



MEETING AGENDA – OCTOBER 29, 2019

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

- 1. Approval of Agenda**
- 2. Safety Moment**
- 3. Approval of Minutes**

1. Public Utility Board - Regular Meeting - Sep 24, 2019 4:00 PM

- 4. Approval of Accounts Payable**

1. 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.)

- 5. Public Hearing**

1. Wellhead Protection Plan Part II - Public Hearing

- 6. Regular Agenda**

1. Risk Property, General Liability and Automotive Insurance Renewals for 2020

Resolution: All Risk Property Insurance

Resolution: Excess General Liability Insurance

Resolution: Commercial Automobile and General Liability Insurance

2. Land Purchase - 1325 Marion Road SE

Resolution: Land Purchase - 1325 Marion Road SE

3. Approval of the Electric Service Availability Policy

Resolution: Electric Service Availability

4. Preliminary 2020 Water and Electric Utility Budgets

Resolution: Notice of Proposed Rate Change in 2020

- 7. Board Liaison Reports**

1. RPU Index of Board Policies

- 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 24, 2019

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

Attendee Name	Title	Status	Arrived
Brett Gorden	Board Member	Present	
Tim Haskin	Board Member	Present	
Melissa Graner Johnson	Board Vice President	Present	
Brian Morgan	Board President	Absent	
Michael Wojcik	Board Member	Present	

1. Approval of Agenda

President Morgan was absent for the meeting, therefore Vice President Johnson assumed the role of Board President for the meeting. Vice President Johnson moved to approve the agenda as presented by consensus. Motion passed.

2. Safety Moment

Vice President Johnson shared some fall safety tips. She asked for drivers to watch out for school buses and to adhere to the hands-free cell phone state law, advised home owners to ensure furnaces, smoke alarms and carbon monoxide alarms are in working order, to check for overhead power lines when cleaning leaves out of gutters, and be aware of underground utilities when doing fall transplanting from the garden. Also since it gets dark earlier, it's a good idea to lighten paths for security or use motion sensors.

3. Approval of Minutes

- Public Utility Board - Regular Meeting - Aug 27, 2019 4:00 PM
- Public Utility Board - Special Meeting - Sep 3, 2019 4:00 PM
- Motion to:** approve the Minutes of August 27, 2019 and September 3, 2019 as presented

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Brett Gorden, Tim Haskin, Melissa Graner Johnson, Michael Wojcik
ABSENT:	Brian Morgan

4. Approval of Accounts Payable

- AP Board Listing
- Motion to:** approve the a/p board listing as presented

Board Member Brett Gorden recused himself from voting on line item number 396, a reimbursement to himself for Board travel, and line item number 63, a rebate payment to his employer.

Minutes Acceptance: Minutes of Sep 24, 2019 4:00 PM (Approval of Minutes)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Brett Gorden, Tim Haskin, Melissa Graner Johnson, Michael Wojcik
ABSENT:	Brian Morgan

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.)

Vice President Johnson opened the meeting for public comment. Four people came forward to speak.

Ivan Idso, of Rochester, shared his community engagement plan to reduce energy consumption, which he said is similar to scenario 4 of RPU's Resource Plan but with a reduced or eliminated gas plan, and includes a program he called the Rochester energy challenge. His plan calls for the Rochester energy challenge to be rolled out in 2020, smart meters in 2021, and a new infrastructure study to be conducted in 2024 to reassess demand.

Tom DeBoer, of Rochester, shared his presentation on wind generation in southeastern Minnesota and land requirements. He also explained the need for larger dispatchable generation to maintain reliability.

Tom Williamson, of Rochester, asked the Board to approve scenario 5 of the Resource Plan, and to listen to what the scientists and consultants are saying.

Roger Forland, of Rochester, said he just came to observe and did not wish to speak.

5. Regular Agenda

1. Cost Share Agreement for Right-of-Way

A proposed cost-share agreement between RPU and Olmsted County to purchase the right-of-way at the County Road 104 and 60th Avenue NW corridor between CSAH 34 (Country Club Road SW) and CSAH 14 (75th Street NW) was presented to the Board for approval. Ryan Moore, Manager of Geographic Information Services, said RPU will receive a non-revocable permit to place infrastructure within the county's 60th Avenue right-of-way for future improvements.

Cost-share items include right-of-way staff time based on actual salary, survey staff time based on actual salary, title work, appraisals, acquisition payments to owners and condemnation costs, with the City sharing in costs at 50% of the total cost up to a maximum of \$150,000. The City is preparing to place a distribution line adjacent to 60th Avenue NW between 55th Street NW and the Douglas Trail.

The cost-share agreement was approved by the Olmsted County Board on August 6, 2019, and was reviewed by the City Attorney with no issues.

Mr. Moore stated that this agreement provides a long-term solution for future cooperation between the county and the City that is in the best interest of the public.

Resolution: Cost Share Agreement for Right-of-Way

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Cost Share Agreement with Olmsted County and authorize the Mayor and the City Clerk to execute the agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of September, 2019.

RESULT:	COUNCIL APPROVAL [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Brett Gorden, Board Member
AYES:	Brett Gorden, Tim Haskin, Melissa Graner Johnson, Michael Wojcik
ABSENT:	Brian Morgan

2. Customer Relations - Revised Life Support Policy

Director of Customer Relations Krista Boston brought the revised Life Support policy to the Board for review and comment at its August 27, 2019 meeting. Recommendations from the Board were incorporated into the policy, which was presented for approval.

Resolution: Life Support Policy

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the amended Life Support Policy as presented.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of September, 2019.

3. 2020 Utility Board Meeting Dates

The proposed 2020 RPU Board meeting dates were presented to the Board for approval.

UTILITY BOARD MEETING DATES FOR 2020

January 28

February 18

March 24

April 28

May 19

June 23

July 28

August 25

September 29

October 27

November 10

November 24

December 15

Resolution: 2020 Utility Board Meeting Dates

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

2020 Utility Board Meeting Dates

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of September, 2019.

6. Informational

1. Solar RFP Negotiations

Director of Power Resources Jeremy Sutton brought a request to the Board to further negotiate with two vendors for a purchase power agreement for RPU's proposed solar project. RPU published a RFP (request for proposal) for solar power providers on August 2, 2019 for a future 10-27 megawatt solar site that will feed into RPU's distribution system. The contract term is for a fixed price over 20 years. RPU would take full ownership of the site in 2030, when its purchase power contract with Southern Minnesota Municipal Power Agency (SMMPA) expires.

Staff evaluated the proposals received using the following criteria: ability to connect to RPU's distribution system, evidence of site control, safety record/experience and financial capability. Respondents were also evaluated for competitive pricing. The field has been narrowed down to two vendors, said Mr. Sutton.

Why aren't the names of the companies public, asked Board Member Michael Wojcik? General Manager Mark Kotschevar stated that under the RFP process, the names are confidential, but will be released later following negotiations. Why was 10-27 megawatts chosen as the capacity, asked Mr. Wojcik? That range was chosen based on interest from customers and on the potential to partner with Peoples Energy Cooperative, said Mr. Kotschevar. Mr. Wojcik asked if the two vendors are qualified and if this item will be ready for Board action next month. Mr. Sutton stated the two companies are very qualified and an agreement is anticipated to be presented for approval at the next Board meeting.

2. Water Utility Cost of Service Study

Director of Corporate Services Peter Hogan presented the results of the water utility cost of service study to the Board. The study is conducted every three years, however was postponed in 2018 to wait for completion of phase 1 of the water main renewal and replacement prioritization study, the results of which were incorporated into the current water cost of service study.

The study used the following assumptions: annual inflation of 2.2%, annual water consumption growth of 0.75%, no DMC funding, and capital improvement projects. Vice President Johnson asked if it's accurate that RPU has not received any DMC funding. No, RPU has not, said Mr. Hogan, and does not expect to. General Manager Mark Kotschevar stated that RPU is eligible to be reimbursed if a DMC project affected RPU infrastructure that would have to be relocated as a result, but RPU is not high on the priority list of DMC funding.

Based on the study, which utilizes the utility basis of rate-making, said Mr. Hogan, staff recommends a 3.5% water rate increase over the next three to five years, which does not include the water testing fee charged by the state.

Board Member Michael Wojcik asked what major capital improvement projects are taking place. Those would include the water reservoir in Baihly Heights, the Broadway reconstruction project and improvements to well houses 42 and 43, said Senior Civil Engineer Doug Klamerus.

Board Member Tim Haskin asked what the impact would be to the typical residential customer bill. The average residential customer would see an increase of 46.5 cents per month, Mr. Hogan stated, and the state's water testing fee, which was increased this year, would add another 28 cents per month.

Mr. Wojcik made a motion to accept and place on file the water utility cost of service study and to direct staff to proceed with the 3.5% rate increase for one year, and to communicate the five-year plan to the public, which is a change from previous plans. Board Member Brett Gorden asked if staff will also communicate regarding the increased state water testing fee. Mr. Kotschevar said that will be included in the notification. Mr. Haskin asked if the fee is earmarked towards water-related state projects, and Mr. Kotschevar confirmed that it is.

7. Board Liaison Reports

In regard to the updating of Board policies, General Manager Mark Kotschevar said he is tardy in revising the Electric Service Availability policy and in writing the new Undergrounding policy, but plans to bring those forward soon.

8. General Managers Report

General Manager Mark Kotschevar announced some upcoming dates for budget and rate setting. On October 17, 2019, the Board's finance and audit committee will meet for the first review of RPU's 2020 electric and water budget and rate recommendations. The full Board will have its first look at the budget and rates at its October 29, 2019 meeting. On November 12, 2019, the Board will hold a special meeting to approve the budget and rates, which will be forwarded to the Rochester City Council for concurrence.

Mr. Kotschevar and Director of Power Resources Jeremy Sutton were asked to present the Rochester energy plan to a group of state legislators at an October 2 mini-session of the Minnesota House of Representatives who will be traveling to Rochester.

Director of Corporate Services Peter Hogan introduced representatives from Cayenta, Scott MacKendrick, executive vice president, and Larissa Wong, vice president of professional services, as well as Rob Whitlock of Whitlock Consulting and Patty Hanson, RPU project manager. Mr. MacKendrick said that currently the Cayenta and RPU teams are proceeding through user acceptance testing (UAT), which began on August 21 and is expected to be completed on October 11. So far UAT has shown a 92% success rate, he said, with 432 test cases executed having 28 failures. There are currently 24 open incidents being addressed, five of those with Cayenta responsibility and the rest lying with RPU. Mr. MacKendrick said the team is on track to complete UAT by October 11. The next phase will begin on October 18 with mock go-live conversion, followed by a month of prep for go-live and completion of training. The planned go-live date is November 12. Mr. Hogan added that staff will be working through three weekends of training sessions to arrive at go-live.

Last month, Board Member Michael Wojcik requested the cost to insert a mailer in the RPU bill providing election polling places for Rochester residents. Mr. Hogan said that RPU is unable to add an insert to the customer bill, but could instead repurpose two pages of its Plugged In newsletter to print the information. Mr. Wojcik asked staff to please send the printing cost to the city administrator to distribute to the Council.

9. Division Reports & Metrics

Vice President Johnson remarked that it was nice to see that the RPU crews who traveled to Kissimmee, Florida to provide mutual aid to areas damaged by Hurricane Dorian received a great amount of attention on social media.

10. Other Business

In regard to comments made earlier in the meeting by Ivan Idso, Board Member Michael Wojcik asked if RPU is moving aggressively towards smart meters. General Manager Mark Kotschvar replied yes, and RPU's smart meter plan will be presented with the 2020 budget. Mr. Wojcik commented that just having smart meter technology out there will provide the ultimate tool for conservation. He also said the idea that scenario 5 of the RPU Resource Plan is carbon-free is absolutely not true. He asked what the incremental cost difference would be between scenarios 3 and 5. Director of Power Resources Jeremy Sutton stated that it is \$114 million. Is that the best use of \$114 million to reduce green house gases, asked Mr. Wojcik? He also commented that scenario 3 could reduce the amount of green house gas being generated for a lot less money.

Board Member Brett Gorden stated he agrees with Mr. Idso that conservation is the key to take the best advantage of the renewables, and he also appreciates Tom DeBoer's comments about keeping a stable and stealth grid locally.

General Manager Mark Kotschevar said that technology is changing quickly and there will be time to make these considerations, with no need to choose a scenario now. Staff will need to determine the risks associated with scenarios 3 and 5, one risk being how much of a price hedge one scenario gives over the other and the financial, technology and reliability risks involved.

On an unrelated subject, Mr. Wojcik asked if RPU could invest in a few signs to place in residential rights-of-way to indicate that tree trimming will be coming to the area, to give customers advance notice. Mr. Kotschevar said that staff will look into it.

11. Adjourn

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

Submitted by:

Secretary

Approved by the Board

Board President

Date

ACCOUNTS PAYABLE

Meeting Date: 10/29/2019

SUBJECT: AP Board Listing

PREPARED BY: Colleen Keuten

Please approve.

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2019 To 10/08/2019
Consolidated & Summarized Below 1,000

Greater than 50,000 :

SOUTHERN MN MUNICIPAL POWER A	September SMMPA Bill	7,753,183.26
MN DEPT OF REVENUE	August Sales and Use Tax	878,438.98
LAKE ZUMBRO RESTORATION OLMST	Lake Zumbro Dredging	372,412.20
MASTEC NORTH AMERICA INC	Manhole Rebuild 2019	269,382.05
CONSTELLATION NEWENERGY-GAS D	77007MCF-August Gas for SLP	212,758.92
A & A ELECT & UNDERGROUND CON	2017-2022 Directional Boring	207,308.00
CONSTELLATION NEWENERGY-GAS D	440799MCF-August Gas for WES	110,583.88
WORKS COMPUTING INC	2-HPe Hardware-Arrays, Ports, HDD Bndls	100,859.78
WRIGHT TREE SERVICE INC	Hourly Tree Removal 2019-2020~	72,531.62
KNUTSON CONSTRUCTION SERVICES	Service Center Expansion Labor	66,619.37
ROCHESTER TITLE & ESCROW CO I	Purchase of Land for Construction of Well #42	64,130.23
ETHOS ENERGY (P)	Site Oper Audit and Review W/Borescope Inspection	55,000.00
THE ENERGY AUTHORITY INC	September MISO Transmission	52,377.61
WHITLOCK CONSULTING GROUP LLC	Project Asst with Cayenta Implementation	51,198.00
OSMOSE UTILITIES SERVICES INC	2019 Pole Testing & Treatment	50,965.60
IRET PROPERTIES	CIP-Lighting (C&I)-Incentives/Rebates	50,934.00
Price Range Total:		10,368,683.50

5,000 to 50,000 :

BILLTRUST dba	September CC/Billing/Mailing/IVR Services	46,829.31
WORKS COMPUTING INC	60EA-Smart Memory Kit-32 GB	43,046.47
HYLAND LLC	2020 Perceptive Software Maintenance	42,438.80
CENTRAL MINNESOTA MUNICIPAL P	September Capacity/CMP	31,900.00
MAYO FOUNDATION	CIP-Lighting (C&I)-Incentives/Rebates	28,391.00
MN DEPT OF COMMERCE	Q2 2020 Indirect Assessment	27,997.64
KNUTSON CONSTRUCTION SERVICES	Service Center Expansion Materials	27,587.00
EPLUS TECHNOLOGY INC	EMS Cisco Maintenance Service for 2020	25,954.99
OPTIV SECURITY INC	SCADA Security Assessment	24,621.00
CONSTELLATION NEWENERGY-GAS D	8671MCF-August Gas for CC	22,684.67
THE ENERGY AUTHORITY INC	September RMA Fee	22,628.17
BLUESPIRE STRATEGIC MARKETING	2016 - 2019 RPU Plugged In Contract	21,547.00
USIC LOCATING SERVICES INC	2019 Locating Services	20,431.49
U S ALLIANCE GROUP	September Credit Card Processing Fees	17,651.57
BORDER STATES ELECTRIC SUPPLY	1EA-Meter, Primary Cab, 200 AMP With PT/	16,368.93
STUART C IRBY CO INC	8331FT-Wire, AL, 15KV, 1/0 Solid, Non Ja	16,112.15
VYRIAD	CIP-Lighting (C&I)-Incentives/Rebates	15,426.96
VISION COMPANIES LLC (P)	Leadership Journey-Leads,Offsite-Barn,Pr	14,812.50
PUGLEASA COMPANY INC	2EA-Service Center fan	13,630.10
XYLO TECHNOLOGIES INC	2019 IT Helpdesk Support	13,600.00
BELL LUMBER & POLE COMPANY	6EA-Pole, 55ft, WRC, CL H1	13,500.00
CENTURYLINK (P)	2018-23 Monthly Telecommunications	13,268.49
CRESCENT ELECTRIC SUPPLY CO	5000FT-Conduit, HDPE, 4.00, Empty, SDR 1	13,230.00
McGRANN SHEA CARNIVAL STRAUGH	Q3 Retainer	12,500.00
UTILITY FINANCIAL SOLUTIONS L	Water Cost of Service Study	12,297.50
ULTEIG ENGINEERS INC	Marion Road Substation Proposal	11,813.96
STUART C IRBY CO INC	1EA-Trans, PM, 3ph, 500kVA, 13.8/8, 480	11,657.00
CITY OF ROCHESTER	CIP-Lighting (C&I)-Incentives/Rebates	11,409.63
RESCO	1EA-Portable wireless meter tester	11,161.20
CHS ROCHESTER	September Fuel-Electric	11,148.26

Attachment: AP Board CrMo (11207 : AP Board Listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2019 To 10/08/2019
Consolidated & Summarized Below 1,000

54	BELL LUMBER & POLE COMPANY	20EA-Pole, 40ft, WRC, CL3	10,980.00
55	GDS ASSOCIATES INC	Schedule 2 FERC Filing	10,810.00
56	ELEMENTAL AIR LLC	Westside NOx Tuning(5 Units)	10,775.00
57	S L CONTRACTING INC	Concrete patch from water break at John Marshall	10,672.00
58	UTILITY FINANCIAL SOLUTIONS L	Time-of-Use Rate & Res Cust Chg Review	10,002.50
59	N HARRIS COMPUTER CORP	Cayenta Implementation Services	10,000.00
60	BORDER STATES ELECTRIC SUPPLY	223EA-Meter, FM2S CL200 240V AMR	9,700.08
61	ELEMENTAL AIR LLC	2019 CCCT RATA Testing	9,291.00
62	BURNS & MCDONNELL INC (P)	Infrastructure Financial Modeling Study	9,259.63
63	VERIZON WIRELESS	2019 Cell & iPad Monthly Service	8,904.07
64	WESCO DISTRIBUTION INC	12000FT-Conduit, HDPE, 2.00, Empty	8,880.00
65	EPLUS TECHNOLOGY INC	CISCO Essentials Wireless License - 3 yr	8,827.88
66	MALLOY ELECTRIC dba	1EA-VFD, 200HP	8,735.29
67	WORKS COMPUTING INC	GEN10 Support for HPE Blade Upgrade Project	8,622.72
68	WELLS FARGO BANK ACCT ANALYSI	September Banking Services	8,268.97
69	WORKS COMPUTING INC	5EA-Gen10 Xeon FIO Process Kit-HPE Upgrade Proj	8,230.35
70	WORKS COMPUTING INC	5EA-Gen10 Xeon Processor Kit-HPE Upgrade Proj	8,230.35
71	PARSONS ELECTRIC LLC	IP Speaker Upgrade	8,226.50
72	NEOPOST USA INC	Postage	8,040.00
73	STUART C IRBY CO INC	1EA-Trans, PM, 3ph, 225kVA, 13.8/8, 208	7,778.00
74	WORKS COMPUTING INC	5EA-Gen10 10GB/20GB Server Blade-HPE Upgrade	7,226.30
75	WINKELS ELECTRIC INC	Trans pad & conductors of pump house-mat	7,211.22
76	CORE & MAIN LP (P)	2EA-Hydrant, 6 ft 6 in	7,156.74
77	MASTEC NORTH AMERICA INC	2019 Joint Trench Directional Boring	7,074.47
78	WESCO DISTRIBUTION INC	5EA-Metal Sec. Encl, 3ph, 30"x78"x22" 60	6,620.00
79	BURNS & MCDONNELL INC (P)	Routing Validation &Risk Assessment Study	6,298.18
80	BLACKBERRY CORPORATION	2018-21 Blackberry Mobility Suite	6,204.00
81	CLARK CONCRETE INC	Replaced concrete sidewalk-east side of	6,198.75
82	DECOOK EXCAVATING INC	2EA-Switch, Air, Unit Arm, 3ph, 600A, LB	6,110.00
83	AMERICAN HOSPITALITY LLC	CIP-Lighting (C&I)-Incentives/Rebates	5,952.00
84	DECOOK EXCAVATING INC	WC T2 Sub Containment Pit Repairs	5,821.00
85	DECOOK EXCAVATING INC	WC T1 Sub Containment Pit Repairs	5,821.00
86	WORKS COMPUTING INC	10EA-SPS-DRV HDD 8TB 12G 7.2K LFF SAS MD	5,760.00
87	TRUCKIN' AMERICA	1EA-Western Tornado salt/sand spreader	5,650.00
88	STUART C IRBY CO INC	6EA-Metal Sec. Encl, 3ph, 30"x67"x22" 20	5,610.00
89	KATS EXCAVATING LLC	Water SA meter valve repair-520 5th St S	5,600.00
90	CHS ROCHESTER	September Fuel-Water	5,572.39
91	SOUTHERN MN MUNICIPAL POWER A	CIP-Central AC-Incentives/Rebates	5,450.00
92	KENNEDY & GRAVEN CHARTERED	Acquisition of Property-Consultation	5,405.00
93	TWIN CITY SECURITY INC	2019 Security Services	5,046.00
94			
95		Price Range Total:	921,667.18
96			
97	<u>1,000 to 5,000 :</u>		
98			
99	BADGER METER INC (P)	120EA-Meter, Bare 5/8x3/4" Badger Disc	4,982.40
100	SHAKOPEE PUBLIC UTILITIES COM	Storm Aid	4,718.61
101	STUART C IRBY CO INC	5EA-Metal Sec. Encl, 3ph, 30"x67"x22" 20	4,675.00
102	NALCO COMPANY	110GAL-Nalco, 22300.15 Blr. Chemical Pol	4,523.52
103	DOYLE CONNER CO INC (P)	Concrete street repair due to water main	4,495.00
104	QUANTITATIVE MARKET INTELLIGE	2019 Qtlly Customer Satisfaction Survey	4,488.75
105	STUART C IRBY CO INC	3EA-Trans, PM, 1ph, 50kVA, 13.8/8, 240	4,422.00
106	PW POWER SYSTEMS INC	3EA-Power supply kit	4,349.73

