



MEETING AGENDA – JULY 28, 2015

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

1. 3:30 PM Closed Meeting

A closed meeting to receive a communication from, and to have a discussion with, the City Attorney regarding the status of and to discuss potential litigation strategies for the pending administrative legal proceedings involving the City and the U.S. Federal Energy Regulatory Commission ("FERC"). These two administrative cases involve the City's request for FERC approval to allow Rochester Public Utilities' transmission costs to be shared with other regional utility companies resulting in lower costs to the City and RPU. The administrative cases are identified as Midcontinent Independent System Operator, Inc., FERC Docket No. ER14-2154-000 and Midcontinent Independent System Operator, Inc., FERC Docket No. ER15-277-000. The closed meeting will occur pursuant to Minnesota Statutes, Section 13D.05, subd.3 (b).

2. 4:00 PM Regular Meeting

Call to Order

3. Recognition- Mark Hill

4. Approval of Agenda

5. Approval of Minutes

Public Utility Board - Regular Meeting - Jun 30, 2015 4:00 PM

6. Approval of Accounts Payable

AP 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.)

7. Informational

Results of the recent Strategic Customer Survey by Great Blue Research

8. Regular Agenda

1. Approval for Preliminary Engineering associated with West Side Energy Station Project
Resolution: Approval for preliminary Engineering associated with West Side Energy Station Project
2. Approve Reimbursement Authorization for West Side Energy Station
Resolution: Approve Reimbursement Authorization for West Side Energy Station

9. Consideration Of Bids

1. Service Center Concrete Pavement Project (2015-21)
Resolution: Service Center Concrete Pavement Project (2015-21)
2. Approval of Solar Purchase Power Agreement
Resolution: Approval of Solar Purchase Power Agreement
- 10. General Managers Report**
- 11. Division Reports & Metrics**
- 12. Other Business**
- 13. 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 – JUNE 30, 2015

SILVER LAKE PLANT
425 WEST SILVER LAKE DRIVE NE
ROCHESTER, MN 55906

4:00 PM

1. Postponed: 3:30 PM Closed Meeting- Mille Lacs

This meeting was postponed to a later date.

A closed meeting to receive a communication from, and to have a discussion with, the City Attorney regarding the status of and to discuss potential litigation strategies for the pending administrative legal proceedings involving the City and the U.S. Federal Energy Regulatory Commission ("FERC"). These two administrative cases involve the City's request for FERC approval to allow Rochester Public Utilities' transmission costs to be shared with other regional utility companies resulting in lower costs to the City and RPU. The administrative cases are identifies as Midcontinent Independent System Operator, Inc., FERC Docket No. ER14-2154-000 and Midcontinent Independent System Operator, Inc., FERC Docket No. ER15-277-000 The closed meeting will occur prusuant to Minnesota Statutes, Section 13D.05, subd.3 (b).

2. 5:00 PM Regular Meeting Silver Lake Plant

The regular board meeting was rescheduled to 5:00 PM at the Silver Lake Plant due to an emergency evacuation of the RPU Service Center. Staff remained at the Service Center to re-direct any meeting participants to SLP.

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	Late	5:15 PM
Mark Browning	Board Member	Present	
Terry Adkins	City Attorney	Present	

3. Approval of Agenda

Motion to: approve the agenda as presented.

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

4. Approval of Minutes

Public Utility Board - Regular Meeting - May 26, 2015 4:00 PM

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

5. Approval of Accounts Payable

A/P Board Listing

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Dave Reichert, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

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.)

President Williams opened up the meeting for public comment.

No one from the public came forward to speak.

Recognition of MMUA Scholarship Winner

Steve Downer, Associate Executive Director of Minnesota Municipal Utilities Association (MMUA) along with the RPU Board, recognized Ellie Ekblad for her winning essay and her award of a \$500 scholarship from the Tom Bovitz Memorial Scholarship contest.

6. Regular Agenda

1. 2015 Infrastructure Update to Electric Utility Baseline Strategy for 2005 – 2030 Electric Infrastructure

Wally Schlink, Director of Power Resources introduced Mike Borgstadt, Manager, Business Consulting who presented the updated 2015 Infrastructure Plan.

- *Mark Browning wanted to know which of the Minnesota Requirements are mandated by law:

 - *Goals for reduced CO₂ emissions*
 - *Renewable energy of 25% by 2025*
 - *Solar energy of 1.5% by 2020*
 - *Conservation currently 1.5% (* currently the only one mandated by law)**
- *Mark Browning would like to see cost information for renewables and the impact on rates. Peter Hogan said they would have some data at the July board meeting.*
- *Michael Wojcik asked about 2031 assumptions and how much will the financial analysis dig into;

 1. *Cost of managing demand*
 2. *Cost of gas*
 3. *Cost of energy storage**
- *Jerry Williams wanted to know the difference between the terms reducing and eliminating our dependence on coal. Mike Borgstadt explained that our SMMPA contract uses coal, in 2030 this is directly eliminated from the RPU portfolio and RPU will rely on a MISO fuel mix which could contain coal.*

- *Dave Reichert said the Peaker will take about 3 years to get up and running and combined cycle will take 5-6 years.*
- *Wally Schlink asked the board to accept the 2015 Infrastructure plan and place on file tonight. At the July board meeting they will be asked for general approval of the 2018 project and start the permit/engineering process.*
- *Michael Wojcik asked about possible energy storage? Wally Schlink replied that the problem right now is that storage retention is short and not a viable option at this time.*

Michael also asked for a staff decision point map to be presented at the July board meeting.

- *Dave Reichert asked about the Mayo Steam contract and if we could support them if they decided not to produce their own power.*
- *Michael Wojcik asked if we could serve a downtown district if required? Wally replied we would change our dates to accommodate these types of changes.*
- *2018 Westside Substation- would likely be Power Resources future location.*
- *Jerry Williams commented that he likes the flexibility of the plan.*
- *Mark Kotschevar commented that the plan is solid, and gives us a basis to go on.*
- *Wally Schlink closed the discussion with said there will be more financial information presented and the board will be asked to approve preliminary engineering at the July Board meeting.*

Resolution: 2015 Infrastructure Update- Accept and Place on File

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to accept the

2015 Infrastructure Plan Update to Electric Utility Baseline Strategy for 2015-2030 and place it on file.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

2. T-Mobile Central LLC Lease Agreement - Viola and Baihly Heights

Mona Hoefft, Buyer, said this was a routine, renegotiated contract that has been approved by the City Attorney.

Resolution: T-Mobile Central LLC Lease Agreement - Viola and Baihly High Level #92

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota,

Minutes Acceptance: Minutes of Jun 30, 2015 4:00 PM (Approval of Minutes)

to approve a lease for the Viola Tower (#98) and Baihly High Level Tower (#92) with:

T-Mobile Central LLC

and authorize the General Manager and City Attorney to approve any minor changes prior to execution by the Mayor and City Clerk.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

- 3. SE Tower - New Cingular Wireless (AT&T) Lease Amendment
Mona Hoefft, Buyer, said this is an amendment that required a minor modification to the lease agreement due to the installation of new equipment.
 Resolution: SE Tower - New Cingular Wireless (AT&T) Lease Amendment
The Board approved the resolution reading as follows:
BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a lease amendment with

New Cingular Wireless PCS, LLC (AT&T) for the SE Tower

and authorize the General Manager and City Attorney to approve any final technical changes prior to execution by the Mayor and City Clerk.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

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

Consideration Of Bids

- 4. Electric Distribution Transformers
Steven Cook, Senior Electrical Engineer, said this is a multi year contract that they would recommend approving with Stuart C. Irby Co. #7347.
 Resolution: Electric Distribution Transformers
The Board approved the resolution, with the addition of adding #7347, reading as follows:
BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with Stuart C. Irby Co.#7347 And authorize the Mayor and the City

Minutes Acceptance: Minutes of Jun 30, 2015 4:00 PM (Approval of Minutes)

Clerk to execute a multi-year agreement for:

Electric Distribution Transformers

The amount of the agreement to be determined by the number and type of transformers purchased over the life of the agreement. The Agreement shall be subject to extension and approval of the RPU annual budget.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

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

5. Silver Lake Dam Repairs

Bill Cook, Director of Field Services, said that the conditions of the Silver Lake Dam have deteriorated since 2009 and costs are not going to decline. The public should not be impacted with this project and we are working with both Park and Recreation and Public Works on this project. Terry Adkins has approved the contract.

- Jerry Williams wanted to comment that the letter from Barr Engineering to Todd Osweiler was very helpful in explaining the variations in bids.
- Mark Kotschevar commented that each year contingency dollars are put into the budget for purposes like this.
- Mark Browning asked if there was an estimated life of the Dam? Bill Cook replied that there is really not.

Resolution: Silver Lake Dam Repairs

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with JF Brennan Co. Inc. and authorize the Mayor and the City Clerk to execute the agreement for

Silver Lake Dam Repair Services with JF Brennan Co, Inc.

The amount of the contract agreement to be Seven Hundred Forty Seven Thousand, Seven Hundred Fifty and 00/100 dollars (\$747,750.00) plus a 15% contingency of \$112,162.50 to address any unexpected conditions. Existing approval structure and authorization levels will apply to contingency. Total approval request is Eight Hundred Fifty Nine Thousand, Nine Hundred Twelve and 50/100 DOLLARS (\$859,912.50).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

Minutes Acceptance: Minutes of Jun 30, 2015 4:00 PM (Approval of Minutes)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Dave Reichert, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

6. Professional Services Agreement- Substation Engineering

Randy Anderton, Senior Electrical Engineer, said this agreement is for a new electric substation being planned at the request of a customer, EPIC. The proposed substation, located at the intersection of the Douglas Trail and West Circle Drive NW will provide dedicated redundant electric capacity of two transformers for Epic data center loads. An MOU is being drafted with EPIC along with an escrow agreement for engineering services.

- *Sidney Jackson, Director of Core Services said the project is not budgeted but is an expedited capital project request.*
- *Jerry Williams asked if the permitting and proper zoning has been discussed? Yes there have been permit and zoning discussions, and Neil Stiller added that there are some possible storm water plan adjustments.*
- *Terry Adkins asked about the status of the escrow agreement with the requested changes? The resolution does state that it is pending review by both the General Manager and the City Attorney.*
- *Mark Kotschevar said they are asking for approval for the design of the project at this time. The MOU will come to the board later for approval of the actual project.*

Resolution-Professional Services Agreement- Substation Engineering

The Board approved the revised resolution with the City Attorney's addition of; will completely fund to the resolution, reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Professional Services Agreement with Ulteig Engineers Inc. And that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Professional Services Agreement- Substation Engineering

RPU management and staff requests the Board approve a purchase order with Ulteig Engineers Inc. In the amount of Six Hundred Thousand, Five Hundred Fifty 00/100 dollars (\$600,550.00), contingent upon final approval of an escrow agreement by the RPU General Manager and City Attorney that will completely fund this amount from the escrow account.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

RESULT:	ADOPTED [4 TO 0]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Roger Stahl, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Roger Stahl
ABSTAIN:	Mark Browning

7. NERC CIP V5 Security Compliance and Management Program

Sidney Jackson, Director of Core Services, said the NERC CIP V5 Security Compliance is enforceable starting April 1, 2016. This was a budgeted project included in the 2015 budget but the project came in well above the budgeted amount. We will use other budgeted project dollars to fund this project as it is a NERC requirement with severe penalties for non-compliance.

Resolution: NERC CIP V5 Security Compliance and Management Program

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Professional Services Agreement with Corporate Risk Solutions, Inc, and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

NERC CIP Consulting Services

The amount of the Professional Services Agreement to be Two Hundred Sixty Four Thousand Nine Hundred Two and 00/100 dollars (\$264,092.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

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

7. General Managers Report

Mark Kotschevar, RPU General Manager gave his report to the Board. At the last SMMPA board meeting the Agency agreement was discussed for possible amendment. These amendments to the agency agreement would need to be approved by the Board and the City Council.

8. Division Reports & Metrics

- Michael Wojcik wanted to know if our rate track was still in line with the Infrastructure plan? The three year rate track is still in line, and this will be included in the discussion of the financials at the July board meeting.
- Lake Zumbro Dredging, is there a value to RPU? What are the fiscal impacts? We have a responsibility to protect our asset for the hydro dam.

9. Adjourn

10. Board Study Session immediately following the board meeting

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>

Submitted by:

Secretary

Approved by the Board

Board President

Date

Minutes Acceptance: Minutes of Jun 30, 2015 4:00 PM (Approval of Minutes)

ACCOUNTS PAYABLE

Meeting Date: 7/28/2015

SUBJECT: AP Board Listing

PREPARED BY: Mary Borgschatz

Please approve

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

1	<u>Greater than 50,000 :</u>		
2			
3	SOUTHERN MN MUNICIPAL POWER A	SMMPA contract power purchases	7,912,077.06
4	XCEL ENERGY CORP	CapX - LaCrosse Project CMA	1,210,149.49
5	HOOPER CORPORATION	Chester Electrical Contract	475,638.00
6	MN DEPT OF REVENUE	May Sales and Use Tax	453,944.31
7	MN DEPT OF REVENUE	June Accelerated Sales Tax	380,000.00
8	GRANGRUTH RORY A	Baihly High Tower Painting Tank Repair	208,880.00
9	CONSTELLATION NEWENERGY-GAS D	SLP Pilot and Boiler Gas	169,811.49
10	STUART C IRBY CO INC	Wire, AL, 15kV, 1/0 Solid, 1/C, Jacketed	114,893.12
11	JENNINGS, STROUSS & SALMON PL	2015 Legal Fees	78,824.20
12	ELCOR CONSTRUCTION INC	Watermain Replacement	68,154.00
13	MASTEC NORTH AMERICA INC	2015 Directional Boring/Misc Excavation	55,037.90
14			
15		Price Range Total:	11,127,409.57
16			
17	<u>5,000 to 50,000 :</u>		
18			
19	WRIGHT TREE SERVICE INC	2015 Hourly Tree Contract~	42,722.99
20	BILLTRUST dba	Credit Card/Billing/Mailing/IVR Services	40,158.60
21	PEOPLES ENERGY COOPERATIVE (P)	Services Compensable to PCPA 06/01/2015-	33,336.85
22	THE ENERGY AUTHORITY INC	TEA Resource Fee	29,449.76
23	SPARTA CONSULTING INC	2015 SAP Application Support	29,120.00
24	EMERGENT NETWORKS LLC	2015 CommVault Support	28,402.16
25	NELSON AUTO CENTER	2015 GMC Sierra 2500 TK25953 (V565)	28,313.90
26	NELSON AUTO CENTER	2015 GMC Sierra 2500 TK25953 (V558)	27,910.15
27	BLUESPIRE STRATEGIC MARKETING	2015 RPU Plugged In Contract	27,637.34
28	NELSON AUTO CENTER	2015 GMC Sierra 1500 TK15753 (V553)	26,853.12
29	VISION COMPANIES LLC (P)	Org Strategy	26,475.00
30	DAKOTA SUPPLY GROUP	Meter, FM2S CL200 240V AMR	22,956.75
31	CORPORATE RISK SOLUTIONS INC	NERC CIP 5 Gap Analysis	22,535.07
32	MN DEPT OF COMMERCE	CIP Fees	20,338.58
33	BADGER METER INC (P)	HRE Badger M-25 100W Itron ERT Integral	17,400.00
34	NOVASPECT INC	Guardian Support One Year	17,335.40
35	MINNESOTA ENERGY RESOURCES CO	SLP Pilot and Boiler Gas	14,835.59
36	SPECTRUM REACH	Service Assured TV spot	14,289.00
37	U S ALLIANCE GROUP	Credit Card Processing Fees, June 2015	13,776.51
38	S L CONTRACTING INC	Assist with main break repair	12,910.00
39	McGRANN SHEA CARNIVAL STRAUGH	Legislative, 2nd Qtr 2015	12,500.00
40	WESCO DISTRIBUTION INC	P/C, 120V-305V, 20 yr	12,183.75
41	VERIZON WIRELESS	2015 Cell & Ipad Monthly Service	11,688.26
42	UTILITY FINANCIAL SOLUTIONS L	Water Cost of Service Study	10,340.00
43	CRESCENT ELECTRIC SUPPLY CO	Wire, ACSR, 1/0, 6/1, XLP, Almond	9,112.16
44	NOVASPECT INC	PowerEdge Tower Server	8,918.72
45	STEVE BENNING ELECTRIC	Cap Budget Manual Switch Gear	8,444.00
46	SPECTRUM REACH	Electric Safety TV Spots	8,377.50
47	WELLS FARGO BANK ACCT ANALYSI	2015 Banking Services	8,258.87
48	NOVASPECT INC	Precision T3600 Minitower Workstation	7,994.25
49	CHS ROCHESTER	Monthly Fuel Invoice	7,848.80
50	CONSOLIDATED COMMUNICATIONS d	Horizon Advanced VDI Software	7,632.61
51	HOOPER CORPORATION	CO #1 additional rock excavation	7,102.51
52	BAIER GERALD	DR Site Parking Lot Installation	6,850.00

Attachment: AP Board CRMO (4192 : AP Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

