



MEETING AGENDA – OCTOBER 27, 2020

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

This meeting will be conducted pursuant to Minnesota Statutes Section 13D.021 and members may appear electronically. Public Access will be restricted to comply with state health guidance during the pandemic. Current room layout allows for approximately 10 individuals to attend. When calling in by phone, join the meeting via the Microsoft Teams dial-in number listed below. Please remember to mute your phone until it is your turn to speak, press *6 to mute and unmute your phone.

The meeting will be live-streamed on the following web address:
<https://youtu.be/NHTv-u472y4>.

In addition, a recording will be available after the meeting on the City's website.

Dial-In Number: 1-347-352-4853. Conference ID: 916 207 220#.

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

1. Public Utility Board - Regular Meeting - Sep 29, 2020 4:00 PM

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.)

1. Public Comments Received via Email

5. Regular Agenda

1. Commercial Automotive, General and Excess Liability Insurance Renewals for 2021
Resolution: Commercial Automobile and General Liability Insurance
Resolution: Excess Liability Insurance
2. All Risk Property Insurance Renewal for 2021
Resolution: All Risk Property Insurance
3. Electric Utility Cost of Service Study
4. 2021 Electric Utility Budget
Resolution: Approval of the 2021 Electric Utility Budget
5. 2021 Water Utility Budget
Resolution: Approval of the 2021 Water Utility Budget
6. 2021 Electric Utility Rate Adjustment
Resolution: Approval of the 2021 Electric Utility Rate Adjustment
7. Approval of Taxable Electric Utility Refunding Bonds, Series 2021A
Resolution Approving and Consenting to the Issuance of Taxable Electric Utility Revenue Refunding Bonds, Series 2021A by the City of Rochester, Minnesota
8. 2021 Utility Board Meeting Dates
Resolution: 2021 Utility Board Meeting Dates
- 6. Informational**
 1. Review of Accounts Payable
- 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.ig2.com/Citizens/Default.aspx>



MEETING MINUTES – SEPTEMBER 29, 2020

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

This meeting will be conducted pursuant to Minnesota Statutes Section 13D.021 and members may appear electronically. Public Access will be restricted to comply with state health guidance during the pandemic. Current room layout allows for approximately 10 individuals to attend. The meeting will be live-streamed on the following web addresses:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MzYwY2JhMTQtMTJmYy00NDQyLWlwZjltMzE5M2M4ZTJjMTdj%40thread.v2/0?context=%7b%22Tid%22%3a%22cb27df39-77b0-4068-b566-20ba44fa9279%22%2c%22Oid%22%3a%2202b6f02e-19e9-4f0f-895a-3fda34ad1eae%22%2c%22IsBroadcastMeeting%22%3atrue%7d and <https://youtu.be/BzYSbydLu-Y>. In addition, a recording will be available after the meeting on the City's website.

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	Present	
Michael Wojcik	Board Member	Present	

1. Approval of Agenda

1. **Motion to:** approve the agenda as presented

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Brett Gorden, Board Member
AYES:	Gorden, Haskin, Johnson, Morgan, Wojcik

2. Safety Moment

President Morgan spoke regarding Covid-19 and commended Olmsted County and the Minnesota Department of Health's response regarding testing and providing resources. General Manager Mark Kotschevar said about 35-40 percent of RPU's workforce is working from home on a regular basis. For those employees unable to work remotely, field crews have been split up to different locations to allow for physical separation. The City has guidelines in place for employees to follow in the event of exposure. RPU's safety protocols have worked to keep employees safe and the organization is now in a routine mode of operation, he said.

3. Tabled Item - Approval of Minutes

Minutes Acceptance: Minutes of Sep 29, 2020 4:00 PM (Approval of Minutes)

1. Public Utility Board - Regular Meeting - Jul 28, 2020 4:00 PM
2. **Motion to:** remove the tabled item

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Melissa Graner Johnson, Board Vice President
AYES:	Gorden, Haskin, Johnson, Morgan, Wojcik

4. Approval of Minutes

1. Public Utility Board - Regular Meeting - Aug 25, 2020 4:00 PM
2. **Motion to:** approve the minutes of July 28, 2020 and August 25, 2020

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Melissa Graner Johnson, Board Vice President
AYES:	Gorden, Haskin, Johnson, Morgan, Wojcik

NEW BUSINESS

Open Comment Period

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

1. Public Comments Received via Email

Received from Ray Schmitz on 9/27/2020:

"At least in the last two cycles the rate study has been presented in a study session, the public has had the opportunity to comment after evaluation! While I appreciate the current difficulties, administration is requesting that you accept a study from a new consultant without any opportunity for review by the board or the public! We have proposed several rate modifications for your consideration, tiered rates for example, what parameters we discussed with this consultant? After the previous study sessions the consultants came back with comments this does not appear possible here!

Is the scheduled presentation slide deck going to be easily viewed on various platforms?

Is there an opportunity for questions and comments from the board! The public?"

Board Member Michael Wojcik stated that a public review of the study is reasonable and suggested placing this on file for the next meeting while having a brief discussion at this meeting. President Morgan stated his support.

Received from Ray Schmitz on 9/28/2020:

Article:

Smart meters giving Missouri customers incentive to save energy during peaks

<https://energynews.us/2020/09/28/midwest/smart-meters-giving-missouri-customers-incentive-to-save-energy-during-peaks/>

Received from Micah Johnson on 9/28/2020:

RPU Board, As you consider rate options, here's a good article about various time-of-use rate programs around the country:

<https://energynews.us/2020/09/28/midwest/smart-meters-giving-missouri-customers-incentive-to-save-energy-during-peaks/>

6. Regular Agenda

1. Electric Utility Cost of Service Study

Director of Corporate Services Peter Hogan introduced the electric utility cost of service study conducted by 1898 & Co, a division of Burns and McDonnell. He stated that RPU management is not recommending any general rate adjustment or changes in rate structures for 2021, with the exception of the annual true-up of the Clean Air Rider, a new pilot voluntary residential time-of-use rate and a new LED street light rate that reflects the City's contribution toward the installation of LED street lights. Adam Young, a representative of 1898 & Co, presented the findings of the cost of service and rate design study to the Board.

The study was performed using the utility basis of rate-making principles. 1898 & Co looked at RPU's financial forecast which included a review of cash flow showing that minimum cash reserves, capital replacement reserves, coverage ratios and target income are acceptable today but are starting to decline, and also a review of RPU's financial plan assuming pre-Covid 19 conditions with the recommendation that RPU continue to monitor financial conditions in the budget process. In next year's budget process, RPU will be evaluating the study recommendations, said Mr. Hogan.

In looking at the cost to provide service by customer class, Mr. Young said it was determined that residential and large general service customer rates will need to increase, while small and medium general service customer rates need to decrease over time.

RPU's newly introduced residential time-of-use rate is a voluntary pilot program that will be offered to customers as an incentive to shift their energy use to off-peak times (10pm to 8am) to save money. Mr. Young said that 85 percent of the time, time-of-use rates are adopted by customers with electric vehicles. The study developed cost of service time-of-use rates that will benefit RPU, residential customers and electric vehicle owners. The typical RPU residential customer would save an average of \$14 per year by changing their behavior to use energy during off-peak times, Mr. Young stated, while electric vehicle owners charging during off-peak times would save an estimated \$196 per year.

The City of Rochester is funding the replacement of unmetered street lamps with LEDs. LED streetlights will use less energy than existing high pressure sodium streetlights. Mr. Young said the lighting rates will use the class cost of service analysis, cost to provide service for energy, power supply, distribution, and infrastructure cost for the lamp itself that is used to build up the rate as compared to the kilowatt hours. There are two rates, the City-owned fixture rate that recovers the RPU utility system cost to serve the lamp, and the RPU-owned fixture rate to recover the cost of the incremental fixture (20 years).

Future rate planning considerations for RPU include interruptible credits and standby rates (adjustments that need to be made to adjust how crediting mechanisms work based on current power supply cost structure), rate class consolidation (freezing end-use rates and potentially merging some classes with similar usage characteristics), power cost adjustment (adjust power cost adjustment monthly vs. annually, making small adjustments as you go) and demand rates (consider wider use of demand rates for residential and small general use customers).

Board Member Michael Wojcik pointed out that the nomenclature of City-owned lights and RPU-owned lights needs some adjustment since RPU is part of the City. General Manager Mark Kotschevar agreed the two classes can be renamed. Mr. Wojcik asked if the street lighting LEDs will consume a fraction of the power used before. Mr. Kotschevar said the street lighting bill to the City will be reduced by \$400,000 which includes all the capital replacement costs. Mr. Wojcik commented that the lighting rate costs should become close to the cost of service, which Mr. Hogan confirmed. Regarding the potential of freezing or merging rate classes, Mr. Wojcik asked for examples. Mr. Hogan said RPU will look at how customers are connected versus how many energy hours they use, and will evaluate small end user rates that may no longer have a cost basis. In pursuing AMI infrastructure and adding the new time-of-use rate will RPU be able to consolidate rate class pricing, asked Mr. Wojcik? There are options such as declining block rate during the winter in combination with time-of-use that has been used in the midwest, said Mr. Young. Another option is demand rate.

Board Member Tim Haskin asked about annualized savings with and without time-of-use - would the customer as well as RPU save the \$14 and \$196 per year? The average customer with no behavior change would not save anything, however if they do shift their use they would save \$14, said Mr. Young. RPU would also save money in this scenario, he said, changing higher cost energy to lower cost energy, making it of mutual benefit. Mr. Haskin asked how many electric vehicles are registered in the City of Rochester today. Energy and Environmental Advisor Dru Larson said in February 2020 the DOT did a survey which indicated the City of Rochester had 450 registered electric vehicles, which has increased since by 50 to 100 more. Is there any concern with limiting this pilot that the interest would exceed the availability, asked Vice President Johnson? If the response is overwhelming, resources can be increased to meet the demand, said Power Resources Manager Jeremy Sutton.