Attachment: AP Board CrMo (11207 : AP Board Listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2019 To 10/08/2019
Consolidated & Summarized Below 1,000

107	SOLARWINDS INC	1EA-2020 Network Performance Renewal	4,172.40
108	SANCO EQUIPMENT LLC	Bobcat Door	4,089.58
109	BORDER STATES ELECTRIC SUPPLY	16EA-Crossarm, Deadend, 8'	3,950.08
110	BARR ENGINEERING COMPANY (P)	Hydro Isolation Gate Redesign	3,914.48
111	ZOHO CORPORATION	ManageEngine License	3,842.16
112	WATER TOWER CLEAN & COAT INC	Pressure wash exterior on Northpark Towe	3,800.00
113	BADGER METER INC (P)	4EA-Turbo 450 hydrant meter, 3"	3,800.00
114	MALLOY ELECTRIC dba	1EA-VFD, 60HP	3,770.47
115	WESCO DISTRIBUTION INC	25EA-Anchor, Triple Helix, 1.50 Sq. Shaf	3,747.50
116	SANDER RESOURCES LLC	Development & Printing Natl Excavator Br	3,740.63
117	CREDIT MANAGEMENT LP	2019 Collections/Delinquent Services	3,737.50
118	PUGLEASA COMPANY INC	4EA-Fan control boxes	3,707.80
119	N HARRIS COMPUTER CORP	Conversion 12 per CO-054	3,600.00
120	CONSOLIDATED COMMUNICATIONS d	2018-20 Network and Co-location Services	3,514.95
121	EPLUS TECHNOLOGY INC	1EA-Modular 24 FXS port analog VOIP	3,486.05
122	VIKING ELECTRIC SUPPLY INC	58W LED5K	3,342.21
123	PUGLEASA COMPANY INC	1JOB-Install	3,308.00
124	EPLUS TECHNOLOGY INC	10EA-IP phone 8845	3,248.80
125	STUART C IRBY CO INC	5EA-Trans, OH, 1ph, 10kVA, 13.8/8, 120	3,230.00
126	CITY OF ROCHESTER	Medical Services	3,229.00
127	WATER TOWER CLEAN & COAT INC	Pressure wash exterior on Baihly Tower	3,200.00
128	WATER TOWER CLEAN & COAT INC	Pressure wash exterior on Willow Tower	3,200.00
129	VIRTEVA LLC	Office 365 Implementation	3,195.00
130	CITY OF ROCHESTER	Workers Comp Fees	3,173.88
131	WORKS COMPUTING INC	5EA-FlexFabric 20GB 2-port adapter	3,152.75
132	EPLUS TECHNOLOGY INC	2EA-Cisco Catalyst 3560 switch	3,143.66
133	AMAZON.COM	2EA-Transducer, Transdata W/V 30EWS525	3,080.00
134	TELVENT USA LLC	Cayenta/CIS Responder Interface	3,080.00
135	GDS ASSOCIATES INC	2019 MISO Attch O Consulting Service	3,015.00
136	MIDCONTINENT ISO INC	September MISO Fees	2,929.48
137	L & S ELECTRIC INC	Breaker Repair	2,880.28
138	BOLTON AND MENK (P)	TMobile Viola #98 Review	2,831.00
139	TMS JOHNSON INC	1EA-Sidewall fan w/wall housing	2,795.00
140	RSP ARCHITECTS LTD.	A/E Finance/Accounting Office Renovation	2,775.00
141	BARR ENGINEERING COMPANY (P)	Gen'l Groundwater Consulting Services	2,766.50
142	ELITE CARD PAYMENT CENTER	Wellness Room	2,735.00
143	ABB INC PRIMUS	3EA-Tank heater	2,679.00
144	ZOHO CORPORATION	ManageEngine Maintenance/Support 3-yrs	2,678.29
145	BLACKBERRY CORPORATION	Consulting Fees	2,671.88
146	RESCO	50EA-SL Hand Hole Cover, 25' FG Pole (18	2,666.53
147	MARSDEN BLDG MAINT LLC dba	Custodial Service 9/16	2,626.40
148	BOLTON AND MENK (P)	AT&T Willow #94~	2,625.00
149	DELL MARKETING LP	2EA-Computer, Laptop, Dell Latitude 5590	2,557.03
150	PARSONS ELECTRIC LLC	Gate Maintenance	2,509.00
151	VIKING ELECTRIC SUPPLY INC	3600FT-Wire, AL, 600V, #2-#4 ACSR NEU Tr	2,404.69
152	DELL MARKETING LP	2EA-Latitude 5590 laptop	2,392.54
153	ADVANCED DISPOSAL SVC SOLID W	2019 Waste removal SC	2,383.51
154	RESCO	18EA-Junction, LB, 200A, 4 Pos, w/Strap	2,350.80
155	D P C INDUSTRIES INC	2019 Carus 8500 Aqua Mag F35	2,343.30
156	ZOHO CORPORATION	ManageEngine Maintenance/Support 3-yrs	2,305.29
157	ULTEIG ENGINEERS INC	Engineering Srvs for IBM Phasing Mod	2,304.00
158	VIKING ELECTRIC SUPPLY INC	165GAL-Cable Pulling Lube	2,258.88
159	ELITE CARD PAYMENT CENTER	Greg Sanders. Registration,FCS Conf, Flo	2,240.00

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160	KNXR - FM	July Scam Ads	2,200.00
161	D P C INDUSTRIES INC	2019 Chlorine, 150 lb Cyl	2,196.75
162	EXPRESS SERVICES INC	2018-19 Seasonal staff facilities	2,143.20
163	KNXR - FM	Hydro Open House Ads-August	2,100.00
164	BOLTON AND MENK (P)	Antenna Review TMOB Rose Harbor #99	2,059.00
165	IHEART MEDIA dba	September Ads	2,001.00
166	HATHAWAY TREE SERVICE INC	Commercial large load to brush dump	2,000.00
167	ELITE CARD PAYMENT CENTER	2-Sets of Training Manuals for Metering-Harris Institute	1,954.85
168	OPEN ACCESS TECHNOLOGY	October webCompliance	1,950.00
169	PARSONS ELECTRIC LLC	2019 IT Services T&M	1,948.91
170	EPLUS TECHNOLOGY INC	2020 Avocent maintenance	1,910.19
171	SUNBELT RENTALS	WS Lift for Exhaust Repair	1,880.05
172	VERIZON CONNECT NWF INC	2019 Monthly Charge - GPS Fleet Tracking	1,857.10
173	EPLUS TECHNOLOGY INC	2019 Network maintenance services	1,855.00
174	NALCO COMPANY	55GAL-Sur-Gard 1700 Oxygen Scavenger DEM	1,825.96
175	VERTICAL LIMIT CONSTRUCTION L	ROC Mayo DT SC-Sidewalk Restoration	1,794.00
176	ELITE CARD PAYMENT CENTER	Greg Sanders, Lodging, FCS Conf,Florida	1,786.40
177	BORDER STATES ELECTRIC SUPPLY	4EA-Meter, FM16S CL320 MRV 2-Way	1,749.12
178	RESCO	10EA-Switch, Ft, 10 Potentials	1,729.00
179	CPMI INC	Owner Rep Service Center Project	1,718.00
180	WSB & ASSOCIATES	Well #42 Design	1,688.00
181	EPLUS TECHNOLOGY INC	1EA-Network module	1,661.10
182	STUART C IRBY CO INC	25EA-Arrester, 10kV, Dist, Elbow MOV	1,598.75
183	CRESCENT ELECTRIC SUPPLY CO	2000FT-Wire, Copper, 600V, #4 Str, XLP	1,577.80
184	WESTSIDE ENERGY PARTNERS	Release Retention on Westside 45-51985	1,567.50
185	STUART C IRBY CO INC	24EA-Pedestal Dome Cover, Box Style	1,560.00
186	ELITE CARD PAYMENT CENTER	Registration MKotschevar & Snyhus, APPA	1,550.00
187	PARSONS ELECTRIC LLC	2019 Facilities work	1,547.43
188	ONLINE INFORMATION SERVICES I	2019 Utility Exchange Report	1,540.76
189	HOMETOWN CONNECTIONS INC	Estimated Travel Expenses	1,535.63
190	USA BLUE BOOK DBA	2EA-Backflow preventer	1,529.90
191	UNITED RENTALS INC	Excavator Rental 710 20th Street SE	1,511.46
192	MN DEPT OF COMMERCE	Service Territory 12/26/18-6/25/19	1,502.30
193	ELITE CARD PAYMENT CENTER	2EA-Crossfit Rogue Echo bike	1,500.00
194	SUNBELT RENTALS	Westside Lift Rental	1,482.38
195	WAGENAAR JEFFREY	Hurricane Dorian-Gas	1,456.30
196	STUART C IRBY CO INC	24EA-Pedestal Base, Secondary, w/o Cover	1,440.00
197	POWER SYSTEMS ENGINEERING INC	Interconnection Arc Flash Study	1,440.00
198	INNER TITE CORP	500EA-Meter Barrel Lock Insert	1,438.97
199	CITY OF ROCHESTER	Workers Comp Payments	1,438.38
200	ATLAS COPCO COMPRESSORS LLC	1EA-Valve, Blowdown, Instrument Air Comp	1,432.43
201	VIKING ELECTRIC SUPPLY INC	12W LED Tall	1,418.85
202	SOMA CONSTRUCTION INC	Crushed concrete for break repair backfi	1,386.82
203	BORDER STATES ELECTRIC SUPPLY	18EA-Term, Skirted 15kv, 500-750 MCM, C.	1,382.58
204	ITRON INC	MVWeb 2017-2020	1,377.00
205	BORDER STATES ELECTRIC SUPPLY	6EA-Cutout Door, 6A ELF, 15KV	1,338.84
206	ELITE CARD PAYMENT CENTER	JK,RA,CP,JK,Lodging,Overhead School,Mars	1,336.08
207	ALPERS TIMOTHY	Customer Refunds 300000724354	1,328.45
208	XTREAM MACHINE SOLUTIONS LLC	Equipment Rental	1,325.25
209	RESCO	10EA-Junction, LB, 200A, 4 Pos, w/Strap	1,306.00
210	BORDER STATES ELECTRIC SUPPLY	20EA-Anchor, 14.00" P.S., w/Rod & Twiney	1,301.20
211	CITY OF ROCHESTER	Workers Comp Fees-August	1,282.00
212	EPLUS TECHNOLOGY INC	UC manager-10x user license	1,268.07

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213	MENARDS ROCHESTER SOUTH	Fan & containment repairs	1,254.23
214	BORDER STATES ELECTRIC SUPPLY	5EA-Grd Sleeve, 3ph Sect. Encl, 18 x 67	1,210.00
215	HARRIS ROCHESTER INC	Maintenance Agreement	1,209.00
216	ELITE CARD PAYMENT CENTER	Registration for Ann B for BOC1	1,200.00
217	ELITE CARD PAYMENT CENTER	James Dessner, Registration, BOC Level 1	1,200.00
218	ROCHESTER ARMORED CAR CO INC	2019 Pick Up Services	1,187.24
219	U S A SAFETY SUPPLY	24PR-Glove, Leather Work, Lite Duty, X-L	1,186.31
220	GOPHER STATE ONE CALL	September Locating Service-Electric Tick	1,175.18
221	GOPHER STATE ONE CALL	September Locating Service-Water Tickets	1,175.17
222	D P C INDUSTRIES INC	2019 Hydrofluorosilicic Acid - Delivered	1,174.84
223	WESCO DISTRIBUTION INC	2EA-Arc flash hood w/face shield	1,173.14
224	VIKING ELECTRIC SUPPLY INC	283ROL-Tape, Vinyl, .750" x 66' 3M Super	1,164.45
225	VERTEX US HOLDINGS INC	Consulting Services for Data Migration	1,163.70
226	ELITE CARD PAYMENT CENTER	KM,AH,MB,CJ, Registration,AWWA,Duluth,MN	1,160.00
227	ELITE CARD PAYMENT CENTER	Matt Behrens, Lodging, Tree Seminar	1,155.08
228	ELITE CARD PAYMENT CENTER	Phil Teng,Registration,Utility Conf,Phoe	1,140.75
229	STUART C IRBY CO INC	2EA-Vault, Fiber Optic, w/Cover 24"x36"x	1,140.00
230	NARDINI FIRE EQUIPMENT CO INC	Inspection CO2 System	1,132.88
231	U S A SAFETY SUPPLY	48PR-Gloves, Cut Resistant, 2XL	1,120.91
232	FIRST CLASS PLUMBING & HEATIN	Water SA pipe leak/pipe freeze-5 Meadow	1,115.86
233	HAWK & SON'S INC	Hoist Transformers-2100 Valkyrie Dr NW	1,110.00
234	HDR ENGINEERING INC	Water Main Analysis	1,106.56
235	PUGLEASA COMPANY INC	1EA-Fan touch-screen controller	1,105.96
236	STUART C IRBY CO INC	5000FT-Wire, Tracer, Orange, #12, CCS	1,100.00
237	N HARRIS COMPUTER CORP	CO-021 BI Staff Debbie Langstaff T & M	1,080.00
238	SHIVU BHAVANA	Customer Refunds 300000656830	1,075.05
239	K A A L TV LLC	September ads	1,075.00
240	SOLID WASTE OLMSTED COUNTY	Electricity Purchased by RPU	1,074.81
241	GRAINGER INC	Tools	1,068.28
242	INNER TITE CORP	500EA-Barrel Lock Cover Insert For Facep	1,058.06
243	UNITED RENTALS INC	Boom Rental	1,051.06
244	BAIER GERALD	1EA-2019 Sweeping Services Jan-December	1,050.00
245	ELITE CARD PAYMENT CENTER	Tires	1,035.00
246	MN SUPPLY COMPANY INC (P)	Fix Stand up Fork Lift-Matls	1,030.35
247	RESCO	11EA-Wrench, Security (Fargo)	1,026.91
248	RESCO	30EA-Conn, Fire-On Stirrup, 336.4, ACSR	1,024.50
249	IHEART MEDIA dba	RPU Scam Ads	1,020.00
250	OPEN ACCESS TECHNOLOGY	October OATI tagging services	1,016.67
251	HDR ENGINEERING INC	Swithgear Evaluation	1,012.24
252	TMS JOHNSON INC	1EA-Aluminum louver w/damper	1,000.00
253			
254		Price Range Total:	331,103.26
255			
256	<u>0 to 1,000 :</u>		
257			
258	REBATES	Summarized transactions: 93	19,888.44
259	EXPRESS SERVICES INC	Summarized transactions: 17	14,147.03
260	ELITE CARD PAYMENT CENTER	Summarized transactions: 87	11,618.32
261	Customer Refunds (CIS)	Summarized transactions: 82	8,385.74
262	BOLTON AND MENK (P)	Summarized transactions: 12	7,394.00
263	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 31	7,192.16
264	STUART C IRBY CO INC	Summarized transactions: 37	6,414.85
265	AMAZON.COM	Summarized transactions: 42	5,744.29

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266	CINTAS CORP	Summarized transactions: 25	5,551.57
267	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 34	5,096.25
268	RESCO	Summarized transactions: 23	4,918.31
269	U S A SAFETY SUPPLY	Summarized transactions: 43	4,557.19
270	WORKS COMPUTING INC	Summarized transactions: 17	4,551.08
271	EPLUS TECHNOLOGY INC	Summarized transactions: 15	3,451.99
272	CITY OF ROCHESTER	Summarized transactions: 16	3,240.36
273	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 14	3,143.84
274	RONCO ENGINEERING SALES INC	Summarized transactions: 6	3,001.00
275	ELITE CARD PAYMENT CENTER	Summarized transactions: 6	2,820.22
276	GRAINGER INC	Summarized transactions: 22	2,793.32
277	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 34	2,788.38
278	WERNER ELECTRIC SUPPLY	Summarized transactions: 27	2,782.89
279	CORE & MAIN LP (P)	Summarized transactions: 12	2,761.00
280	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 22	2,705.16
281	DELL MARKETING LP	Summarized transactions: 7	2,643.59
282	METRO SALES INC	Summarized transactions: 6	2,624.19
283	USA BLUE BOOK DBA	Summarized transactions: 14	2,072.87
284	WESCO DISTRIBUTION INC	Summarized transactions: 10	2,050.83
285	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 8	2,011.21
286	HARRIS ROCHESTER INC	Summarized transactions: 4	1,931.09
287	LAWSON PRODUCTS INC (P)	Summarized transactions: 9	1,857.68
288	FASTENAL COMPANY	Summarized transactions: 19	1,823.16
289	ADVANCE AUTO PARTS	Summarized transactions: 37	1,801.72
290	ABB INC PRIMUS	Summarized transactions: 5	1,774.48
291	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 6	1,603.13
292	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 8	1,593.77
293	HALL NICK	Summarized transactions: 3	1,483.52
294	KLAMERUS DOUG	Summarized transactions: 4	1,404.71
295	ROYAL TIRE INC	Summarized transactions: 2	1,356.04
296	KELE INC	Summarized transactions: 6	1,354.25
297	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 2	1,289.50
298	STURGIS JOHN	Summarized transactions: 3	1,212.20
299	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 16	1,204.18
300	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 16	1,158.89
301	PARSONS ELECTRIC LLC	Summarized transactions: 3	1,119.11
302	TEREX UTILITIES INC	Summarized transactions: 15	1,105.68
303	NAPA AUTO PARTS dba	Summarized transactions: 23	1,066.60
304	BREKKE MATTHEW	Summarized transactions: 3	992.81
305	CORPORATE WEB SERVICES INC	Summarized transactions: 2	989.40
306	S L CONTRACTING INC	Summarized transactions: 1	983.00
307	NEUBAUER WADE	Summarized transactions: 3	975.80
308	SOMA CONSTRUCTION INC	Summarized transactions: 1	970.76
309	TOKAY SOFTWARE dba	Summarized transactions: 2	949.48
310	RICHARDSON DONN	Summarized transactions: 3	935.28
311	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 46	922.02
312	ERC WIPING PRODUCTS INC	Summarized transactions: 2	913.42
313	POWERMATION DIVISON	Summarized transactions: 2	898.44
314	ON SITE SANITATION INC	Summarized transactions: 2	892.48
315	TRUCKIN' AMERICA	Summarized transactions: 3	859.93
316	WARTSILA NORTH AMERICA	Summarized transactions: 4	858.16
317	POWELL ELECTRICAL SYSTEMS INC	Summarized transactions: 2	857.14
318	PROCESS MEASUREMENT CO	Summarized transactions: 2	847.28

