



MEETING AGENDA – OCTOBER 24, 2017

RPU SERVICE CENTER
4000 EAST RIVER ROAD NE
BOARD ROOM
ROCHESTER, MN 55906

4:00 PM

Call to Order

1. **Approval of Agenda**
2. **Approval of Minutes**
 1. Public Utility Board - Regular Meeting - Sep 26, 2017 4:00 PM
3. **Approval of Accounts Payable**
 1. A/P Board Listing

NEW BUSINESS

Open Comment Period

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

4. **Consideratoin of Bids**
 1. Underground Cable Puller
 2. Resolution: Underground Cable Puller
5. **Regular Agenda**
 1. Compliance Policy Approval
Resolution: Compliance Policy Approval
 2. Cayenta Customer Care Implementation Change Order
 3. Resolution: Cayenta Customer Care Implementation Change Order
 4. Billtrust Contract Extension
Resolution - Billtrust Contract Extension
 5. Risk Property, General Liability and Automotive Insurance Renewals for 2018
 6. Resolution: All Risk Property Insurance Renewal for 2018
Resolution: Commercial Automobile and General Liability Insurance Renewals for 2018
 7. Resolution: Excess General Liability Insurance Renewal for 2018
6. **Informational**
 1. CSC Building Expansion and Renovation Project - Update
 2. Review Proposed Change to Load Management Credit Rate Tariff
 3. Preliminary 2018 Electric and Water Budgets and Rates
7. **Board Liaison Reports**

1. Board Liaison Reports: RCA Rochester Home Rule Charter Amendment and Notice of Public Hearing
- 8. General Managers Report**
- 9. Division Reports & Metrics**
- 10. Other Business**
- 11. 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 – SEPTEMBER 26, 2017

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

Attendee Name	Title	Status	Arrived
Mark Browning	Board President	Present	
Tim Haskin	Board Member	Present	
Melissa Graner Johnson	Board Member	Absent	
Brian Morgan	Board Member	Present	
Michael Wojcik	Board Member	Present	

1. Recognition: Mutual Aid Volunteers

The Board recognized the RPU crew who volunteered to spend two weeks in Kissimmee, Florida, restoring power to residents impacted by Hurricane Irma. Those who volunteered are linemen Chad Clark, Chuck Floeter, Mark Johnson, Todd Keach, and fleet mechanic James Chesney, who worked hard to ensure the trucks would be ready to make the trip southward. President Browning praised the men for their efforts, and presented each one with a framed photo of the convoy of RPU trucks heading down to Florida, as well as thank-you letters from the president of the Kissimmee Utility Authority, and a personal thank-you from Palm Springs resident Shelly Gordon.

Over 90 percent of the utility's linemen volunteered to make the trip, but only four could be chosen, said General Manager Mark Kotschevar.

2. Approval of Agenda

- Motion to:** to approve the agenda as presented

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brian Morgan, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Mark Browning, Tim Haskin, Brian Morgan, Michael Wojcik

3. Approval of Minutes

- Public Utility Board - Regular Meeting - Aug 29, 2017 4:00 PM

President Browning noted that in regard to section 7.1 of the Minutes, he and General Manager Mark Kotschevar attended the Rochester Home Rule Charter Commission meeting on September 12, 2017, and proposed revised language to RPU's Board Organization policy to change election of officers from the January to the May meeting.

RESULT:	ACCEPTED [3 TO 0]
MOVER:	Tim Haskin, Board Member
SECONDER:	Brian Morgan, Board Member
AYES:	Mark Browning, Tim Haskin, Brian Morgan
ABSTAIN:	Michael Wojcik

4. Approval of Accounts Payable

Minutes Acceptance: Minutes of Sep 26, 2017 4:00 PM (Approval of Minutes)

1. a/p board listing

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Tim Haskin, Board Member
SECONDER:	Brian Morgan, Board Member
AYES:	Mark Browning, Tim Haskin, Brian Morgan, Michael Wojcik

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 Browning opened the meeting for public comment. One person came forward to speak.

Anna Richey made a statement on behalf of the Rochester Energy Commission, and referenced a letter that was sent to the RPU Board dated August 31, 2017, requesting the Board to "carefully evaluate the amount of the fixed Customer Charge for Residential Service." Ms. Richey stated that Rochester Energy Commission is happy to be a partner and sounding board to the RPU Board in setting the customer charge.

5. Consideration Of Bids

6. Regular Agenda

1. Amendment to Joint Pricing Zone Agreement

General Manager Mark Kotschevar presented a request to approve an amendment to a Joint Pricing Zone Agreement with SMMPA for the distribution of transmission revenues from MISO. As part of RPU's Federal Energy Regulatory Commission (FERC) settlement with SMMPA, Mr. Kotschevar stated that the utility discovered in reviewing the MISO revenue schedules, it is eligible for additional revenues from MISO's Schedule 1 that were not named in the original agreement. The agreement was amended to include RPU's share of the revenues.

RESULT:	COUNCIL APPROVAL [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Mark Browning, Tim Haskin, Brian Morgan, Michael Wojcik

Resolution: Amendment to Joint Pricing Zone Agreement

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

Amendment to the Joint Pricing Zone Agreement

with minor non-material changes and the amount and end date for the back payment approved by the City Attorney and General Manager and that the Common Council authorize the Mayor and City Clerk to execute the amended

agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of September, 2017.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Mark Browning, Tim Haskin, Brian Morgan, Michael Wojcik

2. Utility Relocation and Release of Easements Agreement

Due to the County Highway 33 expansion project, said Core Services Director Sidney Jackson, Olmsted County required RPU to relocate its transmission poles and install conduit for future electrical capacity. Additionally, RPU has easements along the highway which Olmsted County requested be released. In exchange for the release of easements, RPU will receive a utility permit offering reimbursement to RPU for any future relocation costs initiated by the county for the next 25 years, expiring on December 31, 2042.

Resolution: Utility Relocation and Release of Easements Agreement

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Relocation and Release of Easement Agreements with Olmsted County and authorize the Mayor and the City Clerk to execute the Agreement subject to any final technical changes approved by the City Attorney and RPU General Manager.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of September, 2017.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Brian Morgan, Board Member
AYES:	Mark Browning, Tim Haskin, Brian Morgan, Michael Wojcik

7. Informational

1. Draft Compliance Policy

Director of Compliance and Public Affairs Steven Nyhus presented the Compliance Policy, drafted by the Communications committee, to the Board for initial review. Mr. Nyhus stated in creating the policy, the utility investigated compliance policies of other utilities, as well as what is required by the National Energy Regulatory Commission (NERC). This is a new policy that is being added to the utility's Board Policies.

Board Member Brian Morgan asked if the policy needs an increased level of detail. Mr. Nyhus stated that certain specifics have been left out to keep it on a broad level.

Minutes Acceptance: Minutes of Sep 26, 2017 4:00 PM (Approval of Minutes)

President Mark Browning suggested adding the RPU Board to the scope of the policy.

Board Member Michael Wojcik asked if the City's social media policy is incorporated into the Compliance Policy? While the social media policy is not referenced in this policy, City Attorney Terry Adkins stated that it still applies to all appointed City officials and positions.

Mr. Morgan inquired whether the policy will also apply to RPU's hired contractors. Mr. Nyhus replied that it will apply to all external vendors doing business with RPU.

The Board agreed to move forward with the proposed changes to the policy.

2. Proposed Rate Change Discussion

The Board continued its discussion on the proposed two year rate increase to cover the cost of service. General Manager Mark Kotschevar stated that after advertising the proposed rate structure for 2018 and 2019 in the newspaper of record, the utility received one email from a customer.

Board Member Michael Wojcik said he's received feedback that the public would like the Board to focus on the customer charges.

Board Member Brian Morgan stated that he views raising the customer charge based on inflation as a way to balance the cost of service, and added that he favors conservation and time-of-use rates.

Mr. Wojcik stated that with the proposal, the utility is fixating on a small percentage change, but should be looking at the big picture and determine how it can be more proactive going forward. Mr. Wojcik discussed time of use rates and smart metering as an option going forward. Mr. Kotschevar responded that it could be a five-year, \$24 million project to implement.

Mr. Kotschevar recommended moving forward with the two-year rate plan as proposed, and giving the public the opportunity to voice concerns and help shape the rate structure in the future.

Mr. Wojcik asked staff to come back with suggestions on how to better engage the community on the rates discussion, to dig hard and determine the future direction of these policies.

President Browning pointed out that RPU has kept the increases at the rate of inflation or less.

This item will appear on the Board agenda for discussion again on October 24, 2017. A final vote is planned for the November 14, 2017 special budget meeting.

8. Board Liaison Reports

The Board reviewed the new Compliance Policy this month, which will be presented to the Board for approval at the October meeting.

The next Board Policy in line for revision is the Acquisition and Disposal of Real Property Policy. A draft from the Operations and Administration committee is expected to be presented to the Board for review at the October meeting.