Mr. Kotschevar clarified that this is step one of a multi-step process, with the cost of service study setting the foundation for future rate changes to align each class with the cost of service results. Over the next 12 months, board discussions and work sessions on rate design will continue. What is the schedule to complete the LED transitions, asked Mr. Wojcik? It should be completed by first quarter 2021, depending on workload of crews, said Mr. Kotschevar.

President Morgan asked if the previous cost of service studies were compared to this one and if any changes of demographics were noted. Mr. Hogan said differences from the last cost of service study were reviewed with no big changes in demographics found for residential and commercial customers, but it was reassuring to note that the customer charge computed in the same range. Mr. Young stated that the cost allocation for primary and secondary plants presented some differences.

Will RPU see a continuing disparity between the rate classes in the future, asked President Morgan? In doing rate adjustments, the trends are evaluated to close the gap and avoid rate shocking, said Mr. Hogan, and that's why the studies are done every three years. Looking at demand side management, how can the utility achieve in generation and mitigate demand side response, asked President Morgan? That is within the plan, said Mr. Sutton, and electric vehicle (EV) growth comprises a large part, with potentially 70 megawatts saved. President Morgan asked if that goal is achievable. Mr. Young said with about 500 electric vehicles registered in Rochester, that is almost 3 megawatts of EV load, and time-of-use will help diversify the load and incentivize the shifting of energy usage.

Mr. Wojcik asked if this item should be tabled or brought back before the board at the next meeting, with this study being made available for public comment in the mean time? City Attorney Jason Loos advised to bring it back at the next meeting. Mr. Wojcik made the motion to place this item on the October 27, 2020 board agenda and publish the Electric Utility Cost of Service Study, give notice of the proposed residential time-of-use rate, changes to the LED street light rates and adjustment to the Clean Air Rider on the RPU website. This was seconded by Vice President Johnson. Motion passed.

Resolution: Electric Utility Cost of Service Study

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to defer approval of the Electric Cost of Service Study until the October 27, 2020 board meeting and authorize staff to give preliminary notice to the public for the addition of a Pilot Residential Time-Of-Use rate, adjustments to the City Street Light rate and true-up adjustments to the clean air rider.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Melissa Graner Johnson, Board Vice President
AYES:	Gorden, Haskin, Johnson, Morgan, Wojcik

2. Residential Time-of-Use Pilot Program

Manager of Portfolio Optimization Dirk Bierbaum presented a request to the board to approve the residential time-of-use pilot program. Implementation of the program will begin in January 2021 with voluntary participation limited to 200 RPU customers using the standard residential rate, as well as customers enrolled in SOLARCHOICE and Distributed Energy Resources. Customers utilizing dual fuel or high efficiency HVAC rates are not eligible. Budget billing will not be available to program participants. Participation in the program will result in automatic billing to the residential time-of-use rate. Customers may opt out of the program without penalty with a 45 day written notice.

RPU will be using its existing metering infrastructure in the pilot, said Mr. Bierbaum, and participation will require updating of customer meters. Customers will learn of their time-of-use impact via their monthly billing and real-time feedback will not be available. The normal meter read date will be changed for participants of the program, and will require additional management. Customers will receive usage data in different rate buckets on their bill - the super peak (4pm-8pm Monday-Friday), the on peak (8am-4pm and 8pm-10pm Monday-Friday) and off-peak (all other hours including weekends and holidays) in two different seasons, non-summer (January-May and October-December) and

summer (June-September). RPU will be presenting marketing information to the public on the program once approved.

President Morgan asked how RPU will learn from this long-term. If the electric vehicle owners heavily participate and there is demand, it would get rolled out to a wider audience in the future, said Mr. Bierbaum. Additionally, RPU would learn what resources are needed to meet the demand, as well as lessons learned on program procedure. President Morgan said a lot of information can be gleaned from the pilot once customers respond and he appreciates staff's work.

Resolution: Residential Time of Use Pilot Program

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Residential Time of Use Pilot Program.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of September, 2020.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Gorden, Haskin, Johnson, Morgan, Wojcik

3. Electric Utility Undergrounding Policy

The Electric Utility Undergrounding Policy, introduced to the board last month, was presented for approval. The new board policy was drafted with input from the board's Operations and Administration Committee, Board Member Michael Wojcik and RPU staff.

Board Member Tim Haskin of the Operations and Administration Committee noted some style issues and proposed tabling approval until the next meeting or to vote now and bring the updated version to next month's meeting. Board members had no objections to approving the policy now and revising the style later.

Mr. Wojcik asked if the policy can be placed on the City Council agenda as a consent item or report recommendation to present to Community Development for comment. Mr. Kotschevar said the policy will be placed on the City's agenda.

President Morgan noted that the style corrections will be made and the policy will be brought back at next month's meeting.

Resolution: Electric Utility Undergrounding Policy

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

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of September, 2020.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Brett Gorden, Board Member
AYES:	Gorden, Haskin, Johnson, Morgan, Wojcik

7. Informational

1. Review of Accounts Payable

No discussion.

2. Preliminary 2021 Water and Electric Budgets

RPU's preliminary 2021 water and electric budgets, featuring no rate increases, were presented to the board last month and General Manager Mark Kotschevar stated staff has received no comments or questions from the public. President Morgan asked if the proposed zero percent rate increase would apply to all customer classes and include no cost of service rate changes. Currently there are no adjustments for cost of service, with the exception of the Clean Air Rider and the 2021 LED City streetlight rates, said Corporate Services Director Peter Hogan. President Morgan said those adjustments have a flat impact on rates and he has heard appreciation from residents on the zero percent increase. Board Member Brett Gorden also praised the ability to keep rates flat for another year.

8. Board Liaison Reports

The next board policy in line for revision will be the Joint Use of Fixed Facilities and Land Rates Policy, said General Manager Mark Kotschevar. Vice President Johnson asked if the pending Debt Issuance Policy has been worked on. Mr. Kotschevar said the intention of creating the policy is still in question so staff will do more research, as all debt is issued through the City of Rochester.

President Morgan suggested making a decision on whether or not to create the Debt Issuance Policy in the coming months to have it in place in consideration of issuing bonds for future power purchase agreements and power plants infrastructure planning. Mr. Hogan pointed out that RPU is governed by the City's finance ordinances, therefore this policy is most likely unnecessary. Staff will look into this and return next month with recommendations, said Mr. Kotschevar.

9. General Managers Report

RPU's financial advisor conducted an analysis on \$39 million in bonds issued in 2013 that are now eligible for a refunding opportunity, said General Manager Mark Kotschevar. These are tax-exempt revenue bonds that will be refunded with taxable bonds normally at a higher interest rate, however in today's low interest rate environment, it will amount to a \$6-7 million in savings over the life of the bonds to the benefit of RPU customers. Staff will continue these discussions.

This year, the Minnesota Municipal Utility Association President's Award was awarded by Vernell Roberts at the summer virtual conference to all of the essential employees of the agency's 208 municipal utility members, including RPU, for their continued unwavering work in keeping the lights on and the water flowing.

The City of Rochester's Community Development department has received a grant to complete an assessment of the Silver Lake Power Plant to determine if it meets the criteria for historic preservation and designation on the national register.

October 4-10, 2020 is designated as National Public Power Week, and sponsored by the American Public Power Association. Advertising on City billboards as well as Information in RPU's Plugged In newsletter is planned in recognition.

Director of Customer Relations Krista Boston spoke on behalf of RPU's CARES funding distribution to residential and small business customers. The Small Business Utility Assistance

Fund has had 344 applications and RPU has distributed \$525,920, with 34 percent of those funds targeted to minority, women and veteran-owned businesses. A residential program was also initiated with \$180,000 available in residential assistance. RPU has partnered with Olmsted County as well as Three Rivers Energy to distribute assistance, Ms. Boston said, and outreach to customers continues. Vice President Johnson asked if funds are still available to small business customers or if they've been exhausted. About \$225,000 is left in phase one of the funding, said Ms. Boston, and she urged customers to get their applications in.

Mr. Kotschevar let board members know that a contact-less delivery of their in-house board mail will be made to their homes.

10. Division Reports & Metrics

No discussion.

11. Other Business

12. Adjourn

The agenda and board packet for Utility Board meetings are available on-line at www.rpu.org and <http://rochestercitymn.igmp2.com/Citizens/Default.aspx>

Submitted by:

Secretary

Approved by the Board

Board President

Date

FOR BOARD ACTION

Agenda Item # (ID # 12532)

Meeting Date: 10/27/2020

SUBJECT: Public Comments Received via Email

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

Bailey, Christina

From: Raymond <rschmitz22@charter.net>
Sent: Wednesday, October 14, 2020 1:17 PM
To: Ivan W. Idso; Dave Reichert; RPU Board Mailbox
Cc: RPU Board
Subject: Solar Power Plus Electric Vehicle Charging: Capturing Synergies in Minnesota - Great Plains Institute

EXTERNAL SENDER: Do not open links/attachments if uncertain about the sender

<https://www.betterenergy.org/blog/solar-power-plus-electric-vehicle-charging-capturing-synergies-in-minnesota/>

Ivan can you send to ev
Group
Sent from my iPhone

Attachment: Microsoft Outlook - Memo Style (12532 : Public Comments Received via Email)

FOR BOARD ACTION

Agenda Item # (ID # 12536)

Meeting Date: 10/27/2020

SUBJECT: Commercial Automotive, General and Excess Liability Insurance Renewals for 2021

PREPARED BY: Deb Donahue

ITEM DESCRIPTION:

Listed below are the recommended insurance quotations for obtaining commercial automotive, general and excess liability insurance for the period November 1, 2020 - October 31, 2021.