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319	BOEGE INSULATION INC	Summarized transactions: 1	838.49
320	STANTEC CONSULTING SERVICES I	Summarized transactions: 1	828.00
321	WAGENAAR JEFFREY	Summarized transactions: 2	815.79
322	CLASSIC AUTOMATION LLC	Summarized transactions: 2	814.32
323	NALCO COMPANY	Summarized transactions: 4	812.29
324	AMARIL UNIFORM COMPANY	Summarized transactions: 16	810.60
325	MN DEPT OF HEALTH - WELL MGMT	Summarized transactions: 1	800.00
326	COOKE ROBERT	Summarized transactions: 4	799.33
327	AUTHORIZE.NET	Summarized transactions: 1	798.80
328	ARROW ACE HARDWARE (P)	Summarized transactions: 2	795.93
329	SOUND AND MEDIA SOLUTIONS	Summarized transactions: 1	770.24
330	SUNBELT RENTALS	Summarized transactions: 1	751.98
331	ALTEC INDUSTRIES INC	Summarized transactions: 3	744.85
332	SHI INTERNATIONAL CORP (P)	Summarized transactions: 1	738.59
333	LOCATORS AND SUPPLIES	Summarized transactions: 3	733.71
334	POMPS TIRE SERVICE INC	Summarized transactions: 3	725.16
335	THE ENERGY AUTHORITY INC	Summarized transactions: 1	717.48
336	CHRIS DECOOK	Summarized transactions: 1	710.00
337	MEYERS KEVIN	Summarized transactions: 2	709.53
338	HOVDEN ADAM	Summarized transactions: 2	709.53
339	A & A ELECT & UNDERGROUND CON	Summarized transactions: 1	699.00
340	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 6	694.57
341	LUHMANN ABE	Summarized transactions: 1	690.08
342	WILLIAM FRICK & COMPANY	Summarized transactions: 12	688.04
343	PETERSON CAMERON	Summarized transactions: 3	682.25
344	CENTURYLINK (P)	Summarized transactions: 2	678.69
345	JOHNSON CARY	Summarized transactions: 2	676.05
346	TOTAL TOOL SUPPLY INC (P)	Summarized transactions: 2	657.05
347	HACH COMPANY	Summarized transactions: 2	654.15
348	DAVIES PRINTING COMPANY INC	Summarized transactions: 3	654.07
349	THOMAS TOOL & SUPPLY INC	Summarized transactions: 4	646.56
350	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 1	636.54
351	WABASHA IMPLEMENT	Summarized transactions: 1	631.35
352	DAKOTA SUPPLY GROUP	Summarized transactions: 5	626.14
353	MENARDS ROCHESTER NORTH	Summarized transactions: 10	625.62
354	ADVANCED DISPOSAL SVC SOLID W	Summarized transactions: 2	622.28
355	LEAGUE OF MN CITIES INS TRUST	Summarized transactions: 1	619.87
356	MASTEC NORTH AMERICA INC	Summarized transactions: 1	615.00
357	E WEINBERG SUPPLY & EQUIPMENT	Summarized transactions: 1	601.30
358	WRIGHT TREE SERVICE INC	Summarized transactions: 1	593.37
359	SEEME PRODUCTIONS LLC	Summarized transactions: 1	587.81
360	JOHNSON HARDWARE CO LLC	Summarized transactions: 3	585.00
361	BOB THE BUG MAN LLC	Summarized transactions: 1	577.12
362	ANCOM COMMUNICATIONS INC	Summarized transactions: 1	575.00
363	JOHNSON STEVE	Summarized transactions: 1	575.00
364	MENARDS ROCHESTER SOUTH	Summarized transactions: 6	573.31
365	DAKOTA SUPPLY GROUP	Summarized transactions: 7	564.69
366	T E C INDUSTRIAL INC	Summarized transactions: 4	563.54
367	SHERWIN WILLIAMS CO	Summarized transactions: 1	558.01
368	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 2	550.37
369	A T & T	Summarized transactions: 1	529.90
370	WIDSETH SMITH NOTLING & ASSOC	Summarized transactions: 1	527.50
371	STAY VISIBLE LLC	Summarized transactions: 3	516.01

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372	GARCIA GRAPHICS INC	Summarized transactions: 5	502.90
373	GATEWAY	Summarized transactions: 1	500.00
374	BEHRENS MATT	Summarized transactions: 2	488.35
375	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	483.43
376	LARSON GUSTAVE A COMPANY INC	Summarized transactions: 1	468.57
377	IMAGEBRIDGE DESIGN	Summarized transactions: 1	454.22
378	KNXR - FM	Summarized transactions: 1	450.00
379	CHESNEY JAMES	Summarized transactions: 2	445.51
380	AMERICAN PAYMENT CENTER	Summarized transactions: 1	441.39
381	G A ERNST & ASSOCIATES INC	Summarized transactions: 4	436.61
382	TREATMENT RESOURCES INC	Summarized transactions: 1	435.00
383	JENNINGS, STROUSS & SALMON PL	Summarized transactions: 1	433.50
384	ANDERSON JUDITH	Summarized transactions: 1	425.00
385	PAAPE ENERGY SERVICE INC	Summarized transactions: 1	405.00
386	GDS ASSOCIATES INC	Summarized transactions: 1	405.00
387	BLUESPIRE STRATEGIC MARKETING	Summarized transactions: 2	404.76
388	COMMUNITY EDUCATION	Summarized transactions: 2	400.00
389	HEROLD FLAGS	Summarized transactions: 2	397.20
390	NARDINI FIRE EQUIPMENT CO INC	Summarized transactions: 1	392.00
391	MN SUPPLY COMPANY INC (P)	Summarized transactions: 1	386.37
392	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 3	380.46
393	T E C INDUSTRIAL INC	Summarized transactions: 3	370.89
394	CINTAS CORP	Summarized transactions: 2	364.62
395	JOHNSON MELISSA	Summarized transactions: 2	363.76
396	CENTURYLINK	Summarized transactions: 1	342.74
397	PW POWER SYSTEMS INC	Summarized transactions: 2	325.25
398	DUNCAN COMPANY INC	Summarized transactions: 2	307.85
399	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 8	307.59
400	AMERICAN FENCE COMPANY	Summarized transactions: 1	298.45
401	IDVILLE dba (P)	Summarized transactions: 6	292.23
402	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 1	289.14
403	SNAP ON INDUSTRIAL	Summarized transactions: 1	281.19
404	TAILGATER INC	Summarized transactions: 2	273.08
405	XTREAM MACHINE SOLUTIONS LLC	Summarized transactions: 1	267.19
406	CURVATURE INC	Summarized transactions: 2	254.36
407	GILLUND ENTERPRISES	Summarized transactions: 4	252.82
408	POLLARDWATER dba	Summarized transactions: 2	250.21
409	BECKLEYS OFFICE PRODUCTS INC	Summarized transactions: 1	249.48
410	VANCO SERVICES LLC	Summarized transactions: 1	244.20
411	GARTNER LORI	Summarized transactions: 3	226.45
412	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 1	225.00
413	VERIZON WIRELESS	Summarized transactions: 1	213.15
414	BOSTON KRISTA	Summarized transactions: 2	212.96
415	KYLLO TODD	Summarized transactions: 2	212.18
416	FRANZ REPROGRAPHICS INC	Summarized transactions: 2	211.13
417	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	207.40
418	ADVANCED BUSINESS SYSTEMS INC	Summarized transactions: 3	201.38
419	JOHNSON PRINTING CO INC	Summarized transactions: 1	192.38
420	HALO BRANDED SOLUTIONS	Summarized transactions: 2	188.13
421	WINKELS ELECTRIC INC	Summarized transactions: 1	182.25
422	PETERSON FRANK	Summarized transactions: 2	180.00
423	MALLOY ELECTRIC dba	Summarized transactions: 2	179.12
424	TOP PERFORMANCE SALES	Summarized transactions: 1	175.37

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425	STILLER NEIL	Summarized transactions: 1	175.00
426	HY VEE NORTH	Summarized transactions: 2	172.87
427	INGERSOLL RAND COMPANY	Summarized transactions: 2	165.69
428	BADGER METER INC (P)	Summarized transactions: 2	152.73
429	SANCO EQUIPMENT LLC	Summarized transactions: 2	146.39
430	CUSTOM COMMUNICATIONS INC	Summarized transactions: 2	141.38
431	MCDOWELL SEAN W	Summarized transactions: 1	137.27
432	KLUG JERROD	Summarized transactions: 1	126.44
433	CITY OF ROCHESTER	Summarized transactions: 1	125.00
434	NEOPOST USA INC	Summarized transactions: 3	124.96
435	BLACKBURN MANUFACTURING CO	Summarized transactions: 2	123.36
436	CHARTER COMMUNICATIONS HOLDIN	Summarized transactions: 1	119.21
437	POWER PROCESS EQUIPMENT INC (Summarized transactions: 3	117.53
438	NETWORK SERVICES COMPANY	Summarized transactions: 2	114.61
439	INNER TITE CORP	Summarized transactions: 3	105.50
440	POSSABILITIES OF SOUTHERN MN	Summarized transactions: 1	104.00
441	ZOHO CORPORATION	Summarized transactions: 1	103.22
442	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 2	100.00
443	ANDERTON RANDY	Summarized transactions: 2	95.91
444	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 2	95.00
445	MEINERS TYLER J	Summarized transactions: 1	91.56
446	TIMBERS SHAWN	Summarized transactions: 1	90.00
447	THRONDSOIN OIL & LP GAS CO	Summarized transactions: 4	89.86
448	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
449	TWIN CITY SECURITY INC	Summarized transactions: 1	81.15
450	REBATES	Summarized transactions: 3	75.00
451	GREAT RIVER ENERGY	Summarized transactions: 1	72.60
452	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 2	70.95
453	MINOGUE PETER	Summarized transactions: 1	68.00
454	MCNEILUS STEEL INC	Summarized transactions: 2	66.41
455	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	59.94
456	BARRY SCREEN PRINT CO dba	Summarized transactions: 3	54.51
457	TOTAL RESTAURANT SUPPLY	Summarized transactions: 3	52.95
458	STAR TRIBUNE	Summarized transactions: 1	49.27
459	SOLARWINDS INC	Summarized transactions: 1	48.80
460	A T & T MOBILITY	Summarized transactions: 1	46.83
461	ULINE	Summarized transactions: 2	45.53
462	ARROW ACE HARDWARE (P)	Summarized transactions: 2	37.48
463	WERNER ELECTRIC SUPPLY	Summarized transactions: 2	37.12
464	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	34.51
465	CENTRAL FINANCE OLMSTED COUNT	Summarized transactions: 1	33.74
466	GOODIN COMPANY	Summarized transactions: 2	32.26
467	FASTENAL COMPANY	Summarized transactions: 1	32.24
468	MENARDS ROCHESTER NORTH	Summarized transactions: 1	28.89
469	UPS FREIGHT	Summarized transactions: 1	26.80
470	MN SECREATRY OF STATE-NOTARY	Summarized transactions: 1	25.00
471	BLEVINS JAN	Summarized transactions: 1	21.00
472	HANSON PATRICIA S	Summarized transactions: 1	21.00
473	BATTERIES PLUS	Summarized transactions: 1	19.18
474	ROCH RESTAURANT SUPPLY	Summarized transactions: 1	16.99
475	ATLAS COPCO COMPRESSORS LLC	Summarized transactions: 1	15.03
476	CREDIT MANAGEMENT LP	Summarized transactions: 1	7.65
477	UNITED RENTALS INC	Summarized transactions: 1	6.90

Attachment: AP Board CrMo (11207 : AP Board Listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/13/2019 To 10/08/2019
Consolidated & Summarized Below 1,000

478	POST BULLETIN CO	Summarized transactions: 1	3.00
479	DAKOTA SUPPLY GROUP ROCHESTER	Summarized transactions: 1	1.92
480			
481		Price Range Total:	243,407.17
482			
483		Grand Total:	11,864,861.11

Attachment: AP Board CrMo (11207 : AP Board Listing)

FOR BOARD ACTION

Agenda Item # (ID # 11214)

Meeting Date: 10/29/2019

SUBJECT: Wellhead Protection Plan Part II - Public Hearing

PREPARED BY: Todd Osweiler

ITEM DESCRIPTION:

The Wellhead Protection (WHP) Plan part II public hearing will be open for public input and discussion. The public hearing is being held in accordance with Minnesota Rules, Chapter part 4720.

The WHP program is a community-based approach designed to protect public drinking water supplies by managing the land surface to prevent contaminants from entering the area that contributes water to the well. Part I of the WHP program was completed and approved by the Minnesota Department of Health in September 2017. The executive summary of Part II of the WHP program is attached for your review. Complete versions of both Part I and Part II are posted on RPU's web site at <https://www.rpu.org/education-environment/water-quality.php>.

Staff will present an overview of the plan and take public comments following the presentation.

UTILITY BOARD ACTION REQUESTED:

No board action required.

Executive Summary

The Wellhead and Source Water Protection Plan (the Plan) for Rochester Public Utilities (RPU) addresses the 31 municipal water supply wells operated by RPU. RPU's previous Wellhead Protection Plan was approved by the Minnesota Department of Health in 2007. This Plan amendment was prepared in accordance with the applicable portions of the State of Minnesota Wellhead Protection Rules (Minnesota Rules 4720.5100 through 4720.5590) due to the age of the Plan.

RPU's municipal water supply system includes 31 primary water supply wells and no seasonal or emergency water supply wells. In total, these wells pump from the following five different aquifers: Shakopee Formation, Jordan Sandstone, Tunnel City Group, Wonewoc Sandstone, and Mt. Simon Sandstone. The vulnerability classifications of the RPU water supply wells range from low to high.

This Plan amendment consists of two parts. In Part 1 of the Plan amendment, wellhead protection areas (WHPAs) for RPU's water supply wells were delineated as were the associated drinking water supply management areas (DWSMAs). The DWSMAs encompass the WHPAs and are defined by geographically identifiable boundaries including roads, parcel boundaries, and quarter-quarter section lines. Seven DWSMAs were delineated for the RPU wells (see Figure 1).

- Northwestern DWSMA extends beyond the Rochester city limits into Cascade and Kalmar Townships.
- Central DWSMA extends beyond the Rochester city limits into Cascade, Haverhill, Marion, and Rochester Townships.
- Southeastern DWSMA extends beyond the Rochester city limits into Marion Township.
- Well 24 DWSMA is entirely within the Rochester city limits.
- Well 72 and Well 77 DWSMAs are entirely within Marion Township.
- Well 73 DWSMA extends beyond the Rochester city limits into Rochester Township.

It should be noted that in the interim between the completion of the DWSMA delineations and the completion of this Plan that Well 73 was sealed.

In Part 1 of this Plan amendment, assessment of geologic conditions in and around RPU's DWSMAs and available water quality data for RPU's wells was done to determine the vulnerability to contamination of the uppermost source water aquifer. The aquifer vulnerability in approximately 82 percent of the area encompassed by the DWSMAs is classified as High. Aquifer vulnerability in approximately 13 percent of the area in the DWSMAs is classified as Moderate. Approximately 5 percent of the area in the DWSMAs has an aquifer vulnerability classification of Low.

This document comprises Part 2 of the Plan amendment and includes the following information:

- A review of data elements identified by the Minnesota Department of Health as applicable to the DWSMAs.
- Results of an inventory of potential contaminant sources within the DWSMAs.

- A review of changes, issues, problems, and opportunities related to the public water supply and the identified potential contaminant sources.
- A discussion of potential contaminant source management strategies and the goals, objectives, and action plans associated with these management strategies.
- A review of the Wellhead and Source Water Protection evaluation program
- RPU's alternative water supply contingency strategy specified in RPU's Water Supply Plan (incorporated by reference).

Within the one-year groundwater time of travel zone (aka, Emergency Response Zone or ERZ) around each RPU water supply well the standard PCSI process relying on public database information to identify potential contaminant source locations was followed. Outside of the ERZs, the MDH allowed RPU to develop and use an alternative PCSI approach. The alternative PCSI approach included combining Olmsted County land use data with Standard Industrial Classification (SIC) and North American Industrial Classification System (NAICS) codes to compile a preliminary list of potential contaminant source properties in the DWSMAs. Data from public databases traditionally used to conduct a PCSI was then compared to the preliminary list to develop a final list of potential contaminant source properties in the DWSMAs and classify the potential risk to the water supply wells represented by the potential contaminant source properties.

The goals and objectives of this WHPP will focus on reducing the potential contaminant pathways to the source water aquifers that may be provided by private wells and educating property owners and water supply users to ensure proper management of the portions of the DWSMAs.

The following goals have been identified for implementation of this WHPP:

- RPU will work to maintain or improve the current level of water quality so that the municipal water supply will continue to meet or exceed all applicable state and federal water quality standards.
- Work with the Olmsted County and appropriate State agencies to protect the source water aquifers
- RPU will provide information and promote activities that protect the source water aquifers that provide water to the municipal system. This will include increasing public awareness of the Wellhead and Source Water Protection Program and groundwater-related issues, and management of the identified potential contaminant sources within the DWSMAs.
- RPU will continue to collect data to support future wellhead and source water protection efforts.

Actions identified to accomplish these goals include the following:

- Wells
 - Promoting proper management of existing active wells in the DWSMA
 - Encouraging the proper sealing of all unused wells within the DWSMA
 - Identification of new high capacity wells in or near the DWSMA
 - Maintaining current IWMZ potential contaminant source inventories for RPU's water supply wells

- Potential contaminant source properties
 - Encouraging proper handling of chemicals/wastes
 - Encouraging proper operation and maintenance of storage tanks
 - Periodically obtaining updated information on potential contaminant sources in the DWSMA from the regulating agencies to maintain an up-to-date potential contaminant source database for the DWSMAs and allow timely recognition of potential issues that could affect RPU municipal water supply or DWSMAs.
- Public education
 - Distribution of RPU Annual Water Quality Report for the water supply system,
 - Direct mailing of RPU's monthly newsletter *RPU Plugged In*
 - Posting Wellhead Protection Program information on the RPU website at <https://www.rpu.org/education-environment/water-quality.php>
 - Using RPU's social media outlets and other means of distribution to distribute information related to wellhead protection
 - Communicate with city of Rochester and Olmsted County Planning Departments to encourage inclusion of wellhead and source water protection in their planning processes
- Continued data collection
 - Recording static and pumping water levels in RPU wells,
 - Collection of additional local geologic and hydrogeologic data as it becomes available from public sources or from RPU-sponsored projects.
 - Sampling RPU's municipal wells for tritium
 - Sampling of RPU wells and surface water bodies for indicator parameters to assess potential connection between water supply wells and surface water.

FOR BOARD ACTION

Agenda Item # (ID # 11198)

Meeting Date: 10/29/2019

SUBJECT: Risk Property, General Liability and Automotive Insurance Renewals for 2020

PREPARED BY: Andrew Bianco

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, 2019 - October 31, 2020.

ALL RISK PROPERTY INSURANCE:

Quotes are based on current policy limits of \$250 million. The deductible for property and transformers and the turbine generators historically has been \$250,000 to \$400,000 for different types of assets. The attached quote shows the responses from 11 different insurance carriers at the current deductible levels. The total of \$518,215 is a 73% increase or an additional \$218,800 per year.

This increase has been driven by recent market claims and a study by Lloyds of London that showed Power Generation and Transmission to be a losing category. This is not reflective of RPU's claims experience. RPU has had two claims since 2006 for a total of \$3,093,479 or \$2,487,480 after deductibles. During the same period RPU has paid premiums of \$5,288,664.

In response, management asked for quotes with a \$1,000,000 deductible. Management is recommending increasing the deductible to \$1,000,000 for property coverage with Wortham Insurance through ARGUS, a public utility specific purchasing group. The premium savings of \$203,496 would offset the additional deductible exposure in less than 4 years.

	<u>PROPERTY VALUE</u>	<u>PREMIUM</u>
2016	\$ 416,300,508	\$ 394,140
2017	\$ 253,368,823	\$ 244,566
2018	\$ 329,623,351	\$ 271,817
2019	\$ 337,215,818	\$ 299,408
2020	\$354,113,706	\$ 314,719

FOR BOARD ACTION

Agenda Item # (ID # 11198)

Meeting Date: 10/29/2019

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. (Open mtg law defense, public officials E&O and employment liability.) In 2018, RPU received a **dividend from the League of \$8,830**. The League distributes dividends back to its members based on premiums and incurred losses for all years of membership.

Cyber - Data Security Breach coverage \$3M liability and increasing to \$500K for 1st party expenses.

Management also recommends maintaining AEGIS to provide blanket liability coverage with limits from \$ 1,000,000 up to \$ 20,000,000. Includes \$20M terrorism liability coverage - 3rd party damages.

	<u>LMCIT</u>	<u>AEGIS</u>
2016	\$ 125,133	\$ 286,000
2017	\$ 131,616	\$ 291,023
2018	\$ 131,500	\$ 300,255
2019	\$ 138,180	\$ 307,353
2020	\$ 140,844	\$ 310,392

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the attached resolutions for property and liability insurance for 2019-20.



NORTH RISK PARTNERS®

October 18, 2019

Rochester Public Utilities
c/o Deb Donahue
4000 East River Road NE
Rochester, MN 55906-2813

RE: 2019 Property & Casualty Insurance Discussion

2019 Marketing to carriers insuring power generation:

- Zurich Took 38.75%
- AEGIS Took 20%
- London Took 17%
- Hartford Took 7.5%
- Hardy Took 3%
- Miller Took 13.75%
- AIG Not competitive
- Allianz Not competitive
- Berkshire Not competitive
- Liberty Declined
- AxaXL Declined

Not to Exceed:

- \$354,113,705 Total Values
- \$518,215 Annual Premium – Same deductible structure

Not to Exceed:

- \$354,113,705 Total Values
- \$314,719 – Annual Premium - With a \$1,000,000 deductible *ALL*



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 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, 2019, and expiring October 31, 2020.

The amount of the contract agreement not to exceed THREE HUNDRED FOURTEEN THOUSAND SEVEN HUNDRED NINETEEN DOLLARS AND 00/100 (\$314,719.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of October, 2019.

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 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, 2019, and expiring October 31, 2020.

The amount of the contract agreement not to exceed THREE HUNDRED TEN THOUSAND THREE HUNDRED NINETY-TWO AND 00/100 DOLLARS (\$310,392.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of October, 2019.

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 authorize the Mayor and the City Clerk to execute the agreement for

COMMERCIAL AUTOMOBILE AND GENERAL LIABILITY INSURANCE

The insurance agreement to be for a twelve month period commencing November 1, 2019, and expiring October 31, 2020.

The amount of the contract agreement not to exceed ONE HUNDRED FORTY THOUSAND EIGHT HUNDRED FORTY FOUR AND 00/100 DOLLARS (\$140,844.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of October, 2019.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 11149)

Meeting Date: 10/29/2019

SUBJECT: Land Purchase - 1325 Marion Road SE

PREPARED BY: Mona Hoeft

ITEM DESCRIPTION:

Staff has negotiated the attached purchase agreement, subject to government approvals, for the purchase of two parcels at 1325 Marion Road SE for the future Marion Road Substation project.

Guidance for the purchase of real estate is found in the Utility Board charter:

SECTION 15.07. (Contracts). Subdivision 2; the public utility board, with authorization by resolution of the Common Council, may enter into a contract if the contract: ... (B) involves the sale or purchase of real or personal property in an amount greater than \$100,000.00;

Board policy requires at least one independent property appraisal for financial consideration in excess of \$25,000. Springer Appraisal Associates prepared an appraisal for RPU valuing the property at \$122,000. This valuation is consistent with an independent appraisal that the owner had completed conducted by Warfield Appraisal Group, LLC at \$125,788.

