outside group), Local 949 (hereafter "Union").

WHEREAS, the City and the Union are parties to a Collective Bargaining Agreement (hereafter "CBA") in effect from January 1, 2015 through December 31, 2016.

WHEREAS, the Silver Lake Power Resource Plant is currently undergoing a decommissioning process which has affected the number of employees needed to operate the Plant as well as the existing relief work schedules for operators.

NOW, THEREFORE, effective January 1, 2015, the parties agree to amend Article 14, Work Period and Article 17, Overtime, of Appendix B for the purpose of establishing a new work schedule for operators assigned to relieve or fill in for other Operation's personnel who are absent from work. This schedule may be modified by mutual agreement between the City/Rochester Public Utilities and the Union. The amendments are as follows:

Article 14, Work Period, Section B/4:

B. Hours of Work

4. Shift Employees

For Operations' personnel assigned to the relief operator work schedule, the initial early shift will be 05:30 to 13:30 and the initial late shift will be 09:30 to 17:30. With the approval of management, both relief operator schedules will be adjusted to cover employee absences within the Operations' Division including those on the 12-hour shift.

If it becomes necessary, due to partial or complete shutdown of the plant, to rearrange the schedule of an employee on shift, every effort shall be made to maintain the existing rotation of his/her schedule and to maintain the employee on shift.

Article 17, Overtime, Section A

C. For those working a non-relief operator schedule, all work performed in excess of twelve (12) hours in any one (1) day or forty-eight (48) hours in the forty-eight- (48) hour week or thirty-six (36) hours in the thirty-six- (36) hour week shall be considered overtime and shall be paid for at the rate of one and one-half (1 ½) times the regular hourly rate of pay. All work performed in excess of forty (40) hours in the forty-hour work week for

personnel assigned to the relief operator schedule shall be considered overtime. Employees shall not be required to take time off for overtime work.

This Memorandum of Understanding represents the complete and total agreement between the Employer and the Union and will continue in effect for the duration of this contract and thereafter unless negotiated otherwise.

City of Rochester	IBEW, Local 949 (Outside Group)
_____	_____
Mayor	Business Representative
_____	_____
City Clerk	Date
_____	Rochester Public Utilities
City Administrator	
_____	_____
Director Human Resources	President

	Date

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF ROCHESTER AND
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

Comment [HL49]: TA Item No. 10 -- 10/22/14

TEN-HOUR WATER OPERATOR WORK SCHEDULE

The City of Rochester (Employer), acting through its Public Utility Board, and the International Brotherhood of Electrical Workers, (IBEW), Local 949, are parties to a Collective Bargaining Agreement (CBA) in effect from January 1, 2011 through December 31, 2011. By mutual consent of both parties, this CBA will remain in effect until another contract is fully executed.

For the following reasons, the Employer and IBEW have agreed to implement a new ten-hour work schedule for the water operators:

1. Increased coverage which aligns with RPU's commitment to providing excellent customer service. The current shift schedule has a water operator on duty from 7:00 a.m. through 11:00 p.m. Transitioning from an eight-hour to a ten-hour rotating shift will result in having operator coverage from 5:00 a.m. through 12:30 a.m., providing customers with an additional 3.5 hours of coverage. The 30 minute overlap in shift schedules will be used for communication updates and training. In addition, there will be two operators on duty two days during each week to facilitate water sampling, rounds, and customer calls.
2. Employee benefits will be enhanced as the current three-person rotating shift results in each operator working seven days on, three off, seven nights on, four off. Working seven straight shifts, over the long-term, impacts work/life balance and results in the operators having only one weekend per month off. The new schedule allows for three to five days/nights on then two or three days off and provides each operator with two weekends per month off. During the days of high pumpage, it is typical to have the day operator come in 1-2 hours early in order to check tower levels and make sure the system is ready to handle the anticipated demand. Also the night operator was previously on stand-by after 11:00 p.m. to respond to alarms or system problems. These call-outs and associated overtime will greatly be reduced with having an operator on shift from 5:00 a.m. through 12:30 a.m.

The following language will replace the existing Articles in the CBA upon execution of this MOU and will be added to the ratified 2012 Collective Bargaining Agreement:

Personnel Covered by the Ten-Hour Agreement

The positions covered by the ten-hour shift agreement will be the Core Services Water Operators working the proposed rotating shift. The lead water operator will continue to work the work period identified in Article 14.