9. General Managers Report

General Manager Mark Kotschevar stated that the utility's billboard solar array has been erected along East River Road by the RPU sign, and is symbolic of RPU's support for the SOLARCHOICE project. To date, 62 customers have purchased a combined 259 panels in the community solar program that offers customers the use of solar panels without having to install them on their roofs. A total of 12,000 panels are available through the Southern Minnesota Municipal Power Association (SMMPA) to RPU customers, Mr. Kotschevar said.

Mr. Kotschevar invited the RPU Board members to attend the SMMPA annual board meeting slated for October 12-13, 2017 in Bloomington, Minnesota.

10. Division Reports & Metrics

Board Member Brian Morgan asked for a safety summary report on OSHA near misses that he originally requested last month. Mr. Kotschevar stated that staff is still working on it and he will receive it shortly. Mr. Morgan has requested the utility's data on lost hours and lost days as compared to the industry average.

11. Other Business

12. 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>

Submitted by:

Secretary

Approved by the Board

Board President

Date

Minutes Acceptance: Minutes of Sep 26, 2017 4:00 PM (Approval of Minutes)

ACCOUNTS PAYABLE

Meeting Date: 10/24/2017

SUBJECT: A/P Board Listing

PREPARED BY: Terri Engle

Please approve

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
Consolidated & Summarized Below 1,000

1 **Greater than 50,000 :**

2			
3	SOUTHERN MN MUNICIPAL POWER A	September SMMPA Bill	8,433,220.05
4	WESTSIDE ENERGY PARTNERS	Westside Energy Station (WES) Eng Procurement contract	3,961,921.52
5	MN DEPT OF REVENUE	August Sales and Use Tax	753,396.07
6	SWENKE IMS CONTRACTING LLC	WES Watermain Connection	430,493.20
7	CONSTELLATION NEWENERGY-GAS D	August Gas SLP	181,870.40
8	WRIGHT TREE SERVICE INC	801A Line Clearance~	160,146.35
9	RSP ARCHITECTS LTD.	Service Center Expansion Project	120,960.00
10	CITY OF ROCHESTER	W/C	95,216.39
11	THE ENERGY AUTHORITY INC	August TEA MISO Transmission Charge	84,888.99
12	WRIGHT TREE SERVICE INC	2017 Hourly Tree Trimming~	73,410.28
13	MAYO FOUNDATION	Lighting, Motors, and VDS - CIP Conserve & Save Rebates	63,917.29
14			
15			14,359,440.54
16			

17 **5,000 to 50,000 :**

18			
19	N HARRIS COMPUTER CORP	Cayenta Implementation Services	47,850.00
20	VERIZON WIRELESS	2017 Cell & iPad Monthly Service	41,811.80
21	BILLTRUST dba	16-17 CC/Billing/Mailing/IVR Services	41,496.19
22	DAKOTA SUPPLY GROUP	120-Luminaire, 108W LED, PC 120-277V, Gray	36,679.50
23	SCHNEIDER ELECTRIC USA INC. (1-Sage Remote Terminal Unit for WES	35,867.25
24	A & A ELECT & UNDERGROUND CON	Directional Boring and Related Services	35,606.50
25	ORACLE AMERICA INC	2017 Home Energy Reports	31,350.00
26	PEOPLES ENERGY COOPERATIVE (P	September Compensable	27,438.48
27	KEYS WELL DRILLING CO	Pump Replacement Well #18	25,500.00
28	SPARTA CONSULTING INC	2017-18 SAP Application Support~	25,280.00
29	KEYS WELL DRILLING CO	Pump Replacement Well #36	24,000.00
30	TRIPWIRE INC	NERC CIP Consultant Services	22,500.00
31	THE ENERGY AUTHORITY INC	September TEA Resource Fee	22,220.72
32	DEPARTMENT OF MILITARY AFFAIR	Lighting - CIP Conserve & Save Rebates	21,934.38
33	BOLTON AND MENK (P)	Westside Energy Inspection/Staking Svcs	21,376.25
34	BLUESPIRE STRATEGIC MARKETING	2016 - 2019 RPU Plugged In Contract	20,801.00
35	CITY OF ROCHESTER	SWMPAC fee for site development Service Center	19,313.93
36	STUART C IRBY CO INC	14-Trans, PM, 1ph, 37.5kVA,13.8/8,240/120	18,564.00
37	U S ALLIANCE GROUP	Sept Credit Card Processing Fees	18,463.53
38	BADGER METER INC (P)	120-HRE Badger M-25 100W Itron ERT Integral	17,922.00
39	USIC LOCATING SERVICES INC	2017 Locating Services	16,714.48
40	MERIT CONTRACTING INC (P)	Repair SC lobby windows	15,013.00
41	STUART C IRBY CO INC	22-Metal Sec. Encl, 3ph, 30"x67"x22" 200Amp	14,712.50
42	JENNINGS, STROUSS & SALMON PL	FERC Filing	14,486.81
43	ULTEIG ENGINEERS INC	Cascade Creek Sub Transformer Replace	14,050.00
44	N HARRIS COMPUTER CORP	Travel for Cayenta Implementation Serv	14,025.45
45	COMPUTER TASK GROUP INC	Project Coordinator for Cayenta Project	13,680.00
46	CRESCENT ELECTRIC SUPPLY CO	6,000 ft Wire, AL, 600V, 350-4/0 NEU YS Tri Urd	13,355.36
47	CENTURYLINK	2017 Monthly Telecommunications	12,840.80
48	McGRANN SHEA CARNIVAL STRAUGH	Legal Services	12,500.00
49	INSPEC INC.	Pavement Assessment Plan Water	11,600.00
50	POWER SYSTEMS ENGINEERING INC	Solar Impact Study	11,000.00
51	ULTEIG ENGINEERS INC	Transmission Relay Coordination Study	9,453.47
52	MASTEC NORTH AMERICA INC	Installing two 5" conduits under Douglas Bridge	9,288.00
53	RESCO	1-Bushing, 138KV, GE-Prolec Trans HV	9,239.00
54	REDI HAUL TRAILERS INC (P)	Reel Trailer (T607 and T608)	8,884.40

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
Consolidated & Summarized Below 1,000

55	STUART C IRBY CO INC	6-Trans, PM, 1ph, 50kVA, 13.8/8, 240/120	8,760.00
56	OPTIV SECURITY INC	Corporate Perimeter Network Pen Test	8,700.00
57	PAYMENT REMITTANCE CENTER	Redundant SCADA Firewall DR site	8,550.00
58	ELEMENTAL AIR LLC	2017 CCCT RATA Testing	8,513.50
59	CHS ROCHESTER	September Fuel Purchases	8,149.90
60	PAYMENT REMITTANCE CENTER	Service call replace transmission.	8,095.40
61	WELLS FARGO BANK ACCT ANALYSI	2017 Banking Services	7,858.16
62	STUART C IRBY CO INC	7-Trans, OH, 1ph, 37.5kVA,13.8/8,120/240	7,770.00
63	CENTRAL MINNESOTA MUNICIPAL P	Capacity Purchase from CMMPA	7,600.00
64	ELECTRIC PUMP INC	1-Variable Frequency Drive	7,405.00
65	EXPRESS SERVICES INC	2017 Seasonal staff grounds	6,857.72
66	BELL LUMBER & POLE COMPANY	15-Pole, 40ft, WRC, CL3	6,795.00
67	TRUCKIN' AMERICA	Fleet parts - Scoop Torsion Trip	6,359.06
68	CITY OF ROCHESTER	Quarterly Attorney Services	6,250.00
69	EPLUS TECHNOLOGY INC	Cisco ASA5525 Firepower IPS and AMP 3 Yr	6,219.59
70	D P C INDUSTRIES INC	2017 Carus 8500 Aqua Mag F35	5,971.40
71	CPMI INC	Owner Rep Service Center Project	5,945.00
72	BORDER STATES ELECTRIC SUPPLY	240-Elbow, 15kV, 200A, LB,1/0 Sol,175-220Mil	5,772.00
73	BARR ENGINEERING COMPANY (P)	Sitting of the New Wells -Well 42	5,665.00
74	HIMEC INC (P)	Isolation valve install, GT2	5,578.16
75	BELL LUMBER & POLE COMPANY	8-Pole, 50ft, WRC, CL3	5,264.00
76	MINNESOTA CHILDRENS MUSEUM	Q3 Partnership Agreement	5,250.00
77	BELL LUMBER & POLE COMPANY	2-Pole, 80ft, CL 1	5,102.00
78			
79		Price Range Total:	915,249.69
80			
81	<u>1,000 to 5,000 :</u>		
82			
83	BENCHMARK ELECTRONICS INC	Lighting-CIP Conserve & Save Rebates	4,953.00
84	DISCOVER MAGICAL MOMENTS DAYC	Lighting-CIP Conserve & Save Rebates	4,850.12
85	D P C INDUSTRIES INC	13,792-2017 Hydrofluorosilicic Acid - Delivered	4,799.63
86	AFFILIATED GROUP INC	2017 Collections/Delinquent Services	4,610.00
87	CHS ROCHESTER	September Fuel Purchases	4,487.60
88	SPECTRUM REACH	Tips from Tony Ad	4,486.00
89	KIMLEY HORN AND ASSOCIATES IN	Service Center stockyard expansion	4,483.13
90	SPECTRUM REACH	Community Solar Ad	4,456.00
91	INSPEC INC.	Pavement Assessment Plan Elec	4,450.00
92	BELL LUMBER & POLE COMPANY	20-Pole, 30ft, WRC, CL5	4,420.00
93	STUART C IRBY CO INC	7500 ft-Conduit, HDPE, 1.50, Empty, Orange	4,237.50
94	STUART C IRBY CO INC	7500 ft-Conduit, HDPE, 1.50, Orange W/Blue Strip	4,237.50
95	STUART C IRBY CO INC	20-Grd Sleeve, 1ph Trans., 37 x 43 x 15	3,990.00
96	MINNESOTA ENERGY RESOURCES CO	August Gas at SLP	3,931.21
97	STUART C IRBY CO INC	50-Cutout, 15KV, 100A, NLB, Poly	3,895.00
98	SHORT ELLIOTT HENDRICKSON INC	Transformer pad design	3,750.00
99	STUART C IRBY CO INC	2-Trans, PM, 1ph, 75kVA, 13.8/8, 240/120	3,730.00
100	MEYER BORGMAN & JOHNSON INC	1st ave Manholes	3,640.00
101	TWIN CITY SECURITY INC	2017 Security Services	3,431.01
102	BANKS JOSHUA C	Photos & Video of MMUA crew Hurrincaine I	3,400.00
103	VIKING ELECTRIC SUPPLY INC	1,710 ft-Conduit, PVC Sch 40, 4.00	3,380.16
104	EPLUS TECHNOLOGY INC	KVM dual AC input power supply, 32 port	3,367.65
105	D P C INDUSTRIES INC	46-2017 Chlorine, 150 lb Cyl	3,237.26
106	STUART C IRBY CO INC	50-Arrester, 10kV, Dist, Elbow MOV	3,197.50
107	MIDCONTINENT ISO INC	September MISO Billing	3,196.66
108	STUART C IRBY CO INC	48-Pedestal Cover, Box Style, FG	3,120.00