Based on input provided by the board during the closed meeting, RPU offered 20% higher than the appraised value resulting in an offer of \$146,400 as the best and final offer prior to condemnation filing which was rejected by the owner. After completion of the owner's appraisal, the owner countered with \$215,000. Subsequent discussion resulted in a total purchase price of \$158,311. While the purchase price is 28% higher than the average appraisal, it is within the limits directed by the board and results in a positive acquisition with the owner and ultimately avoids the risk and expense associated with condemnation. Details are outlined below:

1. Purchase Price: \$150,000
2. Realtor fees paid by RPU: \$5,000
3. Seller closing costs paid by RPU: \$1,500 est.
4. Delinquent Assessments and Property Tax paid by RPU: \$2,453
5. Closing Date: on or before November 5, 2019

This agreement will also require City Council approval on November 5, 2019.

UTILITY BOARD ACTION REQUESTED:

FOR BOARD ACTION

Agenda Item # **(ID # 11149)**

Meeting Date: 10/29/2019

Staff recommends approval of the purchase agreement for the referenced property and authorize the agreement to move forward for approval of the City Council.

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT ("Agreement") is made as of 11th of October, 2019 ("Effective Date"), by and between Muhubo Karey and Abdisalan Sabriye, husband and wife ("Seller"), and the City of Rochester acting by and through its Public Utility Board ("Purchaser").

RECITALS:

A. Seller is the owner of commercial real property legally described on Exhibit A attached hereto and incorporated herein (the "Real Property"). Seller has agreed to convey the Property to Purchaser and Purchaser is desirous of purchasing the same.

B. Seller desires to sell and Purchaser desires to purchase the Property pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter expressed, and other good and valuable consideration, the receipt, sufficiency and mutuality of which are hereby acknowledged, Purchaser and Seller agree as follows:

1.0 Property To Be Purchased.

Commonly known as 1325 Marion Road SE, Rochester MN 55904 and legally described on Exhibit A attached, also known to be identified by Olmsted County parcels 63.07.23.025663 and 64.12.14.025974, totaling approximately 40,075 gross square feet (collectively, the "Property") to be conveyed on terms satisfactory to the Purchaser and subject to the parties' compliance with the terms and conditions of this Purchase Agreement, the Seller shall sell to Purchaser and Purchaser shall purchase from Seller the following:

- (a) The Real Property; and,
- (b) All improvements located on the Real Property.

2.0 Purchase Price and Earnest Money. The purchase price to be paid by Purchaser for the Property is \$150,000.00. Upon the execution of this Agreement, Purchaser shall deposit the amount of \$5,000.00 with Rochester Title as earnest money to be held in accordance with an escrow agreement in the form attached hereto as Exhibit B attached hereto and incorporated herein, which earnest money and accrued interest shall be applied to the purchase price at closing. The balance of the purchase price, plus or minus pro-rations and adjustments as set forth herein, will be paid to Seller at closing.

3.0 Closing Date. The closing of the purchase and sale contemplated by this Agreement shall occur within 30 days of the Effective Date. Purchaser may extend the closing date by an additional 60 days by giving written notice of its intention to do so. The closing shall take place at the office of Rochester Title or at such other place as the parties shall mutually agree upon. Seller agrees to deliver possession of the Property to Purchaser on the closing date.

4.0 Evidence of Title. As soon as practicable but no later than 15 days after the

Effective Date of this Agreement, Purchaser shall order, at Purchaser's sole cost and expense, a title opinion including copies of documents referenced in Schedule B thereof (collectively, the "Title Commitment").

5.0 Purchaser's Conditions to Closing. The closing of the transaction contemplated by this Agreement and the obligations of the Purchaser to purchase the Property shall be subject to the following conditions:

- (a) Documents. Within five days of the Effective Date, Seller shall deliver to Purchaser those documents listed herein which are in Seller's reasonable control or possession.
- (b) Inspection. From and after the Effective Date, Purchaser, and its agents, employees, contractors and invitees, may, following reasonable notice to and cooperation with Seller, enter upon the Property in order to perform engineering testing and such inspections as Purchaser may deem necessary provided that neither Purchaser nor its agents shall engage in any intrusive testing without the prior written consent of Seller which consent shall not be unreasonably withheld, conditioned or delayed. Purchaser hereby agrees to indemnify, defend and hold Seller harmless from and against any and all losses, claims, causes of action, liabilities and costs of defense (including reasonable attorney's fees) incurred by Seller arising out of the actions of Purchaser, its agents, employees, contractors or invitees. In the performance of any inspection to the Property and during any access to the Property, Purchaser and his agents shall comply with all applicable laws and regulations with respect to the inspection and access and shall refrain from interfering with Seller's use of the Property. Purchaser shall assume all liability for any damages to Property or injury to persons resulting from, arising out of or incurred in connection with any inspection or access to the Property by Purchaser or its agents. Seller will also provide access to the Purchaser of all reports and records, correspondence and other documentation in the possession of Seller relevant to the Property,
- (c) Environmental. Within 15 days of the Effective Date, Purchaser shall be provided with copies of all environmental studies and reports in Seller's possession (collectively, the "Reports"), including, but not limited to, Phase One and Phase Two environmental assessments, wetland studies, or any other pertinent studies or reports. Purchaser shall have the right to perform such testing at its sole cost and expense in accordance with section 5.0 (b) above.
- (d) Representations and Warranties. The representations and warranties in this Purchase Agreement shall be true at the time of closing as though such representations and warranties were made at such time.
- (e) Marketability. Marketability of title to said Real Property shall have been established or waived pursuant to the provisions of this Purchase Agreement.
- (f) Governmental Approvals. Purchaser shall have 30 days from the Effective Date to gain the necessary approvals from any applicable state, federal or local governing boards, health inspectors or watershed districts. Should the

Purchaser fail to achieve such approvals after diligent effort to do so, they may terminate this Agreement in writing prior to the expiration of the 30 days and receive a refund of the Earnest money. If the 30 days expire with no such notice from the Purchaser, the Earnest Money shall become non-refundable. The Seller shall cooperate fully in the application and pursuit of the government approvals.

6.0 Representations and Warranties.

A. Seller makes the following representations and warranties to Purchaser:

- (i) Seller has the full and complete authority to sell the Property.
- (ii) Seller is not a foreign person, foreign partnership, foreign trust or foreign estate as those terms are defined in Section 1445 of the Internal Revenue Code.
- (iii) There have been no bankruptcy or dissolution proceedings involving Seller during the time Seller has had any interest in the Property, there are no unsatisfied judgments or state or federal tax liens of record against Seller, and there have been no labor or materials furnished to the Property for which payment has not been paid.
- (iv) To Seller's knowledge, there are no unrecorded mortgages, contracts, purchase agreements, options, leases, easements or other agreements or interest relating to the Property.
- (v) Seller has not received notice of any new public improvement project(s), the cost of which a governmental entity may assess against the Property, other than the notice of sidewalk assessments.
- (vi) To Seller's knowledge, the Property is not in violation of any statute, law, ordinance or regulation, and there is no action, litigation, governmental investigation, condemnation or administrative proceeding of any kind pending or, to Seller's best knowledge, threatened, against or involving any portion of the Property.
- (vii) To Seller's knowledge, Seller is not in default in the performance of any of Seller's obligations under any easement agreement, covenant, condition, restriction, or other instrument or agreement relating to the Property.
- (viii) To Seller's knowledge, there are no wells on the Property.
- (ix) There is no individual sewage treatment system on or serving the Property.
- (x) There are not now, nor to Seller's actual knowledge have there ever been underground or above ground storage tanks of any size or type located on the Property nor any Hazardous Substances (defined below) located on the

Property in violation of applicable governmental requirements, and the Property has not been used in connection with the generation, disposal, storage, treatment or transportation of Hazardous Substances in violation of applicable governmental requirements. To Seller's actual knowledge, no activity has been undertaken on the Property that would cause or contribute to the discharge of Hazardous Substances or of fluids into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions that would require a permit under any federal or state law or local ordinance. For purposes of this Agreement, the term "Hazardous Substances" includes but is not limited to substances defined as "hazardous substances," "toxic substances," "hazardous wastes" "pollutants" or contaminants" under federal or Minnesota law. The term "hazardous substance" shall also include asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and synthetic gas).

- (xi) For the purposes of satisfying any applicable requirements of Minn. Stat. §152.0275, Seller discloses and certifies that, to the best of her knowledge, methamphetamine production has not occurred on the Property.
- (xii) That prior to closing, Seller will have terminated any and all existing leases, rental agreements or license agreements with any tenants of the Property(s)

The foregoing representations and warranties shall be accurate on the date hereof and on the date of closing. If, at any time prior to the closing, Seller acquires actual knowledge of events or circumstances which render the representations and warranties set forth in this section inaccurate in any respect, Seller shall immediately notify Purchaser in writing and Purchaser shall have the right to terminate this Agreement. Seller will indemnify Purchaser, its successors and assigns, against and will hold Purchaser, its successors and assigns harmless from, any loss, liability, costs, expenses or damages, including reasonable attorney's fees, that Purchaser incurs because of the Seller's breach of any of the above representations and warranties, the inaccuracy of any of the above representations when made or remade, or Seller's failure to notify Purchaser, before the Closing, if the representations set forth above become inaccurate and Seller actually knows of such inaccuracy. The representations, warranties and indemnification set forth above shall survive the closing of this transaction and Seller's delivery of the Deed for a period of 12 months.

B. Purchaser makes the following representations and warranties to Seller:

- (i) The individuals executing this Agreement on behalf of Purchaser have the requisite authority to execute this Agreement and such other documents as are contemplated or to be delivered by Purchaser herein, and to bind Purchaser thereto; and Purchaser has the full and complete authority to purchase the Property.
- (ii) Purchaser shall promptly pay, when due, any and all charges for

engineering, surveying or other studies, reports, assessments or investigations which are commissioned or requested by Purchaser and not the responsibility of Seller under this Agreement.

- (iii) Purchaser shall not change the zoning, subdivide the Property, or complete any other administrative or physical change to the Property prior to closing.

The representations and warranties contained in this section shall be true and correct on the Effective Date and closing date.

7.0 Real Estate Taxes and Special Assessments. The Parties shall pay the real estate taxes and special assessments as follows:

- (a) At closing, Purchaser shall pay all real estate taxes, and special assessments payable therewith and any penalties and interest thereon due and payable with respect to the Property in all years prior to the year of closing, including all deferred taxes attributable to years prior to the year of closing.
- (b) Seller shall pay the real estate taxes due and payable in the year of closing. all special assessments levied, pending, certified or deferred to the date of the closing.
- (c) Purchaser shall pay all real estate taxes due and payable in the years following the year of closing.

8.0 Closing Documents. At or prior to closing, the parties shall execute and deliver the following:

- (a) Warranty Deed conveying title to Purchaser;
- (b) Assignment of all Licenses and Permits needed to operate the Property, if any;
- (c) Assignment of all Contracts, Warranties and Guarantees, if any;
- (d) Any documents reasonably required by the title company;
- (e) Affidavit Regarding Seller (MN Uniform Conveyancing Blanks Forms);
- (f) FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by Internal Revenue Code Section 1445 (b)(2) and its regulations;
- (g) IRS Form. A designation agreement designating the "reporting person" for the purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594;
- (h) Well Certificate. A certificate (or statutory statement on the Deed) signed by Seller warranting that there are no wells on the Property within the meaning of Minn. Stat. Section 1031, or if there are wells, a Well Certificate in the form

required by law;

- (i) Storage Tanks. If the Property contains or contained a storage tank, an affidavit with respect thereto, as required by Minn. Stat. Sec. 116.48;
- (j) All other documents required hereunder to effectuate the provisions of this Purchase Agreement.

9.0 Closing Costs. The following costs and expenses shall be paid in connection with the closing:

- (a) Seller shall pay the cost of:
 - (i) All attorneys' fees and expenses incurred by Seller.
- (b) Purchaser shall pay the cost of:
 - (i) UCC searches;
 - (ii) Additional soil reports or inspection reports required by Purchaser;
 - (iii) Any recording fees for recording the Deed;
 - (iv) The title company's closing fee for both Seller and Purchaser;
 - (v) Real property taxes and installments of special assessments as provided in section 7.0 above;
 - (vi) All of the fees associated with the Title Opinion and all of the escrow and closing fees;
 - (vii) Both the Seller and Purchaser's closing fees customarily paid in a transaction of this type;
 - (viii) All fees associated with the issuance of the Owner's Title Insurance Commitment, including State and Federal Tax Liens, Judgment and Bankruptcy Searches;
 - (ix) All State Deed Taxes and/or transfer taxes on deeds;
 - (x) Recording fees on all releases and satisfactions of existing mortgages;
 - (xi) All real estate commissions, up to \$5,000.

10.0 Title To Be Delivered. Seller agrees to convey marketable fee simple title in the Property to Purchaser at closing subject only to:

- (a) Covenants, conditions, restrictions, declarations and easements of record, if any,

without effective forfeiture provisions and which do not interfere with present Improvements;

- (b) Utility and drainage easements which do not interfere with present Improvements;
- (c) Reservations of minerals or mineral rights by the State of Minnesota, if any;
- (d) Building, zoning and subdivision laws, ordinances and State and Federal regulations which do not interfere with present Improvements.

11.0 Operation Prior to Closing. During the Executory Period, Seller shall operate and maintain the Property in the same manner as it is being operated on the date hereof and in accordance with prudent and reasonable standards. Seller shall execute no contracts, leases, or other agreements regarding the Property during the Executory Period which extend beyond the closing date without the prior written consent of Purchaser, which consent may be withheld by Purchaser at its sole discretion. Seller shall not pledge or transfer any interest in or encumber or permit the encumbrance of the Property with any lien, easement, interest or agreement from and after the Effective Date without the prior written consent of Purchaser, which may be withheld in Purchaser's sole and absolute discretion.

12.0 Default.

- (a) If Purchaser defaults in the performance of Purchaser's obligations under this Agreement due to no fault of Seller, then Seller may, as its sole and exclusive remedy, terminate this Agreement in accordance with Minnesota Statutes Section 559.21.
- (b) If Seller defaults in the performance of Seller's obligations under this Agreement due to no fault of Purchaser, then Purchaser may, after at least 30 days' prior written notice to Seller and Seller's failure to cure the default within said notice period, either (i) declare this Agreement terminated and may seek and recover actual (but not consequential) damages from Seller, or (ii) Purchaser may elect to seek specific performance of this Agreement.
- (c) Notwithstanding anything in this Section 12.0 to the contrary, any action by Purchaser for specific performance or damages must be commenced no later than 30 days after the date of the occurrence of Seller's default. The limitation set forth in the preceding sentence shall not apply to claims for indemnification or contribution specifically provided for in this Agreement.

13.0 Miscellaneous. The following general provisions govern this Agreement:

- (a) Time of Essence. Time is of the essence of this Agreement. If not responded to, in writing by 5:00 pm on October 11, 2019, this offer will be considered to be null and void.
- (b) Governing Law. This Agreement is made and executed under and in all respect to be governed by the laws of the State of Minnesota.

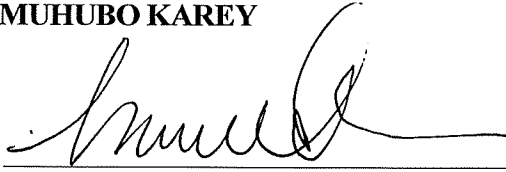
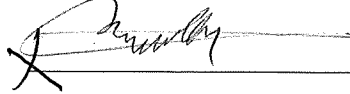
- (c) Notices. The mailing addresses of the Seller and Purchaser are as follows (or to such other respective addresses as may be designated by notice given in accordance with provisions of this section):

If to Purchaser: City of Rochester Public Utilities
Attn: Mona Hoeft
4000 East River Road NE
Rochester MN 55906

If to Seller: Muhubo Karey and Abdisalan Sabriye
4552 Manor Brook Drive NW
Rochester, MN 55901

Any notice, request, demand or other communication permitted or required hereunder shall be in writing and shall be deemed duly delivered when delivered personally or when deposited in the United States mails, First Class, postage prepaid or delivered to a reputable courier addressed to the party for whom it is intended at the address specified above or at such other address as either party shall notify the other of in writing as provided above.

- (d) Amendment. This Purchase Agreement shall be amended only by a written instrument signed by Seller and Purchaser.
- (e) Successors and Assigns. This Purchase Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
- (f) Headings. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as defining or as limiting in any way the scope or intent of the provisions hereof.
- (g) Tax Deferred Exchange. Purchaser and/or Seller may enter into the transaction contemplated under this Agreement as part of a like-kind exchange within the meaning of Section 1031 of the Internal Revenue Code, as amended, and the regulations promulgated thereunder. Purchaser and Seller agree to cooperate fully with each other in order to implement any such exchange. Purchaser and Seller acknowledge that any exchange of a party shall be at no cost to the other party and shall not release or diminish a party's obligations and liability under this Agreement. To facilitate an exchange, Seller has the right to assign all of its right, title and interest in this Agreement to a qualified intermediary without the approval of Purchaser.
- (h) Counterparts. This Purchase Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Purchase Agreement.

SELLER:**MUHUBO KAREY****SELLER:****ABDISALAN SABRIYE****PURCHASER:****CITY OF ROCHESTER**

DocuSigned by:

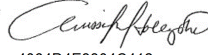


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Kim Norton, Mayor

DocuSigned by:

Attest:



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Anissa Hollingshead, City Clerk

Approve as
to form:

DocuSigned by:



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Jason Loos, City Attorney

ROCHESTER PUBLIC UTILITIES

DocuSigned by:



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Mark Kotschevar, General Manager

Attachment: Purchase agreement Executed (11149 : Land Purchase - 1325 Marion Road SE)

EXHIBIT A**LEGAL DESCRIPTION**

1. Legal Description of Property: A part of the North 341 feet of the South one half of the Northwest Quarter, Section 7, Township 106 North, Range 13 West, Olmsted County, Minnesota, lying West of the center line of T.H. 52, described as follows: Beginning at the Northwest corner of said South half; thence South 00°09'35" East, assumed bearing, along the West line of said South Half 185.84 feet; thence North 89°58'37" East 232.00 feet to the center line of T.H. 52; thence Northwesterly, 212.44 feet, along a nontangential curve, concave to the East, having a radius of 4583.66, central angle of 2°39'20", and chord bears North 29°01'23" West, 212.42 feet to the North line of said South Half; thence due West, 129.46 feet to the point of beginning, being subject to a 75.00 foot easement for T.H. 52 right of way over the Easterly boundary thereof and subject to a driveway easement for ingress and egress over the Southerly 50.00 feet thereof. Containing 0.77 acres more or less; Also those parts of the North 341 feet of the East 1043 feet of the South Half of the Northeast Quarter, Section 12, Township 106 North, Range 14 West, Olmsted County, Minnesota, described as follows: Beginning at the Northeast corner of said South Half; thence South 00°09'35" East, assumed bearing, along the East line of said South Half, 185.84 feet; thence South 89°58'37" West, 22.76 feet, thence North 08°29'58" West, 187.72 feet, to the North line of said South Half; thence North 89°46'55" East, along the North line, 50.00 feet to the point of beginning, subject to a driveway easement for ingress and egress over the Southerly 50.00 feet thereof. Containing 0.15 acres, more or less.
2. Property ID#: 63.07.23.025663 / 64.12.14.025974

Attachment: Purchase agreement Executed (11149 : Land Purchase - 1325 Marion Road SE)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution authorizing the purchase agreement for 1325 Marion Road SE and authorize the agreement to move forward for approval of the City Council.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of October, 2019.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 11218)

Meeting Date: 10/29/2019

SUBJECT: Approval of the Electric Service Availability Policy

PREPARED BY: Mark Kotschevar

ITEM DESCRIPTION:

Attached is a red-lined and clean version of the revised Electric Service Availability Policy. The revisions are minor and have been reviewed by the Board operations committee. This policy documents the Board's desire to be the electric provider for all customers within the City limits. This desire is also affirmed in a 1990 City Council resolution which declares this same desire. This is now ready for full board review and if desired, approval.

UTILITY BOARD ACTION REQUESTED:

Approve the attached Electric Service Availability Policy

ROCHESTER PUBLIC UTILITIES BOARD POLICY STATEMENT

POLICY SUBJECT: Electric Service Availability

POLICY OBJECTIVE:

The Board's objective is to provide electric ~~utility~~ services to all applicants requesting service within the geographical area that the Utility is entitled and obligated to serve.

POLICY STATEMENT:

1. ~~The RPU~~ Rochester Public Utilities (RPU) will provide electric ~~utility~~ service to all customers located within the electric service area limits established by the Minnesota Public Utilities Commission (MPUC).
2. Service rights to each and every new annexation to the city will be acquired through a negotiated written agreement with the displaced utility, a petition to the MPUC, or eminent domain.
3. Where permanent service rights cannot be obtained prior to the need for electric service, RPU will attempt to acquire interim service rights through a written agreement with the displaced utility or through a petition to the MPUC.
4. Service will be provided to all customers located within the RPU service area in accordance with applicable regulatory requirements, Board policies, and with published rules approved by the Board. Service to all customers will be non-discriminatory within each established customer class.