53	CARDINAL STRITCH UNIVERSITY	CIP Conserve & Save Rebates	6,363.00
54	CITY OF ROCHESTER	City Attorney Services, April - June 201	6,250.00
55	STUART C IRBY CO INC	Metal Sec. Encl, 3ph, 30" x 67" x 22"	6,166.69
56	SOMA CONSTRUCTION INC	crushed rock for main break repairs	6,143.76
57	XYLO TECHNOLOGIES INC	David McCollister - Field Svcs/GIS	6,080.00
58	ARNOLDS SUPPLY & KLEENIT CO (	2014-2015 SC Monthly Cleaning Services	5,887.74
59	MN PIPE & EQUIPMENT	Hydrant, 6 ft 6 in	5,617.36
60	DOYLE CONNER CO INC (P)	Concrete repair of driveway to fire stat	5,520.00
61	XYLO TECHNOLOGIES INC	2015 Dominic Avila - Corp Svcs/IS	5,436.00
62	DELL MARKETING LP	OptiPlex 9020 Mini tower, 8GB memory	5,392.65
63	D P C INDUSTRIES INC	2015 Hydrofluorosilicic Acid - Delivered	5,251.62
64	PITNEY BOWES PURCHASE POWER	postage	5,045.00
65	FEDA DAN	CIP Conserve & Save Rebates	5,000.00
66			
67		Price Range Total:	698,162.02
68			
69	<u>1,000 to 5,000 :</u>		
70			
71	STUART C IRBY CO INC	Cutout, 15KV, 100A, NLB, Poly	4,956.70
72	GRAYBAR ELECTRIC COMPANY INC	Wire in Duct, AL, 600V, 1/0-#2 Tri Urd	4,928.82
73	MAYO FOUNDATION	CIP Conserve & Save Rebates	4,796.00
74	MN DEPT OF COMMERCE	Energy Facility Permitting Fee	4,692.26
75	MEGGER (P)	EZ Restore Upgrade S/N 032-0708-001	4,425.00
76	VIKING ELECTRIC SUPPLY INC	Cable Pulling Lube	4,350.88
77	ZUBKE CHAD	CIP Conserve & Save Rebates	4,340.00
78	MAYO CLINIC	CIP Conserve & Save Rebates	4,296.00
79	CITY OF ROCHESTER	Workers Comp	4,260.77
80	CANNON ELECTRIC MOTOR dba	Motor repair - starter winding	4,230.00
81	TWIN CITY SECURITY INC	Security Services April-Oct 2015	4,126.44
82	ULTEIG ENGINEERS INC	Baihly Handrail Design	4,048.00
83	NALCO COMPANY	DI Vessels, Anion, CC	4,039.88
84	NOVASPECT INC	PowerEdge Tower Server	4,007.81
85	ENGINEERED PUMP SERVICES	Pump Inspection & Repair	4,000.00
86	CHS ROCHESTER	Monthly Fuel Invoice	3,965.22
87	WORKS COMPUTING INC	HP Proliant DL360 Server Gen9 8SFF	3,935.06
88	NALCO COMPANY	Nalco, 7293, Resin-Rinse (DEMIN)	3,912.30
89	CITY OF ROCHESTER	PERA back pay	3,772.22
90	IDEXX DISTRIBUTION CORP	Colilert, 100ml	3,609.20
91	D P C INDUSTRIES INC	2015 Carus 8500 Aqua Mag Kjell F35	3,569.70
92	ARNOLDS SUPPLY & KLEENIT CO (	2015 Mowing Services Well Houses	3,555.00
93	WORKS COMPUTING INC	HP Proliant DL360 Server Gen9 4LFF	3,545.48
94	COMPREHENSIVE LOSS MANAGEMENT	ResourceNOW Safety Training License	3,450.00
95	CITY OF ROCHESTER	CIP Conserve & Save Rebates	3,434.00
96	CUSTOM COMMUNICATIONS INC	Claim, Public Library	3,409.65
97	MASTEC NORTH AMERICA INC	Extension - FDR 160 ashland dr nw	3,362.30
98	SPARTA CONSULTING INC	2015 SAP Application Support Travel Exp	3,297.31
99	BORDER STATES ELECTRIC SUPPLY	Meter, FM2S CL200 240V AMR W/DISCONNECT	3,291.75
100	WESCO DISTRIBUTION INC	Luminaire, 250W HPS, PC, 120-480V	3,253.28
101	MASTEC NORTH AMERICA INC	new service - Nicholas apts Center St W	3,247.00
102	WHKS & CO	Reimbursables - SE Water Tower	3,217.54
103	QUANTITATIVE MARKET INTELLIGE	2015 Qtly Customer Satisfaction Survey	3,206.25
104	CRESCENT ELECTRIC SUPPLY CO	Wire, ACSR, 1/0, 6/1, XLP, Almond	3,037.38

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

105	KATS COMPANY LLC	Water SA service repair /1108 4 ave se	3,000.00
106	KATS COMPANY LLC	Water SA service repair 1055 Plummer cir	3,000.00
107	CRESCENT ELECTRIC SUPPLY CO	Wire, Copper, 4/0 Str, Bare, 19 Str.	2,985.02
108	BORDER STATES ELECTRIC SUPPLY	Elbow, 15kV, 200A, LB, 1/0 Sol, 175-220Mil	2,886.00
109	MADSEN BRIAN	2014-2015 Printer Maintenance contract	2,838.60
110	PITNEY BOWES GLOBAL FINANCIAL	Insertor and Mailing System Lease	2,759.65
111	SPRINGSTED INC	Final Arbitrage Calc, 2005A Note Payable	2,750.00
112	CITY OF ROCHESTER	Works Comp Reinsurance, 3rd installment	2,738.24
113	PAYMENT REMITTANCE CENTER	Travel, Ferc Settlement, Hotel, Kotschev	2,716.40
114	D P C INDUSTRIES INC	2015 Chlorine, 150 lb Cyl	2,671.50
115	DOYLE CONNER CO INC (P)	Concrete restoration after valve repairs	2,660.00
116	STUART C IRBY CO INC	Arrester, 10kV, Dist, Elbow MOV	2,650.50
117	FORBROOK LANDSCAPING SERVICES	Landscaping services at tower site 91	2,641.42
118	ADVANTAGE DIST LLC (P)	Hydraulic oils, anti freeze	2,600.66
119	MASTEC NORTH AMERICA INC	directional bore Cnty rd 16 Road project	2,596.00
120	BURNDY LLC	Hydraulic crimper tool trade-in	2,563.31
121	GRAYBAR ELECTRIC COMPANY INC	Wire, Copper, 600V, 12-2 Solid w/Grd, UF	2,561.58
122	KATS COMPANY LLC	Service excavation 5379 Scenic oaks	2,500.00
123	BADGER METER INC (P)	Meter, Bare 3" Badger T-450 Round Flange	2,468.81
124	STUART C IRBY CO INC	Wire, AL, 600V, #2-#4 ACSR NEU Tri	2,385.45
125	ELECTRIC SCIENTIFIC CO INC	Semi-annual Maintenance (Turbine / Generator)	2,321.25
126	SHORT ELLIOTT HENDRICKSON INC	Sprint 2.5 North Park Ant Site Review~	2,312.80
127	CHS ROCHESTER	Diesel Fuel	2,257.58
128	AMERICAN ENGINEERING TESTING	Soil Boring/Geotech	2,254.00
129	WHITEWATER WIRELESS INC	Recording Server	2,244.38
130	R&D ENTERPRISES	* Customer Refund - CCS 300000508677	2,241.12
131	FAIRWAY OUTDOOR FUNDING LLC	2015 Digital Billboard Contract	2,200.00
132	CONSOLIDATED COMMUNICATIONS d	Horizon Advanced VDI Maintenance	2,181.58
133	DELL MARKETING LP	Latitude 15 5000 Series PC, 8GB	2,174.42
134	WORKS COMPUTING INC	HP Proliant DL360 Server Support	2,172.92
135	NALCO COMPANY	Nalco, PC-191T.12 Antiscale (DEMIN)	2,159.04
136	BADGER METER INC (P)	Meter, Bare 2" Badger Disc	2,107.58
137	SORENSEN & SORENSEN PAINTING	SL Pole, Painting	2,100.00
138	BURNS & MCDONNELL INC	Engineering Services Q5 Modifications	2,090.33
139	BADGER METER INC (P)	Strainer, Bronze Plate. 2" Round Flange	2,084.06
140	ALL SYSTEMS INSTALLATION INC	Camera PTZ install	2,006.04
141	BAIER GERALD	2015-2016 Sweeping Services Jan-December	2,003.91
142	MN PIPE & EQUIPMENT	Material used for valve replacement	1,962.02
143	NELSON AUTO CENTER	License, Tax & Registration (V565)	1,951.15
144	VISION COMPANIES LLC (P)	Consulting Services	1,950.00
145	NELSON AUTO CENTER	License, Tax & Registration (V558)	1,924.91
146	BURNDY LLC	Hydraulic head tool trade-in	1,907.92
147	KATS COMPANY LLC	Water SA service repair / 315 7 ave nw	1,900.00
148	INSTITUTE FOR ENVIRONMENTAL	Asbestos Project Management	1,890.00
149	HAWK & SON'S INC	Crane and operators to remove Q9 transmi	1,870.00
150	NELSON AUTO CENTER	License, Tax & Registration (V553)	1,856.20
151	GRAYBAR ELECTRIC COMPANY INC	Conn, CRP SL, #4-2/0 CU only	1,843.59
152	AFFILIATED CREDIT SERVICES IN	2015 Third Party Collections	1,841.13
153	TSP INC	SC Concrete Repair Project	1,831.25
154	DOYLE CONNER CO INC (P)	Concrete street repair due to break 4 st	1,700.00
155	PAYMENT REMITTANCE CENTER	Travel, VMWorld, SF, C Voss, Registratio	1,695.00
156	BADGER METER INC (P)	Meter, Bare 1" Badger Disk	1,692.90

Attachment: AP Board CRMO (4192 : AP Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

157	ONLINE INFORMATION SERVICES I	2015 Utility Exchange Report	1,683.90
158	STUART C IRBY CO INC	Pedestal Cover, Box Style, FG	1,667.25
159	GREAT RIVER ENERGY	CapX Vision Team - O&M	1,633.41
160	ARNOLDS SUPPLY & KLEENIT CO (	2015 Mowing Services Substations	1,625.57
161	RESCO	Crossarm, Wood, 8' HD	1,612.74
162	S L CONTRACTING INC	Drive & Sidewalk repair due to service l	1,581.00
163	BORDER STATES ELECTRIC SUPPLY	Trans Pad, Black Plastic	1,548.41
164	WESCO DISTRIBUTION INC	Arrester, 10kV, Dist, OH MOV	1,543.28
165	G A ERNST & ASSOCIATES INC	NEC Audits	1,508.50
166	PUGLEASA COMPANY INC	2015 Annual Inspections and Maintenance	1,469.00
167	GOPHER STATE ONE CALL	Gopher one calls - elec	1,431.20
168	GOPHER STATE ONE CALL	Gopher one calls - water	1,431.20
169	DELL MARKETING LP	Flat Panel Monitor w/3-yr warranty, 22"	1,403.90
170	ULTEIG ENGINEERS INC	Q6 Relocation for 55 St Ext @ Broadway	1,385.79
171	STUART C IRBY CO INC	Pedestal Base, Secondary, FG, w/o Cover	1,380.00
172	BORDER STATES ELECTRIC SUPPLY	Metal Sec. Encl, 3ph, 30" x 78" x 22"	1,365.08
173	LIFELINE INCORPORATED	Zoll AED Plus	1,350.00
174	UNITED RENTALS INC	Excavator 50 AVE SE	1,348.66
175	BORDER STATES ELECTRIC SUPPLY	Conn, Trans, 1/0-1000, 6-Tap, Bare	1,342.91
176	CITY OF ROCHESTER	Medical	1,325.88
177	ENVENTIS	2014-2017 Monthly Data Services	1,301.56
178	SARGENTS LANDSCAPE NURSERY IN	Yard restoration due to main break repai	1,295.21
179	BADGER METER INC (P)	HRE Badger 2" T200 100W Itron ERT 5' Lead	1,290.00
180	STUART C IRBY CO INC	2015 Rubber Goods Testing & Replacement	1,287.79
181	HUGHES BROTHERS	Pole Top Pin, 1.50" x 15.0", FG	1,282.77
182	WESCO DISTRIBUTION INC	Conn, Fire-On Stirrup, 336.4, ACSR	1,282.50
183	CITY OF ROCHESTER	Berkley, WC Admin, May	1,282.00
184	GRAINGER INC	Motor - Repair Heat Pump #1	1,278.33
185	GALVANIZERS INC	steel sheet CH15-P-121 part "N"	1,274.16
186	NOVASPECT INC	Optiplex 7010	1,269.68
187	K A A L TV LLC	Advertising spots	1,255.00
188	BORDER STATES ELECTRIC SUPPLY	Clamp, Hot Tap, 2/0 - #8	1,242.42
189	KOCER BARBARA	CIP Conserve & Save Rebates	1,200.00
190	SARGENTS LANDSCAPE NURSERY IN	Landscaping supplies - SC	1,176.84
191	ENVENTIS	2014-2017 Collocation Agreement	1,169.07
192	CONSOLIDATED COMMUNICATIONS d	2014-2017 Total Care Support	1,135.00
193	ROCH SIGN SERVICE INC	Stickers, RPU Door Signs, 11" x 20"	1,122.19
194	ST LUKES EPISCOPAL CHURCH	CIP Conserve & Save Rebates	1,112.38
195	BADGER METER INC (P)	Meter, Bare 1-1/2" Badger Disc	1,090.13
196	S L CONTRACTING INC	Concrete repairs	1,086.00
197	SMS SYSTEMS MAINTENANCE SERVI	2015 Server Maintenance	1,072.99
198	DELL MARKETING LP	Wyse zero client for VMware 5020-P25	1,071.60
199	STEVE BENNING ELECTRIC	Installation of manual switch gear	1,060.00
200	BORDER STATES ELECTRIC SUPPLY	Deadend Recept, 15kV, 200A, LB	1,052.51
201	GENERAL REPAIR SERVICE	Grundfos pump, 1.5HP	1,052.00
202	ROCHESTER ARMORED CAR CO INC	2014/15 Pick Up Services May-April	1,041.89
203	ELECTRICAL CONSULTANTS INC (P	Engineering analysis of Q3 for fiber UB	1,025.50
204	KRAMER MARY	CIP Conserve & Save Rebates	1,025.00
205	REGIONAL CONCRETE CUTTING INC	Cut Q9 Pole for Removal, Valleyhigh Road	1,000.00
206			
207		Price Range Total:	313,741.62
208			

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ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

209 **0 to 1,000 :**

210			
211	REBATES	Summarized transactions: 170	26,815.82
212	EXPRESS SERVICES INC	Summarized transactions: 23	16,023.69
213	PAYMENT REMITTANCE CENTER	Summarized transactions: 56	10,552.26
214	Customer Refunds (CIS)	Summarized transactions: 84	7,851.22
215	MN PIPE & EQUIPMENT	Summarized transactions: 26	7,106.06
216	STUART C IRBY CO INC	Summarized transactions: 32	6,154.60
217	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 26	5,013.23
218	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 40	4,385.22
219	CINTAS CORP	Summarized transactions: 91	4,236.23
220	S L CONTRACTING INC	Summarized transactions: 4	2,971.00
221	U S A SAFETY SUPPLY	Summarized transactions: 16	2,545.70
222	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 19	2,505.83
223	USA BLUE BOOK DBA	Summarized transactions: 11	2,309.73
224	CITY OF ROCHESTER	Summarized transactions: 9	2,291.51
225	TRUCKIN' AMERICA	Summarized transactions: 8	2,056.05
226	DAVIES PRINTING COMPANY INC	Summarized transactions: 6	2,007.69
227	WESCO DISTRIBUTION INC	Summarized transactions: 6	1,878.06
228	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 35	1,854.12
229	DELL MARKETING LP	Summarized transactions: 10	1,826.20
230	NAPA AUTO PARTS (P)	Summarized transactions: 56	1,741.73
231	DAKOTA SUPPLY GROUP	Summarized transactions: 10	1,717.25
232	ON SITE SANITATION INC	Summarized transactions: 16	1,662.67
233	ARNOLDS SUPPLY & KLEENIT CO (	Summarized transactions: 8	1,633.23
234	MED CITY COLLISION INC	Summarized transactions: 4	1,524.06
235	MN MUNICIPAL UTILITIES ASSN C	Summarized transactions: 6	1,440.00
236	CITY OF ROCHESTER	Summarized transactions: 3	1,422.38
237	STEVE BENNING ELECTRIC	Summarized transactions: 2	1,397.89
238	THE PARK AND FACILITIES	Summarized transactions: 6	1,379.76
239	THERMO FISHER SCIENTIFIC INC.	Summarized transactions: 5	1,352.98
240	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 8	1,328.50
241	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 2	1,230.00
242	LAWSON PRODUCTS INC (P)	Summarized transactions: 9	1,223.78
243	MEGGER (P)	Summarized transactions: 3	1,202.27
244	METRO SALES INC	Summarized transactions: 3	1,172.91
245	GRAINGER INC	Summarized transactions: 16	1,146.23
246	NALCO COMPANY	Summarized transactions: 10	1,143.22
247	J & W INSTRUMENTS INC (P)	Summarized transactions: 5	1,099.05
248	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 27	1,080.14
249	HIGHLAND PRODUCTS GROUP LLC	Summarized transactions: 4	1,051.65
250	CONNEY SAFETY PRODUCTS LLC	Summarized transactions: 3	1,051.10
251	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 8	1,015.85
252	WINKELS ELECTRIC INC	Summarized transactions: 1	979.88
253	PAAPE ENERGY SERVICE INC	Summarized transactions: 1	967.22
254	SHORT ELLIOTT HENDRICKSON INC	Summarized transactions: 3	966.16
255	IHEART MEDIA dba	Summarized transactions: 1	954.00
256	SHI INTERNATIONAL CORP (P)	Summarized transactions: 1	911.64
257	FERGUSON ENTERPRISES INC #165	Summarized transactions: 2	906.43
258	OPEN ACCESS TECHNOLOGY	Summarized transactions: 1	881.70
259	UNITED RENTALS INC	Summarized transactions: 7	864.57
260	TWIN CITY SECURITY INC	Summarized transactions: 1	825.29

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ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

261	HEWLETT PACKARD CO INC	Summarized transactions: 1	810.65
262	WORKS COMPUTING INC	Summarized transactions: 3	805.16
263	HALO BRANDED SOLUTIONS	Summarized transactions: 4	789.14
264	NOVASPECT INC	Summarized transactions: 4	774.87
265	FEDEX FREIGHT INC	Summarized transactions: 2	773.75
266	CENTURYLINK	Summarized transactions: 3	746.95
267	MITSUBISHI ELECTRIC POWER PRO	Summarized transactions: 4	733.68
268	GOSSMAN JOSEPH	Summarized transactions: 9	710.75
269	ALTEC INDUSTRIES INC	Summarized transactions: 2	679.29
270	BADGER METER INC (P)	Summarized transactions: 14	669.29
271	AUTHORIZE.NET	Summarized transactions: 1	658.75
272	CINTAS CORP	Summarized transactions: 4	641.84
273	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 6	632.27
274	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 2	600.00
275	REBATES	Summarized transactions: 20	600.00
276	HACH COMPANY	Summarized transactions: 2	596.07
277	SPECTRUM REACH	Summarized transactions: 2	578.85
278	IDEXX DISTRIBUTION CORP	Summarized transactions: 3	571.38
279	INSTY PRINTS ROCHESTER (P)	Summarized transactions: 2	561.95
280	POMPS TIRE SERVICE INC	Summarized transactions: 2	549.56
281	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 11	548.84
282	HICKS ELECTRIC INC	Summarized transactions: 1	545.15
283	FASTENAL COMPANY	Summarized transactions: 20	535.04
284	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 3	531.42
285	MN MUNICIPAL POWER AGENCY	Summarized transactions: 1	516.50
286	JACKSON SIDNEY	Summarized transactions: 4	506.61
287	CORPORATE WEB SERVICES INC	Summarized transactions: 2	500.85
288	OLMSTED LAND GROUP LLC	Summarized transactions: 1	500.00
289	WINKELS ELECTRIC INC	Summarized transactions: 2	495.00
290	NETWORK SERVICES COMPANY	Summarized transactions: 3	494.38
291	R D O - POWERPLAN OIB	Summarized transactions: 2	493.23
292	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 9	490.27
293	N A F A INC	Summarized transactions: 1	489.00
294	TONNA MECHANICAL INC	Summarized transactions: 1	486.74
295	A T & T	Summarized transactions: 1	462.98
296	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 6	450.46
297	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 4	447.79
298	BLUESPIRE STRATEGIC MARKETING	Summarized transactions: 2	442.86
299	WIDSETH SMITH NOTLING & ASSOC	Summarized transactions: 1	416.00
300	AMERICAN PAYMENT CENTER	Summarized transactions: 1	413.00
301	ALDEN POOL & MUNICIPAL SUPPLY	Summarized transactions: 2	410.40
302	McGRANN SHEA CARNIVAL STRAUGH	Summarized transactions: 2	402.00
303	ALTAEAST LLC	Summarized transactions: 1	400.00
304	ESSENTRA COMPONENTS dba	Summarized transactions: 5	392.49
305	FRONTIER	Summarized transactions: 1	388.08
306	DAKOTA SUPPLY GROUP	Summarized transactions: 4	387.96
307	WHITewater WIRELESS INC	Summarized transactions: 1	379.19
308	WARNING LITES OF MN INC	Summarized transactions: 1	378.20
309	MENARDS ROCHESTER NORTH	Summarized transactions: 4	363.04
310	OLSEN CHAIN & CABLE CO INC	Summarized transactions: 5	362.33
311	CENTER FOR ENERGY AND ENVIRON	Summarized transactions: 1	355.91
312	MN SUPPLY COMPANY INC	Summarized transactions: 3	354.11