COMMERCIAL AUTO AND GENERAL LIABILITY INSURANCE:

Management recommends maintaining the same structure of coverage for our mobile equipment and general liability 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, employment liability, etc...) In 2019, RPU received a **dividend from the League of \$7,830**. The League distributes dividends back to its members based on premiums and incurred losses for all years of membership.

Cyber - Data Security Breach coverage of \$2M per occurrence with a \$3M annual aggregate for 3rd party liability and up to \$500K for 1st party expenses.

EXCESS LIABILITY INSURANCE:

Management also recommends continuing with AEGIS to provide blanket liability coverage with limits ranging from \$ 1,000,000 up to \$ 20,000,000 per occurrence. Also includes \$20M terrorism liability coverage for 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
2021 \$ 155,909	\$ 328,262

FOR BOARD ACTION

Agenda Item # (ID # 12536)

Meeting Date: 10/27/2020

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the attached resolutions for commercial auto and liability insurance coverage for 2020-21.



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, 2020, and expiring October 31, 2021.

The amount of the contract agreement not to exceed ONE HUNDRED FIFTY-FIVE THOUSAND

NINE HUNDRED NINE AND 00/100 DOLLARS (\$155,909.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of October, 2020.

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 LIABILITY INSURANCE

The insurance agreement to be for a twelve month policy period commencing November 1, 2020, and expiring October 31, 2021.

The amount of the contract agreement not to exceed THREE HUNDRED TWENTY-EIGHT THOUSAND TWO HUNDRED SIXTY-TWO AND 00/100 DOLLARS (\$328,262.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of October, 2020.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 12544)

Meeting Date: 10/27/2020

SUBJECT: All Risk Property Insurance Renewal for 2021

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

All Risk Property Insurance - Wortham / ARGUS program

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 Insurance market for power generation companies has seen a number of underwriters leaving the market and the remaining underwriters increasing premiums significantly, as you can see in the schedule below. Management, with our insurance broker, North Risk Partners, is pursuing additional options however we do not currently have a viable option that we can put in place before November 1, 2020 when the current policy expires.

The current property insurance policy program is pro-rated if a more attractive coverage package can be found before this new policy expires on October 31, 2021.

Limit - \$255 million (*schedule of itemized sub-limits*)

	<u>PROPERTY VALUE</u>	<u>PREMIUM</u>
2016	\$ 415,943,520	\$ 394,140
2017	\$ 253,368,823	\$ 243,252
2018	\$ 259,623,335	\$ 241,012
w/ (WES)	\$ 329,623,351	\$ 271,817
2019	\$ 337,215,818	\$ 301,408
2020	\$ 354,113,706	\$ 492,404
2021 *	\$ 319,286,846	\$ 870,000

* Deductible increase from \$500,000 to \$1,000,000

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the attached resolution for property insurance for 2020-21.



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, 2020, and expiring October 31, 2021.

The amount of the contract agreement not to exceed EIGHT HUNDRED SEVENTY THOUSAND DOLLARS AND 00/100 (\$870,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of October, 2020.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 12531)

Meeting Date: 10/27/2020

SUBJECT: Electric Utility Cost of Service Study

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Rochester Home Rule Charter Chapter 15.05, Subd. 3 states, "*The public utility board may adopt, amend, and rescind such rules and regulations as it may deem necessary for the control, management, and operation of the public utilities under its jurisdiction. The board shall, with the concurrence of the common council, fix the rates to be charged for the availability and use of the public utility commodities and services under its jurisdiction. Rates shall be **reasonable and compensatory** so as to cover all of the costs of the respective public utility and shall be **uniform for all consumers within the same class**, but different rates may be established for different classifications by the board. Rates within the city corporate limits may be less but shall be no greater than rates for the same classification outside the city limits.*"

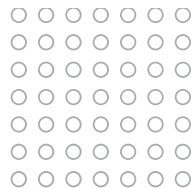
Based on the Charter, the RPU Board has further developed a policy for determining rates. The main objective of the policy is, "*to recover, through the application of rates and charges for utility services, revenues which are sufficient to meet the financial obligations of each independent utility enterprise. Further, the Board intends to apply rates and charges which are equitable and financially sustainable among customers or classes of customers based on the Utility Basis of rate-making principles.*" To accomplish this the policy further states "A cost of service study will be conducted at least every three years."

At the September 29, 2020 Board meeting 1898 &Co presented the results of the Electric Cost of Service Study along with proposed new rates for Residential Time Of Use rate.

The Board asked that the Electric Cost of Service study be brought to this meeting to allow time for their review and comment by the public.

UTILITY BOARD ACTION REQUESTED:

Accept and place on file the Electric Cost of Service Study Results.



Cost-of-Service and Rate Design Study for Rochester Public Utilities

September 2020

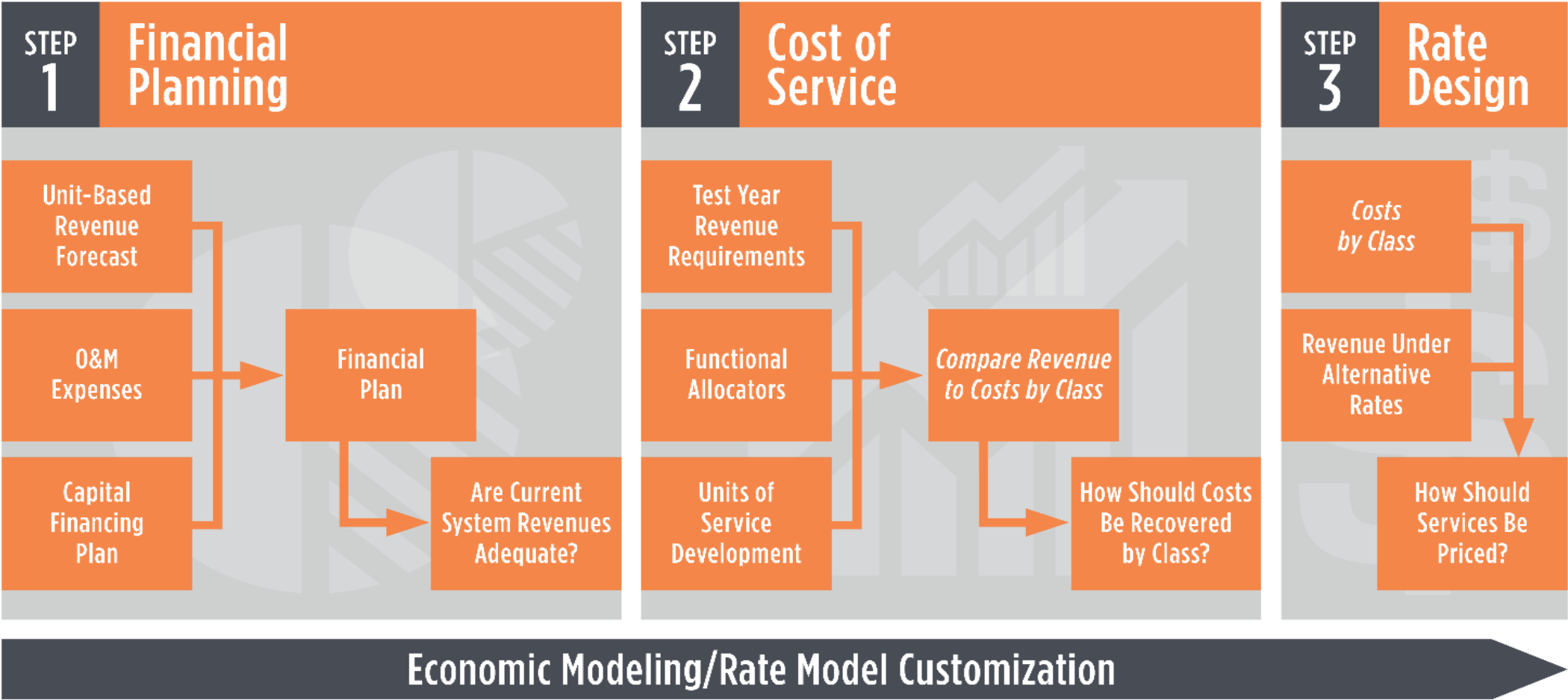
Overview

1. Objectives
2. Study Components
3. Financial Forecast
4. Cost of Service
5. Rate Design

Objectives of the Study

- Update base on 2019 Five-Year Financial Plan
- Determine Cost of Providing Service to each class
- Develop and Refine New Rate Designs
- Provide Rate Recommendations for Future Consideration

Study Components



Financial Forecast

- Reviewed Cash Flow Analysis Results
 - Updated financial forecast model sales, power cost, capital, and O&M projections
 - Minimum cash reserves, capital replacement reserves, coverage ratios, and target income are acceptable currently but starting to decline
- Reviewed Financial Plan with RPU management
 - Financial plan developed assumes pre-Covid 19 conditions
 - Operating margins and cash balances acceptable currently
 - No rate increases / decreases proposed for 2021
 - RPU will continue to monitor financial conditions in budget process

RPU Financial Strategy

Rates

- Based on cost of providing service per Board policy
- Reasonable, Compensatory and Uniform within same Class (**Home Rule Charter**)
- Match fixed charge with fixed costs and commodity charge with variable costs
- No cross subsidies between rate classes
- Regionally and nationally competitive without compromising safety or reliability