RESPONSIBILITIES:

1. The General Manager will review, or cause to be reviewed, all annexations to the City of Rochester and identify those areas not previously contained within the assigned RPU electric service area.
2. Periodically, as appropriate for the pace of annexations and development, the General Manager will initiate negotiations and/or a legal process for interim and permanent service rights to newly annexed areas.
3. The General Manager will maintain, or cause to be maintained, a map of the RPU service area which is updated after each acquisition and filed as required with the MPUC.

4. The General Manager will review and update RPU's ~~customer-electric~~ service rules and regulations as appropriate to reflect Board policy, prudent practice, industry changes, and regulatory requirements.
5. The Board will approve all written agreements for acquisition of service rights.

RELEVANT LEGAL AUTHORITY: City of Rochester Home Rule Charter ~~Sections 15.04, 15.05 & 15.07~~ Chapter XV. City of Rochester Common Council Resolution dated October 1, 1990. Minnesota State Statute Chapter 216B. Public Utilities Act, Section 429

EFFECTIVE DATE OF POLICY: May 8, 1984

DATE OF POLICY REVIEW: ~~April 28, 1998~~ September 25, 2019

POLICY APPROVAL: October 29, 2019

Board President

Date

ROCHESTER PUBLIC UTILITIES BOARD POLICY STATEMENT

POLICY SUBJECT: Electric Service Availability

POLICY OBJECTIVE:

The Board's objective is to provide electric service to all applicants requesting service within the geographical area that the Utility is entitled and obligated to serve.

POLICY STATEMENT:

1. Rochester Public Utilities (RPU) will provide electric service to all customers located within the electric service area limits established by the Minnesota Public Utilities Commission (MPUC).
2. Service rights to each and every new annexation to the city will be acquired through a negotiated written agreement with the displaced utility, a petition to the MPUC, or eminent domain.
3. Where permanent service rights cannot be obtained prior to the need for electric service, RPU will attempt to acquire interim service rights through a written agreement with the displaced utility or through a petition to the MPUC.
4. Service will be provided to all customers located within the RPU service area in accordance with applicable regulatory requirements, Board policies, and with published rules approved by the Board. Service to all customers will be non-discriminatory within each established customer class.

RESPONSIBILITIES:

1. The General Manager will review, or cause to be reviewed, all annexations to the City of Rochester and identify those areas not previously contained within the assigned RPU electric service area.
2. Periodically, as appropriate for the pace of annexations and development, the General Manager will initiate negotiations and/or a legal process for interim and permanent service rights to newly annexed areas.
3. The General Manager will maintain, or cause to be maintained, a map of the RPU service area which is updated after each acquisition and filed as required with the MPUC.

4. The General Manager will review and update RPU's electric service rules and regulations as appropriate to reflect Board policy, prudent practice, industry changes, and regulatory requirements.
5. The Board will approve all written agreements for acquisition of service rights.

RELEVANT LEGAL AUTHORITY: City of Rochester Home Rule Charter Chapter XV. City of Rochester Common Council Resolution dated October 1, 1990. Minnesota State Statute Chapter 216B.

EFFECTIVE DATE OF POLICY: May 8, 1984

DATE OF POLICY REVIEW: September 25, 2019

POLICY APPROVAL: October 29, 2019

Board President

Date



RESOLUTION

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

Electric Service Availability Policy

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of October, 2019.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 11197)

Meeting Date: 10/29/2019

SUBJECT: Preliminary 2020 Water and Electric Utility Budgets

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Attached is a copy of the preliminary 2020 electric and water capital and operating budgets. A separate presentation of these budgets was given to the Board's finance committee on October 17, 2019.

Management will be reviewing the water and electric utility budget scenarios that take into consideration the cost of service studies presented and accepted by the Board in 2019 and 2017 for the water and electric utilities, respectively. The Board will be asked for final approval of the operating budgets, including Capital projects for 2020, multi-year project continuing beyond 2020 and proposed rate adjustments at the November 12, 2019 meeting. If the Board approves, management will forward the budgets and rate adjustment recommendations to the City Council for their approval at the November 18, 2019 Council meeting.

In the electric utility, management is presenting a scenario showing no overall rate increase for 2020. Management is recommending an adjustment of the residential customer charge from \$19.50 per month to \$18.30 per month based on customer charge analysis that was performed during 2019 with a corresponding 1.7% increase in energy rates to stay revenue neutral. During 2020, the customer charge will be reassessed to include the cost of the new billing system and revenue generated by the line extension policy. The Clean Air Rider, which started in 2007 and ends in 2030, is designed to collect \$2,155,974 per year and is adjusted based on the projected KWH sales each year.

The rate scenario reaches the target change in net assets in 2023. Our cash reserves are above the minimum target in 2020, and projected to grow modestly in the 2022 - 2024 time frame. We have included additional dollars in the maintenance and capital budgets for replacement of aging infrastructure. In addition, we have included a new substation, partially funded from cash reserves, to serve future load growth. In previous budgets, this project was planned as a bonded project. Avoiding additional debt service payments helps reduce future rate increases and is consistent with our change to the utility method of rate setting adopted in 2014. The current electric utility budget shows flat to declining energy sales based on our historical econometrics-driven revenue model. Level energy sales, continued customer growth, and normal inflation of costs are the main drivers for the proposed rate increases in the out years.

The significant business drivers for 2020 are:

- Limited demand growth (273MW to 276MW) and a KWH sales increase of 0.9% from 2019. These are impacted by weather, strong customer growth (1.8%), and a decrease in consumption per customer. 2020 reflects a normal weather year, while consumption in 2019 is expected to be below expectations, due to less cooling and heating degree days than budgeted.

FOR BOARD ACTION

Agenda Item # (ID # 11197)

Meeting Date: 10/29/2019

-
- A decrease in wholesale power costs from SMMPA of 4% starting in February 2019 will continue to be passed on to customers through the Power Cost Adjustment through 2020, reducing the overall cost to customers.
 - Internally funded capital project requests for 2020 were cut by 5%, or \$1.041M, and major maintenance requests by 15%, or \$630K, to enable management to recommend a zero percent overall rate adjustment. The 2017 cost of service study anticipated a 1.0% overall rate increase in 2020.
 - Continuation of investments in 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 2019 cost of service projections presented to the Board. Management is recommending a 3.5% general rate increase in 2020. An area of concern is the capital costs related to DMC projects that are eligible for funding from DMC funds. We have included estimated costs for a number of projects as placeholders. To date no DMC funds have been allocated and actual costs and project timing are expected to change throughout the year. In addition to the general rate increase, the State legislature passed an increase of \$0.28/month to the mandated water testing fee which will be passed through to the water customers.

The main drivers for the water budget are:

- Growth in customers 1.0% and projected growth in total consumption of 2.85% in 2020, due to the assumption of average weather and rainfall
- Larger capital expenditures for water main replacements
- City-planned street reconstruction
- DMC development affecting water infrastructure
- Distribution system expansion
- Continued water conservation programs and education

UTILITY BOARD ACTION REQUESTED:

Approval of a public notice of a proposed general utility rate increase of 0.0% for the electric utility with recommended changes to residential customer and energy charges.

FOR BOARD ACTION

Agenda Item # **(ID # 11197)**

Meeting Date: 10/29/2019

Approval of a public notice of proposed general utility rate increase of 3.5% and a \$0.28 increase to the state mandated water testing fee for the water utility.

Approval of a public notice of proposed increase in the clean air rider rate to \$0.00180 per KWH.

ROCHESTER PUBLIC UTILITIES

2020

WATER UTILITY

OPERATING BUDGET

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2020 OPERATING BUDGET**

INDEX

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Forecast by Year 2019 through 2024	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2020 OPERATING BUDGET**

BASIC ASSUMPTIONS

- Interest Earnings Rate: 1.80%
- Average Salary Expense Change: 3.2%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Change in Full-time Equivalents: 1
- Minimum Cash Reserve Requirement: Policy Amount \$7,908,100

RETAIL REVENUES / SALES

- Revenue Adjustment: 3.5% proposed
- Water CCF Sales Forecast: 2.85% Increase from 2019 Projected Sales
- Total Water Utility Customers: 1.2% Increase over Y/E 2018 Projected Customers
- Forecast Assumes Normal Weather : 523 Cooling Degree Days,
23.9 Inches Summer Rainfall

OTHER ITEMS

- In Lieu of Tax forecast increasing \$17,179 to a total of \$378,887.

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

	Historical Data							
	2017	2018	2019 F2	2020	2021	2022	2023	2024
in 000's								
RPU Rate Increase	6.0%	6.0%	6.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Revenue								
Retail Water	\$9,121	\$9,601	\$10,013	\$10,560	\$11,005	\$11,383	\$11,862	\$12,276
Other Services & Fees	\$1,091	\$1,217	\$1,323	\$1,367	\$1,392	\$1,417	\$1,443	\$1,470
Total Revenue	\$10,213	\$10,817	\$11,336	\$11,927	\$12,396	\$12,800	\$13,306	\$13,745
Cost of Revenue								
Water Supply	\$1,974	\$1,892	\$1,756	\$1,865	\$1,857	\$1,851	\$1,841	\$1,831
Total Cost of Revenue	\$1,974	\$1,892	\$1,756	\$1,865	\$1,857	\$1,851	\$1,841	\$1,831
Gross Margin								
Retail Water	\$7,147	\$7,709	\$8,258	\$8,695	\$9,147	\$9,532	\$10,021	\$10,444
Other Services & Fees	\$1,091	\$1,217	\$1,323	\$1,367	\$1,392	\$1,417	\$1,443	\$1,470
TOTAL GROSS MARGIN	\$8,239	\$8,925	\$9,580	\$10,062	\$10,539	\$10,949	\$11,464	\$11,914
Controllable Costs								
Salaries & Benefits	\$2,559	\$2,593	\$2,978	\$3,406	\$3,538	\$3,783	\$3,925	\$4,194
Other Operating Expenses	\$1,001	\$1,313	\$1,286	\$1,285	\$1,302	\$1,326	\$1,357	\$1,377
Major Maintenance	\$369	\$304	\$325	\$553	\$415	\$375	\$355	\$205
Non-Bonded Capital Projects	\$1,729	\$2,271	\$3,343	\$4,822	\$7,407	\$4,493	\$5,205	\$6,700
TOTAL CONTROLLABLE COSTS	\$5,657	\$6,481	\$7,932	\$10,066	\$12,662	\$9,978	\$10,842	\$12,475
Depreciation & Amortization	\$2,640	\$2,674	\$2,771	\$2,883	\$2,996	\$3,099	\$3,143	\$3,162
Less Non Bonded Projects (capitalized)	(\$1,729)	(\$2,271)	(\$3,343)	(\$4,822)	(\$7,407)	(\$4,493)	(\$5,205)	(\$6,700)
Less Total Internal Costs (capitalized)	(\$266)	(\$164)	(\$281)	(\$373)	(\$384)	(\$808)	(\$878)	(\$881)
Interutility Allocation	\$1,228	\$1,333	\$1,546	\$1,575	\$1,607	\$1,639	\$1,672	\$1,705
Total Operating Expenses	\$7,530	\$8,052	\$8,625	\$9,328	\$9,474	\$9,414	\$9,574	\$9,762
Net Operating Income (Loss)	\$708	\$873	\$955	\$733	\$1,065	\$1,535	\$1,890	\$2,152
Financing & Other Non-Operating Items:								
Bond & Interest Related Expenses	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0
Interest Income	\$89	\$146	\$190	\$162	\$149	\$138	\$119	\$98
Misc Non-Operating Income (Expense)	(\$132)	(\$31)	\$0	\$0	\$0	\$0	\$0	\$0
Total Financing & Non-Operating Items	(\$43)	\$115	\$190	\$162	\$149	\$138	\$119	\$98
Income Before Transfers or Capital Contributions	\$666	\$988	\$1,145	\$895	\$1,213	\$1,673	\$2,009	\$2,251
Transfers (In Lieu of Taxes)	(\$370)	(\$368)	(\$361)	(\$378)	(\$386)	(\$389)	(\$398)	(\$401)
Capital Contributions	\$2,493	\$1,657	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100
Cash Transfers from City/Intercompany	\$303	\$0	\$363	\$600	\$3,550	\$0	\$0	\$1,475
NET INCOME	\$3,090	\$2,278	\$2,247	\$2,218	\$5,477	\$2,384	\$2,711	\$4,424
NET INCOME (Excluding Cash Tfrs from City)			\$1,884	\$1,618	\$1,927	\$2,384	\$2,711	\$2,949
TARGET NET INCOME			\$3,148	\$ 3,446	\$ 3,294	\$ 3,376	\$ 3,385	\$ 3,405
Excess (Deficit) from Target			\$ (1,264)	\$ (1,828)	\$ (1,367)	\$ (992)	\$ (674)	\$ (456)
1/01 Cash Balance	\$ 7,123	\$ 9,335	\$ 9,652	\$ 8,516	\$ 8,158	\$ 7,300	\$ 6,031	
Change in Net Assets	2,277	2,247	2,218	5,477	2,384	2,711	4,424	
Depreciation & Amortization	2,674	2,771	2,883	2,996	3,099	3,143	3,162	
Capital Additions	(2,435)	(3,624)	(5,196)	(7,791)	(5,302)	(6,083)	(7,581)	
Non-Cash Contributions	(1,657)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	
Debt Principal Payments	-	0	-	-	-	-	-	
Debt Proceeds	-	0	-	-	-	-	-	
Net Change in Other Assets/Liabilities	1,354	22	60	60	60	60	60	
Net Changes in Cash	2,212	317	(1,135)	(358)	(859)	(1,268)	(1,034)	
12/31 Cash Balance	\$ 9,335	\$ 9,652	\$ 8,516	\$ 8,158	\$ 7,300	\$ 6,031	\$ 4,997	
Minimum Cash Reserve	\$ 6,063	\$ 7,641	\$ 7,908	\$ 8,061	\$ 7,979	\$ 7,813	\$ 7,692	
Excess (Deficit) from Minimum Cash Reserve	\$ 3,272	\$ 2,010	\$ 608	\$ 98	\$ (679)	\$ (1,781)	\$ (2,694)	

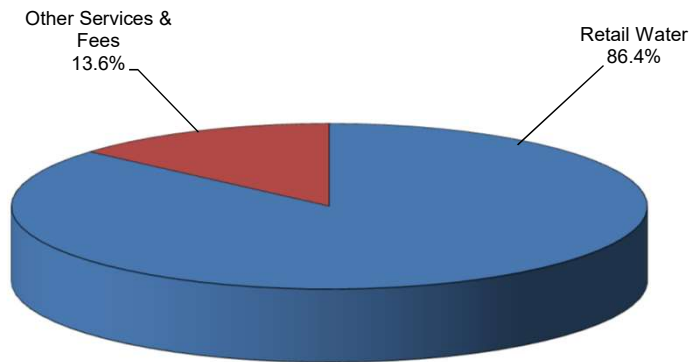
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

	Historical Data		2019		2020		Variance 2020 to 2019	%
	2017	2018	Orig Bdgt	2019 F2	2020	Orig Bdgt	Orig Bdgt	Variance
in 000's								
Revenue								
Retail Water	\$9,121	\$9,601	\$10,636	\$10,013	\$10,560	\$11,388	(\$828)	-7.3%
Other Services & Fees	\$1,091	\$1,217	\$1,222	\$1,323	\$1,367	\$1,244	\$122	9.8%
Total Revenue	\$10,213	\$10,817	\$11,858	\$11,336	\$11,927	\$12,633	(\$705)	-5.6%
Cost of Revenue								
Water Supply	\$1,974	\$1,892	\$1,867	\$1,756	\$1,865	\$1,866	(\$1)	0.0%
Total Cost of Revenue	\$1,974	\$1,892	\$1,867	\$1,756	\$1,865	\$1,866	(\$1)	0.0%
Gross Margin								
Retail Water	\$7,147	\$7,709	\$8,769	\$8,258	\$8,695	\$9,522	(\$827)	-8.7%
Other Services & Fees	\$1,091	\$1,217	\$1,222	\$1,323	\$1,367	\$1,244	\$122	9.8%
TOTAL GROSS MARGIN	\$8,239	\$8,925	\$9,991	\$9,580	\$10,062	\$10,767	(\$705)	-6.5%
Controllable Costs								
Salaries & Benefits	\$2,559	\$2,593	\$3,095	\$2,978	\$3,406	\$3,361	\$45	1.3%
Other Operating Expenses	\$1,001	\$1,313	\$1,372	\$1,286	\$1,285	\$1,428	(\$142)	-10.0%
Major Maintenance	\$369	\$304	\$568	\$325	\$553	\$526	\$27	5.0%
Non-Bonded Capital Projects	\$1,729	\$2,271	\$4,554	\$3,343	\$4,822	\$6,341	(\$1,519)	-24.0%
TOTAL CONTROLLABLE COSTS	\$5,657	\$6,481	\$9,588	\$7,932	\$10,066	\$11,656	(\$1,590)	-13.6%
Depreciation & Amortization	\$2,640	\$2,674	\$2,770	\$2,771	\$2,883	\$2,811	\$72	2.6%
Less Non Bonded Projects (capitalized)	(\$1,729)	(\$2,271)	(\$4,554)	(\$3,343)	(\$4,822)	(\$6,341)	\$1,519	-24.0%
Less Total Internal Costs (capitalized)	(\$266)	(\$164)	(\$318)	(\$281)	(\$373)	(\$305)	(\$68)	22.4%
Interutility Allocation	\$1,228	\$1,333	\$1,486	\$1,546	\$1,575	\$1,516	\$59	3.9%
Total Operating Expenses	\$7,530	\$8,052	\$8,971	\$8,625	\$9,328	\$9,337	(\$8)	-0.1%
Net Operating Income (Loss)	\$708	\$873	\$1,019	\$955	\$733	\$1,430	(\$697)	-48.7%
Financing & Other Non-Operating Items:								
Bond & Interest Related Expenses	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	0.0%
Interest Income	\$89	\$146	\$44	\$190	\$162	\$32	\$130	410.2%
Misc Non-Operating Income (Expense)	(\$132)	(\$31)	\$0	\$0	\$0	\$0	\$0	0.0%
Total Financing & Non-Operating Items	(\$43)	\$115	\$44	\$190	\$162	\$32	\$130	410.2%
Income Before Transfers or Capital Contributions	\$666	\$988	\$1,063	\$1,145	\$895	\$1,462	(\$566)	-38.7%
Transfers (In Lieu of Taxes)	(\$370)	(\$368)	(\$398)	(\$361)	(\$378)	(\$412)	\$34	-8.3%
Capital Contributions	\$2,493	\$1,657	\$1,100	\$1,100	\$1,100	\$1,100	\$0	0.0%
Cash Transfers from City	\$303	\$0	\$0	\$363	\$600	\$0	\$600	0.0%
NET INCOME	\$3,090	\$2,278	\$1,765	\$2,247	\$2,218	\$2,150	(\$532)	-24.8%
1/01 Cash Balance	\$ 7,123		\$ 6,194	\$ 9,335	\$ 9,652	\$ 5,607	\$ 4,044	72.1%
Change in Net Assets		2,277	1,765	2,247	2,218	2,150	68	3.2%
Depreciation & Amortization		2,674	2,770	2,771	2,883	2,811	72	2.6%
Capital Additions/Service Territory Comp		(2,435)	(4,873)	(3,624)	(5,196)	(6,646)	1,451	-21.8%
Non-Cash Contributions		(1,657)	(1,100)	(1,100)	(1,100)	(1,100)	-	0.0%
Debt Principal Payments		-	0	0	-	-	-	0.0%
Debt Proceeds		-	0	0	-	-	-	0.0%
Net Change in Other Assets/Liabilities		1,354	851	22	60	72	(12)	-16.7%
Net Changes in Cash		2,212	(586)	317	(1,135)	(2,714)	1,579	-58.2%
12/31 Cash Balance	\$ 9,335		\$ 5,607	\$ 9,652	\$ 8,516	\$ 2,894	\$ 5,623	194.3%
Minimum Cash Reserve	\$ 6,063		\$ 7,641	\$ 7,641	\$ 7,908	\$ 7,102	\$ 806	11.3%
Excess (Deficit) from Minimum Cash Reserve	\$ 3,272		\$ (2,034)	\$ 2,010	\$ 608	\$ (4,209)	\$ 4,817	-114.5%

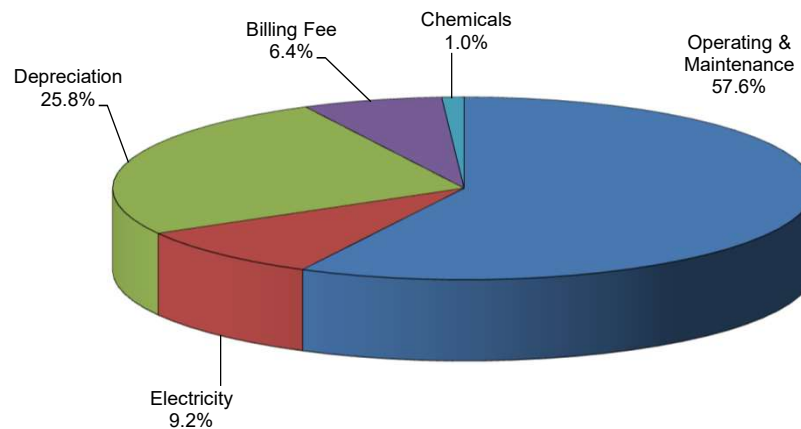
Attachment: Board Packet Wtr (11197 : Preliminary 2020 Water and Electric Utility Budgets)