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ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

313	ALL SYSTEMS INSTALLATION INC	Summarized transactions: 2	351.98
314	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 1	351.69
315	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 2	347.08
316	THOMPSON GARAGE DOOR CO INC	Summarized transactions: 1	340.00
317	CENTURYLINK	Summarized transactions: 1	325.95
318	BOB GANDER PLUMBING & HEATING	Summarized transactions: 2	311.90
319	THERMO BOND BULDINGS LLC	Summarized transactions: 2	307.80
320	BURNDY LLC	Summarized transactions: 2	307.40
321	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 2	295.64
322	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 5	293.72
323	PUGLEASA COMPANY INC	Summarized transactions: 1	287.81
324	CULLIGAN OF ROCHESTER INC	Summarized transactions: 2	278.70
325	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	278.00
326	GARCIA GRAPHICS INC	Summarized transactions: 6	274.26
327	KOSHIRE LARRY J	Summarized transactions: 2	273.69
328	VIKING BUICK GMC INC	Summarized transactions: 2	273.39
329	PULVER MOTOR SERVICE	Summarized transactions: 1	267.19
330	MIDCONTINENT ISO INC	Summarized transactions: 1	265.30
331	MERIT CONTRACTING INC (P)	Summarized transactions: 1	263.34
332	IDVILLE	Summarized transactions: 2	251.86
333	HAWKINS INC	Summarized transactions: 2	250.24
334	POWER PROCESS EQUIPMENT INC (	Summarized transactions: 4	247.01
335	CANON SOLUTIONS AMERICA INC	Summarized transactions: 3	237.93
336	IRON MOUNTAIN DBA	Summarized transactions: 1	233.14
337	EMEDCO INC	Summarized transactions: 11	230.91
338	FIRST SUPPLY (P)	Summarized transactions: 3	225.13
339	THERMO BOND BULDINGS LLC	Summarized transactions: 1	224.44
340	SWAGELOK MN INC (P)	Summarized transactions: 1	210.54
341	NU-TELECOM dba	Summarized transactions: 1	208.70
342	WHKS & CO	Summarized transactions: 1	205.22
343	FEDEX	Summarized transactions: 8	205.19
344	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 2	204.95
345	CDW GOVERNMENT INC	Summarized transactions: 2	203.76
346	AFFILIATED GROUP INC	Summarized transactions: 1	200.40
347	ADVANTAGE DIST LLC (P)	Summarized transactions: 2	189.00
348	AMER WATER WORKS ASSN	Summarized transactions: 1	187.00
349	SCHMIDT GOODMAN OFFICE PRODUC	Summarized transactions: 3	176.50
350	ROCH SIGN SERVICE INC	Summarized transactions: 4	174.12
351	STRUVES PAINT & DECORATING (P	Summarized transactions: 2	172.97
352	FIEK STEVEN	Summarized transactions: 2	170.86
353	BENNETT PETER	Summarized transactions: 2	170.86
354	BLACKBURN MANUFACTURING CO	Summarized transactions: 2	170.40
355	GOODIN COMPANY	Summarized transactions: 3	170.09
356	NEW PIG CORPORATION	Summarized transactions: 3	167.64
357	RESCO	Summarized transactions: 2	167.20
358	SUTTON JEREMY	Summarized transactions: 2	166.35
359	OLM COUNTY PROPERTY RECORDS	Summarized transactions: 3	150.00
360	MN DEPT OF NATURAL RESOURCES	Summarized transactions: 1	150.00
361	ALL SEASONS POWER & SPORT INC	Summarized transactions: 1	147.47
362	BEST BUY BUSINESS ADVANTAGE d	Summarized transactions: 4	145.76
363	SHERWIN WILLIAMS CO	Summarized transactions: 4	145.56
364	SORENSEN & SORENSEN PAINTING	Summarized transactions: 1	144.38

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ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

365	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 4	142.94
366	TAILGATER INC	Summarized transactions: 2	137.74
367	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 1	133.52
368	JOHNSON PRINTING CO INC	Summarized transactions: 2	131.46
369	TEREX UTILITIES INC	Summarized transactions: 2	125.65
370	JASPER ENGINEERING & EQUIP CO	Summarized transactions: 3	116.48
371	FCX PERFORMANCE INC	Summarized transactions: 2	114.47
372	LIFELINE INCORPORATED	Summarized transactions: 2	113.92
373	NAPA AUTO PARTS (P)	Summarized transactions: 1	111.41
374	THOMAS TOOL & SUPPLY INC	Summarized transactions: 2	100.81
375	MENARDS ROCHESTER SOUTH	Summarized transactions: 3	99.26
376	DEX MEDIA	Summarized transactions: 1	99.00
377	MENARDS ROCHESTER NORTH	Summarized transactions: 3	97.40
378	WRIGHTS SMALL ENGINE SERVICE	Summarized transactions: 1	95.92
379	CANADIAN HONKER RESTAURANT &	Summarized transactions: 2	92.29
380	BLACKBURN MANUFACTURING CO	Summarized transactions: 2	91.06
381	GALVANIZERS INC	Summarized transactions: 1	87.60
382	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
383	HUGHES BROTHERS	Summarized transactions: 1	84.61
384	KELLY SHAWN	Summarized transactions: 1	80.00
385	AFFILIATED CREDIT SERVICES IN	Summarized transactions: 1	78.28
386	LORTON DATA INC	Summarized transactions: 1	78.17
387	FOLKERT JOHN	Summarized transactions: 1	78.00
388	OLUFSON CHARLES	Summarized transactions: 1	78.00
389	PETERSON FRANK	Summarized transactions: 1	78.00
390	ASHRAE	Summarized transactions: 1	75.00
391	JIM WHITING NURSERY/GARDEN CT	Summarized transactions: 1	74.79
392	A T & T	Summarized transactions: 2	73.93
393	POST BULLETIN CO	Summarized transactions: 1	69.12
394	KOTSCHERVAR MARK	Summarized transactions: 1	66.70
395	C & N UPHOLSTERY	Summarized transactions: 1	65.00
396	HATHAWAY TREE SERVICE INC	Summarized transactions: 2	65.00
397	AGRICULTURAL WEATHER INFO SER	Summarized transactions: 1	65.00
398	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	64.18
399	GARCIA GRAPHICS INC	Summarized transactions: 2	62.50
400	HIAWATHA VALLEY FARM STORE IN	Summarized transactions: 1	61.72
401	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 3	54.06
402	TSP INC	Summarized transactions: 1	53.59
403	GENERAL REPAIR SERVICE	Summarized transactions: 1	50.97
404	BATTERIES PLUS	Summarized transactions: 3	42.72
405	LARSON GUSTAVE A COMPANY INC	Summarized transactions: 1	42.26
406	BROCK WHITE COMPANY LLC	Summarized transactions: 1	39.17
407	WIESER PRECAST STEPS INC (P)	Summarized transactions: 1	37.41
408	D P C INDUSTRIES INC	Summarized transactions: 1	36.90
409	REINDERS INC	Summarized transactions: 3	36.46
410	DZUBAY TONY	Summarized transactions: 1	30.64
411	LOGANS TREE SERVICE & RECYCLI	Summarized transactions: 1	30.00
412	OLM COUNTY CENTRAL FINANCE	Summarized transactions: 1	28.80
413	FEDEX	Summarized transactions: 2	26.35
414	CARQUEST AUTO PARTS	Summarized transactions: 2	17.07
415	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	11.99
416	FASTENAL COMPANY	Summarized transactions: 1	8.16

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ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 06/15/2015 To 07/14/2015

Consolidated & Summarized Below 1,000

417	ZIEGLER INC	Summarized transactions: 1	8.15
418	ENVENTIS	Summarized transactions: 1	3.00
419			
420		Price Range Total:	191,313.60
421			
422		Grand Total:	12,330,626.81

Attachment: AP Board CRMO (4192 : AP Board Listing)

REQUEST FOR COUNCIL ACTION

MEETING DATE:
7/28/2015

AGENDA SECTION:
Informational

ORIGINATING DEPT:
Public Utility Board

ITEM DESCRIPTION:
Results of the recent Strategic Customer Survey by Great Blue Research

PREPARED BY:
Lisa Stellmaker

Great Blue Research will present the results of the customer survey.

COUNCIL ACTION REQUESTED:

Informational only. No action requested.

FOR BOARD ACTION

Agenda Item # (ID # 4193)

Meeting Date: 7/28/2015

SUBJECT: Approval for preliminary Engineering associated with West Side Energy Station Project

PREPARED BY: Wally Schlink

ITEM DESCRIPTION:

At the June 30, 2015 meeting the RPU Board was presented the results of the 2015 Update to the RPU Infrastructure Plan which the Board accepted and placed on file. The foundation of the Plan was to minimize market risk exposure to the RPU ratepayer and to transition RPU resources into a higher efficiency, lower emissions generation fleet. One of the key strategies of the plan was the installation of a new peaking resource with a commercial date of operation in 2018 / 2019.

Presumptions we are making that currently define the project are;

- Nominal generation rating of 40 - 60 megawatts
- Project cost of \$50,000,000 to \$60,000,000.
- Late 2018 or early 2019 in service for commercial operation target date.
- Unit will be located at the West Side Substation site in Rochester.
- Natural gas will be the primary fuel source.

The critical path schedule for this resource requires that preliminary activities take place expeditiously to be able to maintain what staff believes is an aggressive but achievable schedule. The key activities that are required to maintain acceptable progress on the project are;

- Preliminary Engineering Study for installation of a peaking resource which includes resource selection, site confirmation, contracting approach, schedule, scope and cost estimates and other project development key information - \$90,000.
- Initial application to MISO for a Generation Interconnection Agreement - \$65,000 is an approved item in the 2015 budget; \$210,000 is included in the 2016 budget forecast.

FOR BOARD ACTION

Agenda Item # (ID # 4193)

Meeting Date: 7/28/2015

-
- Initial permitting and Certificate of Need process review, as well as review of all peaking resource performance and emission characteristics - Task 1 & 2 of proposal are what we need to proceed on at an estimate of \$45,000.
 - Preliminary financing data and estimates.

The results of the preliminary studies will be to clearly define the resource type, cost, schedule and impacts of the West Side Energy Station project. Attached to the FBA are proposals from Burns & McDonnell to perform the preliminary; Wenck Associates to perform the total project permitting work as well as a schedule of MISO Generator Interconnection Agreement related costs. It is RPU staff's intent to return to the Board at the earliest possible date to request formal approval of the West Side Energy Project.

All activities are included in the 2015 Budget.

There will be a short presentation on the project preliminary work and staff will be available to respond to questions.

UTILITY BOARD ACTION REQUESTED:

Staff requests consensus by the Board to proceed on the preliminary work for development of the West Side Energy Station Project. Staff also request approval for professional services not to exceed \$200,000 to perform project development studies and project support.



July 21, 2015

Mr. Wally Schlink
Director, Power Resources & Customer Relations
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906

Re: Proposal for a Preliminary Engineering Study for Installation of a Peaking Resource

Dear Mr. Schlink:

Rochester Public Utilities (RPU) requested that Burns & McDonnell Engineering Co. (BMcD) provide preliminary engineering services related to the installation of a new natural gas-fired peaking resource. The following provides a description of the proposed scope of work and budget for this effort (Study).

PROJECT BACKGROUND

RPU recently completed an update to its Infrastructure Plan to identify attractive power supply paths for meeting RPU's long-term capacity and energy requirements. The Infrastructure Plan concluded that a new natural gas-fired peaking resource is an attractive option to meet those needs. As such, RPU has requested that BMcD submit a proposal to conduct detailed feasibility and engineering evaluating proven natural gas-fired peaking technology resources capable of producing approximately 50 MW of capacity and energy.

SCOPE OF WORK

BMcD will perform an analysis of the feasibility, schedule, cost, and availability of equipment, provide an evaluation and recommendation of the installation of a simple cycle technology, and summarize the results within a formal report. The following outlines the tasks associated with this Study.

1. Meetings: BMcD and RPU will conduct face-to-face or WebEx meeting(s) to kick-off the study efforts and have a brainstorming session with RPU management. During the course of the Study, BMcD anticipates having numerous WebEx meetings to discuss preliminary results. BMcD has included one (1) face-to-face meeting in Rochester for these efforts (public meeting/Board presentation). Other status meetings are assumed to either take place via WebEx conferences or in BMcD offices (a progress meeting in our offices may be beneficial to talk through some of the issues).
2. Data Gathering: Develop the assumptions for use in the analysis through discussion with RPU. Primary information required from RPU are details of the sites to be considered, including surveys, geotechnical data, and environmental constraints as applicable.
3. Site Review: BMcD will review the RPU West Side substation location as the preferred installation site.



Mr. Wally Schlink
 Rochester Public Utilities
 July 21, 2015
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4. Contracting Approaches: BMcD will provide a discussion of the project execution contracting methodologies available and their relative advantages and disadvantages will be prepared.
5. Technologies for Evaluation: BMcD will develop preliminary engineering characteristics for the following technology options installed in blocks ranging from 40 MW to 60 MW:
 - a. 1 x GE LM6000 PC Sprint Aero-derivative Combustion Turbine
 - b. 1 x Trent 60 Aero-derivative Combustion Turbine
 - c. 1 x FT8 SwiftPac
 - d. 1 x FT4000 SwiftPac
 - e. Several configurations of Natural Gas-Fired Reciprocating Engines (both Caterpillar and Wartsila)
6. Schedule: BMcD will develop a planning-level schedule for each technology category (CT vs. reciprocating engine) to illustrate time requirements and processes for design, procurement, and construction up to commercial operation. BMcD will present a schedule of project milestones containing, at a minimum, the following:
 - a. Equipment lead times
 - b. Lead times for permit application and approval
 - c. Construction schedule
 - d. Lead time for financing options
 - e. Lead time for specification development and equipment procurement, commissioning, drawings, and training.
7. For the above described technology options, BMcD will provide the following information:
 - a. General Scope: General scope development matrix depicting responsibilities of supply for OEMs, contractor, and RPU for each technology option,
 - b. Capital Cost Estimates: Capital cost estimate for each option assuming an EPC contracting or multiple contract approach (at the kickoff meeting BMcD and RPU will decide which approach to utilize). The capital cost estimates will include a breakout of costs (and estimated hours as applicable) for:
 - i. Project development and permitting
 - ii. Major equipment
 - iii. Engineering
 - iv. Site development
 - v. Construction (civil, electrical, mechanical, and project management)
 - vi. Contingency
 - c. Operating Cost Estimates: Operating cost estimates for each option that includes fixed O&M, variable O&M, and major maintenance costs considerations,
 - d. Unit Information: Performance characteristics (output and efficiency) for each option, including minimum load performance, 75% load performance, and full-



Mr. Wally Schlink
 Rochester Public Utilities
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- load performance at up to three atmospheric conditions (typically consisting of winter, ISO, summer). Performance characteristics will include availability and reliability data, forced outage rates, etc.
- e. Emissions: Emissions characteristics for criteria pollutants, monitoring device requirements, and control technologies for each engine technology option at ISO conditions and site elevation assuming both natural gas and liquid fuel operation. Limits on operating hours will be considered.
 8. Permit Requirements: BMcD will develop a permitting matrix presenting all permit requirements related to construction, operation and environmental from federal, state, and local agencies.
 9. Market Evaluation: BMcD will simulate the anticipated dispatch of each engine technology into the MISO market using historical MISO marketing pricing as a proxy for future anticipated dispatch.
 10. Financing: BMcD will survey industry contacts to develop a discussion of potential financing options for RPU including interest rates, typical fees, duration of terms, etc.
 11. Project Development: BMcD will develop a planning-level development and permitting schedule, budget, and key requirements for permitting based on project outputs above and below the 50 MW threshold as it pertains to The State of Minnesota's Certificate of Need process.
 12. Recommendation: BMcD will prepare a recommendation of which technology classification and project size (respective of permitting schedules) best fits RPU's established needs.

DELIVERABLES

BMcD will assemble a sectional report documenting the assumptions, methodology, and conclusions of the Study. BMcD will submit a draft report in electronic format for RPU's review. BMcD will incorporate RPU's comments into the final report.

BMcD will also provide a presentation of the results to RPU management/Board. BMcD will participate in a public meeting to present the preliminary study results.

SCHEDULE

BMcD will work with RPU to develop an overall study schedule. The target date for completing the final report is August 19, 2015 to facilitate preparation for RPU's scheduled Board meeting.

TERMS & CONDITIONS

BMcD proposes performing this effort under the existing Engineering Services Agreement between Burns & McDonnell Engineering Company, Inc. and City of Rochester, Minnesota, RPU Contract No. 2013-24-E, dated April 1, 2013.



Mr. Wally Schlink
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COST

BMcD proposes to complete this effort on a time and materials basis with a budget of \$77,800. BMcD will not exceed this amount without written authorization from RPU. BMcD proposes completing this scope of work under the Schedule of Hourly Professional Service Billing Rates attached.

We look forward to continuing our relationship assisting you with these efforts. If you have any questions regarding this proposal, please do not hesitate to contact Mike Borgstadt at 816-822-3459 or mborgstadt@burnsmcd.com. We look forward to working with you on this effort.