AA Bond Rating

- Target Change in Net Assets (Net Income)
- Debt Coverage Ratio
- Minimum Cash Reserves & Capital Replacement Funds
- Equity Percentage

Cost-of-Service Analysis

- Step 1: Unbundle Annual Revenue Requirement:
 - Power Supply Demand, Energy, and Generation
 - Distribution Costs (Primary, Secondary)
 - Customer Costs
- Step 2: Develop Cost Allocation Factors:
 - Demand Allocation
 - Energy Allocation
 - Distribution Allocation
 - Customer Allocation
- Step 3: Assign Revenue Requirements
 - Determined Unit Costs of Service
 - Assign Costs to Customer Classes
 - Compare Costs with Revenues
 - Determine Revenue Adjustment

Cost-of-Service Analysis

	Total System	Residential	Small General Service	Medium General Service	Large General Service	Large Industrial	Lighting	Company Use, No Charge
Cost-of-Service Summary								
Total	\$148,255,454	\$55,413,960	\$17,551,749	\$41,815,031	\$13,966,070	\$17,470,093	\$1,759,583	\$278,968
Monthly Cost Per Consumer	\$162.52	\$90.72	\$321.41	\$6,706.50	\$83,131.37	\$727,920.55	\$13.82	\$1,937.28
Average Cost per kWh	\$0.1133	\$0.1570	\$0.1246	\$0.1112	\$0.1060	\$0.1054	\$0.2490	\$0.1096
Power Supply Costs	\$107,495,474	\$33,904,503	\$12,980,690	\$33,502,133	\$11,619,428	\$14,586,120	\$675,822	\$226,778
Monthly Cost Per Consumer	\$117.84	\$55.51	\$237.70	\$5,373.24	\$69,163.26	\$607,755.00	\$5.31	\$1,574.85
Average Cost per kWh	\$0.0822	\$0.0960	\$0.0921	\$0.0891	\$0.0882	\$0.0880	\$0.0957	\$0.0891
Power Delivery Costs	\$7,220,384	\$2,172,400	\$867,154	\$2,312,110	\$802,370	\$1,007,209	\$43,480	\$15,661
Monthly Cost Per Consumer	\$7.92	\$3.56	\$15.88	\$370.83	\$4,776.01	\$41,967.06	\$0.34	\$108.76
Average Cost per kWh	\$0.0055	\$0.0062	\$0.0062	\$0.0062	\$0.0061	\$0.0061	\$0.0062	\$0.0062
Distribution Costs	\$18,253,947	\$7,332,127	\$2,568,629	\$4,910,011	\$1,515,195	\$1,872,619	\$21,858	\$33,509
Monthly Cost Per Consumer	\$20.01	\$12.00	\$47.04	\$787.49	\$9,019.02	\$78,025.81	\$0.17	\$232.70
Average Cost per kWh	\$0.0140	\$0.0208	\$0.0182	\$0.0131	\$0.0115	\$0.0113	\$0.0031	\$0.0132
Customer Costs	\$15,285,648	\$12,004,930	\$1,135,276	\$1,090,778	\$29,077	\$4,144	\$1,018,422	\$3,020
Monthly Cost Per Consumer	\$16.76	\$19.65	\$20.79	\$174.94	\$173.08	\$172.68	\$8.00	\$20.98
Average Cost per kWh	\$0.0117	\$0.0340	\$0.0081	\$0.0029	\$0.0002	\$0.0000	\$0.1441	\$0.0012
Revenue Comparison								
Revenue Requirement	\$148,255,454	\$55,413,960	\$17,551,749	\$41,815,031	\$13,966,070	\$17,470,093	\$1,759,583	\$278,968
Revenue from Current Rates	\$148,255,453	\$53,611,934	\$19,088,931	\$42,918,520	\$13,309,877	\$17,607,642	\$1,718,549	\$0
Difference	\$0	\$1,802,026	-\$1,537,182	-\$1,103,489	\$656,193	-\$137,549	\$41,033	\$278,968
Required Adjustment	0.0%	3.4%	-8.1%	-2.6%	4.9%	-0.8%	2.4%	0.0%
Rev. Requirement - \$/kWh	\$0.1133	\$0.1570	\$0.1246	\$0.1112	\$0.1060	\$0.1054	\$0.2490	\$0.1096
Rev. from Current Rates	\$0.1133	\$0.1519	\$0.1355	\$0.1142	\$0.1010	\$0.1062	\$0.2432	\$0.0000
Difference	\$0.0000	\$0.0051	(\$0.0109)	(\$0.0029)	\$0.0050	(\$0.0008)	\$0.0058	\$0.1096
Required Adjustment	0.0%	3.4%	-8.1%	-2.6%	4.9%	-0.8%	2.4%	0.0%

*Cost of Service technical analysis demonstrates that Residential and Large General Service need to increase while Small and Medium General Service should decrease

Rate Design Analysis

- No changes to existing rates for 2021
- Residential Time of Use Rates (New)
- LED Street Lighting Rates (New)
- Future rate considerations

Residential TOU Rate



RPU 2019 EV & DSM Studies identified need for Time of Use (TOU) rate for Residential Customers.



TOU rates provide an incentive to customers to shift use to off peak times and save money.

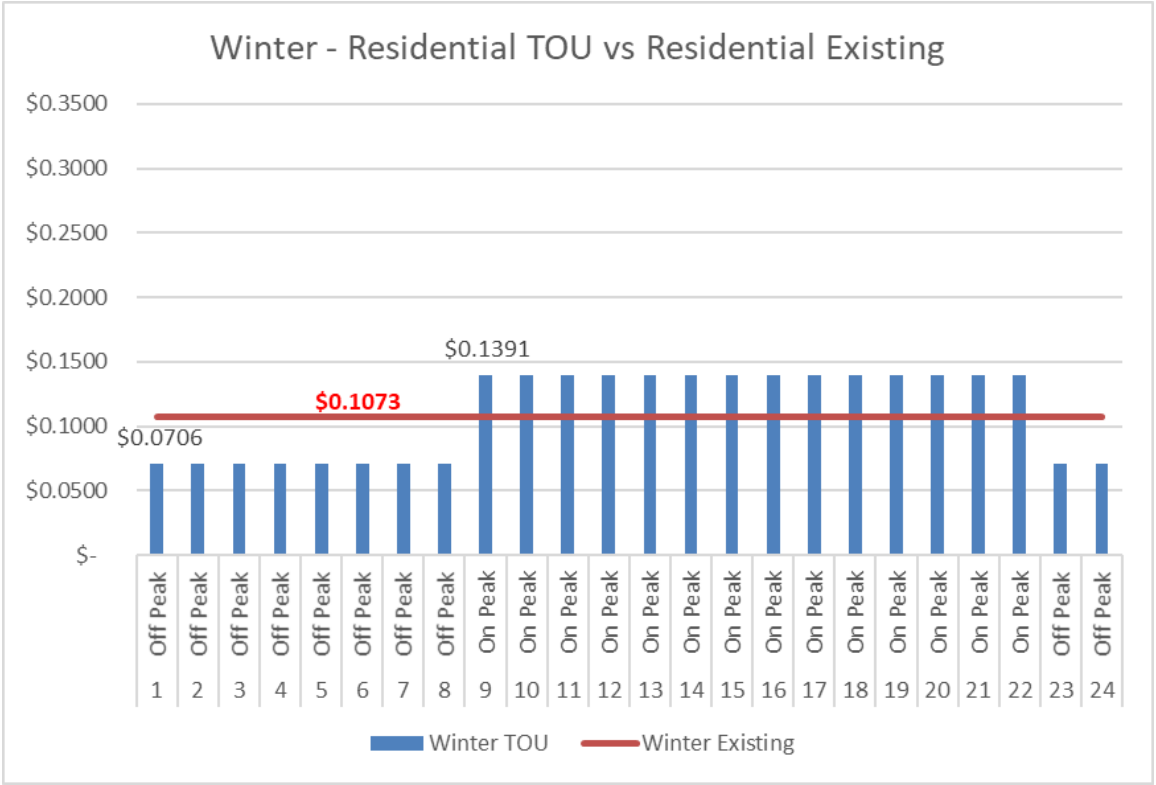
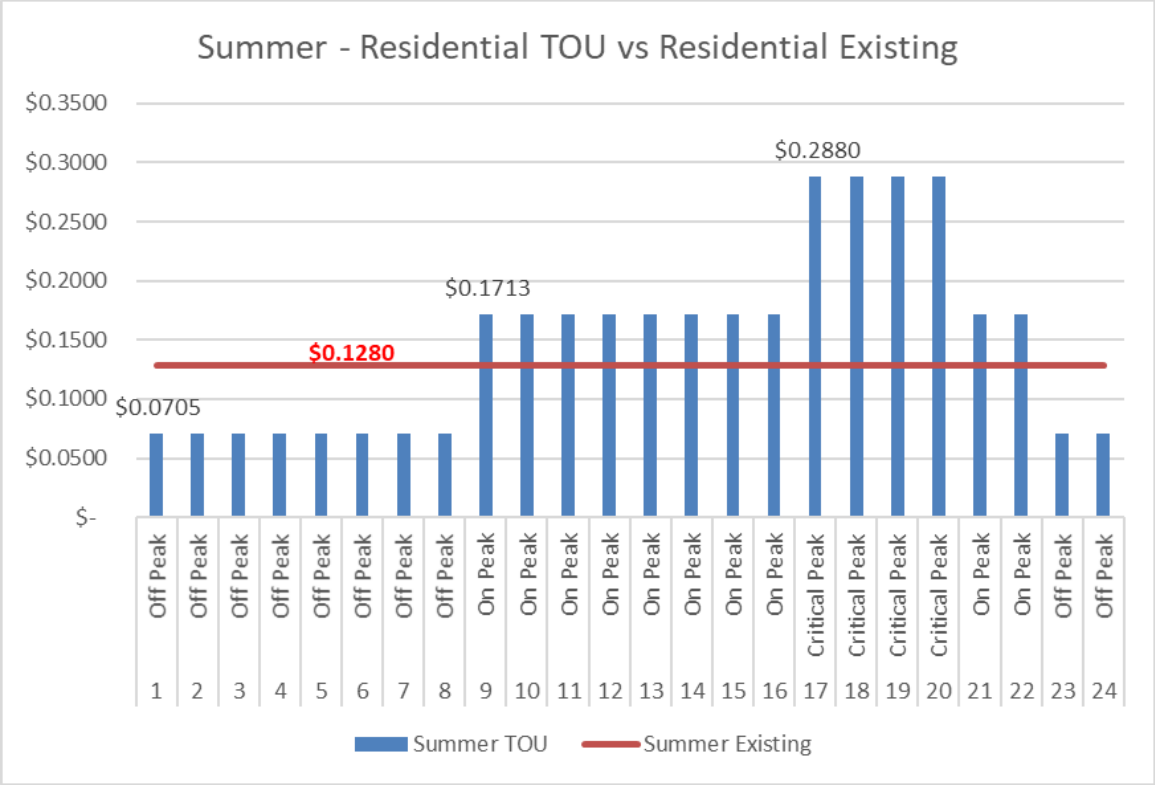