Attachment: AP Board CRMO (8041 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
Consolidated & Summarized Below 1,000

109	WESCO DISTRIBUTION INC	3-Switch, Air, In-Line, 15kV,Brndy,336,NLB	3,078.00
110	TSP INC	RPU Lobby Modifications - Design	3,054.65
111	IHEART MEDIA dba	Scam Ad & Tips from Tony	3,023.00
112	RESCO	5-Rubber Cover Up	2,987.16
113	EPLUS TECHNOLOGY INC	5-IP Phone 8845	2,923.92
114	BADGER METER INC (P)	3-3" Turbo 450 hydrant meter	2,819.28
115	BORDER STATES ELECTRIC SUPPLY	16-Meter, FM1S CL200 120V 2-Way W/Disc	2,816.54
116	THOMPSON GARAGE DOOR CO INC	SC Overhd Door Repair & Maintenance	2,806.83
117	EPLUS TECHNOLOGY INC	1-KVM dual AC input power supply, 16 port	2,779.41
118	BELL LUMBER & POLE COMPANY	2-Pole, 65ft, WRC, CL32-	2,776.00
119	STUART C IRBY CO INC	Pedestal Base, Secondary, FG, w/o Cover	2,760.00
120	CONSOLIDATED COMMUNICATIONS d	17-19 Network and Collocation Services	2,708.23
121	GME SUPPLY CO	5-RF monitor	2,700.00
122	WESCO DISTRIBUTION INC	30-Bracket, Equip Mtg, 3ph, 48", 6 Mtgs	2,697.00
123	BAKER RACHEL	Customer Refunds 300000534969 for overbilling of water	2,610.10
124	MOTOROLA INC	1-Radio, Vehicle, APX 1500 Pkg WES	2,571.00
125	WESCO DISTRIBUTION INC	18-Arrester, 10kV, Dist, Parking Stand	2,547.00
126	EPLUS TECHNOLOGY INC	2018 Avocent maintenance	2,513.48
127	MASTEC NORTH AMERICA INC	Reflections on Mayo Lake	2,503.87
128	OWATONNA PUBLIC UTILITIES	4 Trilliant Modules (Meters)	2,300.00
129	DAKOTA SUPPLY GROUP	10-Elbow, 15kV, 600A, NLB, 4/0 AL Compr Str	2,300.00
130	NETWORKFLEET INC	2017 Monthly Charge - GPS Fleet Tracking	2,250.95
131	STUART C IRBY CO INC	10,000 ft-Wire, Tracer, Orange, #12, CCS	2,200.00
132	ADVANCED DISPOSAL SVC SOLID W	2017 Waste Removal Services - SC	2,190.77
133	RESCO	18-Junction, LB, 200A, 4 Pos, w/Strap	2,176.74
134	FAMILY DENTIST TREE	Lighting-CIP Conserve & Save Rebates	2,099.88
135	CITY OF ROCHESTER	W/C Admin fees, W/C Reinsurance 2017 4th	2,064.08
136	MEYER BORGMAN & JOHNSON INC	Manhole #78	2,025.00
137	U S POSTMASTER	Replenish Postage Due Account	2,000.00
138	PAYMENT REMITTANCE CENTER	Travel, BSchmitz,P Minogue, Doble, Regis	1,990.00
139	WESCO DISTRIBUTION INC	12-CT, Bar Type, 600/5 600V High Accuracy	1,979.40
140	TANI DIVISION BD SCHIFFLER IN	Insulating blanket	1,962.00
141	TOTAL TOOL SUPPLY INC (P)	Annual Crane & Hoist Inspections	1,946.83
142	ADVANTAGE DIST LLC (P)	55-Anti-Freeze & 110-oil	1,934.49
143	WIESER PRECAST STEPS INC (P)	Concrete Basement for Meter Cabinet for AMPI primary feed	1,900.00
144	STUART C IRBY CO INC	Fuse End Fitting, SML-20, For SMU-20	1,890.00
145	STUART C IRBY CO INC	2017 Rubber Goods Testing & Replacement	1,797.48
146	BAIER GERALD	2017 Sweeping Services Jan-December	1,743.13
147	CITY OF ROCHESTER	Q2 USGeological-USDept Interior	1,742.62
148	ULTEIG ENGINEERS INC	2017-2018 Engineering Svcs	1,740.00
149	PAYMENT REMITTANCE CENTER	Travel, L Bly, Harris Con,Atlantic Regis	1,726.93
150	PAYMENT REMITTANCE CENTER	Travel, J Klug, Harris, Registration	1,726.93
151	PAYMENT REMITTANCE CENTER	Travel, S Warth, Harris, Registration	1,726.93
152	EXPRESS SERVICES INC	2017 Temp Staff Marketing (2)	1,726.40
153	SOLARWINDS INC	Database Performance Analyzer	1,705.73
154	PAYMENT REMITTANCE CENTER	Travel, SWarth, LBly, Cayenta, Lodging	1,683.10
155	ONLINE INFORMATION SERVICES I	2017 Utility Exchange Report	1,670.14
156	BILLTRUST dba	Align current autopay due date with Caye	1,648.00
157	STUART C IRBY CO INC	Rubber Cover Up	1,635.19
158	NALCO COMPANY	Sur-Gard 1700 Oxygen Scavenger DEMIN/SLP	1,591.74
159	VIKING ELECTRIC SUPPLY INC	Conduit, Flexible, Corrugated PVC, 3.00	1,564.95
160	STUART C IRBY CO INC	Pedestal Cover, Box Style, FG	1,560.00
161	PAYMENT REMITTANCE CENTER	Mutual Aid-Gas	1,552.27
162	ASI SIGNAGE INNOVATIONS dba	Custom site and safety signs for DTS	1,543.28

Attachment: AP Board CRMO (8041 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
Consolidated & Summarized Below 1,000