Sincerely,

Jeff Greig
Vice President

Mike Borgstadt, PE
Manager, Business Consulting

MEB/meb

Accepted By Rochester Public Utilities

Name: _____

Title: _____

Signature: _____

Date: _____

Attachment: RPU 2015 Preliminary Engineering Study Proposal (DRAFT REV1) (4193 : Approval for preliminary Engineering associated with

Schedule of Hourly Professional Service Billing Rates

Position Classification	Classification Level	Hourly Billing Rate
General Office *	5	\$65.00
Technician *	6	79.00
Assistant *	7	90.00
	8	125.00
	9	145.00
Staff *	10	160.00
	11	177.00
Senior	12	192.00
	13	213.00
Associate	14	224.00
	15	236.00
	16	242.00
	17	249.00

NOTES:

1. Position classifications listed above refer to the firm's internal classification system for employee compensation. For example, "Associate", "Senior", etc., refer to such positions as "Associate Engineer", "Senior Architect", etc.
2. For any nonexempt personnel in positions marked with an asterisk (*), overtime will be billed at 1.5 times the hourly labor billing rates shown.
3. Project time spent by corporate officers will be billed at the Level 17 rate plus 25 percent.
4. For outside expenses incurred by Burns & McDonnell, such as authorized travel and subsistence, and for services rendered by others such as subcontractors, the client shall pay the cost to Burns & McDonnell plus 10%.
5. A technology charge of \$9.95 per labor hour will be billed for normal computer usage, computer aided drafting (CAD) long distance telephone, fax, photocopy and mail services. Specialty items (such as web and video conferencing) are not included in the technology charge.
6. Monthly invoices will be submitted for payment covering services and expenses during the preceding month. Invoices are due upon receipt. A late payment charge of 1.5% per month will be added to all amounts not paid within 30 days of the invoice date.
7. The services of contract/agency personnel shall be billed to Owner according to the rate sheet as if such contract/agency personnel is a direct employee of Burns & McDonnell.
8. The rates shown above are effective for services through December 31, 2015, and are subject to revision thereafter.



Responsive partner.
Exceptional outcomes.

July 21, 2015

Mr. Bill Cook

Director of Field Services
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906

RE: Draft Work Plan for Environmental Permitting Associated with Installation & Operation of Rochester Public Utilities' West Side Generation Project.

Dear Mr. Cook:

Thank you for requesting Wenck Associates, Inc. (Wenck) to submit a draft Work Plan to complete the required environmental permitting to install and operate new generating technology at Rochester Public Utilities' (RPU) West Side property.

Wenck assisted RPU with many projects at RPU's Silver Lake and Cascade Creek facilities over the past few years as well as assisting with a permitting summary for RPU's West Side Generation Project in 2005. By continuing our working relationship, RPU will be able to:

- ***Eliminate learning curve*** – In 2005 Wenck summarized the permitting and scheduling aspects of the West Side Generation Project. Our site-specific experience means less overall consulting time and costs to RPU for developing a permit application and securing a livable permit for the project.
- ***Minimize its environmental permitting schedule*** – Wenck has experience and proven success with environmental permitting for other Minnesota combustion turbine and reciprocating engine projects. These successes will be leveraged in a manner that will minimize the environmental permitting schedule for the proposed project.
- ***Utilize proven, creative solutions*** – Wenck has developed many creative solutions to environmental permitting issues related to combustion turbine or reciprocating engine projects. Therefore, our experience also translates into an ability to offer RPU more creative solutions to the inevitable need for problem-solving during the permitting and modeling processes.

The enclosed work plan describes the scope of services, estimated budgetary costs, and estimated schedule to assist RPU with permitting for the potential project. Enclosure A includes the scope of services, Enclosure B includes the estimated costs, and Enclosure C includes the estimated schedule.

Mr. Bill Cook
Director of Field Services
Rochester Public Utilities
July 21, 2015

Thank you again for inviting Wenck to submit the enclosed draft Work Plan. We appreciate the opportunity to work with you to ensure that RPU's business and environmental compliance objectives are met with respect to your possible project. Should you have any questions regarding our proposal, please call Jared Anderson at (651) 294-4592 or Ed Hoefs at (651) 294-4586.

Sincerely,

Wenck Associates, Inc.



Jared Anderson
Associate/Project Manager



Edward A. Hoefs
Chief Operating Officer

Enclosures: Scope of Services, Estimated Costs and Estimated Schedule

Scope of Services

Wenck's understands that RPU is considering adding additional generation capacity at its West Side property, in the range of 40-60 MW. The generating unit(s) would likely be simple cycle combustion turbine(s) or reciprocating internal combustion engine(s). Wenck also understands that the project will be fueled primarily by natural gas with the possibility of fuel oil #2 serving as a backup fuel. These decisions are under evaluation by RPU and other consultants. The scope and timeline to permit the proposed generating equipment are listed below. Wenck assumes that RPU will decide on the capacity, generating technology, and fuel(s) for the project before permitting activities begin.

Task 1 – Obtain and Review Design Information for the Potential Project

Wenck will obtain and review design information for the selected generating technology from RPU's vendor. We will evaluate emission estimates as well as stack parameters and advise RPU if additional information is needed from the vendor or if we see possible potential permitting issues following the review of the data. Also included is a review of startup and shutdown emission rate data. This data is often difficult to obtain and can delay the schedule.

Task 2 – Prepare Air Permit Amendment Application

Wenck will prepare the required "Total Facility permit" application for the proposed generating technology to seek authorization for the proposed project. The project will likely be classified as a "major stationary source" under the federal PSD permitting program absent any enforceable limits on operation. This would involve completing a Best Available Control Technology (BACT) review for applicable pollutants, an additional impacts analysis and an air dispersion modeling analysis, including a possible Class I area modeling analysis. However, with fairly modest restrictions on operation, a permit could be obtained as a "synthetic minor source", similar to the limits in place at Cascade Creek. Permitting as a "synthetic minor source" could save at least six to nine months. Costs are included in this Work Plan for both PSD and non-PSD options.

The following tasks are required to complete the air permitting for the project. Wenck will assist completion of the air permitting by executing the following:

- Finalize potential emission calculations for submittal with the application and document the calculation approach and methodology for the air permit application.
- Attend a follow-up application meeting with RPU's project team and the Minnesota Pollution Control Agency (MPCA) air permitting supervisors.
- Complete top down BACT analyses for proposed emission sources of PM, PM₁₀, PM_{2.5}, VOC, NO_x, SO₂, and CO. The project will also be major for CO₂e, so a BACT analysis will also be triggered for Greenhouse Gases (GHG).
- Evaluate the applicability of National Emission Standards for Hazardous Air Pollutants (NESHAP) or establish case-by-case Maximum Achievable Control Technology (MACT) limits (CAA Section 112(g)).
- Conduct final computer air dispersion modeling using EPA's AERMOD model to support the ambient air quality analyses for Minnesota and National Ambient Air Quality Standards, and PSD Increment Standards.
- Prepare an ambient air dispersion modeling protocol and report.
- Complete an additional impacts analysis. The additional impacts analysis includes a visibility analysis, growth analysis and soils analysis. We assume VISCREEN will be used due to the distance of the site from Class I areas. A Class I modeling analysis using CALPUFF is not expected unless a regulatory agency requests such an analysis.

- Prepare an Endangered Species Act (ESA) consultation request. The ESA request is required to be completed prior to the permit issuance. The request is submitted to US EPA Region 5.
- Prepare a National Historic Preservation Act (NHPA) analysis.
- Prepare an application for a Total Facility air permit. A draft application will be sent to the RPU project team for review. Wenck will incorporate any comments into the final application for RPU to submit to the MPCA.

Absent a workable 'synthetic minor' limit, the project will likely be subject to PSD for CO₂e. There have been relatively few projects that have been subject to PSD for CO₂e. Therefore, there may be significant questions and comments regarding the BACT analysis for the project from the MPCA, US EPA, interested citizens or non-governmental organizations (NGOs). Because there are relatively few examples of acceptable GHG BACT determinations, the volume of comments and possible revisions is unknown at this time. Project scope, schedule, and budget will need to account for this.

Task 3 – Assist with Draft Air Permit Review and Negotiations

Even after submittal of a complete application, the MPCA may request additional information to supplement a complete permit application. If necessary, Wenck will assist RPU in responding to a request for supplemental information. Also, if requested by RPU, Wenck will review the draft air permit, and prepare written comments.

Task 4 – Environmental Review; Certificate of Need; Environmental Review for Site Permit; Including Possible Air Emissions Risk Analysis (AERA)

There are several possible paths for environmental review and electric utility regulatory proceedings because of the project options under consideration by RPU.

Electric generating projects would normally trigger a Certificate of Need (CON) and a Site Permit, issued by the Public Utilities Commission. One of the options that RPU is considering is a project less than 50 MW in size. Neither the CON nor the Site Permit requirements of the Minnesota Public Utilities Commission are expected to be triggered for a project less than 50 MW. Specifically, in this scenario, under Minn. Stat. 216B.2421, the project would not constitute a 'Large Energy Facility', which is defined at 50 MW and above. A Large Energy Facility is also defined in Minn. Stat. 216B.2141 to include thresholds for various support equipment such as gas lines or transmission lines. Assuming these are proportionally sized for a project less than 50 MW, we do not foresee a project less than 50 MW would be deemed a Large Energy Facility under these criteria, either. Therefore a CON is not automatically triggered under Minn. Rules 7849.0030. Also, a project less than 50 MW is not considered to be a 'Large Electric Power Generating Plant' under Minn. Stat. 216E.01. This means the Site Permit requirements under 7850.1300 are not triggered. These programs are administered for the PUC by the Minnesota Department of Commerce.

A project under 50 MW and greater than 25 MW is required to undergo a mandatory Environmental Assessment Worksheet (EAW) before any governmental decisions can be made, such as issuance of an air emissions permit. Therefore, Environmental Review would be triggered for a less than 50 MW project in the form of an EAW. Minn. Rules 4410.4300, Subpart 3 specifies that the Environmental Quality Board (EQB) is the Responsible Governmental Unit (RGU) for EAWs involving electric generating facilities in this size category.

A project over 50 MW would trigger the need for a site permit and possibly a CON. Minnesota Statutes provide some potential relief from the CON process for municipal

utilities. If RPU selects a project greater than 50 MW, part of the work required will be to determine whether the project is exempt from or subject to the CON requirements. If a CON is required, RPU will likely require legal assistance to navigate the process.

Costs are included in this Work Plan for projects less than 50 MW and for projects greater than 50 MW. It should be noted that at 80 MW and below, certain Alternative Review options are available for the CON process to the extent a CON would be required for RPU. RPU's project appears to be targeted for a maximum of 60 MW. Therefore, we assume that any Environmental Review required to support a CON would still qualify for the Alternative Review process.

The foregoing conclusions are believed to be correct, but are all subject to verification with and coordination between the state agencies listed above. These scoping discussions are part of the permitting process and would be held in close coordination with RPU after a Notice to Proceed was granted.

Air Emissions Risk Analysis

The purpose of an Air Emissions Risk Analysis (AERA) is to analyze the potential for adverse human health impacts from emissions of listed pollutants attributable to a given project. The pollutant list, developed by the MPCA, includes criteria pollutants, hazardous air pollutants (HAPs) and other pollutants. The process generally consists of determining whether potential impacts from emissions of these pollutants are below levels of concern, and if not, discussing various means of possibly mitigating such impacts.

The MPCA has developed guidance for conducting an AERA. The analysis includes both quantitative and qualitative assessment. Quantitative assessment is conducted for pollutants for which the MPCA has developed criteria and for which emissions can be quantified. Qualitative analysis addresses potential impacts that are not quantitatively assessed.

An AERA is required by the MPCA, according to their website (<http://www.pca.state.mn.us/index.php/air/air-monitoring-and-reporting/air-emissions-and-modeling/air-emission-risk-analysis-aera/why-and-when-aeras-are-completed.html>), for cases where a mandatory EAW or EIS category is triggered or for cases where potential air emissions increases are greater than 250 tons/year after control equipment. A discretionary AERA could be required if:

- Substantive public comments are received during the public comment period that could be answered by completing an AERA.
- A permittee is applying for pre-authorized changes to a facility that allow air toxic emissions to change without additional air permitting.
- There is significant public interest.
- The specifics of a new facility or existing facility expansion indicate a need for further analysis prior to public notice.
- The location of the facility is of concern.
- There are uniquely sensitive receptors near the facility.
- The type of facility and/or change is of concern.
- The amount and types of emissions from the facility are of concern.

Given the possibility of triggering at least one of the aforementioned discretionary AERA categories, it is possible that MPCA will require or request an AERA of RPU for the project.

If an AERA is required or requested, the MPCA has developed a screening tool for the quantitative analysis and various forms for the qualitative analysis. The quantitative analysis

screening tool is called the Risk Assessment Spreadsheet or RASS. It allows for a simplified determination of potential impacts using worst-case assumptions. It may be necessary to complete a multi-pathway risk analysis using IRAP if the RASS indicates potential impacts using the worst-case assumptions.

The AERA process can be quite involved. We have provided a placeholder cost estimate for this task assuming that the AERA can be accomplished using the MPCA's RASS and related processes. For a natural gas fired project, we would normally assume that no detailed multi-pathway analysis would be required. Budgetary costs are included here based on use of MPCA's RASS only, not a multi-pathway risk analysis using IRAP.

Wenck would also provide technical support during MPCA's review of the AERA submittal, if an AERA is found to be required. Other AERA efforts typically involve several discussions about emission factors, procedures, health benchmark values, water bodies to be analyzed, qualitative analysis assumptions, etc. Wenck typically plans for a meeting with the MPCA to discuss the necessary scope of this analysis, as well as a nominal level of support for development of internal memoranda, interim reports, telephone discussions and other meetings with MPCA on these subjects.

Task 5 – Other Non-Air Quality Permits and Documentation

This section discusses other, non-air related topics that could affect the project:

- Minnesota Natural Heritage Database Review;
- Noise;
- Zoning Change;
- Conditional Use Permit;
- Spill Prevention, Control and Countermeasure (SPCC) Plan;
- Risk Management Plan (RMP);
- Facility Response Plan (FRP); and
- FAA Approval.

These are discussed further, below.

Minnesota Natural Heritage Database Review

Wenck's 2005 query and screening study of the National Heritage Information System (NHIS) database showed three (3) entries of interest located relatively close to the 2005 proposed sites. This screening must be updated (query results of the NHIS database are valid for one year) and if needed, a more detailed site walkover be performed on the site prior to actual development, to determine if there are species of concern or sensitive habitat on the site that may be potentially disturbed by the Project.

Noise

Noise studies may need to be completed in order to determine if sound mitigation upgrades will be required in order to meet MPCA's nighttime residential noise standard. According to Olmsted Co. and Township Cooperative Planning Association (TCPA) representatives in 2005, more stringent noise regulations do not exist at the county/township level. Our costs are based on the assumption of one Wenck staff spending one day at the site to collect existing noise data covering both day and nighttime existing conditions. We will use this data, along with calculations of predicted noise levels at nearby receptors based on manufacturer data, to estimate post-project noise impacts. We have not budgeted for extensive noise modeling studies as we do not expect this level of study will be necessary for either generating technology being considered.

Zoning Change

According to Rochester/Olmsted Planning representatives in 2005, re-zoning of the property may be necessary. Wenck has not re-evaluated the zoning status of the site with respect to the proposed project. Depending on zoning activity since 2005, a zoning category change to allow industrial uses may be necessary for the Project. In 2005 TCPA/Olmsted representatives cautioned that the scope of a request for an amendment to the Land Use Plan could get expanded into a larger discussion between the County, the City of Rochester and Kalmar Township. If so, this could cause delays for the Project. The level of effort described in this work plan with respect to zoning is to establish the current zoning status for the site and, as needed, determine a path to securing a zoning change to Industrial. The work to secure an actual zoning change would be completed under a separate budget, once the path is identified, is included here with a nominal placeholder value of \$20,000. This amount could be refined once the zoning requirements are known.

Conditional Use Permit

In 2005 the West Side property was zoned as agricultural land. Per the TCPA, a Conditional Use Permit (CUP) will be required for heavy industrial use (i.e., electric generation) on the site, even though the site may have been or will need to be re-zoned. The conditional use permitting process could result in additional conditions/restrictions being placed on the project (e.g., special noise standards, landscaping requirements, traffic restrictions, etc.) through the associated public comment period(s). It may be possible to submit the CUP application while the EAW or Site Permit process (whichever is required for the final project) is pending, however the County will not be able to act on the application or issue the CUP until after the EAW or Site Permit process is complete. Costs are included for Wenck staff to attend the township and county planning and zoning meetings.

SPCC Plan

Spill Prevention, Control and Countermeasure (SPCC) requirements are likely to apply to the project, but the extent is indeterminate at this time. SPCC triggers are dependent on total oil storage volume of 1,320 gallons or greater and includes items such as backup fuel (as applicable), lube oil, and transformer oil. We have reserved a nominal budget for preparation of an updated SPCC for the project site, depending on the final equipment selected by RPU.

Risk Management Plan and Related Anhydrous Ammonia Documentation

It is unlikely that the proposed project will be required to install add-on air pollution controls in the form of selective catalytic reduction. Therefore, it is not expected that RMP will be needed for the site because anhydrous ammonia is unlikely to be required. If this were to change during the air permitting process, a separate budget for RMP would be submitted at a later date.

Facility Response Plan

The Facility Response Plan (FRP) rule, issued under the Clean Water Act and the Oil Pollution Act, specifies requirements for oil-storage facilities that could reasonably be expected to cause 'substantial harm' to the aquatic environment in the event of a spill. Large quantities of liquids, such as fuel oil, will not be stored on-site for the natural gas option. Thus it is not expected that a Facility Response Plan would be needed if natural gas is the sole fuel. If fuel oil is added as a backup option, Wenck would first determine the regulatory triggers for the

desired level of fuel oil storage, and then prepare a separate work order and budget for any work triggered under FRP regulations.

FAA Approval

The Federal Aviation Administration (FAA) requires approval of all structures with a height greater than 200 feet above existing ground elevation or those with the potential to obstruct air navigation. The FAA notification requires identification of the exact coordinates and height of the stack(s). Through review of this application, the FAA determines whether any interference with flight patterns will result, and may require measures, such as marking or lighting, to be added to the stack design.

Notification is not required if the stack height is at or less than 200 feet above the ground surface and the nearest public airport is over 20,000 feet from the construction site. Notification is likely not required as the proposed stack height(s) is not likely to exceed 200 feet.