TOU rates are adopted 85% of the time by customers with EV's for off-peak charging.



This study developed cost of service based TOU rates that equitably benefit RPU, Residential customers, and EV owners.

Residential TOU Rates and Existing Rates



- Rates are bill neutral over the year based on average Residential usage profile.
- No change in behavior = no change in bill on average.

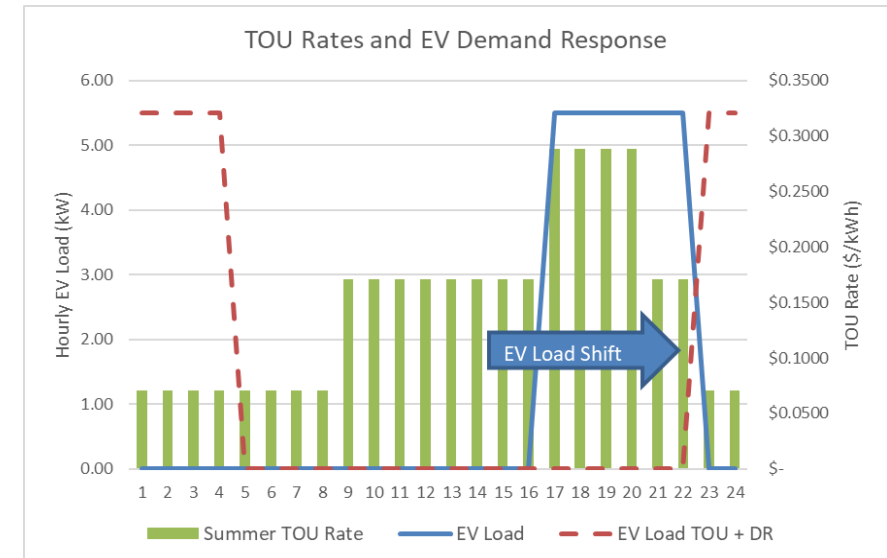
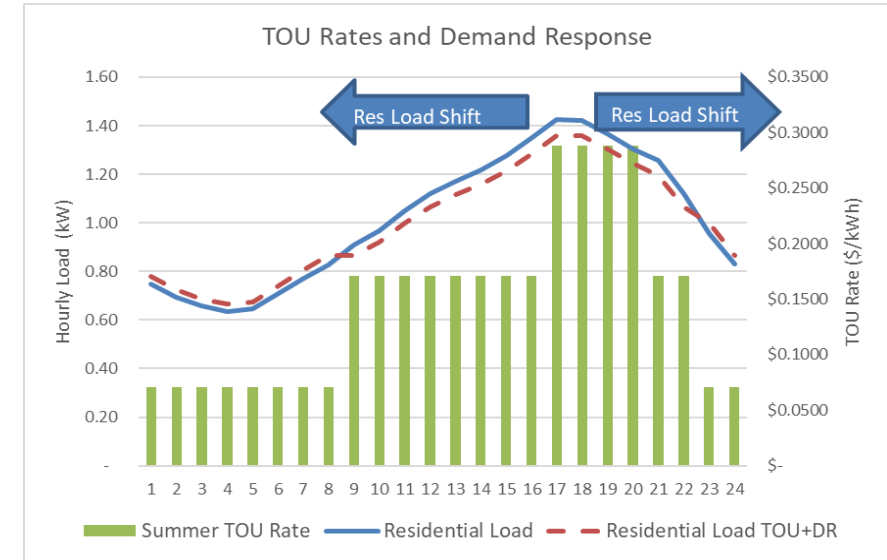
TOU Rate Demand Response & Savings

Typical RPU Residential Customer

- Price differentials drive demand response
- Critical Peak : On Peak of ~1.7 -> 4.5% shift
- On Peak : Off Peak of ~2.4 -> 7% shift
- Estimated RPU & Customer Savings = **\$14/year***
 - *Expect behavioral change
 - *Savings are based on customer behavior changes

Typical Electric Vehicle

- Low off-peak rate drives EV charging behavior
- Nearly all EV charging will shift to off-peak
- Estimated RPU & Customer Savings = **\$196/year**



Residential TOU Rate Summary

RPU TOU Pilot			
<u>Time Period</u>	<u>Time Period</u>		<u>Summer</u>
Critical Peak	4pm-8pm	\$	0.2880
On-Peak	8am-4pm; 8pm-10pm	\$	0.1713
Off-Peak	10pm- 8am	\$	0.0705
Standard	All Hours	\$	0.1280
<u>Time Period</u>	<u>Time Period</u>		<u>Winter</u>
Critical Peak	4pm-8pm	\$	0.1391
On-Peak	8am-4pm; 8pm-10pm	\$	0.1391
Off-Peak	10pm- 8am	\$	0.0706
Standard	All Hours	\$	0.1073

City Street Lighting Rates

- City is replacing (and funding) unmetered lamp replacement with LEDs
- LED streetlights will use less energy than existing HPS streetlights
- Two sets of streetlight rates required for LED streetlights
 - RPU Owned
 - City Owned

City Street Lighting Rates

- City owned fixtures recovers RPU utility system cost to serve the light.
- RPU owned fixture rates also recover cost for fixture (20 years).
- Need to transition billing systems to a lighting equipment rate and utility charge rate

Type	Fixture Ownership	Energy Rate
LED	City Owned Fixture	\$0.4165/kWh
LED	RPU Owned Fixture	\$0.5572/kWh

Future Rate Planning Considerations

Interruptible Credits & Standby Rates

- Working towards adjusting credit value and mechanisms

Rate Class Consolidation

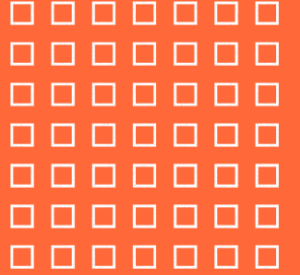
- Considering freezing and potentially merging some classes

Power Cost Adjustment

- Recover PCA monthly versus over 12 months

Demand Rates

- Consider wider use of demand rates for Residential and Small General Use



Discussion And Questions

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PART OF BURNS  MCDONNELL

FOR BOARD ACTION

Agenda Item # (ID # 12525)

Meeting Date: 10/27/2020

SUBJECT: 2021 Electric Utility Budget

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

The preliminary 2021 electric utility budget was reviewed with the finance and audit committee of the Board on August 20, 2020 and the full Board on August 25, 2020. The budget as presented reflects a reduction of approximately \$1.085 million in operating and \$2.613 million in capital expenses from staff's original submissions in order to meet the goal of no general rate increase for 2021.

The significant drivers for the 2021 budget are:

- Proposed overall electric rate adjustment of zero percent
- No significant growth in KWH sales, but continued growth in service points
- No incremental FTE's - one conversion of long-term contract position
- Our SMMPA wholesale rates for 2021 will be unchanged
- Additional investments to address aging distribution infrastructure
- South East substation to handle load growth in the downtown and southern side of the City
- Utilize savings from the Westside Energy Station and Hydro project to fund new substation instead of borrowing funds in 2020
- Continued funding for our energy conservation programs
- Movement towards the financial targets set based on the adoption of the utility method of rate setting in 2014:
 - o Alignment of variable and fixed costs with corresponding variable and fixed revenues reduces cross subsidies and improves financial sustainability
 - o Change in Net Assets goal for 2021: \$11,773,000; Budget \$15,539,000
 - o Debt Service Coverage Ratio, excluding payment in lieu of taxes (PILOT), of 3.0 times or greater; Budget projects 2.9 times in 2021
 - o Minimum cash reserves goal for 2020: \$52,569; Budget \$83,997

Summary financial sheets are attached reflecting the recommended budget. If the Board approves the budget it will be forwarded on for inclusion in the City Council approval process for the full City budget. Staff will be available to answer questions.

FOR BOARD ACTION

Agenda Item # (ID # 12525)

Meeting Date: 10/27/2020

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve and request City Council approval of the 2021 RPU electric utility capital, including multi year projects, and operating budget.