163	RESCO	50-Arrester, 10kV, Dist, Riser MOV	1,542.50
164	MINNESOTA ENERGY RESOURCES CO	August Gas at CC	1,528.25
165	MINNESOTA CHILDRENS MUSEUM	Sponsorship - Public Power Week	1,500.00
166	TWO MEN AND A TRUCK	Sarah Warth Move	1,493.75
167	FORBROOK LANDSCAPING SERVICES	Labor, skid loader,seed & fertilizer-41s	1,470.00
168	HERBER ANDY	CIP Conserve & Save Rebates	1,455.00
169	MERRICK INC	Paper, Copier, 8-1/2 x 11 White 20# Bond	1,453.50
170	RESCO	Junction, LB, 200A, 4 Pos, w/Strap	1,451.16
171	MINOGUE PETER	Travel Advance P. Minogue,Doble Seminar	1,447.80
172	SCHMITZ WILLIAM	Travel Advance W Schmitz, Doble Seminar	1,447.80
173	ULTEIG ENGINEERS INC	Q9 and RQ11 analysis	1,425.00
174	PAYMENT REMITTANCE CENTER	Travel, S Warth, Harris Con,Atlantic Reg	1,417.63
175	PAYMENT REMITTANCE CENTER	Travel, JForstner, Harris Con,Atlantic R	1,417.63
176	STUART C IRBY CO INC	Gloves, Leather Work, Hvy Duty, Large	1,415.88
177	STUART C IRBY CO INC	Switch, Air, 2 Arm, 1ph, 600A, NLB	1,401.00
178	BORDER STATES ELECTRIC SUPPLY	U-Guard, 5.0" x 10', Steel	1,399.20
179	HOGAN PETER	Travel, APPA, Nashville,TN, Registration	1,395.00
180	SOMA CONSTRUCTION INC	Crushed concrete for main break repair e	1,389.24
181	PAYMENT REMITTANCE CENTER	PMP Trng for Jill Boldt	1,349.00
182	PAYMENT REMITTANCE CENTER	Steve Monson-Tuition RCTC	1,349.00
183	CONCAST INC	Grd Sleeve, 3ph, 23 x 79 x 36, Concast	1,346.89
184	CITY OF ROCHESTER	Customer Refunds 300000641690 - billed in error	1,314.72
185	POST BULLETIN CO	Rate increase notice	1,307.18
186	PAYMENT REMITTANCE CENTER	Travel, JKranz, Doble Conf, Lodging	1,294.65
187	WIESER PRECAST STEPS INC (P)	Grd Sleeve, Switch Basement, PME	1,250.00
188	STUART C IRBY CO INC	Fuselink, 100E, SMU-20	1,235.25
189	STEVE BENNING ELECTRIC	St Mary wtr tower / piping & wiring to r	1,228.21
190	PAYMENT REMITTANCE CENTER	Aerator for Dam	1,217.31
191	HOGAN PETER	Travel,APPA, Nashville,TN, Lodging	1,209.08
192	BORDER STATES ELECTRIC SUPPLY	Heat Shrink Insul. Tape, 15kV, 2" x 25'	1,188.00
193	PAYMENT REMITTANCE CENTER	Travel, MMUA, JQuandt,NHall, Registratio	1,170.00
194	CINTAS CORP	113 Uniform Services	1,167.42
195	OLDCASTLE PRECAST INC (P)	Manhole Spacer Ring, 36.0" x 6.0" Cement	1,164.51
196	BADGER METER INC (P)	Measuring Chamber, 6" Turbo T-2000	1,162.70
197	MASTEC NORTH AMERICA INC	Wildwood 2nd	1,151.42
198	EPLUS TECHNOLOGY INC	UC manager-10 enhanced user license	1,141.26
199	KORTERRA INC	Yearly gopher st 1 call ticket viewing electric	1,136.17
200	KORTERRA INC	Yearly gopher st 1 call ticket viewing water	1,136.17
201	EPLUS TECHNOLOGY INC	2014-2017 Total Care Support	1,135.00
202	ROCHESTER ARMORED CAR CO INC	2017 Pick Up Services	1,104.40
203	PAYMENT REMITTANCE CENTER	Travel,MT,PB,SF-NW Linemans Tour,Boise,	1,096.38
204	BLOM BRYAN	Travel,APPA, Nashville,TN, Lodging	1,093.36
205	GOPHER STATE ONE CALL	Gopher one calls - ELec	1,086.08
206	GOPHER STATE ONE CALL	Gopher one calls - Water	1,086.07
207	MCMASTER CARR SUPPLY COMPANY	aluminum pipe & SS screws	1,070.82
208	SHI INTERNATIONAL CORP (P)	Microsoft Office Professional license	1,064.48
209	STORAGE BATTERY SYSTEMS	Hydrogen gas detector	1,063.40
210	LEONARD HEATHER	CIP Conserve & Save Rebates	1,025.00
211	PAYMENT REMITTANCE CENTER	Travel, JK & JD, Harris	1,009.44
212	CARSON ENTERPRISES LLC	Hammer, screws, mirrir, misc tools, etc	1,008.79
213	JACKSON SIDNEY	Travel, NERC Comm Mtg, Quebec, Lodging	1,008.52
214			
215		Price Range Total:	286,128.38
216			

Attachment: AP Board CRMO (8041 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
Consolidated & Summarized Below 1,000

217 **0 to 1,000 :**

218			
219	REBATES	Summarized transactions: 223	41,322.34
220	PAYMENT REMITTANCE CENTER	Summarized transactions: 126	35,432.72
221	EXPRESS SERVICES INC	Summarized transactions: 16	11,062.05
222	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 31	10,306.70
223	STUART C IRBY CO INC	Summarized transactions: 31	9,376.29
224	CINTAS CORP	Summarized transactions: 86	5,976.69
225	Customer Refunds (CIS)	Summarized transactions: 39	5,938.29
226	MN PIPE & EQUIPMENT	Summarized transactions: 15	5,179.03
227	WESCO DISTRIBUTION INC	Summarized transactions: 15	4,573.73
228	DAVIES PRINTING COMPANY INC	Summarized transactions: 13	4,536.25
229	U S A SAFETY SUPPLY	Summarized transactions: 20	3,965.42
230	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 25	2,879.53
231	ALL SYSTEMS INSTALLATION dba	Summarized transactions: 3	2,127.02
232	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 37	2,102.60
233	A & A ELECT & UNDERGROUND CON	Summarized transactions: 3	2,020.00
234	EPLUS TECHNOLOGY INC	Summarized transactions: 9	2,013.80
235	S L CONTRACTING INC	Summarized transactions: 3	1,943.00
236	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 24	1,907.10
237	CDW GOVERNMENT INC	Summarized transactions: 8	1,800.88
238	GRAINGER INC	Summarized transactions: 19	1,776.47
239	CENTURYLINK	Summarized transactions: 6	1,679.55
240	AMAZON.COM	Summarized transactions: 8	1,633.25
241	ALDEN POOL & MUNICIPAL SUPPLY	Summarized transactions: 9	1,625.31
242	POMPS TIRE SERVICE INC	Summarized transactions: 3	1,577.94
243	ASPLUNDH TREE EXPERT CO INC (Summarized transactions: 4	1,505.17
244	TOWNSQUARE MEDIA - ROCHESTER	Summarized transactions: 5	1,427.00
245	ADVANCE AUTO PARTS	Summarized transactions: 34	1,400.46
246	BADGER METER INC (P)	Summarized transactions: 16	1,363.67
247	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 2	1,351.97
248	STEVE BENNING ELECTRIC	Summarized transactions: 6	1,343.60
249	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 5	1,340.22
250	AFFILIATED CREDIT SERVICES IN	Summarized transactions: 2	1,332.12
251	RESCO	Summarized transactions: 5	1,151.48
252	JACKSON SIDNEY	Summarized transactions: 5	1,151.44
253	CITY OF ROCHESTER	Summarized transactions: 10	1,131.03
254	LAWSON PRODUCTS INC (P)	Summarized transactions: 10	1,117.87
255	UNITED RENTALS INC	Summarized transactions: 5	1,089.07
256	DAVE SYVERSON TRUCK CENTER IN	Summarized transactions: 4	1,067.66
257	FCX PERFORMANCE INC	Summarized transactions: 2	1,064.35
258	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 19	1,058.57
259	HOGAN PETER	Summarized transactions: 7	1,032.65
260	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 7	1,020.13
261	NU-TELECOM dba	Summarized transactions: 2	999.87
262	KLAMERUS DOUG	Summarized transactions: 3	997.67
263	BOHM JOLENE	Summarized transactions: 1	996.27
264	WINKELS ELECTRIC INC	Summarized transactions: 4	992.13
265	METRO SALES INC	Summarized transactions: 2	958.89
266	REDI HAUL TRAILERS INC (P)	Summarized transactions: 2	955.40
267	BOWMANS SAFE & LOCK SHOP LTD	Summarized transactions: 5	946.59
268	HAWKINS INC	Summarized transactions: 4	942.00
269	OPEN ACCESS TECHNOLOGY	Summarized transactions: 1	933.23
270	SOLID WASTE OLMSTED COUNTY	Summarized transactions: 2	922.49

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ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
Consolidated & Summarized Below 1,000