Task 6 – Water Supply and Discharge

Depending on any process or cooling water needs for the project, RPU will need to obtain water supply and discharge permits for the project. The approvals and permit that may apply are described below include:

- Protected Watercourse
- Assessment of Selected Water Supply Alternative
- Water Appropriation Support
- Local Government Floodplain and Shoreland Zoning Permits
- Wetland Permits
- Minnesota Local/State/Federal Application Forms for Wetland/Water Projects
- Clean Water Act Section 401 Certification
- MnDNR Permit to Work in Public Waters
- Industrial Storm Water Discharge Permits
- Construction Storm Water Permitting

At this time it is unknown to what extent the above listed permits will need to be acquired to accommodate the proposed project. We have provided an estimate for the permits that may be needed for the proposed project below. After the final project details are selected, Wenck will review the water permit requirements with RPU and determine which permits need to be obtained.

Protected Watercourse

A waterbody flowing through the site could be listed as an (unnamed) Protected Watercourse in DNR's Protected Waters inventory for Olmsted County. Land within 300' feet of the watercourse is regulated by the Shoreland Management Act, which is administered by the TCPA in Kalmar and Cascade Townships. If construction or development work is required within the boundaries of the protected waterbody (i.e. within the lake basin or stream channel), a DNR permit will be required and is further described below under the MnDNR permit to work in public waters.

Assessment of Selected Water Supply Alternative

Wenck will evaluate if the cooling and process water needs for the project will require a National Pollutant Discharge Elimination System (NPDES) permit based on the primary proposed water source for the project and if there are any alternative water sources being

considered. Depending on the identified water supply and the water discharge source and volume, a State Disposal System (SDS) permit may be required.

Water Appropriation Support

A water use permit from the MnDNR is required for all users withdrawing more than 10,000 gallons of water per day or 1 million gallons per year. In consultation with RPU for the generating equipment selected, Wenck will determine if a water appropriation permit is required. Development of the water appropriation permit application will require a water balance for the facility as well as identifying the water source. If the water source is groundwater, a pump test may be required depending on the nature of the groundwater aquifer at the site and the other groundwater users in the area. Water appropriations will not be allowed if the site is in close proximity to a trout stream and it is determined that the withdrawals (ground or surface water) would potentially impact water flow within the trout stream.

Local Government Floodplain and Shoreland Zoning Permits

Floodplain and shoreland zoning conditional use permits may be required for structures constructed near a water body. Shoreland rules will be addressed within the conditions of the CUP process from the County discussed above and/or within the MnDNR work in public waters permit discussed below.

Wetland Delineations

Wetland surveys may need to be performed at the site to determine if the proposed generating technologies could be accommodated without impacting jurisdictional wetlands. The wetland delineation would include a desktop review using GIS based data sources to identify potential wetland at the site and then a field visit to determine wetland boundaries and complete wetland delineations. The intent of the wetland analysis will be to avoid potential wetland impacts if possible and the need for wetland permitting. Note that in the event that wetland mitigation is required, the mitigation plan needs to be coordinated with local permitting authorities (e.g., Olmsted Soil & Water Conservation District), MnDNR and possibly USACE.

Minnesota Local/State/Federal Application Forms for Wetland/Water Projects

Construction projects in Minnesota waterways, floodplains, and wetlands require local, state and federal authorization. A Joint Permit Application has been established to simplify the permitting process for applicants requiring project approvals from the US Army Corp of Engineers (USACE), the Minnesota Department of Natural Resources (MnDNR), Local Governmental Unit (LGU) under Wetland Conservation Act (WCA).

The Joint Permit Application is filed concurrently with these agencies. Depending on the nature of the project, the agencies identify related permit requirements that should be completed as part of the application process. Copies of the application are distributed to other Minnesota agencies (e.g. other divisions within MnDNR and the State Historic Preservation Office). It typically takes about 45 to 60 days to get a reply to the application. The local and state wetland permit process can typically be completed within this time frame. If a permit is needed from the Army Corps of Engineers for wetlands determined to be under federal jurisdiction, the permit review and approval process would require at least 90 to 180 days. As stated above in the event that wetland mitigation is required the review and approval of wetland mitigation strategy and plan by all involved local and state agencies will be needed.

Clean Water Act Section 401 Certification

Section 401 of the Clean Water Act requires that States certify they have reviewed and approved of the water quality impacts imposed by the proposed project and the project will meet water quality standards. This certification applies to all activities that require a 404 approval. A formal application is required pursuant to Minnesota Rules 7001.1420.

MnDNR Permit to Work in Public Waters

Application for a public waters 'work permit' to work in the boundary (i.e. lake basin or stream channel) of a public water or wetland must be submitted to the MnDNR on the appropriate forms. These forms are also used by the USACE (Section 404 program) and/or the Wetland Conservation Act Local Government Unit to determine whether a particular water development proposal falls under their regulatory jurisdiction.

Industrial Storm Water Discharge Permits

The Clean Water Act requires that a NPDES permit be obtained for discharges of storm water from industrial activities. In Minnesota, this process is managed through the MPCA. Coverage for the facility is currently approved under the General Permit for Industrial Storm water permits. The permit requires a Storm water Pollution Prevention Plan (SWPPP).

Construction Storm Water Permitting

The MPCA requires that any project disturbing more than one acre of total land area be covered under the storm water permit for construction activity. Construction activities requiring a permit include landscape clearing, grading, excavation, road building, and construction of homes, office buildings, industrial parks, landfills and airports.

There are two main permit requirements related to erosion and sediment control on a project:

1. The Temporary Erosion and Sediment Control Plan. The goal of this plan is to prevent erosion from occurring and keep sediment on site during active construction.
2. The Permanent Erosion and Sediment Control Plan. The goal of this plan is to minimize long-term erosion and manage storm-water runoff discharging from the project's ultimate impervious surface after construction is complete.

Wenck has assumed that RPU will require the construction contractor to be responsible for the storm water permit for construction activities.

Task 7 – Project Management

A separate task has been included for tasks related to project communication and management. Wenck has included time in this task to attend weekly telephone conferences for 12 months in addition to in-person meetings (internal or with MPCA) as needed during the permit application.



Estimated Cost

Estimated Costs

At RPU's request, Wenck has prepared a set of "Not Expected to Exceed" cost estimates for the foregoing Draft Work Plan tasks. We estimate that a reasonable environmental permitting budget for Tasks 1 through 7 is as follows, assembled for four possible permitting options:

- Permitting Scenario 1: <50 MW
- Permitting Scenario 2: >50 MW
- Permitting Scenario 3: <50 MW, Synthetic Minor
- Permitting Scenario 4: >50 MW, Synthetic Minor

Task	Permitting Option			
	1	2	3	4
Total	\$290,000	\$310,000	\$245,000	\$260,000
Permitting Schedule	1 year	1 year	6-9 months	6-9 months

Wenck is available to begin work immediately upon receiving RPU's authorization to proceed.

Wenck is open to performing the project on a lump sum basis and would invoice RPU at mutually agreeable milestone points in the project. A detailed Work Breakdown Structure could be established to support project milestones and scope limitations. Alternatively, we could complete the project on a Time and Materials basis. Charges would be incurred in accordance with the current year Billing Rate Schedule. The estimated cost for the services outlined in this Work Plan are subject to the limitations on the scope identified in this plan, and as further negotiated in a Notice to Proceed. In any event, Wenck would not exceed the authorized budget without obtaining approval from RPU.

MPCA Permit Application Fees, Payable by RPU

Initial Permit Application Fee	\$7,125
Estimated Application Fees Payable at Draft Permit	\$30,000 - \$50,000
Total MPCA Fee (Estimate):	Approximately \$40,000 - \$60,000

Outside Legal Fees, Payable by RPU

As needed, to support Certificate of Need (if triggered) or Site Permit proceedings before Public Utilities Commission / Minnesota Department of Commerce, for project size greater than 50 MW. Other regulatory processes, such as Zoning changes or Conditional Use Permit (as needed), may also benefit from third-party legal assistance retained by RPU.



Responsive partner.
Exceptional outcomes.

Fee Schedule January 2015

<u>Classification</u>	<u>Hourly Rate</u>
Administrative Support / Technician	\$63.00
	\$70.00
	\$78.00
Professional I	\$86.00
	\$95.00
	\$103.00
Professional II	\$112.00
	\$121.00
	\$130.00
	\$138.00
Professional III	\$146.00
	\$155.00
	\$163.00
	\$171.00
Professional IV	\$181.00
	\$191.00
	\$201.00
	\$211.00
Professional V	\$221.00
	\$241.00
Officer	\$286.00

- ▲ *Classifications listed above refer to the firm's internal system for billing purposes.*
- ▲ *The term "Professional" refers to engineers, scientists and business professionals.*
- ▲ *A Technology/Communication fee of 5% will be added to each invoice, applied as a percentage of total Wenck labor costs for a given invoicing period.*
- ▲ *Subcontracted services will be billed at cost plus 15 percent.*
- ▲ *Mileage will be billed at the IRS approved rate.*
- ▲ *Invoices are due upon presentation. Invoice balances not paid within thirty (30) days of invoice date are subject to 1-1/2% (18% annual) interest or finance charge.*
- ▲ *Specialized software used on a given project will be billed at a rate of \$15.00/hour.*
- ▲ *Rates to be adjusted annually.*

Wenck Associates, Inc. | 1800 Pioneer Creek Center | P.O. Box 249 | Maple Plain, MN 55359-0249

Toll Free 800-472-2232 Main 763-479-4200 Fax 763-479-4242 Email wenckmp@wenck.com Web wenck.com



Estimated Schedule

Attachment: 2West Side Env Permitting Work Plan 07-21-2015 (4193 : Approval for preliminary Engineering associated with West Side Energy

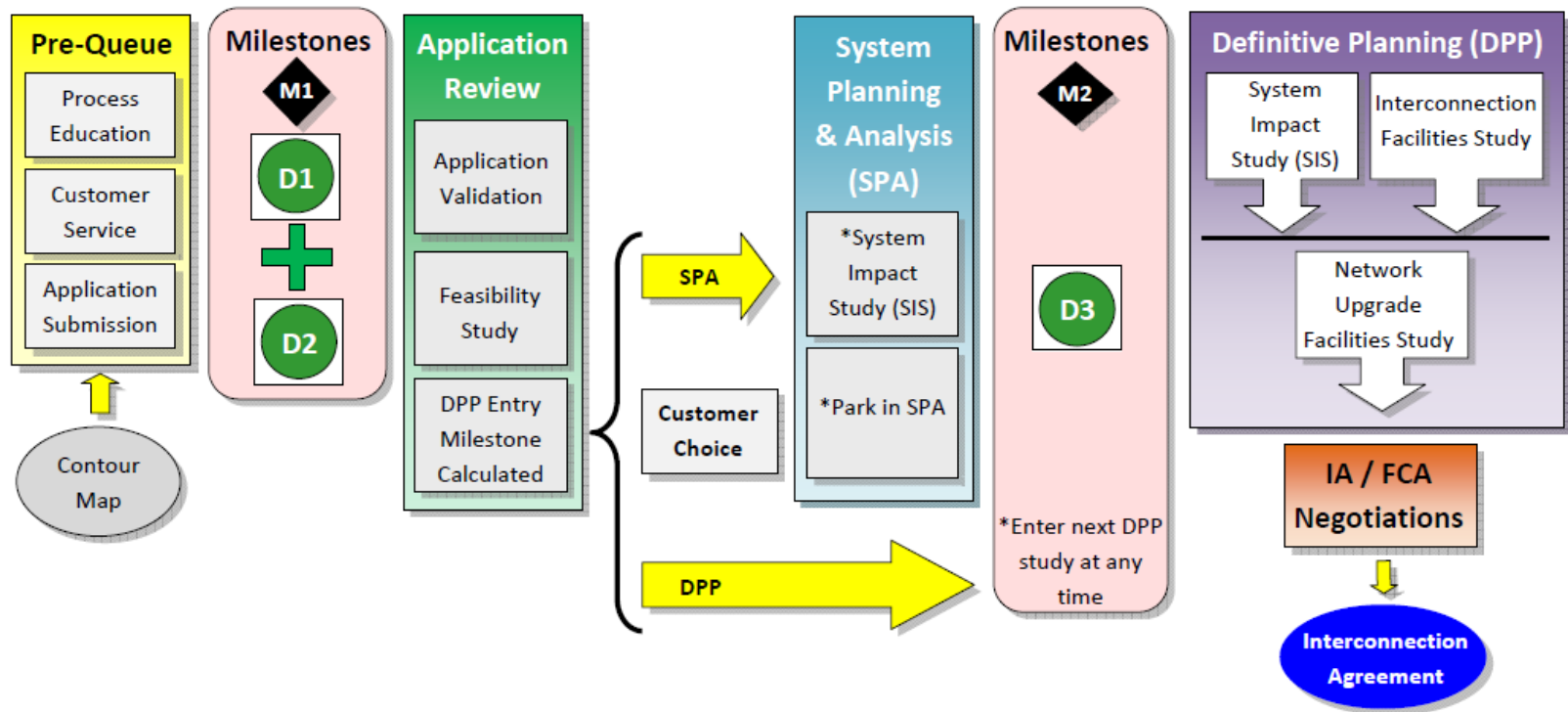
Estimated Schedule

The permitting option described above that would likely require the longest schedule to obtain the required permits is Permitting Option 2. This option would likely trigger PSD, CON, and a Site Permit Application. The estimated project schedule for this option is summarized in the table below.

Task	Task Description	Estimated Schedule for Completion
1	Obtain and Review Design Information	Fall 2015
2	Prepare and Submit Air Permit Amendment Application	Winter 2015
3	Assist with Draft Air Permit Review and Negotiations	Spring 2016
4	Environmental Assessment Worksheet including Possible AERA	Winter 2015
5	Other Permits	Spring 2016
6	Water Supply and Discharge	Spring 2016
7	Project Management/Meetings	On-going through Fall 2016

New legislation has established a goal for MPCA to issue construction air permits within 150 days of receiving an administratively complete application. Please note this is only a goal and actual permit processing and issuance by the MPCA (once the application is submitted) could be significantly longer. Overall, we expect the following schedule:

Begin Permitting Activities	Fall 2015
Submit Air Permit Application	Winter 2015
Submit CON	Winter 2015
Submit Site Permit Application	Spring 2016
Submit Water and Other Permits	Spring 2016
Receive Air Permit	Fall 2016
Issued Site Permit	Fall 2016
Begin Construction	Fall 2016
Equipment First Fire	Fall 2018
Commercial Operation Date	Spring 2019



Ref	Description	Refund	<6 MW	≥6 but ≤ 20 MW	> 20 but ≤ 50 MW	> 50 but ≤ 100 MW	> 100 but ≤ 200 MW	> 200 but ≤ 500 MW	> 500 but < 1000 MW	≥ 1000 MW
D1	Application Fee/Fund FeS	No	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
D2	Fund System Impact Study (SIS)	Yes	\$10,000	\$20,000	\$30,000	\$60,000	\$60,000	\$60,000	\$90,000	\$120,000
D3	Fund DPP and Restudies	Partial	\$40,000	\$100,000	\$150,000	\$210,000	\$260,000	\$360,000	\$440,000	\$520,000

*FeS = Feasibility Study



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution authorizing Burns & McDonnell to perform the preliminary work and Wenck Associates to perform the project permitting work, and MISO Generator Interconnection Agreement related costs and project support for development of the:

West Side Energy Station Project

The professional services amount is not to exceed TWO HUNDRED THOUSAND AND 00/100 DOLLARS (\$200,000.00). Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of July, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4198)

Meeting Date: 7/28/2015

SUBJECT: Approve Reimbursement Authorization for West Side Energy Station

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

The Internal Revenue Service regulations generally require that the City of Rochester, acting through its Utility Board make a declaration of its official intent to reimburse itself for capital expenditures out of the proceeds of a subsequent bond issue within 60 days after the payment of the expenditures. The City Council has delegated the declaration authority to Dale Martinson, City Finance Director.

With the upcoming construction of the West Side Energy Station project we are requesting to put in place a declaration of intent to reimburse for costs incurred prior to issuing the bonds. The maximum amount requested to be declared for the reimbursement under the IRS regulations is \$77,500,000. This does not mean that the amount will be financed it simply allows us to seek reimbursement in a future tax exempt financing. The debt issuance will come at a later date and will require the Utility Board and City Council approval.

UTILITY BOARD ACTION REQUESTED:

Approve the project requested for reimbursement in a future bond issues and authorize the management to request the declaration from the City Finance Director.



RESOLUTION

RESOLUTION RELATING TO THE FINANCING OF WEST SIDE POWER GENERATION STATION, SUBSTATION, DISTRIBUTION AND TRANSMISSION PROJECTS;
ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the Utility Board of the City of Rochester, that the Common Council of the said City is requested to approve, as follows:

1. Recitals.

(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Regulations") dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse the Utility for project expenditures made by the Utility prior to the date of issuance.

(b) The Regulations generally require that the Utility make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of bonds within 60 days after payment of the expenditures, that the bonds be issued and the reimbursement allocation be made from the proceeds of such bonds within the reimbursement period (as defined in the Regulations), and that the expenditures reimbursed be capital expenditures or costs of issuance of the bonds.

(c) The Utility desires to comply with requirements of the Regulations with respect to certain projects hereinafter identified.

2. Official Intent Declaration.

(a) The Utility proposes to research, design, construct and or acquire, commission and equip a power generation station, substations, distribution and transmission projects, including without limitation the West Side Energy Station project, and to make original expenditures with respect thereto prior to the issuance of reimbursement bonds, and reasonably expects to issue reimbursement bonds for the project up to the amount of \$77,500,000 plus issuance costs.

Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, the Utility will not seek reimbursement for any original expenditures with respect to the foregoing projects paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which reimbursement is sought will be capital expenditures or costs of issuance of the reimbursement bonds.

3. Budgetary Matters. As of the date hereof, there are no Utility funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the projects, other than pursuant to the issuance of the reimbursement bonds. Consequently, it is not expected that the issuance of the reimbursement bonds will result in the creation of any replacement proceeds.



4. Reimbursement Allocations. The Utilities financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the reimbursement bonds to reimburse the source of temporary financing used by the Utility to make payment of the original expenditures relating to the projects. Each reimbursement allocation shall be made within 30 days of the date of issuance of the reimbursement bonds, shall be evidenced by an entry on the official books and records of the Utility maintained for the reimbursement bonds and shall specifically identify the original expenditures being reimbursed.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of July, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3884)

Meeting Date: 7/28/2015

SUBJECT: Service Center Concrete Pavement Project (2015-21)

PREPARED BY: Steve Monson

ITEM DESCRIPTION:

Sealed bids were opened on July 16, 2015 for concrete repairs at the Service Center.

A breakdown of the bids is as follows:

Contractor	Work Area C (NW Quadrant)	Work Area E (North NE Quadrant)	Work Area F (South NE Quadrant)
Alvin E. Benike	\$17,607.60	\$95,990.00	\$56,837.20
Doyle Connor Co.	\$ 8,950.00	\$80,225.00	\$55,364.00

Due to budget restrictions, this action requests approval to Doyle Connor Co. for Work Area E in the amount of \$80,225.00. They've submitted a responsive and responsible bid and have performed well on past projects.