ROCHESTER PUBLIC UTILITIES

2021

ELECTRIC UTILITY

OPERATING BUDGET

Attachment: Board Packet Elc (12525 : 2021 Electric Utility Budget)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2021 OPERATING BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Basic Assumptions	1
Forecast by Year 2020 through 2025	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2021 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: 3.1%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Anticipated Bonding: none
- Change in Full-time Equivalents: 1
- SMMPA Wholesale Power Cost: 0.0% increase
- SMMPA CROD Level: 216 MW
- Minimum Cash Reserve Requirement: Current policy amount \$52,568,700

RETAIL REVENUES / SALES

- Revenue Adjustment: 0.0% proposed
- Electric KWH Sales Forecast: 0.2 % Increase from 2020 Year End Projected Sales
- Total Electric Utility Customers: 0.5% Increase over Year End 2020 Projected Customers
- Forecast Assumes Normal Weather : 525 Cooling Degree Days

WHOLESALE FUEL COSTS

- Estimated Cost of Fuel 2020 \$5.18 / mcf
- Budgeted Cost of Fuel 2019 F2 \$3.28 / mcf

OTHER ITEMS

- In Lieu of Tax forecast decreasing \$2,309 to a total of \$8,616,994.

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

in 000's		Historical Data							
		2018	2019	2020 F2	2021	2022	2023	2024	2025
RPU Rate Increase		1.5%	1.9%	0.0%	0.0%	3.5%	3.5%	3.5%	3.5%
1	Revenue								
2	Retail Electric	\$151,914	\$147,940	\$147,942	\$144,960	\$149,421	\$154,739	\$158,661	\$165,856
3	Wholesale Electric	\$4,736	\$2,503	\$1,363	\$2,753	\$2,932	\$3,432	\$3,432	\$3,432
4	Wholesale Steam	\$4,322	\$3,810	\$4,578	\$5,422	\$6,213	\$3,743	\$3,743	\$3,743
5	Transmission	\$5,245	\$5,580	\$11,176	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
6	Other Services & Fees	\$3,079	\$5,061	\$3,010	\$3,744	\$3,792	\$3,842	\$3,892	\$3,943
7	Total Revenue	\$169,295	\$164,893	\$168,069	\$162,879	\$168,358	\$171,756	\$175,728	\$182,974
8	Cost of Revenue								
9	Power Supply	\$94,984	\$89,722	\$89,881	\$88,818	\$88,857	\$89,181	\$89,941	\$90,935
10	Generation Fuel	\$5,497	\$3,780	\$3,286	\$4,828	\$5,079	\$3,853	\$3,853	\$3,853
11	Total Cost of Revenue	\$100,481	\$93,502	\$93,167	\$93,646	\$93,936	\$93,034	\$93,794	\$94,788
12	Gross Margin								
13	Retail Electric	\$56,930	\$58,218	\$58,061	\$56,142	\$60,563	\$65,558	\$68,720	\$74,921
14	Wholesale	\$3,561	\$2,532	\$2,656	\$3,347	\$4,066	\$3,322	\$3,322	\$3,322
15	Transmission	\$5,245	\$5,580	\$11,176	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
16	Other Services & Fees	\$3,079	\$5,061	\$3,010	\$3,744	\$3,792	\$3,842	\$3,892	\$3,943
17	TOTAL GROSS MARGIN	\$68,814	\$71,391	\$74,903	\$69,233	\$74,422	\$78,721	\$81,933	\$88,186
18	Controllable Costs								
19	Salaries & Benefits	\$22,673	\$24,151	\$23,577	\$24,702	\$27,497	\$29,141	\$30,480	\$31,897
20	Other Operating Expenses	\$9,605	\$9,149	\$10,089	\$10,270	\$10,513	\$10,741	\$10,943	\$11,202
21	Major Maintenance	\$2,421	\$2,881	\$4,070	\$3,791	\$7,462	\$4,257	\$3,692	\$3,686
22	Non-Bonded Capital Projects	\$8,000	\$11,902	\$17,254	\$23,132	\$17,431	\$14,371	\$15,739	\$22,224
23	TOTAL CONTROLLABLE COSTS	\$42,700	\$48,083	\$54,990	\$61,895	\$62,903	\$58,511	\$60,855	\$69,008
24	Depreciation & Amortization	\$12,969	\$14,005	\$15,052	\$15,045	\$14,993	\$15,587	\$15,902	\$16,324
25	Less Non Bonded Projects (capitalized)	(\$8,000)	(\$11,902)	(\$17,254)	(\$23,132)	(\$17,431)	(\$14,371)	(\$15,739)	(\$22,224)
26	Less Total Internal Costs (capitalized)	(\$4,763)	(\$4,968)	(\$4,184)	(\$7,785)	(\$5,653)	(\$7,505)	(\$8,060)	(\$8,940)
27	Interutility Allocation	(\$1,333)	(\$1,534)	(\$1,655)	(\$1,719)	(\$1,753)	(\$1,788)	(\$1,824)	(\$1,860)
28	Total Operating Expenses	\$41,572	\$43,685	\$46,950	\$44,304	\$53,059	\$50,433	\$51,134	\$52,309
29	Net Operating Income (Loss)	\$27,242	\$27,706	\$27,953	\$24,929	\$21,363	\$28,288	\$30,799	\$35,877
30	Financing & Other Non-Operating Items:								
31	Bond & Interest Related Expenses	(\$5,939)	(\$6,473)	(\$6,423)	(\$6,268)	(\$6,098)	(\$5,912)	(\$5,710)	(\$5,492)
32	Interest Income	\$1,372	\$2,685	\$1,561	\$1,746	\$1,700	\$1,685	\$1,745	\$1,827
33	Misc Non-Operating Income (Expense)	(\$865)	(\$201)	(\$29)	(\$17)	(\$18)	(\$18)	(\$19)	(\$19)
34	Total Financing & Non-Operating Items	(\$5,431)	(\$3,989)	(\$4,890)	(\$4,540)	(\$4,415)	(\$4,245)	(\$3,983)	(\$3,684)
35	Income Before Transfers or Capital Contributions	\$21,811	\$23,717	\$23,063	\$20,390	\$16,948	\$24,043	\$26,816	\$32,193
36	Transfers (In Lieu of Taxes)	(\$8,725)	(\$8,714)	(\$8,619)	(\$8,617)	(\$8,813)	(\$9,057)	(\$9,327)	(\$9,604)
37	Capital Contributions/Intercompany	\$2,060	\$736	\$3,006	\$10,861	\$4,423	\$1,992	\$2,012	\$6,560
38	NET INCOME	\$15,147	\$15,739	\$17,449	\$22,634	\$12,558	\$16,979	\$19,502	\$29,149
39	NET INCOME (Excluding Capital Contributions)			\$14,443	\$11,773	\$8,135	\$14,987	\$17,490	\$22,589
40	TARGET NET INCOME			\$ 14,700	\$ 15,539	\$ 16,417	\$ 17,189	\$ 18,076	\$ 19,332
41	Excess (Deficit) from Target			\$ (257)	\$ (3,766)	\$ (8,282)	\$ (2,202)	\$ (586)	\$ 3,257
42	1/01 Cash Balance	\$ 78,820	\$ 88,728	\$ 85,048	\$ 83,997	\$ 79,973	\$ 82,284	\$ 86,717	
43	Change in Net Assets	15,739	17,449	22,634	12,558	16,979	19,502	29,149	
44	Depreciation & Amortization	14,005	15,052	15,045	14,993	15,587	15,902	16,324	
45	Capital Additions/Service Territory Comp	(16,870)	(21,438)	(30,917)	(23,084)	(21,876)	(23,799)	(31,164)	
46	Bond Principal Payments	(5,725)	(6,015)	(6,315)	(6,625)	(6,955)	(7,310)	(7,605)	
47	Bond Proceeds	-	0	-	0	-	-	-	
48	Net Change in Other Assets/Liabilities	2,758	(8,729)	(1,497)	(1,866)	(1,423)	138	(1,987)	
49	Net Changes in Cash	9,908	(3,680)	(1,051)	(4,024)	2,312	4,432	4,717	
50	12/31 Cash Balance	\$ 88,728	\$ 85,048	\$ 83,997	\$ 79,973	\$ 82,284	\$ 86,717	\$ 91,434	
51	Minimum Cash Reserve	\$ 55,603	\$ 57,408	\$ 52,569	\$ 55,011	\$ 55,094	\$ 55,544	\$ 55,906	
52	Excess (Deficit) from Minimum Cash Reserve	\$ 33,125	\$ 27,640	\$ 31,428	\$ 24,962	\$ 27,191	\$ 31,173	\$ 35,529	
53	Debt Service Coverage Ratio	3.2	3.2	3.0	2.7	3.2	3.4	3.8	

Attachment: Board Packet Eic (12525 : 2021 Electric Utility Budget)

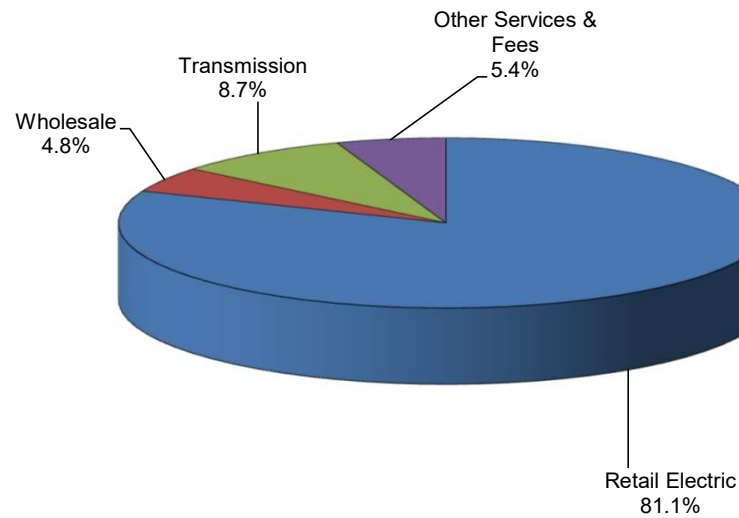
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