271	K A A L TV LLC	Summarized transactions: 1	875.00
272	HAWKINS INC	Summarized transactions: 1	875.00
273	ALSTOM GRID INC	Summarized transactions: 4	869.12
274	COLLINS FEED & SEED CENTER	Summarized transactions: 3	865.69
275	SCHAD TRACY SIGNS INC	Summarized transactions: 1	851.79
276	SPECTRUM REACH	Summarized transactions: 1	835.00
277	SEEME PRODUCTIONS LLC	Summarized transactions: 1	820.00
278	AUTHORIZE.NET	Summarized transactions: 1	812.00
279	REBATES	Summarized transactions: 20	800.00
280	ERC WIPING PRODUCTS INC	Summarized transactions: 2	769.29
281	KLUG JERROD	Summarized transactions: 4	765.66
282	CORPORATE WEB SERVICES INC	Summarized transactions: 1	749.40
283	MN SUPPLY COMPANY INC	Summarized transactions: 2	723.79
284	OLSON JEFF	Summarized transactions: 3	721.18
285	MODEM EXPRESS INC	Summarized transactions: 2	720.00
286	ROBERTSON GORDON	Summarized transactions: 3	705.41
287	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 10	657.47
288	CINTAS CORP	Summarized transactions: 4	652.92
289	HACH COMPANY	Summarized transactions: 2	649.51
290	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 1	641.25
291	KEYS WELL DRILLING CO	Summarized transactions: 2	637.50
292	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 4	629.72
293	RONCO ENGINEERING SALES INC	Summarized transactions: 4	597.76
294	THOMAS TOOL & SUPPLY INC	Summarized transactions: 1	589.44
295	PULSTAR INC	Summarized transactions: 3	569.94
296	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 3	569.32
297	ULTEIG ENGINEERS INC	Summarized transactions: 1	567.50
298	MN PIPE & EQUIPMENT	Summarized transactions: 3	546.45
299	MATCO TOOLS	Summarized transactions: 1	523.58
300	FRONTIER	Summarized transactions: 2	518.64
301	FRANZ REPROGRAPHICS INC	Summarized transactions: 5	516.83
302	T E C INDUSTRIAL INC	Summarized transactions: 2	516.22
303	GARCIA GRAPHICS INC	Summarized transactions: 6	509.67
304	ON SITE SANITATION INC	Summarized transactions: 1	508.76
305	THOMAS TOOL & SUPPLY INC	Summarized transactions: 6	508.04
306	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 4	503.77
307	MN MUNICIPAL UTILITIES ASSN C	Summarized transactions: 1	490.00
308	iPROMOTEu	Summarized transactions: 2	486.60
309	NALCO COMPANY	Summarized transactions: 4	486.47
310	HIMEC INC (P)	Summarized transactions: 1	480.94
311	ZIEGLER INC	Summarized transactions: 2	475.70
312	MCNEILUS STEEL INC	Summarized transactions: 1	470.93
313	RENDLER SCOTT	Summarized transactions: 2	467.00
314	MAILE ENTERPRISES INC	Summarized transactions: 2	466.40
315	O' NEIL PATRICK	Summarized transactions: 2	450.96
316	KELLER TOM A JR	Summarized transactions: 3	444.20
317	DAKOTA SUPPLY GROUP	Summarized transactions: 4	442.01
318	AMERICAN PAYMENT CENTER	Summarized transactions: 1	441.39
319	KIRK KEY INTERLOCK COMPANY	Summarized transactions: 3	440.26
320	MILESTONE MATERIALS	Summarized transactions: 2	429.14
321	A T & T	Summarized transactions: 1	426.24
322	MEYER BORGMAN & JOHNSON INC	Summarized transactions: 1	405.00
323	ANDERSON JUDITH	Summarized transactions: 1	395.00
324	DZUBAY TONY	Summarized transactions: 2	382.66
325	SCHMIDT GOODMAN OFFICE PRODUC	Summarized transactions: 1	381.49

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ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
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326	LUHMANN ABE	Summarized transactions: 2	367.50
327	HALO BRANDED SOLUTIONS	Summarized transactions: 2	364.62
328	KOSHIRE LARRY J	Summarized transactions: 2	363.36
329	HUBBELL POWER SYSTEMS	Summarized transactions: 2	357.71
330	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 2	350.00
331	ADVANCED DISPOSAL SVC SOLID W	Summarized transactions: 1	349.29
332	PAYMENT REMITTANCE CENTER	Summarized transactions: 3	340.43
333	WRIGHTS SMALL ENGINE SERVICE	Summarized transactions: 9	334.97
334	FASTENAL COMPANY	Summarized transactions: 9	327.94
335	CENTURYLINK	Summarized transactions: 1	325.95
336	FIRST SUPPLY (P)	Summarized transactions: 2	321.32
337	TRENCHERS PLUS INC	Summarized transactions: 2	316.74
338	PETTIS JAMES	Summarized transactions: 1	313.50
339	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	311.00
340	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 1	306.30
341	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 4	303.00
342	BOB GANDER PLUMBING & HEATING	Summarized transactions: 1	302.80
343	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 7	301.69
344	CHARTER COMMUNICATIONS HOLDIN	Summarized transactions: 1	300.94
345	MINNESOTA CHILDRENS MUSEUM	Summarized transactions: 1	300.00
346	BLOM BRYAN	Summarized transactions: 3	296.56
347	FIEK STEVEN	Summarized transactions: 2	291.32
348	CULVER COMPANY INC	Summarized transactions: 2	283.04
349	LARSON MARK	Summarized transactions: 2	278.39
350	MEIXNER MELISSA	Summarized transactions: 3	277.05
351	SAFETY SIGNS LLC	Summarized transactions: 1	269.33
352	BRAATEN SAND & GRAVEL INC	Summarized transactions: 1	267.37
353	BEHRENS MATT	Summarized transactions: 2	266.50
354	CONCAST INC	Summarized transactions: 2	263.61
355	ALTEC INDUSTRIES INC	Summarized transactions: 4	247.17
356	OLDCASTLE PRECAST INC (P)	Summarized transactions: 1	240.47
357	FEDEX SHIPPING	Summarized transactions: 12	235.43
358	SHERWIN WILLIAMS CO	Summarized transactions: 1	230.53
359	BENNETT PETER	Summarized transactions: 3	229.70
360	H2O INNOVATION USA INC (P)	Summarized transactions: 2	218.61
361	THRONDSO OIL AND LP GAS CO	Summarized transactions: 3	216.68
362	ALLIANCE EXPRESS CHICAGO INC	Summarized transactions: 2	214.53
363	POST BULLETIN CO	Summarized transactions: 1	205.40
364	MAUSS JOE	Summarized transactions: 2	202.00
365	SUTTON JEREMY	Summarized transactions: 3	201.24
366	HUMPHREY STEPHANIE	Summarized transactions: 1	199.50
367	KRONEBUSCH JESSICA	Summarized transactions: 1	199.50
368	DRUGG JESSICA	Summarized transactions: 1	199.50
369	BREKKE MATTHEW	Summarized transactions: 1	199.50
370	GME SUPPLY CO	Summarized transactions: 2	196.38
371	TANI DIVISION BD SCHIFFLER IN	Summarized transactions: 2	193.67
372	JACQUE BONSI	Summarized transactions: 1	192.75
373	ADVANTAGE DIST LLC (P)	Summarized transactions: 2	189.00
374	TUPPER MATTHEW	Summarized transactions: 2	181.75
375	RONCO ENGINEERING SALES INC	Summarized transactions: 2	161.04
376	WINTER TANNER	Summarized transactions: 1	150.00
377	POSSABILITIES OF SOUTHERN MN	Summarized transactions: 1	150.00
378	SMS SYSTEMS MAINTENANCE SERVI	Summarized transactions: 1	149.63
379	SARGENTS LANDSCAPE NURSERY IN	Summarized transactions: 4	146.27

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ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
Consolidated & Summarized Below 1,000

380	JOHNSON CARY	Summarized transactions: 1	145.52
381	HALL NICK	Summarized transactions: 1	142.50
382	OSWEILER TODD	Summarized transactions: 2	142.31
383	REINDERS INC	Summarized transactions: 1	142.10
384	BOLTON AND MENK (P)	Summarized transactions: 1	140.00
385	C & N UPHOLSTERY	Summarized transactions: 1	135.00
386	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 2	132.47
387	FASTENAL COMPANY	Summarized transactions: 4	132.28
388	WIESER PRECAST STEPS INC (P)	Summarized transactions: 1	130.63
389	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 2	126.89
390	AFFILIATED GROUP INC	Summarized transactions: 1	118.72
391	SWAGELOK MN INC (P)	Summarized transactions: 1	116.28
392	GILLUND ENTERPRISES	Summarized transactions: 2	115.51
393	RIESS DANIEL	Summarized transactions: 1	115.00
394	NAPA AUTO PARTS (P)	Summarized transactions: 6	113.81
395	MENARDS ROCHESTER SOUTH	Summarized transactions: 4	110.53
396	VANCO SERVICES LLC	Summarized transactions: 1	106.30
397	DONAHUE DEBRA	Summarized transactions: 2	100.89
398	AMERICAN PRESSURE INC	Summarized transactions: 2	99.40
399	MENARDS ROCHESTER NORTH	Summarized transactions: 4	98.32
400	VERIZON WIRELESS	Summarized transactions: 1	95.28
401	ROCH WELDING INC	Summarized transactions: 2	94.74
402	NICKELS SCOTT	Summarized transactions: 1	89.88
403	LORTON DATA INC	Summarized transactions: 1	89.55
404	DAKOTA SUPPLY GROUP	Summarized transactions: 5	87.36
405	ROCH AREA BUILDERS INC	Summarized transactions: 2	87.00
406	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
407	CLARK CHAD	Summarized transactions: 3	83.96
408	CONNEY SAFETY PRODUCTS LLC	Summarized transactions: 4	80.97
409	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 2	80.14
410	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	80.06
411	WABASHA IMPLEMENT	Summarized transactions: 1	75.03
412	MONSON STEVE	Summarized transactions: 1	74.90
413	CHS ROCHESTER	Summarized transactions: 3	72.14
414	KRUSE LUMBER	Summarized transactions: 2	70.38
415	JOHNSON MARK T	Summarized transactions: 1	68.16
416	FLEETPRIDE INC	Summarized transactions: 3	65.09
417	R D O - POWERPLAN OIB	Summarized transactions: 1	64.10
418	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 1	62.44
419	TOKAY SOFTWARE	Summarized transactions: 2	61.00
420	MIDWEST FUELS (P)	Summarized transactions: 1	60.50
421	GREAT RIVER ENERGY	Summarized transactions: 1	57.70
422	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 2	54.97
423	STAR TRIBUNE	Summarized transactions: 1	49.27
424	BLUESPIRE STRATEGIC MARKETING	Summarized transactions: 1	48.50
425	MISTER CARWASH	Summarized transactions: 1	46.66
426	BROCK WHITE COMPANY LLC	Summarized transactions: 1	46.48
427	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 1	46.00
428	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 1	46.00
429	UTILITEC DBA ANCOR INFORMATIO	Summarized transactions: 2	44.59
430	KOTSCHAVAR MARK	Summarized transactions: 2	43.24
431	CARQUEST AUTO PARTS	Summarized transactions: 2	38.89
432	BURNDY LLC	Summarized transactions: 6	37.62
433	CENTRAL FINANCE OLMSTED COUNT	Summarized transactions: 1	36.75