Summary of Intentions

It is the intention of Rochester Public Utilities/Core Services Management to work with the Union to resolve any unforeseen problems that may arise in administering the ten-

hour shift schedule as covered by this Memorandum of Understanding.

ARTICLE 14 – WORK PERIOD

A. Work Week

2. Shift Employees

The ten-hour shift consists of a rotation of four (4) water operators working a combination of days and nights to equal 80 hours during each pay period.

B. Hours of Work

3. Shift Employees

The regular hours for all shift employees covered by this agreement shall be ten (10) continuous hours of work with shift changes scheduled as the day shift shall be 05:00 a.m. to 3:00 p.m. and the night shift shall be 2:30 p.m. to 12:30 a.m.

ARTICLE 16 -- PAY

A. A shift premium of \$2.20 per hour will be paid for work performed by the water operators from 2:30 p.m. to 12:30 a.m.

ARTICLE 17 -- OVERTIME

All work performed in excess of ten (10) hours in any one day shall be considered overtime and shall be paid for at the appropriate overtime rate of one and one-half (1-1/2) times or two (2) times the regular hourly rate of pay.

ARTICLE 18 -- STANDBY

2.1. Maintenance and Construction – Water

Night-shift water operators will be paid one hour at straight time per night for being placed in standby status plus regular call-out- pay.

ARTICLE 21 -- VACATIONS

Paid leave shall be charged in the same increments as the work was scheduled, i.e., it shall take ten (10) hours of paid leave to cover a ten-hour shift. Used vacation leave shall be charged based on hours not days.

ARTICLE 22 -- HOLIDAYS

B. Holiday Procedure-Shift Employees

1. Water Operators who are required to work on one of the above designated holi-

days shall receive, in lieu of the holiday, pay at time and one-half in addition to their regular pay for the first eight (8) hours worked and double time (2) for the remaining two (2) hours in the ten-hour period.

- 2. When a holiday falls on a regular shift worker's day off, such employee shall receive an additional eight (8) hours bank time, or in the case of a half holiday, four (4) hours bank time. Bank time may be taken off as follows:
 - a. Bank time shall be treated in the same manner as vacation.
- 3. Water Operators shall observe scheduled holidays on the actual day they occur on the calendar. The employees will not receive more holiday benefits than those received by non-shift employees. An employee called in to work on a holiday shall receive equal compensation to an employee working a regularly scheduled shift on a holiday if he works an equal number of hours.

If scheduled to work a half holiday, the operator shall receive five (5) hours of straight time pay and five (5) hours of holiday overtime pay. If not scheduled to work, they shall receive four (4) hours of bank time.

ARTICLE 23 -- SICK LEAVE

C. Accrual

- 1. Eight (8) hours of sick leave shall be accrued for each calendar month of employment or major fraction thereof.

This Memorandum will expire on December 31, 2016 and constitutes full and complete understanding between the parties regarding this matter.

The parties have caused this Memorandum of Understanding to be executed by their duly authorized representatives on the dates indicated below.

City of Rochester

IBEW, Local 949

Mayor

Business Representative

City Clerk

Date

Date

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF ROCHESTER AND
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

Comment [HL50]: TA Item No. 9 – 10/22/14

SLP DECOMMISSIONING PLAN/HEALTH CARE SAVINGS PLAN

The City of Rochester, Minnesota, (Employer), acting through its Public Utility Board, and the International Brotherhood of Electrical Workers, (IBEW), Local 949, are parties to a Collective Bargaining Agreement (CBA) in effect from January 1, 2013 through December 31, 2014.

In consideration of the decommissioning plan of the Silver Lake Power Resource Plant, the Employer will offer a voluntary Early Retirement/Resignation Incentive Program (Incentive Program) to Power Resources Division full-time employees who are eligible to receive a retirement annuity from the Public Employees Retirement Association (PERA) of Minnesota by December 31, 2015. The Incentive Program will be in effect between the dates of July 15, 2013 and December 31, 2015.