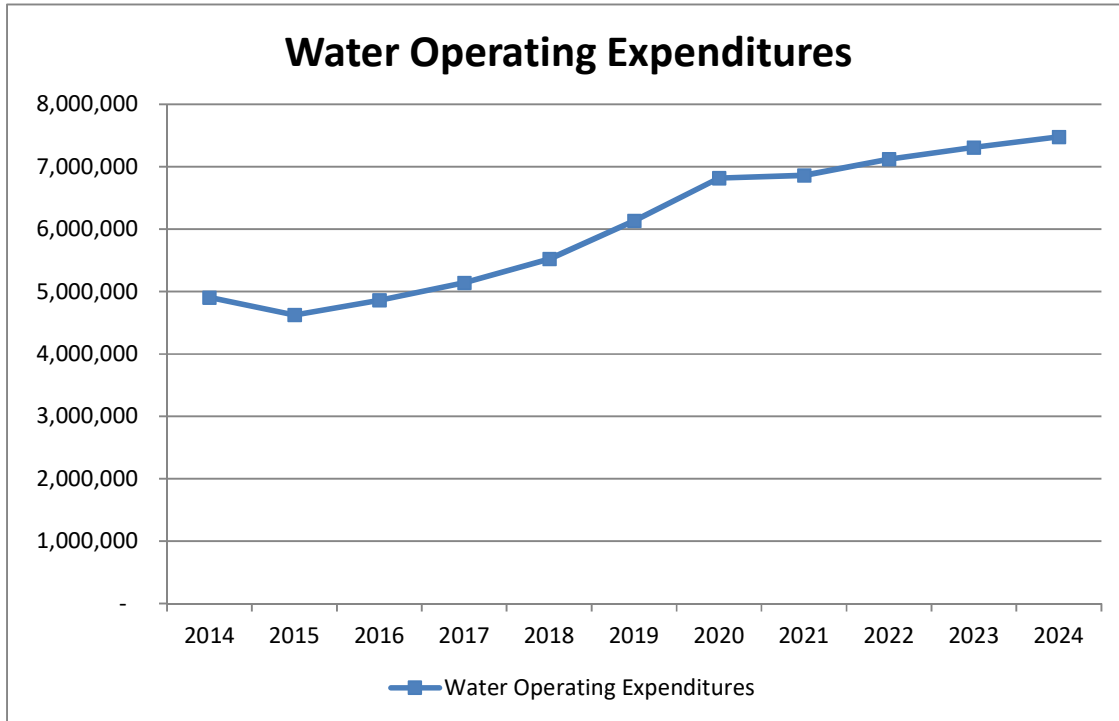
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2020 OPERATING BUDGET**

**GROSS MARGIN
\$10,061,839**



**EXPENSE USES
\$11,193,833**





**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
WATER UTILITY**

	2019 F2	2020	2021	2022	2023	2024
CCF Pumped	5,570,703	5,729,546	5,743,547	5,672,070	5,686,237	5,619,495
% Change	-4.4%	2.9%	0.2%	-1.2%	0.2%	-1.2%
Retail CCF	5,368,203	5,521,272	5,534,764	5,465,885	5,479,537	5,415,221
% Change	-4.4%	2.9%	0.2%	-1.2%	0.2%	-1.2%
Number of Customers						
Residential	36,882	37,271	37,664	38,061	38,463	38,869
Commercial	3,684	3,735	3,786	3,838	3,889	3,940
Industrial	31	31	31	31	31	31
Interdepartmental	1	1	1	1	1	1
Total Customers	40,598	41,038	41,482	41,931	42,384	42,841
% Change	1.0%	1.1%	1.1%	1.1%	1.1%	1.1%

Attachment: Board Packet Wtr (11197 : Preliminary 2020 Water and Electric Utility Budgets)

ROCHESTER PUBLIC UTILITIES

2020

WATER UTILITY

**CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2020 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
5 Year Project List:	
Major Maintenance	1
Capital	2

**ROCHESTER PUBLIC UTILITIES
CAPITAL AND MAJOR MAINTENANCE PLAN
MATERIALS, SUPPLIES & SERVICES
5 YEAR PROJECT LIST**

**WATER UTILITY
MAJOR MAINTENANCE
(\$000's)**

	Multi-Year Project Total	2020	2021	2022	2023	2024	5-Yr Tot
Core Services							
Municipal Well Abandonment	-	75	-	-	-	-	
Allocation - Water Distribution System Maintenance	400	265	255	275	120	1,315	
Water Storage Facility Painting	400	265	255	275	120	1,315	
Water Cost-of-Service/Rate Design Study	-	-	40	-	-	-	
Operating Contingency Fund	75	75	80	80	85	370	
Computer Water Model	3	-	-	-	-	-	
Water Comprehensive Plan	75	-	-	-	-	-	
Total Core Services	553	415	375	355	205	1,350	
Total Outside Expenditures	553	415	375	355	205	1,350	
Total Internal Expenditures	45	30	25	20	13	93	
Total Major Maintenance Plan	597	445	400	375	218	1,443	

Attachment: Board Packet Wtr (11197 : Preliminary 2020 Water and Electric Utility Budgets)

**ROCHESTER PUBLIC UTILITIES
CAPITAL AND MAJOR MAINTENANCE PLAN
MATERIALS, SUPPLIES & SERVICES
5 YEAR PROJECT LIST**

**WATER UTILITY
CAPITAL
(\$000's)**

	Multi-Year Project Total	2020	2021	2022	2023	2024	5-Yr Total
Core Services							
Well & Booster Station Metering		23	20	26	26	22	116
Bulk Water Dispensing Station		-	35	-	22	-	57
Well House Manual Switchgear		16	17	17	18	18	86
Water Leak Correlator		-	-	-	-	30	30
Mechanical Valve Operator		16	8	8	-	-	32
Chlorine Sensor Replacement		-	23	24	25	-	72
Allocation - Water Distribution System Replacement		121	115	125	152	140	653
Replacement of Pumping Units		84	42	89	89	89	392
Well Motor Replacements		18	19	19	20	20	94
Installation of Variable Frequency Drive Units		19	21	18	22	19	98
Replacement of Booster Pumps		-	34	-	22	13	69
Allocation - Water Metering/AMR		306	313	1,760	1,766	1,772	5,917
Alloc - Residential Water Metering/AMR		186	191	195	199	202	971
Alloc - Residential Water Metering - AMI		-	-	1,040	1,040	1,040	3,120
Alloc - Commercial Water Metering/AMR		121	123	125	128	130	626
Alloc - Commercial Water Metering - AMI		-	-	400	400	400	1,200
New Wells		-	482	560	125	-	1,167
Water Utility Contingency Fund		175	175	175	200	200	925
New Marion L 1.0MG Reservoir		-	-	-	-	1,475	1,475
DMC - 12th Ave SW from Center St W to 2nd St SW		550	-	-	-	-	550
DMC - 6th & 7th Ave and 3rd St NW Phase 1		275	-	-	-	-	275
1.0MG Baihly High Level Tower	4,150	600	3,550	-	-	-	4,150
DMC - Broadway From Civic Center Dr to 13th St N	1,575	575	1,000	-	-	-	1,575
DMC - 1st St NW from Broadway to 1st Ave		140	-	-	-	-	140
DMC - 2nd St SE from Broadway to 1st Ave		105	-	-	-	-	105
InfoWater Software for Computer Model		25	-	-	-	-	25
DMC - Heart of the City - Peace Plaza	245	140	105	-	-	-	245
DMC - 3rd St SW		60	-	-	-	-	60
DMC - Discovery Walk		-	135	135	-	-	270
DMC - 2nd St SW 11th to 16th Ave		-	160	-	-	-	160
DMC - St. Mary's Transit Station		-	338	-	-	-	338
Allocation - Water Distribution System Expansion		1,431	787	1,438	2,640	2,862	9,158
T&D City Projects		749	485	900	1,793	430	4,357
T&D Developer Projects		360	200	200	200	200	1,160
T&D RPU Projects		322	102	338	647	2,232	3,641
Total Core Services	5,970	4,558	7,262	4,268	4,974	6,519	27,581
Compliance & Public Affairs							
Well Conversion		75	-	-	-	-	75
Total Compliance & Public Affairs		75	-	-	-	-	75
Power Resources							
Allocation - Fleet		190	144	226	232	180	972
Total Power Resources		190	144	226	232	180	972
Total Outside Expenditures	5,970	4,822	7,407	4,493	5,205	6,700	28,627
Total Internal Expenditures	79	373	384	808	878	881	3,325
Total Contributed Assets		1,100	1,100	1,100	1,100	1,100	5,500
Total Capital Plan	6,049	6,296	8,891	6,402	7,183	8,681	37,452
Total Capital & Major Maintenance Plan	6,049	6,893	9,336	6,802	7,558	8,899	39,488

Attachment: Board Packet Wtr (11197 : Preliminary 2020 Water and Electric Utility Budgets)

ROCHESTER PUBLIC UTILITIES

2020

ELECTRIC UTILITY

OPERATING BUDGET

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2020 OPERATING BUDGET**

INDEX

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Forecast by Year 2019 through 2024	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2020 OPERATING BUDGET**

BASIC ASSUMPTIONS

- Cost center budgets and non-bonded projects set at level used in cost-of-service study
- Other than specifically identified projects, no assumptions have been made with regards to DMC
- Interest Earnings Rate: 1.80%
- Average Salary Expense Change: 3.2%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Anticipated Bonding none
- Change in Full-time Equivalents: 3
- SMMPA Wholesale Power Cost: 0.0% increase
- SMMPA CROD Level: 216 MW
- Minimum Cash Reserve Requirement: Current policy amount \$57,408,200

RETAIL REVENUES / SALES

- Revenue Adjustment: 0.0% proposed
- Electric KWH Sales Forecast: 0.9 % Increase from 2019 Year End Projected Sales
- Total Electric Utility Customers: 1.8% Increase over Year End 2019 Projected Customers
- Forecast Assumes Normal Weather : 523 Cooling Degree Days

WHOLESALE FUEL COSTS

- Estimated Cost of Fuel 2020 \$3.45 / mcf
- Budgeted Cost of Fuel 2019 F2 \$3.54 / mcf

OTHER ITEMS

- In Lieu of Tax forecast increasing \$80,100 to a total of \$8,825,228.

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data							
	2017	2018	2019 F2	2020	2021	2022	2023	2024
in 000's								
	RPU Rate Increase	3.7%	1.5%	1.9%	0.0%	2.5%	2.5%	2.5%
Revenue								
Retail Electric	\$146,779	\$151,914	\$150,685	\$152,891	\$157,012	\$160,948	\$164,952	\$170,165
Wholesale Electric	\$1,822	\$4,736	\$3,305	\$4,491	\$4,491	\$4,491	\$4,491	\$4,491
Wholesale Steam	\$4,419	\$4,322	\$3,664	\$4,548	\$5,427	\$5,427	\$5,427	\$4,662
Transmission	\$4,496	\$5,245	\$5,629	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other Services & Fees	\$3,264	\$3,079	\$2,066	\$3,365	\$3,407	\$3,449	\$3,491	\$3,534
Total Revenue	\$160,780	\$169,295	\$165,349	\$170,295	\$175,338	\$179,315	\$183,362	\$187,851
Cost of Revenue	SMMPA Rate Increase (Decrease)	2.0%	0.0%	(4.0%)	0.0%	0.0%	0.0%	0.0%
Power Supply	\$93,062	\$94,984	\$90,600	\$91,663	\$91,796	\$91,675	\$91,498	\$91,641
Generation Fuel	\$3,413	\$5,497	\$4,411	\$5,153	\$5,613	\$5,613	\$5,613	\$5,212
Total Cost of Revenue	\$96,475	\$100,481	\$95,011	\$96,816	\$97,409	\$97,288	\$97,111	\$96,854
Gross Margin								
Retail Electric	\$53,717	\$56,930	\$60,085	\$61,228	\$65,216	\$69,272	\$73,454	\$78,524
Wholesale	\$2,828	\$3,561	\$2,558	\$3,886	\$4,306	\$4,306	\$4,306	\$3,940
Transmission	\$4,496	\$5,245	\$5,629	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other Services & Fees	\$3,264	\$3,079	\$2,066	\$3,365	\$3,407	\$3,449	\$3,491	\$3,534
TOTAL GROSS MARGIN	\$64,305	\$68,814	\$70,339	\$73,479	\$77,929	\$82,027	\$86,251	\$90,998
Controllable Costs								
Salaries & Benefits	\$21,802	\$22,673	\$24,274	\$25,874	\$27,631	\$29,152	\$30,754	\$32,455
Other Operating Expenses	\$8,967	\$9,605	\$9,585	\$10,501	\$10,560	\$10,708	\$10,936	\$11,150
Major Maintenance	\$1,986	\$2,421	\$3,419	\$3,703	\$5,380	\$5,946	\$3,929	\$3,493
Non-Bonded Capital Projects	\$12,228	\$8,003	\$18,937	\$18,315	\$32,444	\$12,275	\$24,966	\$25,812
TOTAL CONTROLLABLE COSTS	\$44,984	\$42,703	\$56,214	\$58,392	\$76,015	\$58,081	\$70,584	\$72,910
Depreciation & Amortization	\$10,975	\$12,969	\$13,531	\$14,468	\$14,379	\$14,532	\$15,054	\$15,595
Less Non Bonded Projects (capitalized)	(\$12,228)	(\$8,003)	(\$18,937)	(\$18,315)	(\$32,444)	(\$12,275)	(\$24,966)	(\$25,812)
Less Total Internal Costs (capitalized)	(\$4,547)	(\$4,763)	(\$3,904)	(\$4,822)	(\$5,457)	(\$3,948)	(\$5,174)	(\$6,078)
Interutility Allocation	(\$1,228)	(\$1,333)	(\$1,546)	(\$1,575)	(\$1,607)	(\$1,639)	(\$1,672)	(\$1,705)
Total Operating Expenses	\$37,956	\$41,572	\$45,358	\$48,149	\$50,887	\$54,751	\$53,827	\$54,911
Net Operating Income (Loss)	\$26,349	\$27,242	\$24,980	\$25,330	\$27,042	\$27,276	\$32,424	\$36,087
Financing & Other Non-Operating Items:								
Bond & Interest Related Expenses	(\$5,039)	(\$5,939)	(\$6,473)	(\$6,421)	(\$6,268)	(\$6,098)	(\$5,912)	(\$5,710)
Interest Income	\$851	\$1,372	\$1,705	\$1,636	\$1,621	\$1,641	\$1,725	\$1,787
Misc Non-Operating Income (Expense)	(\$570)	(\$865)	(\$27)	(\$31)	(\$31)	(\$32)	(\$32)	(\$33)
Total Financing & Non-Operating Items	(\$4,758)	(\$5,431)	(\$4,794)	(\$4,816)	(\$4,678)	(\$4,488)	(\$4,219)	(\$3,956)
Income Before Transfers or Capital Contributions	\$21,591	\$21,811	\$20,186	\$20,513	\$22,364	\$22,787	\$28,205	\$32,131
Transfers (In Lieu of Taxes)	(\$8,422)	(\$8,725)	(\$8,745)	(\$8,825)	(\$8,999)	(\$9,183)	(\$9,373)	(\$9,574)
Capital Contributions/Intercompany	\$2,764	\$2,060	\$527	\$5,276	\$11,198	\$487	\$4,450	\$4,175
NET INCOME	\$15,933	\$15,147	\$11,967	\$16,964	\$24,563	\$14,091	\$23,282	\$26,732
NET INCOME (Excluding Capital Contributions)			\$11,441	\$11,688	\$13,365	\$13,604	\$18,832	\$22,557
TARGET NET INCOME			\$13,060	\$ 14,700	\$ 16,200	\$ 16,900	\$ 18,100	\$ 19,500
Excess (Deficit) from Target			\$ (1,619)	\$ (3,012)	\$ (2,835)	\$ (3,296)	\$ 732	\$ 3,057
1/01 Cash Balance	\$ 56,843	\$ 78,820	\$ 76,827	\$ 79,892	\$ 75,189	\$ 82,133	\$ 84,615	\$ 89,028
Change in Net Assets	15,147	11,967	16,964	24,563	14,091	23,282	26,732	
Depreciation & Amortization	12,969	13,531	14,468	14,379	14,532	15,054	15,595	
Capital Additions/Service Territory Comp	(23,320)	(22,841)	(23,137)	(37,901)	(16,223)	(30,140)	(31,890)	
Bond Principal Payments	(5,460)	(5,725)	(6,015)	(6,315)	(6,625)	(6,955)	(7,310)	
Bond Proceeds	-	(0)	(0)	(0)	(0)	0	-	
Net Change in Other Assets/Liabilities	22,642	1,074	784	571	1,169	1,240	1,286	
Net Changes in Cash	21,977	(1,993)	3,065	(4,703)	6,944	2,482	4,413	
12/31 Cash Balance	\$ 78,820	\$ 76,827	\$ 79,892	\$ 75,189	\$ 82,133	\$ 84,615	\$ 89,028	
Minimum Cash Reserve	\$ 53,954	\$ 55,603	\$ 57,408	\$ 58,692	\$ 59,819	\$ 58,890	\$ 58,148	
Excess (Deficit) from Minimum Cash Reserve	\$ 24,866	\$ 21,224	\$ 22,484	\$ 16,497	\$ 22,314	\$ 25,725	\$ 30,880	
Debt Service Coverage Ratio	3.0	2.9	2.9	3.1	3.1	3.5	3.8	

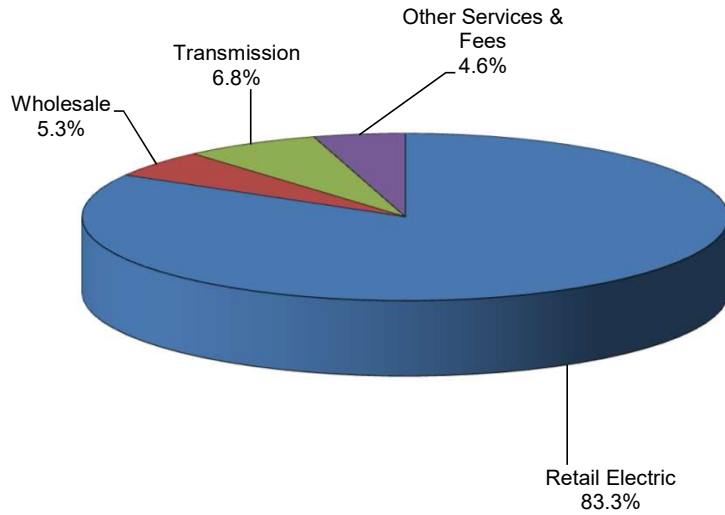
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data		2019		2020		Variance	%
	2017	2018	Orig Bdgt	2019 F2	2020	Orig Bdgt (from 2017 COSS)	2020 to Orig Bdgt	Variance
in 000's								
Revenue								
Retail Electric	\$146,779	\$151,914	\$153,201	\$150,685	\$152,891	\$170,964	(\$18,074)	-10.6%
Wholesale Electric	\$1,822	\$4,736	\$6,381	\$3,305	\$4,491	\$2,149	\$2,342	109.0%
Wholesale Steam	\$4,419	\$4,322	\$4,304	\$3,664	\$4,548	\$4,565	(\$17)	-0.4%
Transmission	\$4,496	\$5,245	\$5,000	\$5,629	\$5,000	\$5,000	\$0	0.0%
Other Services & Fees	\$3,264	\$3,079	\$3,224	\$2,066	\$3,365	\$3,377	(\$12)	-0.4%
Total Revenue	\$160,780	\$169,295	\$172,109	\$165,349	\$170,295	\$186,055	(\$15,760)	-8.5%
Cost of Revenue								
Power Supply	\$93,062	\$94,984	\$96,130	\$90,600	\$91,663	\$99,966	(\$8,303)	-8.3%
Generation Fuel	\$3,413	\$5,497	\$7,086	\$4,411	\$5,153	\$3,816	\$1,338	35.1%
Total Cost of Revenue	\$96,475	\$100,481	\$103,217	\$95,011	\$96,816	\$103,781	(\$6,965)	-6.7%
Gross Margin								
Retail Electric	\$53,717	\$56,930	\$57,071	\$60,085	\$61,228	\$70,999	(\$9,770)	-13.8%
Wholesale	\$2,828	\$3,561	\$3,599	\$2,558	\$3,886	\$2,898	\$988	34.1%
Transmission	\$4,496	\$5,245	\$5,000	\$5,629	\$5,000	\$5,000	\$0	0.0%
Other Services & Fees	\$3,264	\$3,079	\$3,224	\$2,066	\$3,365	\$3,377	(\$12)	-0.4%
TOTAL GROSS MARGIN	\$64,305	\$68,814	\$68,893	\$70,339	\$73,479	\$82,273	(\$8,795)	-12.8%
Controllable Costs								
Salaries & Benefits	\$21,802	\$22,673	\$24,698	\$24,274	\$25,874	\$25,321	\$553	2.2%
Other Operating Expenses	\$8,967	\$9,605	\$10,482	\$9,585	\$10,501	\$9,946	\$555	5.6%
Major Maintenance	\$1,986	\$2,421	\$3,348	\$3,419	\$3,703	\$2,426	\$1,277	52.7%
Non-Bonded Capital Projects	\$12,228	\$8,003	\$17,105	\$18,937	\$18,315	\$11,131	\$7,184	64.5%
TOTAL CONTROLLABLE COSTS	\$44,984	\$42,703	\$55,632	\$56,214	\$58,392	\$48,823	\$9,569	19.6%
Depreciation & Amortization	\$10,975	\$12,969	\$14,265	\$13,531	\$14,468	\$11,942	\$2,527	21.2%
Less Non Bonded Projects (capitalized)	(\$12,228)	(\$8,003)	(\$17,105)	(\$18,937)	(\$18,315)	(\$11,131)	(\$7,184)	64.5%
Less Total Internal Costs (capitalized)	(\$4,547)	(\$4,763)	(\$3,401)	(\$3,904)	(\$4,822)	(\$4,187)	(\$635)	15.2%
Interutility Allocation	(\$1,228)	(\$1,333)	(\$1,486)	(\$1,546)	(\$1,575)	(\$1,474)	(\$101)	6.9%
Total Operating Expenses	\$37,956	\$41,572	\$47,905	\$45,358	\$48,149	\$43,973	\$4,175	9.5%
Net Operating Income (Loss)	\$26,349	\$27,242	\$20,987	\$24,980	\$25,330	\$38,300	(\$12,970)	-33.9%
Financing & Other Non-Operating Items:								
Bond & Interest Related Expenses	(\$5,039)	(\$5,939)	(\$6,303)	(\$6,473)	(\$6,421)	(\$8,118)	\$1,697	-20.9%
Interest Income	\$851	\$1,372	\$735	\$1,705	\$1,636	\$185	\$1,451	786.5%
Misc Non-Operating Income (Expense)	(\$570)	(\$865)	(\$50)	(\$27)	(\$31)	(\$113)	\$83	-73.0%
Total Financing & Non-Operating Items	(\$4,758)	(\$5,431)	(\$5,618)	(\$4,794)	(\$4,816)	(\$8,047)	\$3,231	-40.1%
Income Before Transfers or Capital Contributions	\$21,591	\$21,811	\$15,369	\$20,186	\$20,513	\$30,253	(\$9,739)	-32.2%
Transfers (In Lieu of Taxes)	(\$8,422)	(\$8,725)	(\$8,881)	(\$8,745)	(\$8,825)	(\$9,603)	\$778	-8.1%
Capital Contributions/Intercompany	\$2,764	\$2,060	\$2,129	\$527	\$5,276	\$228	\$5,048	2211.1%
NET INCOME	\$15,933	\$15,147	\$8,617	\$11,967	\$16,964	\$20,878	(\$3,914)	-18.7%
1/01 Cash Balance	\$ 56,843		\$ 67,805	\$ 78,820	\$ 76,827	\$ 45,701	\$ 31,126	68.1%
Change in Net Assets		15,147	8,617	11,967	16,964	20,878	(3,914)	-18.7%
Depreciation & Amortization		12,969	14,265	13,531	14,468	11,942	2,527	21.2%
Capital Additions/Service Territory Comp		(23,320)	(27,758)	(22,841)	(23,137)	(25,704)	2,567	-10.0%
Bond Principal Payments		(5,460)	(5,725)	(5,725)	(6,015)	(7,442)	1,427	-19.2%
Bond Proceeds		-	-	(0)	(0)	-	(0)	0.0%
Net Change in Other Assets/Liabilities		22,642	7,067	1,074	784	9,982	(9,197)	-92.1%
Net Changes in Cash		21,977	(3,535)	(1,993)	3,065	9,656	(6,591)	-68.3%
12/31 Cash Balance	\$ 78,820		\$ 64,270	\$ 76,827	\$ 79,892	\$ 55,357	\$ 24,535	44.3%
Minimum Cash Reserve	\$ 53,954		\$ 55,603	\$ 55,603	\$ 57,408	\$ 49,577	\$ 7,831	15.8%
Excess (Deficit) from Minimum Cash Reserve	\$ 24,866		\$ 8,668	\$ 21,224	\$ 22,484	\$ 5,780	\$ 16,704	289.0%