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ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2017 To 10/09/2017
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434	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	25.70
435	STORAGE BATTERY SYSTEMS	Summarized transactions: 1	24.05
436	MENARDS ROCHESTER NORTH	Summarized transactions: 1	23.52
437	BLEVINS JAN	Summarized transactions: 1	20.00
438	LARSON DRU	Summarized transactions: 1	20.00
439	TOTAL TOOL SUPPLY INC (P)	Summarized transactions: 1	19.67
440	McGRANN SHEA CARNIVAL STRAUGH	Summarized transactions: 1	17.25
441	T E C INDUSTRIAL INC	Summarized transactions: 1	15.80
442	POWER DELIVERY PROGRAM INC	Summarized transactions: 1	10.00
443	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 1	7.18
444	WERNER ELECTRIC SUPPLY	Summarized transactions: 2	4.93
445			
446		Price Range Total:	245,863.12
447			
448		Grand Total:	15,806,681.73

Attachment: AP Board CRMO (8041 : A/P Board Listing)

FOR BOARD ACTION

Agenda Item # (ID # 8039)

Meeting Date: 10/24/2017

SUBJECT: Underground Cable Puller

PREPARED BY: Steve Monson

ITEM DESCRIPTION:

Sealed bids were opened on October 16, 2017 for the purchase of an Underground Cable Puller. This equipment is used to pull in primary and secondary cable for our underground distribution system. A breakdown of the bids is as follows:

Sherman + Reilly, Inc. \$174,355

Wesco \$181,595

Based on our evaluation of the bid, Sherman + Reilly, Inc was determined to be the lowest responsive bid with a price of \$174,355.00.

The purchase of this equipment is included in the 2017 contingency funds.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution to enter into a contract with Sherman + Reilly, Inc. in the amount of \$174,355.00 plus applicable tax.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract with Sherman + Reilly, Inc. for:

One Underground Cable Puller

The amount of the purchase order to be ONE HUNDRED SEVENTY-FOUR THOUSAND, THREE HUNDRED FIFTY-FIVE AND 00/100 DOLLARS (\$174,355.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of October, 2017.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8031)

Meeting Date: 10/24/2017

SUBJECT: Compliance Policy Approval

PREPARED BY: Steve Nyhus

ITEM DESCRIPTION:

The draft Compliance Policy was presented to the Board at its September 26, 2017 meeting for review and comment. The only comment received was to extend the Policy's application to Board members, so the Policy has been revised accordingly.

UTILITY BOARD ACTION REQUESTED:

Approval and adoption of the Compliance Policy as amended.

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: UTILITY COMPLIANCE

POLICY OBJECTIVE:

The purpose of this policy is to express the Board's continued intent to perform all work in compliance with applicable laws and regulations and supporting ongoing compliance programs.

SCOPE

This policy applies to RPU Board members, every RPU employee, and all contracted personnel who, individually and collectively, are responsible for complying with federal, state, regional, and local rules and regulations. This also applies to all external vendors doing business with RPU, within the scope of services such vendors provide to RPU.

POLICY STATEMENT:

1. RPU's intent is to provide a corporate environment that fosters a culture of compliance applicable for all relevant laws, regulations, and codes. All employees, individually and collectively, have the responsibility to be familiar with the compliance programs that apply to his or her job and to conduct RPU's business in accordance with those compliance programs.
2. Through its management and employees, RPU will ensure compliance by:
 - a. Dedicating resources to establish and maintain a formal compliance program.
 - b. Providing timely and accurate compliance program documentation, and disseminating such documentation to RPU employees.
 - c. Ensuring direct access by compliance program officials to the General Manager and/or the RPU Board.
 - d. Operating and managing the formal compliance program in such a manner as to maintain its independence from other RPU programs.
 - e. Ensuring that, within the scope of applicable labor laws and relevant employment contracts including collective bargaining agreements, policies regarding compensation, promotion, and disciplinary action take into account an employee's compliance with applicable rules and regulations, and the reporting of known or suspected misconduct and/or violations.

- f. Reviewing the formal compliance program periodically, and providing regularly scheduled training to employees.
 - g. Establishing an audit process whereby RPU can evaluate its compliance with applicable rules and regulations.
 - h. Provide compliance variance reporting to the Board, at least annually.
3. Where misconduct or a violation is identified, RPU will take immediate steps to cease the misconduct or violation, promptly notify relevant regulatory authorities, and cooperate fully in investigatory activities.
 4. The Board delegates to the General Manager the authority to act on its behalf to ensure compliance with the objectives of this Policy.
 5. The Board’s delegated authority to the General Manager extends to the development and implementation of management policies and procedures required to meet this stated objective.
 6. The General Manager’s delegated authority is limited only by law, City of Rochester Home Rule Charter provisions, City Policies or other policies which the Board has adopted or may adopt in the future.

RELEVANT LEGAL AUTHORITY: Rochester City Charter Chapter XV, Section 15.05

EFFECTIVE DATE OF POLICY: _____

DATE OF POLICY REVIEW: _____

POLICY APPROVAL: _____

Board President

Date

Attachment: Corporate Compliance Policy v5 redlined (8031 : Compliance Policy Approval)

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: UTILITY COMPLIANCE

POLICY OBJECTIVE:

The purpose of this policy is to express the Board's continued intent to perform all work in compliance with applicable laws and regulations and supporting ongoing compliance programs.

SCOPE

This policy applies to RPU Board members, every RPU employee, and all contracted personnel who, individually and collectively, are responsible for complying with federal, state, regional, and local rules and regulations. This also applies to all external vendors doing business with RPU, within the scope of services such vendors provide to RPU.

POLICY STATEMENT:

1. RPU's intent is to provide a corporate environment that fosters a culture of compliance applicable for all relevant laws, regulations, and codes. All employees, individually and collectively, have the responsibility to be familiar with the compliance programs that apply to his or her job and to conduct RPU's business in accordance with those compliance programs.
2. Through its management and employees, RPU will ensure compliance by:
 - a. Dedicating resources to establish and maintain a formal compliance program.
 - b. Providing timely and accurate compliance program documentation, and disseminating such documentation to RPU employees.
 - c. Ensuring direct access by compliance program officials to the General Manager and/or the RPU Board.
 - d. Operating and managing the formal compliance program in such a manner as to maintain its independence from other RPU programs.
 - e. Ensuring that, within the scope of applicable labor laws and relevant employment contracts including collective bargaining agreements, policies regarding compensation, promotion, and disciplinary action take into account an employee's compliance with applicable rules and regulations, and the reporting of known or suspected misconduct and/or violations.

- f. Reviewing the formal compliance program periodically, and providing regularly scheduled training to employees.
 - g. Establishing an audit process whereby RPU can evaluate its compliance with applicable rules and regulations.
 - h. Provide compliance variance reporting to the Board, at least annually.
3. Where misconduct or a violation is identified, RPU will take immediate steps to cease the misconduct or violation, promptly notify relevant regulatory authorities, and cooperate fully in investigatory activities.
 4. The Board delegates to the General Manager the authority to act on its behalf to ensure compliance with the objectives of this Policy.
 5. The Board’s delegated authority to the General Manager extends to the development and implementation of management policies and procedures required to meet this stated objective.
 6. The General Manager’s delegated authority is limited only by law, City of Rochester Home Rule Charter provisions, City Policies or other policies which the Board has adopted or may adopt in the future.