Employees who agree to participate in the Early Retirement/Resignation Incentive Program will receive a lump-sum amount equal to one (1) week of base wages (calculated at the rate of pay in effect at time of separation) for each full year of employment (rounded up to the nearest whole number). The Employer and IBEW agree that for each employee who participates in the Incentive Program, one hundred percent (100%) of the Incentive Program monetary payment shall be deposited into the employee's individual Minnesota State Retirement System (MSRS) Health Care Savings Plan. This deposit shall be made in the pay period during, or directly following, the last day of the employee's employment with the City of Rochester.

This Memorandum of Understanding represents the complete and total agreement between the Employer and IBEW on this matter and shall expire on December 31, 2015. The parties have caused this Memorandum of Understanding to be executed by their duly authorized representatives on the dates indicated below.

City of Rochester

IBEW, Local 949

Mayor

Business Representative

City Clerk

Date

Date

Rochester Public Utilities Board

President

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF ROCHESTER AND
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
POWER RESOURCE DIVISION EMPLOYEE TRANSFERS**

The City of Rochester (Employer), acting through its Public Utility Board, and the International Brotherhood of Electrical Workers, (IBEW), Local 949, are parties to a Collective Bargaining Agreement (CBA) negotiated pursuant to the Public Employment Labor Relations Act.

In conjunction with the decommissioning of the Silver Lake Plant (Power Resources Division), the Employer acknowledges that a potential exists for employee layoffs ("affected employees"). The Employer wishes to consider the equivalent qualifications, work experience and performance of these affected employees in light of future employment vacancies at Rochester Public Utilities which may occur but which the affected employee(s) may not meet the exact minimum qualifications of the vacant position.

Therefore, when an employment vacancy occurs within the bargaining unit, a notification shall be posted on the Silver Lake Plant Union bulletin board for seven (7) working days. The notification shall include the job title/classification, hours, location, duties, pay, minimum qualifications and application process.

The General Manager of Rochester Public Utilities may transfer bargaining unit employees who may be displaced by the decommissioning of the Silver Lake Plant to vacant positions within the bargaining unit. He may waive the minimum qualifications of the vacant position to accommodate relevant work experience and performance of an affected employee. It is also intended the most able and qualified individuals be appointed to such vacant positions and that selections will take into account work attitude and performance records.

Qualifications and abilities will be determined by the General Manager through evaluation of the candidate's experience and training and/or Management may elect to utilize job related tests, such as oral, written or on the job examinations to determine qualifications and abilities. If such tests are to be utilized, it shall be so noted on the job posting bulletins, including a description of the types of test(s) to be utilized, the general area each test will cover, and the weight to be given the test results in the selection process. The Union Business Manager, or other authorized representative of the Union, may be present during testing sessions.

If no affected bargaining unit employee applies or is qualified, as determined by the General Manager, the position shall be posted within and outside of the bargaining unit.

This Memorandum governs to the extent it is inconsistent with the terms and conditions set for in the CBA. This MOU will expire on December 31, 2015 and constitutes a full and complete understanding between the parties regarding this matter.

The parties have caused this Memorandum to be executed by their duly authorized representatives on the dates indicated below. The MOU will become effective the date it is fully executed by all parties and received by the Human Resource Department for the City of Rochester.

City of Rochester
Board

IBEW, Local 949

Rochester Public Utilities

Mayor

Business Representative

President

City Clerk

Date

Date

Date



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution and that the Common Council authorizing the Mayor and City Clerk to execute the respective 2015-2016 Collective Bargaining Agreement with IBEW, Local 949, (outside group), with the changes as noted on the attached document.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of November, 2014.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3035)

Meeting Date: 11/25/2014

SUBJECT: Solar Update

PREPARED BY: Jeremy Sutton

ITEM DESCRIPTION:

Update on RPU solar activity.

UTILITY BOARD ACTION REQUESTED:

Informational only, no board action required.

FOR BOARD ACTION

Agenda Item # (ID # 3030)

Meeting Date: 11/25/2014

SUBJECT: Conservation Minnesota Survey

PREPARED BY: Tony Benson

ITEM DESCRIPTION:

Conservation Minnesota Survey results.

UTILITY BOARD ACTION REQUESTED:

No Action, Informational only.

FOR BOARD ACTION

Agenda Item # (ID # 3039)

Meeting Date: 11/25/2014

SUBJECT: Power Resources Status Update

PREPARED BY: Tony Dzubay

UTILITY BOARD ACTION REQUESTED:

Informational only, no board action required.