		Historical Data		2020		2021		Variance		%
		2018	2019	Orig Bdgt	2020 F2	2021	Orig Bdgt (from 2020 COSS)	2021 to Orig Bdgt	Variance	
in 000's										
1	<u>Revenue</u>									
2	Retail Electric	\$151,914	\$147,940	\$152,891	\$147,942	\$144,960	\$157,012	(\$12,052)		-7.7%
3	Wholesale Electric	\$4,736	\$2,503	\$4,491	\$1,363	\$2,753	\$4,491	(\$1,738)		-38.7%
4	Wholesale Steam	\$4,322	\$3,810	\$4,548	\$4,578	\$5,422	\$5,427	(\$5)		-0.1%
5	Transmission	\$5,245	\$5,580	\$5,000	\$11,176	\$6,000	\$5,000	\$1,000		20.0%
6	Other Services & Fees	\$3,079	\$5,061	\$3,365	\$3,010	\$3,744	\$3,407	\$337		9.9%
7	Total Revenue	\$169,295	\$164,893	\$170,295	\$168,069	\$162,879	\$175,338	(\$12,459)		-7.1%
8	<u>Cost of Revenue</u>									
9	Power Supply	\$94,984	\$89,722	\$91,663	\$89,881	\$88,818	\$91,796	(\$2,978)		-3.2%
10	Generation Fuel	\$5,497	\$3,780	\$5,153	\$3,286	\$4,828	\$5,613	(\$785)		-14.0%
11	Total Cost of Revenue	\$100,481	\$93,502	\$96,816	\$93,167	\$93,646	\$97,409	(\$3,763)		-3.9%
12	<u>Gross Margin</u>									
13	Retail Electric	\$56,930	\$58,218	\$61,228	\$58,061	\$56,142	\$65,216	(\$9,074)		-13.9%
14	Wholesale	\$3,561	\$2,532	\$3,886	\$2,656	\$3,347	\$4,306	(\$958)		-22.3%
15	Transmission	\$5,245	\$5,580	\$5,000	\$11,176	\$6,000	\$5,000	\$1,000		20.0%
16	Other Services & Fees	\$3,079	\$5,061	\$3,365	\$3,010	\$3,744	\$3,407	\$337		9.9%
17	TOTAL GROSS MARGIN	\$68,814	\$71,391	\$73,479	\$74,903	\$69,233	\$77,929	(\$8,696)		-12.2%
18	<u>Controllable Costs</u>									
19	Salaries & Benefits	\$22,673	\$24,151	\$25,874	\$23,577	\$24,702	\$27,631	(\$2,929)		-10.6%
20	Other Operating Expenses	\$9,605	\$9,149	\$10,481	\$10,089	\$10,270	\$10,540	(\$270)		-2.6%
21	Major Maintenance	\$2,421	\$2,881	\$4,010	\$4,070	\$3,791	\$5,380	(\$1,589)		-29.5%
22	Non-Bonded Capital Projects	\$8,000	\$11,902	\$20,336	\$17,254	\$23,132	\$32,444	(\$9,312)		-28.7%
23	TOTAL CONTROLLABLE COSTS	\$42,700	\$48,083	\$60,700	\$54,990	\$61,895	\$75,995	(\$14,100)		-18.6%
24	Depreciation & Amortization	\$12,969	\$14,005	\$14,468	\$15,052	\$15,045	\$14,379	\$665		4.6%
25	Less Non Bonded Projects (capitalized)	(\$8,000)	(\$11,902)	(\$20,336)	(\$17,254)	(\$23,132)	(\$32,444)	\$9,312		-28.7%
26	Less Total Internal Costs (capitalized)	(\$4,763)	(\$4,968)	(\$4,748)	(\$4,184)	(\$7,785)	(\$5,457)	(\$2,328)		42.7%
27	Interutility Allocation	(\$1,333)	(\$1,534)	(\$1,575)	(\$1,655)	(\$1,719)	(\$1,607)	(\$112)		7.0%
28	Total Operating Expenses	\$41,572	\$43,685	\$48,510	\$46,950	\$44,304	\$50,866	(\$6,563)		-12.9%
29	Net Operating Income (Loss)	\$27,242	\$27,706	\$24,969	\$27,953	\$24,929	\$27,063	(\$2,133)		-7.9%
30	<u>Financing & Other Non-Operating Items:</u>									
31	Bond & Interest Related Expenses	(\$5,939)	(\$6,473)	(\$6,421)	(\$6,423)	(\$6,268)	(\$6,268)	\$0		0.0%
32	Interest Income	\$1,372	\$2,685	\$1,636	\$1,561	\$1,746	\$1,621	\$125		7.7%
33	Misc Non-Operating Income (Expense)	(\$865)	(\$201)	(\$31)	(\$29)	(\$17)	(\$31)	\$14		-44.0%
34	Total Financing & Non-Operating Items	(\$5,431)	(\$3,989)	(\$4,816)	(\$4,890)	(\$4,540)	(\$4,678)	\$138		-3.0%
35	Income Before Transfers or Capital Contributions	\$21,811	\$23,717	\$20,152	\$23,063	\$20,390	\$22,385	(\$1,995)		-8.9%
36	Transfers (In Lieu of Taxes)	(\$8,725)	(\$8,714)	(\$8,825)	(\$8,619)	(\$8,617)	(\$8,999)	\$382		-4.2%
37	Capital Contributions/Intercompany	\$2,060	\$736	\$5,276	\$3,006	\$10,861	\$11,198	(\$337)		-3.0%
38	NET INCOME	\$15,147	\$15,739	\$16,603	\$17,449	\$22,634	\$24,583	(\$1,950)		-7.9%
39	1/01 Cash Balance	\$ 78,820		\$ 76,827	\$ 88,728	\$ 85,048	\$ 79,892	\$ 5,156		6.5%
40	Change in Net Assets		15,739	16,603	17,449	22,634	24,583	(1,950)		-7.9%
41	Depreciation & Amortization		14,005	14,468	15,052	15,045	14,379	665		4.6%
42	Capital Additions/Service Territory Comp		(16,870)	(25,084)	(21,438)	(30,917)	(37,901)	6,984		-18.4%
43	Bond Principal Payments		(5,725)	(6,015)	(6,015)	(6,315)	(6,315)	0		0.0%
44	Bond Proceeds		-	-	0	-	(0)	0		0.0%
45	Net Change in Other Assets/Liabilities		2,758	3,092	(8,729)	(1,497)	571	(2,068)		-362.2%
46	Net Changes in Cash		9,908	3,065	(3,680)	(1,051)	(4,683)	3,632		-77.6%
47	12/31 Cash Balance	\$ 88,728		\$ 79,892	\$ 85,048	\$ 83,997	\$ 75,209	\$ 8,787		11.7%
48	Minimum Cash Reserve	\$ 55,603		\$ 57,408	\$ 57,408	\$ 52,569	\$ 58,692	\$ (6,123)		-10.4%
49	Excess (Deficit) from Minimum Cash Reserve	\$ 33,125		\$ 22,484	\$ 27,640	\$ 31,428	\$ 16,518	\$ 14,910		90.3%

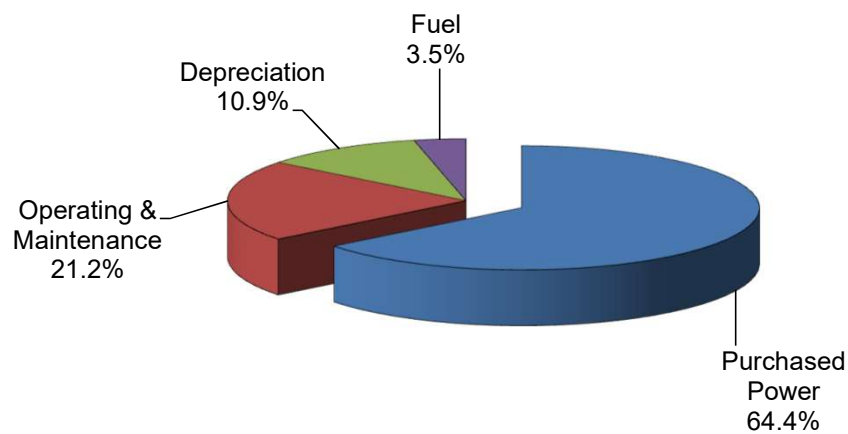
Attachment: Board Packet EIC (12525 : 2021 Electric Utility Budget)