Bids were solicited based on three work areas based on estimated quantities. This is a unit price contract, based on actual field measurements of work completed and have the potential of increasing the contract amount which will be managed by internal authorization procedures. Expected completion date is November 1, 2015.

The 2015 Facilities budget includes \$120,000 for this project.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution approving a purchase order with Doyle Connor Co. in the amount of \$80,225.00.



RESOLUTION

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

Service Center Concrete Pavement Project (2015-21)

Work Area E

and allow for change orders to be managed by internal authorization procedures.

The amount of the agreement to be EIGHTY THOUSAND TWO HUNDRED TWENTY FIVE AND 00/100 DOLLARS (\$80,225.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of July, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4196)

Meeting Date: 7/28/2015

SUBJECT: Approval of Solar Purchase Power Agreement

PREPARED BY: Jeremy Sutton

ITEM DESCRIPTION:

On March 19th RPU issued an Request for Proposal for a Purchase Power Agreement from a 300-500 kW solar array located at 4000 East River Rd. Rochester MN. Ideal Energy, the lowest bidder, was issued a notice of intent to award. Ideal Energy secured project financing through Solar City, who the ultimate contract will be with. RPU staff and the City Attorney have been in negotiations with Solar City for the past month and both parties have come to the terms on all but one issue. Attached is a draft of the Purchased Power Agreement pending final City Attorney approval for your review. The remaining open issue relates to language in section 21. Goodwill and Publicity. The current proposed language is too restrictive from RPU's perspective and will need to be revised. Staff along with the City Attorney are continuing to negotiate this language and may have a resolution by Tuesday's Board meeting. If not, one option would be to approve the Agreement pending final section 21 language approval by the City Attorney and General Manager. The current Board Action Requested and Resolution is written as such should the Board desire to proceed.

Project is expected to take 3 months to plan and engineer and one month or less to install.

Expectation is to have project operational by end of November.

UTILITY BOARD ACTION REQUESTED:

Request that the Board approve the Power Purchase Agreement with Solar City pending approval from the City Attorney and RPU General Manager.



Solar Power Purchase Agreement (Commercial MN)

This Solar Power Purchase Agreement (this “**Agreement**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of the date signed by Seller below (the “**Effective Date**”).

Purchaser:		Seller:	
Name and Address	City of Rochester, a Minnesota municipal corporation, acting by and through its Public Utility Board Rochester Public Utilities 4000 East River Road NE Rochester, MN 55906 Attention: Mark Kotschevar, General Manager	Name and Address	SolarCity Corporation 3055 Clearview Way San Mateo, CA 94402 Attention: Legal Department
Phone	(507) 280-1500	Phone	(650) 638-1028
Fax		Fax	(650) 560-6460
E-mail	mkotschevar@rpu.org	E-mail	Contracts@solarcity.com
Facility Ownership	Purchaser owns the Facility		Contractor’s License Numbers MN:
Project Name	RPU Service Center 496 kW ground mount		

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electric energy from the solar panel system described in **Exhibit 2** (the “**System**”) and installed at the Purchaser’s facility described in **Exhibit 2** (the “**Facility**”).

The exhibits listed below are incorporated by reference and made part of this Agreement.

- Exhibit 1 Pricing Attachment
- Exhibit 2 System Description, Delivery Point and Premises
- Exhibit 3 Credit Information
- Exhibit 4 General Terms and Conditions (*Revised January 17, 2013*)

Rochester Public Utilities

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

SolarCity Corporation

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Attachment: Rochester Public Utilities PPA SolarCity redline 20150724 (4196 : Approval of Solar Purchase Power Agreement)

Exhibit 1
Pricing Attachment

1. **Term:** Twenty Five (25) years, beginning on the Commercial Operation Date.
2. **Additional Terms:** Up to two (2) Additional Terms of five (5) years each.
3. **Environmental Incentives and Environment Attributes Accrue to Purchaser. Tax Credits accrue to the Seller.**
4. **Contract Price:**

Contract Year	\$/kWh
1	\$0.1014
2	\$0.1014
3	\$0.1014
4	\$0.1014
5	\$0.1014
6	\$0.1014
7	\$0.1014
8	\$0.1014
9	\$0.1014
10	\$0.1014
11	\$0.1014
12	\$0.1014
13	\$0.1014
14	\$0.1014
15	\$0.1014
16	\$0.1014
17	\$0.1014
18	\$0.1014
19	\$0.1014
20	\$0.1014
21	\$0.1014
22	\$0.1014
23	\$0.1014
24	\$0.1014
25	\$0.1014

Includes ACH invoicing. If manual invoicing is required, a \$25 handling charge will be added to each invoice.

5. **Condition Satisfaction Date:** 180 days after the Effective Date
6. **Anticipated Commercial Operation Date:** 270 days after the Effective Date
7. **Outside Commercial Operation Date:** 365 days after the Effective Date

Exhibit 2**System Description, Delivery Point and Premises**

1. **System Location:** 4000 East River Road NE, Rochester, Minnesota 55906
2. **System Size (DC kW):** 496.00
3. **Expected First Year Energy Production (kWh):** 644,090 kWh. Annual System electricity production is expected to degrade by 0.5% annually relative to the expected first year energy production amount.
4. **Expected Structure:** Ground Mount

5. **Expected Module(s):**

<u>Manufacturer/Model</u>	<u>Quantity</u>
Trina Solar:TSM-310PD14.18	1,600

6. **Expected Inverter(s):**

<u>Manufacturer/Model</u>	<u>Quantity</u>
Fronius USA:Fronius Symo 24.0-3 480	17

7. **Includes:**

SolarCity Limited Warranty, installation of a solar energy system (includes: design, engineering, permitting, installation, monitoring, rebate application and paperwork processing for solar energy system). SolarCity shall use reasonable efforts to install the System in a visually neat and uniform manner.

8. **Excludes:**

Unforeseen groundwork (including, but not limited to, excavation/circumvention of underground obstacles), upgrades or repair to customer or utility electrical infrastructure, payment bonds, performance bonds, tree trimming, interconnection expenses, the payment of prevailing wages (i.e. prevailing wages not required).

9. **Delivery Point and Premises:** SolarCity shall attach a schematic that contains the:

- (i) Facility;
- (ii) array;
- (iii) Delivery Point; and
- (iv) access points needed to install and service System (bldg access, electrical room, stairs etc.)

Exhibit 3

Credit Information

Promptly following the execution of this Agreement Purchaser shall supply SolarCity with the following credit information:

APPLICANT'S INFORMATION							
Name City of Rochester, a Minnesota municipal corporation, acting by and through its Public Utility Board					Tax ID		
Previous & Other Names Rochester Public Utilities					Website		
Corporate Address 4000 East River Road NE							
City, State, Zip Code Rochester, Minnesota 55906							
Phone Number 507-280-1500				Fax Number			
Entity Type	S-Corp	C-Corp	Partnership	Sole Prop	LLC	LLP	Other
Property Address for Solar Installation 4000 East River Road NE, Rochester			State Minnesota	Zip Code 55906	Owner Occupied? YES		
Property Type		Insurance Agent Name		Agent's Phone	Name of Landlord if Not Owner Occupied		
Information Requested: Please submit the information required below via electronic format to commercialcredit@solarcity.com							
<u>Corporate Records</u>							
<input type="checkbox"/> Copy of Articles of Incorporation, Partnership Agreement, Fictitious Name Statement or Organizational Formation Documents (if applicable).							
<u>Financial Statements</u>							
<input type="checkbox"/> Last three (3) years of CPA audited, reviewed, compiled statements (Balance Sheet, Income Statement, Cash Flow).							
SolarCity may request that you provide additional documentation to complete the credit evaluation process. SolarCity will notify you if additional information is required.							

The above information and any information attached is furnished to SolarCity and its affiliates ("Lender") in connection with the Application of credit for which you may apply or credit you may guarantee. You acknowledge and understand that the Lender is relying on this information in deciding to grant or continue credit or to accept or guarantee of credit. You represent, warrant and certify that the information provided herein is true, correct and complete. The Lender is authorized to make all inquiries deemed necessary to verify the accuracy of the information contained herein and to determine your creditworthiness. You authorize any person or consumer-reporting agency to give the Lender any information it may have about you. You authorize the Lender to answer questions about its credit experience with you. Subject to any non disclosure agreement between you and Lender, this form and any other information given to the Lender shall be the Lender's property.

If your application for business credit is denied you have the right to a written statement of the specific reason for the denial. To obtain the statement, please contact SolarCity at (650) 638-1028, San Mateo, CA 94402. You must contact us within 60 days from date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request.

NOTICE: The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance programs; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Office of the Comptroller of the Currency, Customer Assistance Unit, 1301 McKinney Street, Suite 3450, Houston, Texas 77010 9050. SolarCity is an equal opportunity lender.

Signature _____ Title _____ Date _____

Attachment: Rochester Public Utilities PPA SolarCity redline 20150724 (4196 : Approval of Solar Purchase Power Agreement)

Exhibit 4**Solar Power Purchase Agreement General Terms and Conditions***Revised January 17, 2013*

1. **Definitions and Interpretation:** Unless otherwise defined or required by the context in which any term appears: (a) the singular includes the plural and vice versa; (b) the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not to any particular section or subsection of this Agreement; (c) references to any agreement, document or instrument mean such agreement, document or instrument as amended, modified, supplemented or replaced from time to time; and (d) the words “include,” “includes” and “including” mean include, includes and including “without limitation.” The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.

2. **Purchase and Sale of Electricity.** Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electric energy generated by the System during the Initial Term and any Additional Term (as defined in **Exhibit 1**, and collectively the “**Term**”) not to exceed in any given year an amount equal to 110% of the Expected First Year Energy Production (kWh). Electric energy generated by the System will be delivered to Purchaser at the delivery point identified on **Exhibit 2** (the “**Delivery Point**”). Purchaser shall take title to the electric energy generated by the System at the Delivery Point, and risk of loss will pass from Seller to Purchaser at the Delivery Point. Purchaser may purchase electric energy for the Facility from other sources if the Purchaser's electric requirements at the Facility exceed the output of the System.

3. **Term and Termination.**
 - a. **Initial Term.** The initial term (“**Initial Term**”) of this Agreement shall commence on the Commercial Operation Date (as defined below) and continue for the length of time specified in **Exhibit 1**, unless earlier terminated as provided for in this Agreement. The “**Commercial Operation Date**” is the date Seller gives Purchaser written notice that the System is mechanically complete and capable of providing electric energy to the Delivery Point. Upon Purchaser’s request, Seller will give Purchaser copies of certificates of completion or similar documentation from Seller’s contractor and the interconnection or similar agreement with the Utility. This Agreement is effective as of the Effective Date and Purchaser’s failure to enable Seller to provide the electric energy by preventing it from installing the System or otherwise not performing shall not excuse Purchaser’s obligations to make payments that otherwise would have been due under this Agreement.

 - b. **Additional Terms.** If Purchaser has not exercised its option to purchase the System by the end of the Initial Term or the then current Additional Term, as applicable, either Party may give the other Party written notice of its desire to extend this Agreement on the terms and conditions set forth herein for the number and length of additional periods specified in **Exhibit 1** (each an “**Additional Term**”). Such notice shall be given, if at all, not more than one hundred twenty (120) and not less than sixty (60) days before the last day of the Initial Term or the then current Additional Term, as applicable. The Party receiving the notice requesting an Additional Term shall respond positively or negatively to that request in writing within thirty (30) days after receipt of the request. Failure to respond within such thirty (30) day period shall be deemed a rejection of the offer for an Additional Term. If both Parties agree to an Additional Term, the Additional Term shall begin immediately upon the conclusion of the Initial Term or the then current term on the same terms and conditions as set forth in this Agreement. If the Party receiving the request for an Additional Term rejects or is deemed to reject the first Party’s offer, this Agreement shall terminate at the end of the Initial Term (if the same has not been extended) or the then current Additional Term.

4. **Billing and Payment.**
 - a. **Monthly Charges.** Purchaser shall pay Seller monthly for the electric energy generated by the System and delivered to the Delivery Point at the \$/kWh rate shown in **Exhibit 1** (the “**Contract Price**”). The monthly payment for such energy will be equal to the applicable \$/kWh rate multiplied by the number of kWh of energy generated during the applicable month, as measured by the System meter.

 - b. **Monthly Invoices.** Seller shall invoice Purchaser monthly, either manually or through ACH or other mutually agreeable process. Such monthly invoices shall state (i) the amount of electric energy produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement, (iii) the total amount due from Purchaser, and (iv) the period of time that the invoice is covering.

 - c. **Taxes.** If applicable, Purchaser shall either pay or reimburse Seller for any and all taxes assessed on the generation, sale, delivery or consumption of electric energy produced by the System or the interconnection of the System to the Utility’s electric distribution system, including property taxes on the System; provided, however, Purchaser will not be required to pay or reimburse Seller for any taxes during periods when Seller fails

energy to Purchaser due to the action or omission of Seller. For purposes of this Section 4(d), “**Taxes**” means any federal, state and local ad valorem, property, occupation, generation, privilege, sales, use, consumption, excise, transaction, and other taxes, regulatory fees, surcharges or other similar charges, but shall not include any income taxes or similar taxes imposed on Seller’s revenues due to the sale of energy under this Agreement, which shall be Seller’s responsibility.

- d. **Payment Terms.** All amounts due under this Agreement shall be due and payable net twenty (20) days from receipt of invoice. Any undisputed portion of the invoice amount not paid within the twenty (20) day period shall accrue interest at the annual rate of one and one-half percent (1.5%).

5. **Environmental Attributes and Environmental Incentives.**

Consistent with **Exhibit 1**, Purchaser is the owner of all Environmental Attributes and Environmental Incentives and Seller is the owner of and is entitled to the benefit of all Tax Credits. Purchaser’s purchase of electricity under this Agreement does not include the right to Tax Credits or any attributes of ownership and operation of the System, all of which shall be retained by Seller, other than Environmental Attributes and Environmental Incentives. Seller shall cooperate with Purchaser in obtaining, securing and transferring all Environmental Attributes and Environmental Incentives and Purchaser shall cooperate with Seller in obtaining and maintaining the benefit of all Tax Credits, including in each case by using the electric energy generated by the System in a manner necessary to qualify for such available Environmental Attributes, Environmental Incentives and Tax Credits. Purchaser shall not be obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller. If any Environmental Incentives are paid directly to Seller, Seller shall immediately pay such amounts over to Purchaser.

“**Environmental Attributes**” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the System, the production of electrical energy from the System and its displacement of conventional energy generation, including (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (3) the reporting rights related to these avoided emissions, such as Green Tag Reporting Rights and Renewable Energy Credits. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Environmental Incentives and Tax Credits. Purchaser and Seller shall file all tax returns in a manner consistent with this Section 5. Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, investment credits, emissions allowances, green tags, tradeable renewable credits and Green-e® products.

“**Environmental Incentives**” means any and credits, rebates, subsidies, payments or other incentives that relate to self-generation of electricity, the use of technology incorporated into the System, environmental benefits of using the System, or other similar programs available from the Utility, any other regulated entity, the manufacturer of any part of the System or any Governmental Authority, in each case other than Tax Credits.

“**Governmental Authority**” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including the Federal Energy Regulatory Commission or the Minnesota Public Utilities Commission), or any arbitrator with authority to bind a party at law.

“**Tax Credits**” means any and all (i) investment tax credits, (ii) production tax credits and (iii) similar tax credits or grants under federal, state or local law relating to the construction, ownership or production of energy from the System.

6. **Conditions to Obligations.**

- a. **Conditions to Seller’s Obligations.**

Seller's obligations under this Agreement are conditioned on the completion of the following conditions to Seller's reasonable satisfaction on or before the Condition Satisfaction Date:

- i. Completion of a physical inspection of the Facility and the property upon which the Facility is located (the "**Premises**") including, if applicable, geotechnical work, and real estate due diligence to confirm the suitability of the Facility and the Premises for the System;
- ii. Approval of (A) this Agreement and (B) the Construction Agreement (if any) for the System by Seller's Financing Parties. "**Construction Agreement**" as used in this subsection means an agreement between SolarCity and a subcontractor to install the System;
- iii. Confirmation that Seller will obtain all applicable Tax Credits;
- iv. Receipt of all necessary zoning, land use and building permits;
- v. Execution of all necessary agreements with the Utility for interconnection of the System to the Utility's electric distribution system; and
- vi. Prior to Seller commencing construction and installation of the System, Purchaser shall give Seller proof of insurance for all insurance required to be maintained by Purchaser under this Agreement.

b. Conditions to Purchaser's Obligations

- i. Purchaser's obligations under Exhibit 4, Section 4(a) of this Agreement are conditioned on the occurrence of the Commercial Operation Date for the System on or before the Outside Commercial Operation Date (*See Exhibit 1*).

c. Failure of Conditions.

If any of the conditions listed in subsections a or b above are not satisfied by the applicable dates specified in those subsections, the Parties will attempt in good faith to negotiate new dates for the satisfaction of the failed conditions. If the parties are unable to negotiate new dates and the failed condition does not result from Force Majeure or the actions/omissions of the terminating Party or any third party, including the utility, then Seller (if the condition is in subsection (a)) or Purchaser (if the condition is in subsection (b)), as applicable, may terminate this Agreement upon ten (10) days written notice to the other Party without liability for costs or damages or triggering a default under this Agreement.

7. Seller's Rights and Obligations.

a. Permits and Approvals. Seller, with Purchaser's reasonable cooperation, shall use commercially reasonable efforts to obtain, at its sole cost and expense:

- i. any zoning, land use and building permits required to construct, install and operate the System; and
- ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Utility's electric distribution system.

Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such agreements, permits and approvals, except when the Purchaser is the entity that exercises quasi-judicial jurisdiction in determining whether the permit or approval should be granted to Seller.

b. Standard System Repair and Maintenance. Seller shall construct and install the System at the Facility. During the Term, Seller will operate and perform all routine and emergency repairs to, and maintenance of, the System at its sole cost and expense, except for any repairs or maintenance resulting from Purchaser's negligence, willful misconduct or breach of this Agreement or the Site Lease (if applicable). Seller shall not be responsible for any work done by others on any part of the System unless Seller authorizes that work in advance in writing. Seller shall not be responsible for any loss, damage, cost or expense arising out of or resulting from improper environmental controls or improper operation or maintenance of the System by anyone other than Seller or Seller's contractors. If the System requires repairs for which Purchaser is responsible, Purchaser shall pay Seller for diagnosing and correcting the problem at Seller or Seller's contractors' then current standard rates. Seller shall provide Purchaser with reasonable notice prior to accessing the Facility to make standard repairs.

c. Non-Standard System Repair and Maintenance. If Seller incurs incremental costs to maintain the System due to conditions at the Facility or due to the inaccuracy of any information provided by Purchaser at

Seller, the pricing, schedule and other terms of this Agreement will be equitably adjusted to compensate for any work in excess of normally expected work required to be performed by Seller. In such event, the Parties will negotiate such equitable adjustment in good faith.