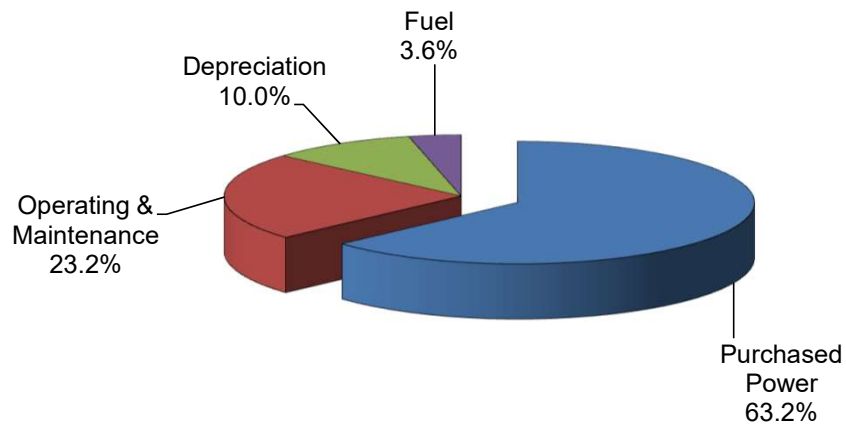
Attachment: Board Packet Etc (11197 : Preliminary 2020 Water and Electric Utility Budgets)

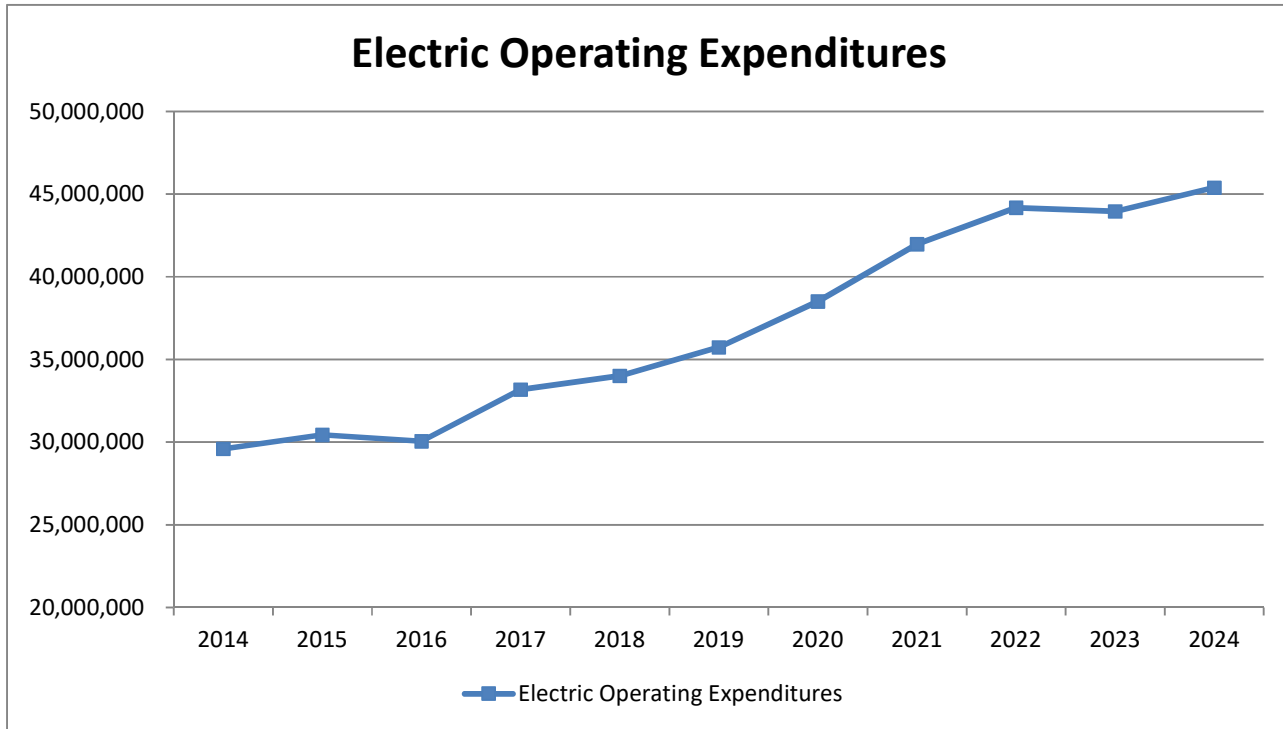
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2020 OPERATING BUDGET**

**GROSS MARGIN
\$73,478,519**



**EXPENSE USES
\$144,964,764**





**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
ELECTRIC UTILITY**

	2019 F2	2020	2021	2022	2023	2024
Peak MW						
SMMPA	216	216	216	216	216	216
Self Generation	-	-	-	-	-	-
Market	68	57	58	58	59	60
Total Peak MW	284	273	274	274	275	276
% Change	2.4%	-3.8%	0.3%	0.3%	0.3%	0.3%
Retail MWH	1,175,163	1,185,419	1,184,982	1,185,357	1,186,053	1,187,516
% Change	-2.5%	0.9%	0.0%	0.0%	0.1%	0.1%
Purchased Power MWH						
SMMPA	1,199,722	1,204,670	1,204,219	1,204,633	1,205,398	1,206,995
Other	3,661	1,515	1,591	1,675	1,772	1,863
Total Purchased Power MWH	1,203,383	1,206,185	1,205,810	1,206,307	1,207,170	1,208,858
% Change	-2.1%	0.2%	0.0%	0.0%	0.1%	0.1%
Generation MWH						
Total Generation MWH	89,020	97,934	97,934	97,934	97,934	97,934
% Change	-21.0%	10.0%	0.0%	0.0%	0.0%	0.0%
Number of Customers						
Residential	51,627	52,620	53,633	54,665	55,717	56,789
Small General Service	4,571	4,612	4,653	4,694	4,735	4,776
Medium General Service	447	457	467	477	488	498
Large General Service	13	13	13	13	13	13
Large Industrial Service	2	2	2	2	2	2
Street & Hwy Lightings	3	3	3	3	3	3
Interdepartmental	1	1	1	1	1	1
Total Customers	56,664	57,708	58,772	59,855	60,959	62,082
% Change	2.4%	1.8%	1.8%	1.8%	1.8%	1.8%
Blended cost per MWH for retail supply	\$ 75.29	\$ 75.99	\$ 76.13	\$ 76.00	\$ 75.80	\$ 75.81
Steam Generation MLBS	333,350	438,000	522,699	522,699	522,699	448,950
% Change	1.0%	31.4%	19.3%	0.0%	0.0%	-14.1%

Attachment: Board Packet Elc (11197 : Preliminary 2020 Water and Electric Utility Budgets)

ROCHESTER PUBLIC UTILITIES

2020

ELECTRIC UTILITY

**CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2020 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
5 Year Project List:	
Major Maintenance Projects	1
Capital Projects	2 - 3

**ROCHESTER PUBLIC UTILITIES
CAPITAL AND MAJOR MAINTENANCE PLAN
MATERIALS, SUPPLIES & SERVICES
5 YEAR PROJECT LIST**

6.4.b

**ELECTRIC UTILITY
MAJOR MAINTENANCE
(\$000's)**

		Multi-Year Project Total	2020	2021	2022	2023	2024	5-Yr Total
8	<u>Core Services</u>							
9	Tree Trimming		1,430	1,750	2,000	2,000	2,000	9,180
10	Allocation - New Services		210	200	205	195	195	1,005
11	Transmission Asset Management		30	20	25	15	15	105
12	Distribution Lines & Equipment Maintenance		180	180	180	180	180	900
13	Distribution System Planning Study		-	-	75	-	-	75
14	Substation Switchgear Analysis Report		-	50	50	-	-	100
15	Transmission Coordination Study		75	-	-	-	-	75
16	Asbestos Mitigation in Manholes		-	50	50	-	-	100
17	DER Hosting Capacity Study		-	-	80	-	-	80
18	Downtown Duct & Feeder Routing Study	205	30	100	75	-	-	205
19	Total Core Services	205	1,745	2,150	2,535	2,195	2,195	10,820
20	<u>Customer Relations</u>							
21	Customer Experience Mapping	200	40	160	-	-	-	200
22	Low Income		12	-	-	-	-	12
23	Total Customer Relations	200	52	160	-	-	-	212
24	<u>Corporate Services</u>							
25	Elec Cost-of-Srvc/Rate Design Study		65	-	-	70	-	135
26	Rates Modeling		25	45	45	45	45	205
27	Budgeting System		-	45	-	-	-	45
28	HPC Support Contract		125	125	125	125	125	625
29	SAP Technical Upgrade		60	-	-	-	-	60
30	Move Phone System for PCI Compliance		15	-	-	-	-	15
31	Sharepoint Site		-	100	-	-	-	100
32	ImageNow Upgrade		82	-	-	30	-	112
33	Total Corporate Services		372	315	170	270	170	1,297
34	<u>Compliance and Public Affairs</u>							
35	Zumbro River Dredging		161	-	-	-	-	161
36	WES Emissions Testing		63	-	-	67	-	130
37	Total Compliance and Public Affairs		224	-	-	67	-	291
38	<u>Power Resources</u>							
39	SLP Decommissioning		25	575	325	250	250	1,425
40	GT1 Major Overhaul		-	-	2,000	-	-	2,000
41	Silver Lake Dam Ownership		-	1,000	-	-	-	1,000
42	Remove Unit 4 Chimney		450	-	-	-	-	450
43	RPU Comprehensive Master Plan		-	195	-	-	-	195
44	Allocation - Power Resources		355	504	434	664	394	2,351
45	Allocation - Facilities		180	181	182	183	184	910
46	Total Power Resources		1,010	2,455	2,941	1,097	828	8,331
47	<u>General Management</u>							
48	Operating Contingency Fund		300	300	300	300	300	1,500
49	Total General Management		300	300	300	300	300	1,500
50	Total Outside Expenditures	405	3,703	5,380	5,946	3,929	3,493	22,451
51	Total Internal Expenditures	107	379	465	346	244	231	1,665
52	Total Major Maintenance Plan	512	4,082	5,845	6,292	4,173	3,724	24,116

Attachment: Board Packet Elc (11197 : Preliminary 2020 Water and Electric Utility Budgets)

**ROCHESTER PUBLIC UTILITIES
CAPITAL AND MAJOR MAINTENANCE PLAN
MATERIALS, SUPPLIES & SERVICES
5 YEAR PROJECT LIST**

6.4.b

**ELECTRIC UTILITY
CAPITAL
(\$000's)**

		Multi-Year					5-Yr Total
	Project Total	2020	2021	2022	2023	2024	
Core Services							
OSI SCADA Version Upgrade		1,109	-	175	-	175	1,459
Forestry Mower		30	-	-	-	-	30
Radio System Indoor Bi-Directional Amplifier		30	-	-	-	-	30
Allocation - New Services		955	1,045	1,010	1,010	1,080	5,100
New Service Installations		625	625	625	625	625	3,125
Distribution Lines & Equipment - Capital		180	180	180	180	180	900
Property Damage - Repair/Replace		75	75	75	75	75	375
Other Equipment Failures		75	165	130	130	200	700
Load Management Installations		8	8	8	8	8	38
Mobile Meter Reader		40	-	40	-	40	120
Metering/Shop Test Equipment Upgrade/Repl		15	45	15	15	15	105
Substation/Shop Test Equipment Upgrade/Repl		40	35	35	35	35	180
Substation Spares and Replacements		20	20	20	20	20	100
TOU Limited Hybrid Smart Metering Transition		105	-	-	-	-	105
AMI		100	587	500	450	450	2,087
Allocation - Metering - AMI		-	321	621	601	220	1,763
Allocation - Metering		989	1,009	1,029	1,049	1,070	5,146
Hydro Line Rebuild		-	-	-	-	200	200
Northern Hills 65th St Feeder		560	-	-	-	-	560
Feeder 306 Install		-	-	-	-	300	300
Feeder 615 Install		-	-	350	-	-	350
Feeder 715 Install		325	-	-	-	-	325
Feeder 913 Install		-	-	300	-	-	300
Feeder 914 Install		-	-	-	300	-	300
Feeder 1315 Install		-	-	-	250	-	250
Feeder 1602 Install		-	-	-	300	-	300
Feeder 1732 Install		70	-	-	-	-	70
Feeder 1733 Install		-	-	200	-	-	200
1st Ave SE Duct Relocation		80	-	-	-	-	80
Downtown New Duct Systems		-	-	200	2,300	3,000	5,500
Downtown New Feeder Extensions		-	-	-	1,000	1,500	2,500
65th St - 50th to 60th Ave		-	-	-	-	500	500
Q2 Rebuild from Bear Creek - RCTC		-	-	-	-	350	350
Q4 Rebuild from BV Sub to Salem Rd		-	-	-	400	400	800
Q7 Rebuild to Grade B		-	-	-	-	400	400
Q11 W.C. to new St. Bridget Sub - ROW		320	-	-	-	-	320
Fiber Cascade Creek to Westside		-	195	-	-	-	195
Fiber OWEF Splice to Chester		-	-	275	-	-	275
Small Cell Antennas		15	20	-	-	-	35
Feeder 1401 & 1411 Bifurcation		640	-	-	-	-	640
Marion Rd Substation & Feeder Buildout	27,554	3,178	21,147	679	370	2,180	27,554
Hydro Line Reconfig for New Hydro Sub		-	-	-	250	-	250
New Padmount Hydro Sub		-	-	-	150	-	150
New Mayo Feeders		-	-	-	3,500	-	3,500
Mayo - Feeders to St. Mary's		-	-	-	-	3,000	3,000
Substation Communication		-	1,130	1,000	-	-	2,130
Volt/VAR Optimization		-	50	250	250	-	550
Solar/DER 20+ MW		1,620	-	-	-	-	1,620
DER Software Portal		50	-	-	-	-	50
SAG10 Software		14	-	-	-	-	14

Attachment: Board Packet Elc (11197 : Preliminary 2020 Water and Electric Utility Budgets)

**ROCHESTER PUBLIC UTILITIES
CAPITAL AND MAJOR MAINTENANCE PLAN
MATERIALS, SUPPLIES & SERVICES
5 YEAR PROJECT LIST**

6.4.b

**ELECTRIC UTILITY
CAPITAL
(\$000's)**

Multi-Year

	Project Total	2020	2021	2022	2023	2024	5-Yr Total
Allocation - Distribution Expansion		3,021	3,230	3,030	4,170	4,330	17,781
Feeder Extensions		350	100	260	375	250	1,335
Feeder Rebuilds		130	150	165	210	265	920
Transmission Projects		30	30	30	30	30	150
Substation Projects		205	180	105	195	220	905
Road Projects		125	325	425	600	525	2,000
Road Projects - DMC		445	475	375	150	50	1,495
Manhole Switch Replacements		85	90	90	95	95	455
Mainline Cable Replacement		646	800	450	550	830	3,276
Manhole Repair/Replace		275	300	300	325	350	1,550
Substation Switchgear Replacement		-	-	-	675	700	1,375
Capacitor Bank Installations		30	30	30	35	35	160
Fiber Optic Projects		25	25	25	30	30	135
Distribution Transformers		550	600	650	700	750	3,250
Overhead to Underground Conversion		125	125	125	200	200	775
Pole Replacements		-	-	-	-	-	-
Survey GPS Replacement		-	-	-	30	-	30
Responder/SCADA Integration		60	-	-	-	-	60
GIS Utility Network Implementation		-	95	-	-	-	95
Service Territory Payments		355	355	355	355	355	1,775
Service Territory Payments - SMMPA Reimbursement		(178)	(178)	(89)	(89)	(44)	(577)
Total Core Services	27,554	13,571	29,114	10,002	16,724	19,583	88,994
Customer Relations							
TOU Post Go Live	275	115	160	-	-	-	275
Total Customer Relations	275	115	160	-	-	-	275
Corporate Services							
ERP/Work Mgmt Implementation		-	-	-	6,000	4,000	10,000
Enterprise Systems and Applications		-	150	150	-	-	300
Change Management Tool		50	-	-	-	-	50
NSX Implementation	142	42	100	-	-	-	142
Enterprise Software Backup		-	140	-	-	-	140
Report Server		30	-	-	-	-	30
Allocation - Technology		460	524	584	535	525	2,628
Network Management		228	200	165	165	165	923
Output Management		16	16	16	21	16	85
Server Management		19	99	144	40	85	387
Workstation Management		107	93	93	93	93	479
Backup/DR		35	26	26	26	26	139
Information Risk and Security		25	10	10	10	10	65
Storage Management		-	50	50	50	50	200
Business Systems/Applications		-	-	-	-	-	-
City Shared Infrastructure		-	-	-	-	-	-
Operation Technology		30	30	80	130	80	350
Total Corporate Services	142	582	914	734	6,535	4,525	13,290
Power Resources							
Allocation - Power Resources		609	450	215	350	300	1,924
Civic Center Solar		191	-	-	-	-	191
Replace AHU 1-4	1,999	1,527	473	-	-	-	1,999
Fleet Hoist #3 Replacement		208	-	-	-	-	208
Allocation - Facilities		30	31	32	33	34	160
Pickup - Tech Services Electrician		83	-	-	-	-	83
Hydro Vac - T&D		96	-	-	-	-	96
Allocation - Fleet		604	602	592	624	670	3,092
Total Power Resources	1,999	3,348	1,556	839	1,007	1,004	7,753
General Management							
Project Contingency Fund		700	700	700	700	700	3,500
Total General Management		700	700	700	700	700	3,500
Total Outside Expenditures	29,970	18,315	32,444	12,275	24,966	25,812	113,812
Total Internal Expenditures	3,159	4,822	5,457	3,948	5,174	6,078	25,479
Less Bonding		-	-	-	-	-	-
Net Capital Plan	33,129	23,137	37,901	16,223	30,140	31,890	139,291
Net Capital and Major Maintenance Plan	33,641	27,219	43,746	22,515	34,312	35,614	163,406

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE RES
SHEET 1 OF 1**

RESIDENTIAL SERVICE

AVAILABILITY:

At all locations where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Where service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To electric service required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one point of delivery and measured through one meter. Existing single metered, multi-unit dwellings having not in excess of three separate dwelling units in the same structure may be served under this rate.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:

	<u>2019</u>	<u>2020</u>
Customer Charge:	\$19.50	\$18.30
Energy Charge:		
Non Summer Energy / kWh	10.545¢	10.726¢
Summer Energy / kWh	12.596¢	12.812¢

Definition of Season: Summer months are June through September. Non-summer months are January through May and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

	<u>2019</u>	<u>2020</u>
MINIMUM BILL per month:	\$19.50	\$18.30

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. 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.
3. Energy furnished under this rate shall not be resold.
4. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

Approved by Rochester Public Utility Board:
Effective Date:

November 12, 2019
January 1, 2020

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE RES-DF
SHEET 1 OF 2**

RESIDENTIAL SERVICE - DUAL FUEL

AVAILABILITY:

Available only to existing dual fuel customers transferred from People's Cooperative Power Association's (PCPA) electrical system to RPU's system as part of RPU's electric service territory acquisitions.