RELEVANT LEGAL AUTHORITY: Rochester City Charter Chapter XV, Section 15.05

EFFECTIVE DATE OF POLICY: _____

DATE OF POLICY REVIEW: _____

POLICY APPROVAL: _____

Board President

Date



RESOLUTION

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

Compliance Policy

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of October, 2017.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8025)

Meeting Date: 10/24/2017

SUBJECT: Cayenta Customer Care Implementation Change Order

PREPARED BY: Patty Hanson

ITEM DESCRIPTION:

Background: At the regularly scheduled May 31, 2016 Utility Board meeting, a Cayenta Software Implementation Services Agreement was approved for the implementation of Cayenta's customer care and billing system for the authorized, not to exceed, amount of \$1,392,895.. The original project schedule was for 18 months starting in July 2016, with a go-live in mid- November 2017. Total project costs were \$3,577,427, which included other costs such as RPU resources, interface agreements, and project management.

Due to delayed Cayenta deliveries of interfaces and configuration, the project timeline was modified by changing the go-live date from November 13, 2017 to February 26, 2018. However, due to RPU's annual audit process, at RPU's request, the go-live date was moved to March 28, 2018.

The purpose of this change order is to include additional costs incurred by Cayenta for the extended month in March, Cayenta travel expenses, and for a change in scope of work to include two additional data conversions at RPU's request.

Cayenta Change Order to RPU	Costs
Cayenta Resources 4 Weeks in March	\$ 34,560.00
Change in scope - 2 additional Conversions	\$ 14,400.00
Cayenta travel expenses above original estimate	\$ 206,000.00
Total	\$ 254,960.00

The Agreement impacts are:

Action	Date Submitted	Cost	Adjusted Agreement Amount
Original Agreement	31-May-16	\$ 1,392,895.00	
Change Order 001	24-Oct-17	\$ 254,960.00	\$ 1,647,855.00

And to include RPU's additional costs associated with the extension for project management services, backfill resources, and unforeseen 3rd party interface expenses in the amount of \$214, 693.

FOR BOARD ACTION

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RPU Extension Expenses to March	Costs
Backfill Resources	\$ 121,367.00
Project Management	\$ 76,320.00
Interfaces	\$ 17,006.00
Total	\$ 214,693.00

The total cost impact to this project is \$563,583 which includes an additional 20% contingency of \$93,930.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Utility Board approve:

- 1) The RPU Change Order 001 to the Software Implementation Services Agreement with Cayenta, a Division of N. Harris Computer Corporation, in the amount of \$254,960 for the Cayenta customer care implementation.
- 2) Additional costs associated with the extension for project management services, backfill resources, and unforeseen 3rd party interface expenses in the amount of \$214,693 plus an additional 20% contingency of \$93,930.

The amount of \$563,583 is included in the 2018 budget and the expenditure is subject to Utility Board and Common Council approval of the 2018 electric utility budget.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the RPU Change Order 001 to the Software Implementation Services Agreement with Cayenta, a Division of N. Harris Computer Corporation, for the Cayenta customer care implementation, project management services, backfill resources, unforeseen 3rd party interface expenses, and additional 20% contingency, in the amount of \$563,583.00, contingent upon approval of the 2018 budget, and authorize the Mayor and the City Clerk to execute the change order.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of October, 2017.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 7957)

Meeting Date: 10/24/2017

SUBJECT: Billtrust Contract Extension

PREPARED BY: Bryan Blom

ITEM DESCRIPTION:

For the past seven years, RPU has contracted with Billtrust, originally known as Best Practice Systems, to provide a web portal for electronic invoice/account balance presentment, registration and management of electronic payment options including credit/debit card payments and electronic bank transfers, either one-time or automatically recurring. Pay-by-phone options are also provided by Billtrust through an IVR service.

Last year the board authorized a one-year extension of the contract ending October 31, 2017 in anticipation of Cayenta's deployment in mid-November. Now that Cayenta's deployment has been pushed back to March, 2018, an additional six-month extension is necessary to continue Billtrust's services until the new payment processing provider begins their services in conjunction with the deployment of Cayenta.

The monthly fee of approximately \$42,000 is included in the 2017 budget and the 2018 budget contingent on approval. The total value of this request is \$252,000 for the six-month extension period.

This request also seeks to delegate approval of additional extensions and subsequent funding of this contract to the General Manager should there be further delays of the Cayenta implementation.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Utility Board approve a six-month extension of the Billtrust contract at the same prices and terms of the original contract and delegate additional extensions and subsequent funding to the General Manager.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a six-month extension with

Billtrust for Web Portal Services, IVR Services to include Pay-by-Phone
and Bill Print & Mail Services

The amount of the extension to be TWO HUNDRED FIFTY-TWO THOUSAND AND 00/100 DOLLARS (\$252,000.00) with 2018 expenses contingent upon budget approval. The Board also delegates to the General Manager approval of additional extensions and subsequent funding of this contract as needed should there be further delays of the Cayenta implementation.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of October, 2017.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8021)

Meeting Date: 10/24/2017

SUBJECT: Risk Property, General Liability and Automotive Insurance Renewals for 2018

PREPARED BY: Joe Mauss

ITEM DESCRIPTION:

Listed below are the recommended insurance quotations for obtaining all risk property insurance, general liability and automotive insurance for the period November 1, 2017 - October 31, 2018.

Our insurance used to run from January 1st - December 31st each year. Beginning this year staff has asked to have our policy coverage period run from November 1st - October 31st each year. This allows us to have more accurate estimates for budgeting purposes and to shift the renewal workload to a less busy time of year.

ALL RISK PROPERTY INSURANCE:

Quotes are based on current policy limits of \$250 million. The deductibles remain the same at \$100,000 for property and transformers and a range on the turbine generators from \$250,000 to \$400,000. Management is recommending property coverage with Wortham Insurance through ARGUS, a public utility specific purchasing group. This policy does not yet include West Side Energy Station, which will be added when construction is complete:

	<u>PROPERTY VALUE</u>	<u>PREMIUM</u>
2014	\$ 391,059,796	\$ 458,145
2015	\$ 404,940,221	\$ 452,154
2016	\$ 416,300,508	\$ 394,140
2017	\$ 253,368,823	\$ 244,566
2018	\$ 259,623,335	\$ 246,537

LIABILITY AND COMMERCIAL AUTO INSURANCE:

Management recommends maintaining the same structure of coverage for liability and auto insurance, having the League of MN Cities Insurance Trust (LMCIT) provide the primary coverage up to \$1.5 million for claims in accordance with Minnesota statutory limits. The annual aggregate deductible remains at \$50,000 with \$25,000 per occurrence for all lines.

This policy also provides cyber protection or Data Security Breach coverage. Claims that

FOR BOARD ACTION

Agenda Item # (ID # 8021)

Meeting Date: 10/24/2017

fall within this definition are subject to a \$3 million aggregate limit for overall liability and \$500,000 for first-party data expenses. There is also a \$1 million sublimit for data restoration and a \$1 million terrorist activity sublimit.

Management also recommends maintaining AEGIS to provide blanket liability coverage with limits from \$ 1,000,000 up to \$ 20,000,000.

	<u>LMCIT</u>	<u>AEGIS</u>
2014	\$ 117,353	\$ 253,087
2015	\$ 113,661	\$ 274,899
2016	\$ 125,133	\$ 286,000
2017	\$ 131,616	\$ 291,023
2018	\$ 131,500	\$ 301,299

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the attached resolutions for property and liability insurance for 2018.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Wortham Insurance/ARGUS and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

ALL RISK PROPERTY INSURANCE

The insurance agreement to be for a twelve month policy period commencing November 1, 2017, and expiring October 31, 2018.

The amount of the contract agreement not to exceed TWO HUNDRED FORTY-SIX THOUSAND FIVE HUNDRED THIRTY-SEVEN AND 00/100 DOLLARS (\$246,537.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of October, 2017.

President

Secretary



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with the League of Minnesota Cities Insurance Trust and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

COMMERCIAL AUTOMOBILE AND GENERAL LIABILITY INSURANCE

The amount of the contract agreement to be ONE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$131,500.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of October, 2017.

President

Secretary



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Associated Electric and Gas Insurance Services, Ltd. (AEGIS) and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

EXCESS GENERAL LIABILITY INSURANCE

The insurance agreement to be for a twelve month policy period commencing November 1, 2017 and expiring October 31, 2018.

The amount of the contract agreement not to exceed THREE HUNDRED ONE THOUSAND TWO HUNDRED NINETY-NINE AND 00/100 DOLLARS (\$301,299.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of October, 2017.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8027)

Meeting Date: 10/24/2017

SUBJECT: CSC Building Expansion and Renovation Project - Update

PREPARED BY: Patricia Bremer

ITEM DESCRIPTION:

Facilities staff have been working with a team of outside design consultants to design a major building expansion and renovation to the RPU Customer Service Center building. The main goal of this project is to create additional space to better meet the needs of RPU staff and equipment storage needs for the next 10-20 years.

This project was released for public bidding on 10/02/17, and a pre-bid meeting was held on 10/12/17. Bids will be due to RPU on 11/02/17. Following review of the bids received, Staff intend to bring an FBA to the Board for approval of construction contracts at the 11/14/17 Board Meeting.

Staff will provide a brief update on the project status.