- d. **Breakdown Notice.** Seller shall notify Purchaser within twenty-four (24) hours following Seller's discovery of (i) any material malfunction in the operation of the System or (ii) an interruption in the supply of electrical energy from the System. Purchaser and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays. Purchaser shall notify Seller immediately upon the discovery of an emergency condition affecting the System.
- e. **Suspension.** Notwithstanding anything to the contrary herein, Seller shall be entitled to suspend delivery of electricity from the System to the Delivery Point for the purpose of maintaining and repairing the System and such suspension of service shall not constitute a breach of this Agreement; provided, that Seller shall use commercially reasonable efforts to minimize any interruption in service to the Purchaser.
- f. **Use of Contractors and Subcontractors.** Seller shall be permitted to use contractors and subcontractors to perform its obligations under this Agreement. However, Seller shall continue to be responsible for the quality of the work performed by its contractors and subcontractors. If a list of pre-approved contractors and subcontractors is desired, such list shall be scheduled on an appendix to this Exhibit. All contractors and subcontractors, other than those that may be scheduled on an appendix to this Exhibit, shall be subject to Purchaser's prior written consent, not to be unreasonably withheld.
- g. **Liens and Payment of Contractors and Suppliers.** Seller shall pay when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement and shall keep the Facility free and clear of any liens related to such charges, except for those liens which Seller is permitted by law to place on the Facility following non-payment by Purchaser of amounts due under this Agreement. Seller shall indemnify Purchaser for all claims, losses, damages, liabilities and expenses resulting from any liens filed against the Facility or the Premises in connection with such charges; provided, however, that Seller shall have the right to contest any such lien, so long as it provides a statutory bond or other reasonable assurances of payment that either remove such lien from title to the Facility and the Premises or that assure that any adverse judgment with respect to such lien will be paid without affecting title to the Facility and the Premises.
- h. **Separate Warranty.**
 - i. The Limited Warranty that SolarCity will provide to Purchaser is a separate contract from this Agreement. No rights provided to Purchaser by the Limited Warranty may be asserted under this Agreement. No warranty is made in this Agreement. Therefore, any warranty claim must be made independently of this Agreement under the Limited Warranty and will not affect Purchaser's obligations under this Agreement.
 - ii. NO WARRANTY OR REMEDY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY UNDER THIS AGREEMENT. The remedies set forth in this Agreement shall be Purchaser's sole and exclusive remedies for any claim or liability arising out of or in connection with this Agreement, whether arising in contract, tort (including negligence), strict liability or otherwise.

8. Purchaser's Rights and Obligations.

- a. **Facility Access Rights.** Purchaser grants to Seller and to Seller's agents, employees and contractors an irrevocable non-exclusive license running with the Premises (the "**License**") for access to, on, over, under and across the Premises for the purposes of (a) installing, constructing, operating, owning, maintaining, accessing, removing and replacing the System; (b) performing all of Seller's obligations and enforcing all of Seller's rights set forth in this Agreement; and (c) installing, using and maintaining electric lines and equipment, including inverters and meters, necessary to interconnect the System to Purchaser's electric system at the Facility and/or to the Utility's electric distribution system or that otherwise may from time to time be useful or necessary in connection with the construction, installation, operation, maintenance or repair of the System. Seller shall notify Purchaser prior to entering the Facility except in situations where there is imminent risk of damage to persons or property. The term of the License shall continue until the date that is one hundred and twenty (120) days following the date of expiration

or termination of this Agreement (the “License Term”). During the License Term, Purchaser shall ensure that Seller’s rights under the License and Seller’s access to the Premises are preserved and protected and shall not interfere with or permit any third parties to interfere with such rights or access. Purchaser agrees that Seller, upon request to Purchaser, may record a memorandum of license in the land records respecting the License in form and substance reasonably acceptable to the Parties. Seller’s Facility Access Rights are limited to performing its obligations in support of the System.

- b. **OSHA Compliance.** Both parties shall ensure that all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws or codes are adhered to in their performance under this Agreement.
- c. **Maintenance of Facility.** Purchaser shall, at its sole cost and expense, maintain the Facility in good condition and repair. Purchaser will ensure that the Facility remains interconnected to the local utility grid at all times and will not permit cessation of electric service to the Facility from the local utility. Purchaser is fully responsible for the maintenance and repair of the Facility’s electrical system and of all of Purchaser’s equipment that utilizes the System’s outputs. Purchaser shall properly maintain in full working order all of Purchaser’s electric supply or generation equipment that Purchaser may shut down while utilizing the System. Purchaser shall promptly notify Seller of any matters of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- d. **No Alteration of Facility.** Purchaser shall not make any alterations or repairs to the Facility which may adversely affect the operation and maintenance of the System without Seller’s prior written consent. If Purchaser wishes to make such alterations or repairs, Purchaser shall give prior written notice to Seller, setting forth the work to be undertaken (except for emergency repairs, for which notice may be given by telephone), and give Seller the opportunity to advise Purchaser in making such alterations or repairs in a manner that avoids damage to the System, but, notwithstanding any such advice, Purchaser shall be responsible for all damage to the System caused by Purchaser or its contractors. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, such work and any replacement of the System after completion of Purchaser’s alterations and repairs, shall be done by Seller or its contractors at Purchaser’s cost. All of Purchaser’s alterations and repairs will be done in a good and workmanlike manner and in compliance with all applicable laws, codes and permits.
- e. **Outages.** Purchaser shall be permitted to be off line for a total of forty-eight (48) day light hours (each, a “**Scheduled Outage**”) per calendar year during the Term, during which days Purchaser shall not be obligated to accept or pay for electricity from the System; provided, however, that Purchaser must notify Seller in writing of each such Scheduled Outage at least forty-eight (48) hours in advance of the commencement of a Scheduled Outage. In the event that Scheduled Outages exceed a total of forty-eight (48) day light hours per calendar year or there are unscheduled outages, in each case for a reason other than a Force Majeure event, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Scheduled Outages or unscheduled outages and shall invoice Purchaser for such amount and any associated lost or recaptured Environmental Incentives and lost sales (and penalties payments associated with the same) of associated Environmental Attributes in accordance with Section 4. For avoidance of doubt, the forty-eight (48) hour period shall include all Scheduled Outage hours allowed under any of the terms of this Agreement, including those undertaken pursuant to Section 8(d).
- f. **Liens.** Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on or with respect to the System or any interest therein. Purchaser shall immediately notify Seller in writing of the existence of any such mortgage, pledge, lien, charge, security interest, encumbrance or other claim, shall promptly cause the same to be discharged and released of record without cost to Seller, and shall indemnify Seller against all costs and expenses (including reasonable attorneys’ fees) incurred in discharging and releasing any such mortgage, pledge, lien, charge, security interest, encumbrance or other claim.
- g. **Security.** Purchaser shall be responsible for using commercially reasonable efforts to maintain the physical security of the Facility and the System against known risks and risks that should have been known by Purchaser. Purchaser will not conduct activities on, in or about the Premises or the Facility that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System.
- h. **Insolation.** Purchaser understands that unobstructed access to sunlight (“**Insolation**”) is essential to Seller’s performance of its obligations and a material term of this Agreement. Purchaser shall not in any way cause and, where possible, shall not in any way permit any interference with the System’s Insolation. If Purchaser becomes aware of any activity or condition that could diminish the Insolation of the System, Purchaser shall notify Seller immediately and shall cooperate with Seller in preserving the System’s existing Insolation levels. The Parties agree that reducing Insolation would irreparably injure Seller, that such injury may not be adequately compensated by a monetary award.

award of money damages, and that Seller is entitled to seek specific enforcement of this Section 7.h.i(h) against Purchaser.

- i. **Data Line.** Purchaser shall provide Seller a high speed internet data line during the Term to enable Seller to record the electric energy generated by the System. If Purchaser fails to provide such high speed internet data line, or if such line ceases to function and is not repaired, Seller may reasonably estimate the amount of electric energy that was generated and invoice Purchaser for such amount in accordance with Section 4.
- j. **Breakdown Notice.** Purchaser shall notify Seller within twenty-four (24) hours following the discovery by it of (A) any material malfunction in the operation of the System; or (B) any occurrences that could reasonably be expected to adversely affect the System. Purchaser shall notify Seller immediately upon (A) an interruption in the supply of electrical energy from the System; or (B) the discovery of an emergency condition respecting the System. Purchaser and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays.

9. Change in Law.

"Change in Law" means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation; (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date of this Agreement (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority which in the case of any of (i), (ii) or (iii), establishes requirements affecting owning, supplying, constructing, installing, operating or maintaining the System, or other performance of the Seller's obligations hereunder and which has a material adverse effect on the cost to Seller of performing such obligations; provided, that a change in federal, state, county or any other tax law after the Effective Date of this Agreement shall not be a Change in Law pursuant to this Agreement.

If any Change in Law occurs that has a material adverse effect on the cost to Seller of performing its obligations under this Agreement, then the Parties shall, within thirty (30) days following receipt by Purchaser from Seller of notice of such Change in Law, meet and attempt in good faith to negotiate amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller shall have the right to terminate this Agreement without further liability to either Party except with respect to payment of amounts accrued prior to termination.

10. Relocation of System.

If Purchaser ceases to conduct business operations at and/or vacates the Facility or is prevented from operating the System at the Facility prior to the expiration of the Term, Purchaser shall have the option to provide Seller with a mutually agreeable substitute premises located within the same Utility district as the terminated System or in a location with similar Utility rates and Insolation. Purchaser shall provide written notice at least sixty (60) days but not more than one hundred eighty (180) days prior to the date that it wants to make this substitution. In connection with such substitution, Purchaser shall execute an amended agreement that shall have all of the same terms as this Agreement except for the (i) Effective Date; (ii) License, which will be amended to grant rights in the real property where the System relocated to; and (iii) Term, which will be the remainder of the Term of this Agreement and such amended agreement shall be deemed to be a continuation of this Agreement without termination. Purchaser shall also provide any new Purchaser, owner, lessor or mortgagee consents or releases required by Seller or Seller's Financing Parties in connection with the substitute facility. Purchaser shall pay all costs associated with relocation of the System, including all costs and expenses incurred by or on behalf of Seller in connection with removal of the System from the Facility and installation and testing of the System at the substitute facility and all applicable interconnection fees and expenses at the substitute facility, as well as costs of new title search and other out-of-pocket expenses connected to preserving and refiling the security interests of Seller's Financing Parties in the System. Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during the period of time the System is not in operation due to the relocation and shall invoice Purchaser for such amount and any associated lost or recaptured Environmental Incentives and lost sales (and penalties payments associated with the same) of associated Environmental Attributes in accordance with Section 4. Seller shall remove the System from the vacated Facility prior to the termination of Purchaser's ownership, lease or other rights to use such Facility. Seller will not be required to restore the Facility to its prior condition but shall promptly pay Purchaser for any damage caused by Seller during removal of the System, but not for normal wear and tear. If the substitute facility has inferior Insolation as compared to the original Facility, Seller shall have the right to make an adjustment to Exhibit 1 such that Purchaser's payments to Seller are the same as if the System were located at the original Facility. If Purchaser is unable to provide such substitute facility and to relocate the System as provided, any early termination will be treated as a default by Purchaser. Seller shall not have the right to relocate the System on the Purchaser's premises without written approval from Purchaser.

11. **Removal of System at Expiration.**

Upon the expiration or earlier termination of this Agreement (provided Purchaser does not exercise its purchase option), Seller shall, at its expense, remove all of its tangible property comprising the System from the Facility on a mutually convenient date, but in no event later than ninety (90) days after the expiration of the Term. Excluding ordinary wear and tear, the Facility shall be returned to its original condition including the removal of System mounting pads or other support structures. Seller shall leave the Facility in neat and clean order. If Seller fails to remove or commence substantial efforts to remove the System by such agreed upon date, Purchaser shall have the right, at its option, to remove the System to a public warehouse and restore the Facility to its original condition (other than ordinary wear and tear) at Seller's cost. Purchaser shall provide sufficient space for the temporary storage and staging of tools, materials and equipment and for the parking of construction crew vehicles and temporary construction trailers and facilities reasonably necessary during System removal.

12. **Measurement.**

Electricity delivered to the Facility shall be measured by the SolarGuard monitoring system installed and maintained by Seller as part of the System.

13. **Default, Remedies and Damages.**

a. **Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below shall be deemed a "**Defaulting Party**" and each event of default shall be a "**Default Event**":

- (1) failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the other Party (the "**Non-Defaulting Party**") of such failure to pay ("**Payment Default**");
- (2) failure of a Party to substantially perform any other material obligation under this Agreement within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that such thirty (30) day cure period shall be extended (but not beyond ninety (90) days) if and to the extent reasonably necessary to cure the Default Event, if (i) the Defaulting Party initiates such cure with the thirty (30) day period and continues such cure to completion and (ii) there is no material adverse effect on the Non-Defaulting Party resulting from the failure to cure the Default Event;
- (3) if any representation or warranty of a Party proves at any time to have been incorrect in any material respect when made and is material to the transactions contemplated hereby, if the effect of such incorrectness is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
- (4) Purchaser loses its rights to occupy and enjoy the Premises;
- (5) a Party, or its guarantor, becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect (or, if any such actions are initiated by a third party, such action(s) is(are) not dismissed within ninety (90) days); or
- (6) Purchaser prevents Seller from installing the System or otherwise failing to perform in a way that prevents the delivery of electric energy from the System. Such Default Event shall not excuse Purchaser's obligations to make payments that otherwise would have been due under this Agreement.

b. **Remedies.**

- (1) **Remedies for Payment Default.** If a Payment Default occurs, the Non-Defaulting Party may suspend performance of its obligations under this Agreement. Further, the Non-Defaulting Party may pursue any remedy under this Agreement, at law or in equity, including an action for damages

and termination of this Agreement, upon five (5) days prior written notice to the Defaulting Party following the Payment Default.

- (2) Remedies for Other Defaults. On the occurrence of a Default Event other than a Payment Default, the Non-Defaulting Party may pursue any remedy under this Agreement, at law or in equity, including an action for damages and termination of this Agreement or suspension of performance of its obligations under this Agreement, upon five (5) days prior written notice to the Defaulting Party following the occurrence of the Default Event. Nothing herein shall limit either Party’s right to collect damages upon the occurrence of a breach or a default by the other Party that does not become a Default Event.
- (3) Damages Upon Termination by Default. The parties agree that the precise amount of damage in this situation cannot be determined or measured by ordinary rules. For the purpose of liquidating the amount of damages, and not as a penalty, it is agreed that in case of the Defaulting Party’s breach of this Agreement as a result of a Default Event, the damages caused shall be and are fixed, liquidated, and determined to be in the sum of the Termination Payment below. The Defaulting Party shall pay a Termination Payment to the Non-Defaulting Party determined as follows (the “**Termination Payment**”):

A. Purchaser. If Purchaser is the Defaulting Party and Seller terminates this Agreement, the Termination Payment to Seller shall be the amount set forth in the table below, as applicable.

Purchaser Termination Values:

Contract Year	Termination Value
1	\$1,989,531
2	\$1,756,849
3	\$1,447,983
4	\$1,205,500
5	\$1,002,500
6	\$795,623
7	\$737,712
8	\$711,222
9	\$683,724
10	\$655,167
11	\$625,495
12	\$594,652
13	\$562,578
14	\$529,209
15	\$494,478
16	\$458,318
17	\$420,653
18	\$381,409
19	\$340,503
20	\$297,852
21	\$253,367
22	\$206,955
23	\$158,517
24	\$107,952
25	\$55,150

B. Seller. If Seller is the Defaulting Party and Purchaser terminates this Agreement, the Termination Payment to Purchaser shall be equal to the sum of (i) the present value (using a discount rate of 9.5%) of the excess, if any, of the reasonably expected cost of electric energy from the Utility over the Contract Price for the reasonably expected production of the System for the remainder of the Initial Term or the then current Additional Term, as applicable; (ii) all costs reasonably incurred by Purchaser in re-converting its electric supply to service from the utility; (iii) any removal costs incurred by Purchaser; and (iv) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser. The Termination Payment shall not be less than zero.

- C. Obligations Following Termination. If a Non-Defaulting Party terminates this Agreement pursuant to this Section 13(b), then following such termination, Seller shall, at the sole cost and expense of the Defaulting Party, remove the equipment (except for mounting pads and support structures) constituting the System. The Non-Defaulting Party shall take all commercially reasonable efforts to mitigate its damages as the result of a Default Event.

14. **Representations and Warranties.**

- a. **General Representations and Warranties.** Each Party represents and warrants to the other the following:
- (1) Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this

Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and shall not violate any law; and this Agreement is valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).

- (2) Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.

b. **Purchaser's Representations and Warranties.** Purchaser represents and warrants to Seller the following:

- (1) **License.** Purchaser has title to or a leasehold or other property interest in the Premises. Purchaser has the full right, power and authority to grant the License contained in Section 8(a). Such grant of the License does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Facility and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Facility. If Purchaser does not own the Premises or Facility, Purchaser has obtained all required consents from the owner of the Premises and/or Facility to grant the License and enter into and perform its obligations under this Agreement.
- (2) **Other Agreements.** Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser or the Facility is bound.
- (3) **Accuracy of Information.** All information provided by Purchaser to Seller, as it pertains to the Facility's physical configuration, Purchaser's planned use of the Facility, and Purchaser's estimated electricity requirements, is accurate in all material respects.
- (4) **Purchaser Status.** Purchaser is a municipal entity exempted from FERC jurisdiction under section 201(f) of the Federal Power Act.
- (5) **No Pool Use.** No electricity generated by the System will be used directly to heat a swimming pool.

15. **System and Facility Damage and Insurance.**

a. **System and Facility Damage.**

- (1) **Seller's Obligations.** If the **System** is damaged or destroyed other than by Purchaser's gross negligence or willful misconduct, Seller shall promptly repair and restore the System to its pre-existing condition; provided, however, that if more than fifty percent (50%) of the System is destroyed during the last five (5) years of the Initial Term or during any Additional Term, Seller shall not be required to restore the System, but may instead terminate this Agreement, unless Purchaser agrees (i) to pay for the cost of such restoration of the System or (ii) to purchase the System "AS-IS" at the greater of (A) then current fair market value of the System and (B) the sum of the amounts set forth in Section 13.b(3)(A) (using the date of purchase to determine the appropriate Contract Year).
- (2) **Purchaser's Obligations.** If the **Facility** is damaged or destroyed by casualty of any kind or any other occurrence other than Seller's gross negligence or willful misconduct, such that the operation of the System and/or Purchaser's ability to accept the electric energy produced by the System are materially impaired or prevented, Purchaser shall promptly repair and restore the Facility to its pre-existing condition; provided, however, that if more than 50% of the Facility is destroyed during the last five years of the Initial Term or during any Additional Term, Purchaser

may elect either (i) to restore the Facility or (ii) to pay the Termination Payment and all other costs previously accrued but unpaid under this Agreement and thereupon terminate this Agreement.