APPLICATION:

To electric heating service required for residential purposes in individual private buildings. Such electric heating load shall be metered separately from the rest of the service.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:

	<u>2019</u>	<u>2020</u>
Energy Charge / kWh	7.870¢	8.005¢

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

Energy usage.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for electric heating. All other electrical loads shall be metered under the RES residential service rate.
2. Customer must keep his or her alternate fuel source heating system in satisfactory operating condition.
3. RPU reserves the right to transfer RES-DF customers from the primary electric heat source to the alternate fuel source at any such time that the electric heating load would add to RPU's monthly electric peak.
4. Customers that remove existing dual fuel heating systems shall not be eligible for the RES-DF rate with replacement heating systems.
5. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.

**ROCHESTER PUBLIC UTILITIES
(RPU)****RATE SCHEDULE RES-DF
SHEET 2 OF 2****RESIDENTIAL SERVICE - DUAL FUEL (Cont.)****CONDITIONS OF DELIVERY: (cont.)**

6. 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.
7. Energy furnished under this rate shall not be resold.
8. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE RESELGEO
SHEET 1 OF 2**

RESIDENTIAL SERVICE – HIGH EFFICIENCY HVAC

AVAILABILITY:

To RPU residential customers that:

1. Use either an air source or ground source heat pump system as the only source of heating and cooling in their home.
2. Use an electric water heater (usually connected to a desuperheater on the heat pump) as their only source of domestic water heating.
3. Receive prior approval of the equipment from RPU. Note that equipment must be rated by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI)*, and at the time of installation, meet the minimum efficiency requirements found on the Residential Electric Efficiency Rebate Application in effect at the time. The current application is available at www.rpu.org.

*For air source and ground source heat pumps the efficiency ratings are determined using the Air-Conditioning, Heating, and Refrigeration Institute's (AHRI) directory, which may be found at www.ahridirectory.org.

APPLICATION: Electric service required for residential purposes in individual private dwellings where service is supplied at one point of delivery and measured through one meter.

CHARACTER OF SERVICE:

Single phase, 60 hertz, 120/240 volts alternating current.

RATE:

	<u>2019</u>	<u>2020</u>
Customer Charge	\$19.50	\$18.30
Energy Charge:		
Winter first 600 kWh	10.545¢	10.726¢
Winter over 600 kWh	8.836¢	8.988¢
Summer kwh	12.596¢	12.812¢

Definition of Season: Summer months are June through September. Non-summer months are January through May and October through December.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE RESELGEO
SHEET 2 OF 2**

RESIDENTIAL SERVICE – HIGH EFFICIENCY HVAC (Cont.)

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

	<u>2019</u>	<u>2020</u>
MINIMUM BILL per month:	\$19.50	\$18.30

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for air-source or ground-source heat pump systems that meet the stated efficiency requirements as explained in the Availability subhead of this rate schedule.
2. Service provided under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
3. Energy provided under this rate shall not be resold.
4. RPU shall not be liable for any damage or loss sustained by the customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
5. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE MGS
SHEET 1 OF 2**

MEDIUM GENERAL SERVICE

AVAILABILITY:

At all locations for loads where the demand is at least 75 kW or more for three or more billing periods in a given calendar year, but less than 1,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. Customers with minimum loads of at least 50kW for three or more billing periods in a given calendar year but less than 75 kW can choose to be classified as Medium General Service (MGS) and be billed under the MGS rate schedule below. The choice, once elected, is irrevocable for 12 billing periods, and remain in force unless revoked in writing by the customer.

APPLICATION:

To commercial, industrial, and governmental customers with all service taken at one point and measured through one meter. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

Demand Charge:

Non-Summer /KW	\$ 17.830
Summer /KW	\$ 24.060

Energy Charge:

Non-Summer / kWh	5.650¢
Summer / kWh	5.650¢

Definition of Season: Summer months are June through September. Non-summer months are January through May and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovoltampere-hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE MGS
SHEET 2 OF 2**

MEDIUM GENERAL SERVICE (Cont.)

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

Credit per KW

\$ 0.35

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ~~maximum measured demand for the most current June-September billing periods adjusted for power factor.~~ **ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle.** Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. 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.
4. Energy furnished under this rate shall not be resold.

Approved by Rochester Public Utility Board:
Effective Date:

November 12, 2019
January 1, 2020

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE MGS-HEF
SHEET 1 OF 3**

MEDIUM GENERAL SERVICE - HIGH EFFICIENCY HVAC

AVAILABILITY:

At all locations for loads where the demand is at least 75 kW or more for three or more billing periods in a given calendar year, but less than 1,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, and to customers who:

1. Use either an air source or ground source heat pump as the only source of heating and cooling in their facility.
2. Use an electric water heater (usually connected to a desuperheater on the heat pump) as the only source of water heating.
3. Receive prior approval of the equipment from RPU. Note that equipment must be rated by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI)* and at the time of installation, meet the minimum efficiency requirements found on the Commercial Heat Pumps Rebate Application in effect at the time. The current application is available at www.rpu.org.
4. Service under this rate must be separately metered from other facility loads.

*For air source and ground source heat pumps the efficiency ratings are determined using the Air-Conditioning, Heating and Refrigeration Institute's (AHRI) directory, which may be found at www.ahridirectory.org.

Note: Other all-electric HVAC systems may be considered for this rate if they meet the stated efficiency standards. To have a system considered, customers must submit an engineering analysis documenting the efficiency of the system.

APPLICATION:

To commercial, industrial, governmental, and other types of Medium General Service customers reconfiguring their current electric service, or adding a new service, to separately meter their high efficiency HVAC equipment. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE MGS-HEF
SHEET 2 OF 3**

MEDIUM GENERAL SERVICE - HIGH EFFICIENCY HVAC (Cont.)

RATE:

Demand Charge per KW:

Non-Summer	\$ 16.500
Summer	\$ 20.640

Energy Charge per kWh:

Non-Summer	4.724¢
Summer	5.881¢

Definition of Season: Summer months are June through September. Non-summer months are January through May and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovoltampere-hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

Credit per KW	\$ 0.35
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DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ~~the maximum measured demand for the most current June-September billing periods adjusted for power factor~~ **ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle.** Billing periods may not coincide with calendar months.

For an existing facility reconfiguring its current electric service to come under this rate by separately metering its high efficiency HVAC equipment, the ratchet will be removed from the current electric service. The ratchet will be effective beginning in October following the first separately metered high efficiency HVAC service during one of the ~~summer billing periods, June-September~~ **May through October billing periods described above.**

At that time the ratchet will be reapplied to the current electric service and will be applied for the first time to the high-efficiency HVAC service.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE MGS-HEF
SHEET 3 OF 3**

MEDIUM GENERAL SERVICE - HIGH EFFICIENCY HVAC (Cont.)

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for air source or ground source heat pumps and any other all-electric HVAC systems that meet the stated efficiency requirements as explained in the Availability subhead of this rate schedule.
2. Service under this rate must be separately metered from other facility loads.
3. Since the HVAC system must be separately metered for this rate, the customer is responsible for any rewiring and its associated costs.
4. Service provided under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Energy provided under this rate shall not be resold.
6. RPU shall not be liable for any damage or loss sustained by the customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Unless authorized by separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE MGS-TOU
SHEET 1 OF 3**

MEDIUM GENERAL SERVICE - TIME-OF-USE

AVAILABILITY:

At all locations for loads where the demand is at least 75 kW or more for three or more billing periods in a given calendar year, but less than 1,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

APPLICATION:

To commercial, industrial, and governmental customers with all service taken at one point and measured through one meter. All electrical requirements at one location shall be taken under this rate schedule. Not applicable to temporary or standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

Meter Charge: Any additional meter charge for costs above RPU's standard MGS meter costs.

Non-Summer :

On-peak Demand / KW	\$ 17.830
Off-peak Demand/ KW	\$ 1.933
Energy Charge / kWh	5.724¢

Summer:

On-peak Demand / KW	\$ 24.060
Off-peak Demand / KW	\$ 1.933
Energy Charge / kWh	5.724¢

Definition of Season: Summer months are June through September. Non-summer months are January through May and October through December.

Definition of On-Peak Demand: The maximum kW used by the customer in any fifteen-minute period between the hours of 10:00 a.m. and 10:00 p.m. Monday through Friday.

Definition of Off-Peak Demand: The maximum kW used by the customer in any fifteen-minute period during the off-peak period.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE MGS-TOU
SHEET 2 OF 3**

MEDIUM GENERAL SERVICE - TIME-OF-USE (Cont.)

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovoltampere-hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

Credit per KW	\$ 0.35
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DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period.

BILLING DEMAND:

The on-peak billing demand shall be the greater of the measured on-peak demand for the billing period adjusted for power factor, or 50% of the ~~the maximum measured demand for the most current June-September billing periods adjusted for power factor.~~ **ratcheted on-peak demand. The ratcheted on-peak demand is the maximum measured on-peak demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle.** Billing periods may not coincide with calendar months.

The off-peak billing demand shall be the measured off-peak demand for the billing period adjusted for power factor less the on-peak billing demand for the billing period.

The total billing demand shall be the sum of the on-peak billing demand and the off-peak billing demand.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used plus any meter charge.

PAYMENT:

Payments are due on or before the due date.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE MGS-TOU
SHEET 3 OF 3**

MEDIUM GENERAL SERVICE - TIME-OF-USE (Cont.)

CONDITIONS OF DELIVERY:

1. Service under this rate will be made available at the option of the medium general service customer, subject to the availability of the necessary TOU metering equipment.
2. Customers converting to the MGS-TOU rate from the MGS rate shall make a one-time payment to RPU for any conversion cost above the normal cost to install MGS-TOU metering.
3. A customer may switch back to the MGS rate providing the customer gives RPU at least 60 days notice and agrees to pay any metering conversion costs.
4. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Unless authorized by separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
6. 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.
7. Energy furnished under this rate shall not be resold.

Approved by Rochester Public Utility Board:
Effective Date:

November 12, 2019
January 1, 2020

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE LGS
SHEET 1 OF 2**

LARGE GENERAL SERVICE

AVAILABILITY:

At all locations for loads where the measured demand is at least 1,000 kW or more for three or more billing periods in a given calendar year, but less than 10,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To commercial, industrial, and governmental customers with all service taken at one point and measured through one meter. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

Demand Charge / KW	\$ 20.000
Energy Charge / kWh	5.867¢

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovoltampere-hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

Credit per KW	\$ 0.35
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**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE LGS
SHEET 2 OF 2**

LARGE GENERAL SERVICE (Cont.)

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ~~the maximum measured demand for the most current June-September billing periods adjusted for power factor~~ **ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle.** Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. 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.
4. Energy furnished under this rate shall not be resold.
5. A separate electric service agreement may be required for service under this rate schedule.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE LIS
SHEET 1 OF 2**

LARGE INDUSTRIAL SERVICE

AVAILABILITY:

At all locations for loads with measured demands in excess of 10,000 kW for three or more billing periods in a given calendar year, and where facilities of adequate capacity and voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, contract arrangements may be required prior to service being furnished.

APPLICATION:

To industrial customers with all service taken at one point and measured through one meter or meter totalizer. Not applicable to stand-by service.

CHARACTER OF SERVICE:

Three phase, 60 Hertz alternating current at 13,800 GRDY/7970 volts.

RATE:

Demand Charge / KW	\$ 20.500
Energy Charge / kWh	5.240¢

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovoltampere-hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ~~maximum measured demand for the most current June-September billing periods adjusted for power factor.~~ **ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle.** Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

**ROCHESTER PUBLIC UTILITIES
(RPU)****RATE SCHEDULE LIS
SHEET 2 OF 2****LARGE INDUSTRIAL SERVICE (Cont.)****PAYMENT:**

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by separate written agreement, stand-by electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system: Customer shall own, install, operate, and maintain electrical interlocking equipment which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. 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.
4. Energy furnished under this rate shall not be resold.
5. Customer agrees to manage its utilization equipment so as not to unbalance the current per phase by more than 10%.
6. RPU may require a separate electric service agreement for service under this rate schedule.

Approved by Rochester Public Utility Board:
Effective Date:

November 12, 2019
January 1, 2020

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE CAR
SHEET 1 OF 1**

CLEAN AIR RIDER

APPLICATION:

The Clean Air Rider (CAR) will be used to recover costs related to renewable and environmental improvement programs and projects approved by the Utility Board. Applicable to all rate classes billed in kWh.

CONDITIONS OF DELIVERY:

1. Emission Reduction Project at Silver Lake Plant:
 - a. The CAR for the Emission Reduction Project (ERP) at the Silver Lake Plant is to recover the annual debt service of the project.
 - b. The CAR for the ERP will be calculated by dividing the ERP debt service requirements by the KWH forecast for all rate classes. This monthly charge under the CAR Schedule for 2020 is ~~\$0.00166~~ **\$0.00180** /kwh.
 - c. The CAR will terminate for the ERP with payment of all debt service requirements.
 - d. An annual true-up will be done comparing the actual amount collected to the actual debt service requirement. The amount over or under collected will adjust future years debt service requirements used in the calculation.

Approved by Rochester Public Utility Board:
Effective Date:

November 12, 2019
January 1, 2020

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**MISCELLANEOUS FEES
SHEET 1 of 2**

**MISCELLANEOUS FEES
ELECTRIC UTILITY**

Meter Test – Residential (2 nd request within the past 12 months)	\$ 100.00
Meter Test – Commercial (2 nd request within the past 12 months)	\$ 210.00
Outage Call (The problem is with the customers equipment, and this is the second request within the past twelve months)	\$ 100.00
Copies per page, black & white	\$ 0.25
Copies , black & white, duplex	\$ 0.50
Copies per page, color (from color printer, not copier)	\$ 0.35
Non pay Disconnection/Reconnection (Workdays, 8:00 AM- 5:00PM) (Additional reconnection fees apply for after hours reconnections)	\$ 70.00
Meter Connections After Hours	
Workdays, 5:00 PM - 9:00 PM	\$ 75.00
Workdays, 9:00 PM – 8:00 AM	\$ 160.00
Non-Workdays	\$ 160.00
Holidays	\$ 160.00
House Move Investigation	\$ 350.00
Optional Non-AMR Meter Change out Fee Electric	\$ 200.00
Optional Non-AMR Meter Monthly Fee per premise	\$ 55.00
Temporary Residential Meter Installation Fee	\$ 100.00
Temporary Commercial Meter Installation Fee	\$ 760.00
Pole Disconnection/Reconnection (Commercial)	\$ 295.00
Meter Tampering	\$ 240.00
Meter Service Call	\$ 70.00
Infraview Service – Per hour	\$ 115.00

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**MISCELLANEOUS FEES
SHEET 2 of 2**

Base Distributed Generation Interconnection Fee	
Simplified	\$ 100.00
Fast Track	\$ 100.00
Study Process	\$1,000.00
Distributed Generation Fee/KW	
Certified Systems / KW	\$ 1.00
Non Certified Systems / KW	\$ 2.00
Study Process /KW (Additional fees May apply)	\$ 2.00
Pre-application Report	\$ 300.00
Testing Certified System	
40 kW or less	No Fee
40kW to 1MW	\$300.00
Greater than 1MW	Actual Cost
Metering Fee	
Net Metered Under 40 kW	No fee
Not Net Metered	Actual Cost
<u>Applicable to all charges and amounts due on RPU Invoices</u>	
NSF Check	\$ 30.00

**ROCHESTER PUBLIC UTILITIES
(RPU)**
**RATE SCHEDULE WTR-C
SHEET 1 OF 2**
WATER SERVICE
AVAILABILITY:

At all locations within the Rochester City limits and at locations external to the City limits, that have been authorized by the Rochester Common Council.

MONTHLY RATE:

<u>Customer Charge:</u>	<u>Size of Meter</u>	<u>2019</u>	<u>2020</u>
	5/8"	\$ 7.95	\$8.23
	3/4"	\$ 11.30	\$11.70
	1"	\$ 18.17	\$18.81
	1-1/2"	\$ 35.05	\$36.28
	2"	\$ 55.34	\$57.28
	3"	\$ 102.96	\$106.56
	4"	\$ 170.82	\$176.80
	6"	\$ 340.47	\$352.80
	8"	\$ 608.89	\$630.20

<u>Commodity Charge Rate/CCF:</u>	<u>2019</u>	<u>2020</u>
Residential 0 - 7 CCF	86.2¢	89.2¢
7.01 - 12 CCF	93.8¢	97.1¢
12.01 and over CCF	106.5¢	110.2¢

Commercial	86.2¢	89.2¢
Industrial	86.2¢	89.2¢
Interdepartmental	86.2¢	89.2¢
Irrigation Meter (All Classes)	106.5¢	110.2¢

NOTE: Customers whose service is taken outside the Rochester city limits with individual water systems not connected to the City water system shall have a rate of 2.0 times the customer and commodity charges.

MINIMUM BILL:

Applicable monthly customer charge according to size of meter provided.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to connection policies of the Rochester City Council.
2. Service furnished under this rate schedule is subject to provisions of RPU's Water Service Rules and Regulations.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE WTR-C
SHEET 2 OF 2**

3. RPU shall not be liable for damage or loss sustained by customer in conjunction with taking service under this rate.
4. Water furnished under this rate shall not be resold.
5. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE FHFC
SHEET 1 OF 1**

FIRE HYDRANT FACILITIES CHARGE

APPLICABILITY:

To all residential and commercial and industrial water utility customers.

MONTHLY RATE:

<u>Customer Class</u>	<u>2019</u>	<u>2020</u>
Residential	\$.95	\$.98
Commercial/Industrial	\$ 3.90	\$ 4.04

BILLINGS:

Billings will be on a monthly basis.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. 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.
2. The rate will not be applied to water service meters that are used exclusively for irrigation purposes.
3. The rate will not be applied to water service meters that are not connected to the City's central water system.
4. The rate will be applied regardless of the property's water service status (active or non-active).



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize staff to give preliminary notice to the public of the proposed 3.5% increase to the general water rates and a \$0.28 per month increase in the state mandated water testing fee for 2020 and

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize staff to give preliminary notice to the public of the proposed 0.0% overall adjustment to the general electric revenue requirement for 2020 with adjustments to the residential customer charge, energy charges and the clean air rider.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of October, 2019.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 11227)

Meeting Date: 10/29/2019

SUBJECT: RPU Index of Board Policies

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

ROCHESTER PUBLIC UTILITIES		
INDEX OF BOARD POLICIES		
	REVISION DATE	RESPONSIBLE BOARD COMMITTEE
BOARD		
1. Mission Statement	6/26/2012	Policy
2. Responsibilities and Functions	3/27/2012	Policy
3. Relationship with the Common Council	2/28/2012	Policy
4. Board Organization	3/27/2018	Policy
5. Board Procedures	3/27/2012	Policy
6. Delegation of Authority/Relationship with Management	7/24/2018	Policy
7. Member Attendance at Conferences and Meetings	12/18/2018	Policy
8. Board Member Expenses	12/18/2018	Policy
9. Conflict of Interest	11/26/1985	Delete
10. Alcohol and Illegal Drugs	7/28/1988	Delete
11. Worker Safety	3/27/2012	Policy
CUSTOMER		
12. Customer Relations	4/30/2019	Ops & Admin
13. Public Information and Outreach	4/30/2019	Communications
14. Application for Service	7/1/2016	Ops & Admin
15. Electric Utility Line Extension Policy	3/28/2017	Finance
16. Billing, Credit and Collections Policy	7/25/2017	Finance
17. Electric Service Availability	4/28/1998	Ops & Admin
18. Water and Electric Metering	6/26/2018	Ops & Admin
19. Electric & Water Bill Adjustment	3/10/1994	Finance
20. Rates	7/25/2017	Finance
21. Involuntary Disconnection	4/24/2018	Communications
ADMINISTRATIVE		
22. Acquisition and Disposal of Interest in Real Property	12/19/2017	Ops & Admin
23. Electric Utility Cash Reserve Policy	1/13/2017	Finance
24. Water Utility Cash Reserve Policy	1/13/2017	Finance
25. Charitable Contributions	6/25/2019	Communications
26. Utility Compliance	10/24/2017	Communications
27. Contribution in Lieu of Taxes	6/29/1999	Finance
28. Debt Issuance (PENDING)	PENDING	Finance
29. Joint-Use of Fixed Facilities and Land Rights	10/8/1996	Ops & Admin
30. Customer Data Policy	10/9/2014	Communications
31. Life Support	9/24/2019	Communications
32. Undergrounding Policy (PENDING)	PENDING	Ops & Admin
Red - Currently being worked on		
Yellow - Will be scheduled for revision		