UTILITY BOARD ACTION REQUESTED:

None. Informational only.

FOR BOARD ACTION

Agenda Item # (ID # 8029)

Meeting Date: 10/24/2017

SUBJECT: Review Proposed Change to Load Management Credit Rate Tariff

PREPARED BY: Bryan Blom

ITEM DESCRIPTION:

The current Load Management Credit Rate Tariff, Rate Schedule LMC, specifies eight different load management credit amounts dependent on the combination of the number of qualifying air conditioners and qualifying electric water heaters enrolled in the program and controlled with load management devices. The rate tariff has been in place in this form since 2002.

As part of the implementation of Cayenta, the new customer account/billing system, we want to re-evaluate this program and implement a simplified rate tariff of \$3.00/month per qualifying air conditioner credited to customer accounts from May through September, and \$3.00/month per qualifying electric water heater credited to customer accounts in each month of the year.

Under the current eight-tier rate tariff, a customer with one qualifying air conditioner and one qualifying electric water heater would receive an annual credit totaling \$60. Under the proposed simplified rate tariff, the annual total credit in that scenario would total \$51. There are approximately 426 customers that would be affected. There would be no change in the annual total credit for approximately 7,000 customers with the most common load management installation of just one qualifying air conditioner.

UTILITY BOARD ACTION REQUESTED:

If the Board is in agreement staff would request authorization to post for public notice the proposed change and will request approval at the November 14, 2017 Board Meeting with the other rate changes. If approved, the effective date of the change is dependent on the go-live date of the Cayenta customer account/billing system.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE LMC
SHEET 1 OF 1**

LOAD MANAGEMENT CREDITS

AVAILABILITY:

To customers participating in RPU's direct control load management program.

APPLICATION:

This rate schedule rider is to be applied in conjunction with all applicable rate schedules:

CREDITS:

Central Air Conditioner (# of units)	Electric Water Heater (# of units)	Monthly Credit	# Months Applied
Any number	0	\$ 3.00 each	5 (May-Sept)
0	1	\$ 3.00	12
0	2	\$ 5.00	12
1	1	\$ 5.00	12
2	1	\$ 7.00	12
1	2	\$ 8.50	12
2	2	\$10.00	12
3	1	\$9.00	12

TERMS AND CONDITIONS:

1. Participation in the direct control load management program is voluntary.
2. Customer agrees to participate in the program for one year or longer.
3. Qualifying appliances are central air conditioners up to 8 kW and electric water heaters with a minimum capacity of 40 gallons. Central air-conditioners above 8 kW, electric water heaters above 85 gallons, and other appliances or electrical loads applicable to direct control load management by RPU may be accepted by RPU in this program. In these cases, applicable credits will be calculated on a case by case basis.
4. Customer agrees to not utilize any other load management system in conjunction with equipment directly controlled by RPU.
5. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

April 30, 2002
May 7, 2002

Attachment: Original LMC (8029 : Review Proposed Change to Load Management Credit Rate Tariff)

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE LMC
SHEET 1 OF 1**

LOAD MANAGEMENT CREDITS

AVAILABILITY:

To customers participating in RPU's direct control load management program.

APPLICATION:

This rate schedule rider is to be applied in conjunction with all applicable rate schedules:

CREDITS:

	Monthly Credit	# Months Applied
Central Air Conditioner	3.00 each	5 months (May through September)
Electric Water Heater	3.00 each	12 months

TERMS AND CONDITIONS:

1. Participation in the direct control load management program is voluntary.
2. Customer agrees to participate in the program for one year or longer.
3. Qualifying appliances are central air conditioners up to 8 kW and electric water heaters with a minimum capacity of 40 gallons. Central air-conditioners above 8 kW, electric water heaters above 85 gallons, and other appliances or electrical loads applicable to direct control load management by RPU may be accepted by RPU in this program. In these cases, applicable credits will be calculated on a case by case basis.
4. Customer agrees to not utilize any other load management system in conjunction with equipment directly controlled by RPU.
5. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

TBD
Implementation date of Cayenta Customer System

FOR BOARD ACTION

Agenda Item # (ID # 8030)

Meeting Date: 10/24/2017

SUBJECT: Preliminary 2018 Electric and Water Budgets and Rates

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Provided under separate cover is a copy of the preliminary 2018 electric and water capital and operating budgets. A separate presentation of these budgets was given to the Board's finance committee on October 17, 2017.

Management will be reviewing one water utility budget and one electric budget scenario that take into consideration the electric cost of service study that was presented to the Board. The Board will be asked for final approval of the budgets, including Capital projects, and proposed rates at the November 14, 2017 meeting. Following the Board's approval, the budget and rates will be forwarded to the City Council for their approval at the November 20, 2017 meeting.

In the electric utility, management is presenting a budget scenario showing the 1.5% and 1.9% rate increase in 2018 and 2019, respectively, followed for 2.5% rate increases in each year 2020 through 2022.

The electric budget scenario reaches the target change in net assets in 2022, meets minimum cash requirements in 2020, and meets the target debt coverage ratio of 3 times in 2021. Not meeting these financial metrics before 2020, when we currently have a possible debt issuance, has the potential to impact our bond rating and cost of borrowing.

There are also significant uncertainties in the budget period around future load growth downtown, potential additional revenues from this growth, and the outcome of the FERC transmission case. As infrastructure investments need to precede the new growth, we will be conducting a detailed study in 2018 to support our 2019-2022 distribution system investments.

The significant business drivers for 2018 are:

- Limited demand growth (266MW to 274MW) and power consumption (0.8% Kwh) increases. These are impacted by strong customer growth (2.2%) and decreasing consumption per customer;
- Increased debt service payments related to the 2017 \$108,255,000 Bond issuance for the Westside Energy Station, service center expansion, and completing the CAPX 2020 project. The principal and interest impact is \$5,700,000 in 2018;
- No wholesale power costs increase from SMMPA;
- Internally funded capital project requests for 2018 were cut by 29%, or \$3.867M, to \$9.365M, to stay within the 1.5% rate track recommended by the 2017 cost of

FOR BOARD ACTION

Agenda Item # (ID # 8030)

Meeting Date: 10/24/2017

service study;

- Continuation of investments into our system for growth and reliability;
- Investments in IT systems;
- Need to meet financial targets based on Utility Method of rate setting:
 - o Change in Net Assets (Net Income)
 - o Debt Service Coverage Ratio
 - o Equity Percent
 - o Minimum cash reserves per Board policy

In the water utility, management is presenting a budget in keeping with the cost of service projections and the 3 year rate track adopted by the Board in 2015. The approved three year rate track shows adjustments for 2016 @ 6.0%, 2017 @ 6.0% and 2018 @ 6.0%. The main drivers for the water budget are:

- Continued water conservation programs and education;
- Larger capital expenditures for water main replacements associated with City planned street reconstructions and distribution system expansion;
- One new well in 2018

UTILITY BOARD ACTION REQUESTED:

No Action Requested.

FOR BOARD ACTION

Agenda Item # (ID # 8043)

Meeting Date: 10/24/2017

SUBJECT: Board Liaison Reports: RCA Rochester Home Rule Charter Amendment and Notice of Public Hearing

PREPARED BY: Mark Kotschevar

ITEM DESCRIPTION:

Please see attached RCA from the Rochester City Council's October 2, 2017 meeting.

UTILITY BOARD ACTION REQUESTED:

No action requested.

<u>REQUEST FOR COUNCIL ACTION</u>		MEETING DATE: 10/2/2017
AGENDA SECTION: Consent Agenda/Organizational Business	ORIGINATING DEPT: City Attorney	
ITEM DESCRIPTION: Request for public hearing to consider an ordinance amending Section 15.03 of the Rochester Home Rule Charter relating to RPU Board annual election of officers.		PREPARED BY: Dave Goslee

Under the Rochester Home Rule Charter, section 15.03, the RPU Board is required to hold elections in January of each year. The Board and Management have asked the Charter Commission to amend this section to allow the Board to hold elections later in the year so that newly appointed members know who they are voting for. A memo from RPU General Manager Mark Kotschevar is attached. The Charter Commission modified the request by deleting the reference to holding an election in May, allowing the Board itself to set the election date through its rules of conduct of its affairs. The proposed Section 15.03 would read as follows:

SECTION 15.03. (Conduct of meetings; appointment of secretary). The board shall elect from among its members a president who shall preside over the meetings of the board. An election of the president and such other officers as the board may deem appropriate shall be held annually ~~at the first regular meeting following the appointment of a new member for a full term~~. The board shall also annually appoint a secretary who shall not be a member of the board. The board shall adopt rules for the conduct of its affairs and for the removal of its elective officers with or without cause. No action shall be taken by the board except by the affirmative vote of at least three members. Three members shall constitute a quorum.

COUNCIL ACTION REQUESTED:

Direct the City Clerk to publish notice of a public hearing to be held Monday, November 6, 2017, at 7:00 p.m., in the Council/Board chambers, to consider the proposed amendment by ordinance. Following that public hearing, the council may adopt the proposed ordinance upon affirmative vote of all members present.