- b. Insurance Coverage.** At all times during the Term, Seller and Purchaser shall maintain the following insurance:
- i. **Seller's Insurance.** Seller shall maintain (i) property insurance on the System for the replacement cost thereof, (ii) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (iii) employer's liability insurance with coverage of at least \$1,000,000 and (iv) workers' compensation insurance as required by law.
- The liability insurance policies shall name the City of Rochester as an additional insured for claims from work conducted pursuant to this agreement. Contractor's liability insurance shall be primary to any insurance held by the City of Rochester.
- Certificate holder shall be listed as:
- City of Rochester
Acting Through Its Public Utility Board
4000 East River Road NE
Rochester MN 55906-2813
- ii. **Purchaser's Insurance.** Purchaser shall maintain commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
- c. **Policy Provisions.** All insurance policies provided hereunder shall (i) contain a provision whereby the insurer agrees to give the party not providing the insurance thirty (30) days (ten (10) days in the event of non-payment of premiums) written notice before the insurance is cancelled, or terminated, (ii) be written on an occurrence basis, (iii) be maintained with companies either rated no less than A-VII as to Policyholders Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other party.
- d. **Certificates.** Upon the other Party's request each Party shall deliver the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.
- e. **Deductibles.** Unless and to the extent that a claim is covered by an indemnity set forth in this Agreement, each Party shall be responsible for the payment of its own deductible.

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16. Ownership; Option to Purchase.

- a. **Ownership of System.** Throughout the Term, Seller shall be the legal and beneficial owner of the System at all times, including all Tax Credits, and the System shall remain the personal property of Seller and shall not attach to or be deemed a part of, or fixture to, the Facility or the Premises. Each of the Seller and Purchaser agree that the Seller is the tax owner of the System and all tax filings and reports will be filed in a manner consistent with this Agreement. The System shall at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code. Purchaser covenants that it will use commercially reasonable efforts to place all parties having an interest in or a mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on the Facility or the Premises on notice of the ownership of the System and the legal status or classification of the System as personal property. If there is any mortgage or fixture filing against the Premises which could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder. If Purchaser is the fee owner of the Premises, Purchaser consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Facility is located. If Purchaser is not the fee owner, Purchaser will obtain such consent from such owner. For the avoidance of doubt, in either circumstance Seller shall file such disclaimer. Upon request, Purchaser agrees to deliver to Seller a non-disturbance agreement in a form reasonably acceptable to Seller from the owner of the Facility (if the Facility is leased by Purchaser), any mortgagee with a lien on the Premises, and other Persons holding a similar interest in the Premises. To the extent that Purchaser does not own the Premises or Facility, Purchaser shall provide to Seller immediate written notice of receipt of notice of eviction from the Premises or Facility or termination of Purchaser's lease of the Premises and/or Facility.
- b. **Option to Purchase.** At the end of the sixth (6th), twelfth (12th) and eighteenth (18th) Contract Years and at the end of the Initial Term and each Additional Term, so long as Purchaser is not in default under this Agreement, Purchaser may purchase the System from Seller on any such date for a purchase price equal to the Fair Market Value of the System. The "**Fair Market Value**" of the System shall be determined by mutual agreement of Purchaser and Seller; provided, however, if Purchaser and Seller cannot agree to the Fair Market Value within thirty (30) days after Purchaser has exercised its option, the Parties shall select a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry to determine the Fair Market Value of the System. Such appraiser shall act reasonably and in good faith to determine the Fair Market Value of the System on an installed basis and shall set forth such determination in a written opinion delivered to the Parties; provided that in no event shall the Fair Market Value be less than the greater of the amounts calculated under Sections 13(b)(3)(A)(ii) and (iv) as of the date of System sale transfer. The valuation made by the appraiser shall be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by the Parties equally. Purchaser must provide notification to Seller of its intent to purchase at least ninety (90) days and not more than one hundred eighty (180) days prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable. The notification shall be complete prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable. As a part of such sale, Seller shall assign to Purchaser any then-effective third party system warranties capable of assignment without consent by any third parties. Upon purchase of the System, Purchaser will assume complete responsibility for the operation and maintenance of the System, and Seller shall have no further liabilities or obligations hereunder.

17. Indemnification and Limitations of Liability.

- a. **General.** Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party and the directors, officers, shareholders, partners, members, agents and employees of such other Party, and the respective affiliates of each thereof (collectively, the "**Indemnified Parties**"), from and against all loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from any third party actions relating to the breach of any representation or warranty set forth in Section 14 and from injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein shall require the Indemnifying Party to indemnify the Indemnified Party for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnified Party. This Section 17(a) however, shall not apply to liability arising from any form of hazardous substances or other environmental contamination, such matters being addressed exclusively by Section 17(c).
- b. **Notice and Participation in Third Party Claims.** The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the

defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party shall settle any Claim covered by this Section 17(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party shall have no liability under this Section 17(b) for any Claim for which such notice is not provided if that the failure to give notice prejudices the Indemnifying Party.

- c. **Environmental Indemnification.** Seller shall indemnify, defend and hold harmless all of Purchaser's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance (as defined in Section 17(c)(i)) to the extent deposited, spilled or otherwise caused by Seller or any of its contractors or agents. Purchaser shall indemnify, defend and hold harmless all of Seller's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Seller or any of its contractors or agents. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises generally or any deposit, spill or release of any Hazardous Substance.

- i. **"Hazardous Substance"** means any chemical, waste or other substance (a) which now or hereafter becomes defined as or included in the definition of "hazardous substance," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollution," "pollutants," "regulated substances," or words of similar import under any laws pertaining to the environment, health, safety or welfare, (b) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (c) the storage, use, handling, disposal or release of which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (d) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (e) for which remediation or cleanup is required by any Governmental Authority.

d. **Limitations on Liability.**

- i. **No Consequential Damages.** Neither Party nor its directors, officers, shareholders, partners, members, agents and employees, subcontractors or suppliers shall be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature arising out of their performance or non-performance hereunder even if advised of such.
- ii. **Actual Damages.** The provisions of this Section (17)(d)(ii) shall apply whether such liability arises in contract, tort (including negligence), strict liability or otherwise. Any action against Seller must be brought within the applicable statute of limitations period.

18. **Force Majeure**

- a. **"Force Majeure"** means any event or circumstances beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure. It shall include, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike; work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; the binding order of any Governmental Authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any Governmental Authority (provided that such action has been timely requested and diligently pursued); unavailability of electricity from the utility grid, equipment, supplies or products (but not to the extent that any such availability of any of the foregoing results from the failure of the Party claiming Force Majeure to have exercised reasonable diligence); and failure of equipment not utilized by or under the control of the Party claiming Force Majeure.
- b. Except as otherwise expressly provided to the contrary in this Agreement, if either Party is rendered wholly or partly unable to timely perform its obligations under this Agreement because of a Force Majeure event, that Party shall be excused from the performance affected by the Force Majeure event (but only to the extent so affected) and the time for performing such excused obligations shall be extended as reasonably necessary; provided, that: (i) the Party affected by such Force Majeure event, as soon as reasonably practicable after obtaining knowledge of the occurrence

of the claimed Force Majeure event, gives the other Party prompt oral notice, followed by a written notice reasonably describing the event; (ii) the suspension of or extension of time for performance is of no greater scope and of no longer duration than is required by the Force Majeure event; and (iii) the Party affected by such Force Majeure event uses all reasonable efforts to mitigate or remedy its inability to perform as soon as reasonably possible. The Term shall be extended day for day for each day performance is suspended due to a Force Majeure event.

- c. Notwithstanding anything herein to the contrary, the obligation to make any payment due under this Agreement shall not be excused by a Force Majeure event that impacts Purchaser's ability to make payment.
- d. If a Force Majeure event continues for a period of one hundred (180) days or more within a twelve (12) month period and prevents a material part of the performance by a Party hereunder, the Party not claiming the Force Majeure shall have the right to terminate this Agreement without fault or further liability to either Party (except for amounts accrued but unpaid).

19. Assignment and Financing.

- a. **Assignment.** This Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Seller may, without the prior written consent of Purchaser, (i) assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement to any Financing Party, (ii) directly or indirectly assign this Agreement to an affiliate of Seller, (iii) assign this Agreement to any entity through which Seller is obtaining financing or capital for the System and (iv) assign this Agreement to any person succeeding to all or substantially all of the assets of Seller (provided that Seller shall be released from liability hereunder as a result of any of the foregoing permitted assignments only upon assumption of Seller's obligations hereunder by the assignee). Purchaser's consent to any other assignment shall not be unreasonably withheld if Purchaser has been provided with reasonable proof that the proposed assignee (x) has comparable experience in operating and maintaining photovoltaic solar systems comparable to the System and providing services comparable to those contemplated by this Agreement and (y) has the financial capability to maintain the System and provide the services contemplated by this Agreement in the manner required by this Agreement. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees.
- b. **Financing.** The Parties acknowledge that Seller may obtain construction and long-term financing or other credit support from lenders or third parties (including tax equity or similar investors) ("**Financing Parties**") in connection with the installation, construction, ownership, operation and maintenance of the System. Both Parties agree in good faith to consider and to negotiate changes or additions to this Agreement that may be reasonably requested by the Financing Parties provided, that such changes or additions do not alter the fundamental economic terms of this Agreement. The Parties also agree that Seller may assign this Agreement to the Financing Parties as collateral, and in connection with any such assignment Purchaser agrees to execute a consent to assignment in customary form and reasonably acceptable to the Financing Parties.

[Remainder of page intentionally left blank.]

20. Confidentiality and Publicity.

- a. **Confidentiality.** If either Party provides confidential information, including business plans, strategies, financial information, proprietary, patented, licensed, copyrighted or trademarked information, and/or technical information regarding the design, operation and maintenance of the System or of Purchaser's business ("**Confidential Information**") to the other or, if in the course of performing under this Agreement or negotiating this Agreement a Party learns Confidential Information regarding the facilities or plans of the other, the receiving Party shall (a) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (b) refrain from using such Confidential Information, except in the negotiation and performance of this Agreement. Notwithstanding the above, a Party may provide such Confidential Information to its, officers, directors, members, managers, employees, agents, contractors and consultants (collectively, "**Representatives**"), and affiliates, lenders, and potential assignees of this Agreement (provided and on condition that such potential assignees be bound by a written agreement or legal obligation restricting use and disclosure of Confidential Information), in each case whose access is reasonably necessary to the negotiation and performance of this Agreement. Each such recipient of Confidential Information shall be informed by the Party disclosing Confidential Information of its confidential nature and shall be directed to treat such information confidentially and shall agree to abide by these provisions. In any event, each Party shall be liable (with respect to the other Party) for any breach of this provision by any entity to whom that Party improperly discloses Confidential Information. The terms of this Agreement (but not its execution or existence) shall be considered Confidential Information for purposes of this Section 20(a), except as set forth in Section 20(b). All Confidential Information shall remain the property of the disclosing Party and shall be returned to the disclosing Party or destroyed after the receiving Party's need for it has expired or upon the request of the disclosing Party or within 90 days of the termination of the contract. Each Party agrees that the disclosing Party would be irreparably harmed by a breach of this Section 20(a) by the receiving Party or its Representatives or other persons to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, in the event of a breach of the provision of this Section 20(a). To the fullest extent permitted by applicable law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 20(a), but shall be in addition to all other remedies available at law or in equity. The Minnesota Government Data Practices Act applies.
- b. **Permitted Disclosures.** Notwithstanding any other provision in this Agreement, neither Party shall be required to hold confidential any information that (i) becomes publicly available other than through the receiving Party, (ii) is required to be disclosed or by a Governmental Authority under applicable law, pursuant to applicable public records disclosure laws, or pursuant to a validly issued subpoena (but a receiving Party subject to any such requirement shall promptly notify the disclosing Party of such requirement to the extent permitted by applicable law), (iii) is independently disclosed to the receiving Party or (iv) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality. If disclosure of information is required by a Governmental Authority, the disclosing Party shall, to the extent permitted by applicable law, notify the other Party of such required disclosure promptly upon becoming aware of such required disclosure and shall cooperate with the other Party in efforts to limit the disclosure to the maximum extent permitted by law.

21. **Goodwill and Publicity.** Neither Party shall use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of such other Party. The Parties shall coordinate and cooperate with each other when making public announcements related to the execution and existence of this Agreement, and each Party shall have the right to promptly review, comment upon and approve any publicity materials, press releases and other public statements by the other Party that refer to, or that describe any aspect of, this Agreement. Neither Party shall make any press release or public announcement of the specific terms of this Agreement (except for filings or other statements or releases as may be required by applicable law) without the specific prior written consent of the other Party. All public statements must accurately reflect the rights and obligations of the Parties under this Agreement, including the ownership of Environmental Attributes and Environmental Incentives and any related reporting rights. To avoid any conflicts with fair trade rules regarding claims of solar or renewable energy use, Purchaser, if engaged in commerce and/or trade, shall submit to Seller for approval any press releases regarding Purchaser's purchase or use of solar or renewable energy in connection with this Agreement and shall not submit for publication any such releases without the written approval of Seller. Approval shall not be unreasonably withheld, and Seller's review and approval shall be made in a timely manner to permit Purchaser's timely publication.

22. General Provisions

- a. **Choice of Law.** The law of the state where the System is located shall govern this Agreement without giving effect to conflict of laws principles.
- b. **Mediation and Attorneys' Fees.** Any dispute arising from or relating to this Agreement shall be mediated in Rochester, MN. The mediation shall be administered in accordance with the Minnesota Civil Mediation Act. If mediation is unsuccessful, the parties may invoke any legal proceeding they determine to be appropriate. The prevailing party in any dispute arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs.
- c. **Notices.** All notices under this Agreement shall be in writing and shall be by personal delivery, facsimile transmission, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices shall be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either party may specify in writing. Each party shall deem a document faxed, emailed or electronically sent in PDF form to it as an original document.
- d. **Survival.** Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement shall survive. For the avoidance of doubt, surviving provisions shall include, without limitation, Section 4 (Representations and Warranties), Section 7(h) (No Warranty), Section 15(b) (Insurance Coverage), Section 17 (Indemnification and Limits of Liability), Section 20 (Confidentiality and Publicity), Section 22(a) (Choice of Law), Section 22 (b) (Arbitration and Attorneys' Fees), Section 22(c) (Notices), Section 22 (d) (Comparative Negligence), Section 22(h) (Non-Dedication of Facilities), Section 22(j) (Service Contract), Section 22(k) (No Partnership) Section 22(l) (Full Agreement, Modification, Invalidity, Counterparts, Captions) and Section 22(m) (No Third Party Beneficiaries).
- e. **Further Assurances.** Each of the Parties hereto agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Right of Waiver.** Each Party, in its sole discretion, shall have the right to waive, defer or reduce any of the requirements to which the other Party is subject under this Agreement at any time; provided, however that neither Party shall be deemed to have waived, deferred or reduced any such requirements unless such action is in writing and signed by the waiving Party. No waiver will be implied by any usage of trade, course of dealing or course of performance. A Party's exercise of any rights hereunder shall apply only to such requirements and on such occasions as such Party may specify and shall in no event relieve the other Party of any requirements or other obligations not so specified. No failure of either Party to enforce any term of this Agreement shall be deemed to be a waiver. No exercise of any right or remedy under this Agreement by Purchaser or Seller shall constitute a waiver of any other right or remedy contained or provided by law. Any delay or failure of a Party to exercise or any partial exercise of, its rights and remedies under this Agreement shall not operate to limit or otherwise affect such rights or remedies. Any waiver of performance under this Agreement shall be limited to the specific performance waived and shall not, unless otherwise expressly stated in writing, constitute a continuous waiver or waiver of future performance.
- g. **Comparative Negligence.** It is the intent of that Minnesota's comparative fault statute (M.S.A. Section 604.01) apply when applicable in connection with any claims involving the Parties.
- h. **Non-Dedication of Facilities.** Nothing herein shall be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party shall knowingly take any action that would subject the other Party, or other Party, facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party shall argue in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use all reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Seller shall have the right to terminate this Agreement without further liability, and Seller shall remove the System in accordance with Section 15 of this Agreement.
- i. **Status Communication.** Either Party, without charge, at any time and from time to time, within thirty (30) days after receipt of a written request by the other Party, shall deliver a written statement addressing such information as may be reasonably requested by the requesting Party to the extent the other Party has knowledge of or is able to respond to the

requested information. Any written statement given hereunder may be relied upon by the recipient of such statement except to the extent the recipient has actual knowledge of the facts contained in the statement.

- j. Service Contract.** The Parties intend this Agreement to be a “service contract” within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Purchaser will not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.
- k. No Partnership.** No provision of this Agreement shall be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither shall be considered the agent of the other.
- l. Full Agreement, Modification, Invalidity, Counterparts, Captions.** This Agreement, together with any Exhibits, completely and exclusively states the agreement of the parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the parties, oral or written, regarding its subject matter. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be changed and interpreted so as best to accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law. This Agreement may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall comprise the same Agreement. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
- m. Forward Contract.** The transaction contemplated under this Agreement constitutes a “forward contract” within the meaning of the United States Bankruptcy Code, and the Parties further acknowledge and agree that each Party is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.
- n. No Third Party Beneficiaries.** Except as otherwise expressly provided herein, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto and shall not imply or create any rights on the part of, or obligations to, any other Person.
- o. Bonds.** Notwithstanding any language to the contrary in this Agreement and solely to the extent a performance and/or payment bond is being issued to Purchaser:
- p. Bonding.**
- i. Performance bond liability. Any performance bond issued for a site or system will cease one (1) year from the completion of construction. If a performance guarantee is provided under the terms of this Agreement, the balance of any warranty or guarantee beyond one year term of the applicable performance bond shall continue to be guaranteed solely by the guarantor under the terms of this Agreement. The performance bond does not guarantee any property or other requirements.
 - ii. Payment bond liability. Any payment bond issued will cease at the termination of any time required by law. iii.
- Performance Guarantees. Neither payment bonds, whether for labor or materials, nor performance bonds are applicable to any specified performance guarantee.

End of Exhibit 4



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Purchased Power Agreement with:

Solar City

For the term of 25 years at a non-escalating price of \$0.1014 per kWhr. And that the Common Council authorize the Mayor and the City Clerk to execute the agreement pending approval from the City Attorney and Rochester Public Utilities General Manager.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of July, 2015.

President

Secretary