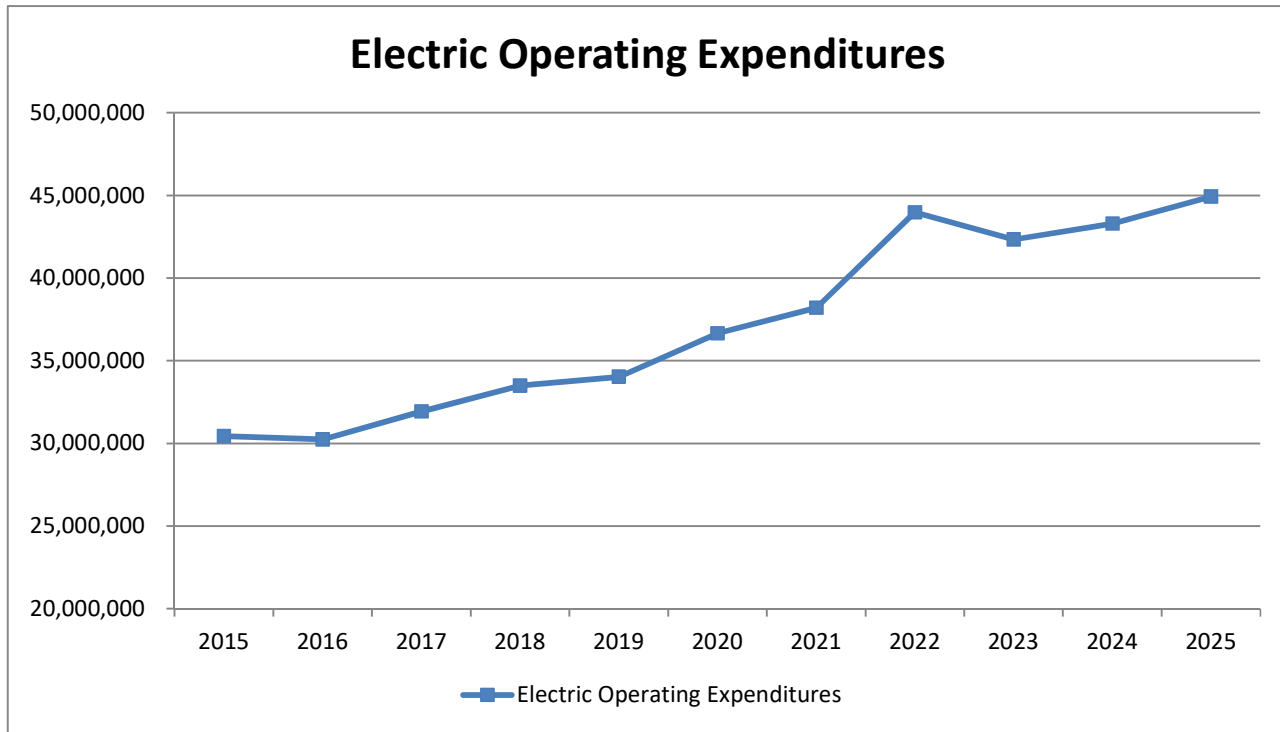
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2021 OPERATING BUDGET**

**GROSS MARGIN
\$69,233,093**



**EXPENSE USES
\$137,949,253**





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

	2020 F2	2021	2022	2023	2024	2025
1 Peak MW						
2 SMMPA	216	216	216	216	216	216
3 Self Generation	-	-	-	-	-	-
4 Market	49	51	53	55	58	60
5 Total Peak MW	265	267	269	271	274	276
6 % Change	-6.5%	0.8%	0.8%	0.4%	1.2%	0.9%
7 Retail MWH	1,155,612	1,158,147	1,161,296	1,170,203	1,181,631	1,193,074
8 % Change	-1.6%	0.2%	0.3%	0.8%	1.0%	1.0%
9 Purchased Power MWH						
10 SMMPA	1,192,014	1,176,292	1,179,331	1,188,211	1,199,530	1,210,126
11 Other	3,661	677	810	905	1,146	2,124
12 Total Purchased Power MWH	1,195,675	1,176,969	1,180,141	1,189,116	1,200,676	1,212,250
13 % Change	-0.8%	-1.6%	0.3%	0.8%	1.0%	1.0%
14 Generation MWH						
15 Total Generation MWH	41,928	66,640	66,640	66,640	66,640	66,640
16 % Change	-43.8%	58.9%	0.0%	0.0%	0.0%	0.0%
17 Number of Customers						
18 Residential	51,753	52,026	53,292	54,860	55,719	56,814
19 Small General Service	4,575	4,584	4,654	4,797	4,801	4,868
20 Medium General Service	456	456	464	476	483	493
21 Large General Service	14	14	14	14	14	14
22 Large Industrial Service	1	1	1	1	1	1
23 Street & Hwy Lightings	3	3	3	3	3	3
24 Interdepartmental	1	1	1	1	1	1
25 Total Customers	56,803	57,085	58,429	60,152	61,022	62,194
26 % Change	0.7%	0.5%	2.4%	2.9%	1.4%	1.9%
27 Blended cost per MWH for retail supply	\$ 75.17	\$ 75.46	\$ 75.29	\$ 75.00	\$ 74.91	\$ 75.01
28 Steam Generation MLBS	464,280	525,600	602,278	362,840	362,840	362,840
29 % Change	28.0%	13.2%	14.6%	-39.8%	0.0%	0.0%

Attachment: Board Packet EIC (12525 : 2021 Electric Utility Budget)

ROCHESTER PUBLIC UTILITIES

2021

ELECTRIC UTILITY

**CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

Attachment: Board Packet Elc (12525 : 2021 Electric Utility Budget)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2021 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**

5.4.a

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

	Multi-Year Project Total	2021	2022	2023	2024	2025	5-Yr Total
1 Core Services							
2 Tree Trimming		1,600	1,750	2,000	2,000	2,000	9,350
3 Asbestos Mitigation in Manholes		72	70	70	70	70	352
4 Allocation - New Services		225	215	199	202	206	1,047
5 Transmission Asset Management		45	35	15	15	15	125
6 Distribution Lines & Equipment Maintenance		180	180	184	187	191	922
7 Capacitor Bank Controls Replacement		20	-	-	-	-	20
8 Willow Creek Sub Control Building Improvements		50	-	-	-	-	50
9 Allocation - Substation Asset Management (Maint)		121	73	111	91	50	444
10 Distribution System Planning Study	50	20	30	-	-	-	50
11 ArcFlash Study for Downtown		15	-	-	-	-	15
12 DER Hosting Capacity Study		-	-	150	-	-	150
13 Downtown Duct & Feeder Routing Study	130	30	100	-	-	-	130
14 Transmission LIDAR & Clearance Analysis		-	-	-	100	100	200
15 Drone Inspection Program		15	25	50	-	-	90
16 Work Management Solution		35	-	-	-	-	35
17 Automated Crew Callout Software		5	-	-	-	-	5
18 Total Core Services	180	2,207	2,263	2,579	2,463	2,426	11,937
19 Customer Relations							
20 Customer Experience Mapping		-	160	-	-	-	160
21 Cayenta Post Go Live Maint/Break Fixes		50	-	-	-	-	50
22 Cayenta Application Enhancements		75	-	-	-	-	75
23 Process Workflow Documentation		84	-	-	-	-	84
24 Cayenta Upgrade		234	-	-	-	-	234
25 Total Customer Relations	-	443	160	-	-	-	603
26 Corporate Services							
27 Elec Cost-of-Srvc/Rate Design Study		-	-	83	-	-	83
28 Rates Modeling		45	20	20	20	20	125
29 Budgeting System		62	50	50	50	50	262
30 Utegration (HPC) Support Contract		100	100	100	100	100	500
31 Sharepoint Site		60	-	-	-	-	60
32 ImageNow Upgrade		-	30	-	30	-	60
33 Allocation - Technology		25	45	140	45	55	308
34 Info Risk & Security/City Shared Infrastructure		5	5	5	5	15	33
35 Business Systems/Applications		20	40	135	40	40	275
36 Total Corporate Services		291	245	393	245	225	1,397
37 Compliance and Public Affairs							
38 WES Emissions Testing		-	-	50	-	-	50
39 Total Compliance and Public Affairs		-	-	50	-	-	50
40 Power Resources							
41 SLP Decommissioning		240	350	275	250	250	1,365
42 GT1 Major Overhaul		-	2,050	-	-	-	2,050
43 Silver Lake Dam Ownership		-	1,240	-	-	-	1,240
44 RPU Comprehensive Master Plan		-	200	-	-	-	200
45 Allocation - Power Resources		130	475	480	255	305	1,645
46 Allocation - Facilities		180	180	180	180	180	900
47 Total Power Resources		550	4,495	935	685	735	7,400
48 General Management							
49 Operating Contingency Fund		300	300	300	300	300	1,500
50 Total General Management		300	300	300	300	300	1,500
51 Total Major Maintenance Plan - External Expenditures	180	3,791	7,462	4,257	3,692	3,686	22,887

Attachment: Board Packet Etc (12525 : 2021 Electric Utility Budget)

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

5.4.a

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

Multi-Year

	Project Total	2021	2022	2023	2024	2025	5-Yr Total
1 Core Services							
2 OSI SCADA Version Upgrade		31	-	175	-	175	381
3 Video Wall Controller & Monitor Replacement		50	-	-	-	135	185
4 Pole Inspection Software		30	-	-	-	-	30
5 Allocation - New Services		952	1,032	1,038	1,032	1,054	5,108
6 New Service Installations		590	625	638	650	663	3,166
7 Distribution Lines & Equipment - Capital		205	240	247	254	261	1,207
8 Property Damage - Repair/Replace		95	95	97	98	100	484
9 T&D Equipment Upgrade/Replace		62	72	57	30	30	251
10 Load Management Installations		8	8	8	8	8	38
11 Substation/Shop Test Equipment Upgrade/Repl		80	40	40	40	40	240
12 Substation Spares and Replacements		20	20	20	20	20	100
13 Web Based Service Application		50	-	-	-	-	50
14 Allocation - Substation Asset Management Capital		185	50	275	120	120	750
15 Metering/Shop Test Equipment Upgrade/Repl		15	45	20	20	20	120
16 TOU Limited Hybrid Smart Metering Transition		4	-	-	-	-	4
17 AMI	1,976	1,000	244	244	244	244	1,976
18 Primary Metering Upgrade WWTP		30	-	-	-	-	30
19 Allocation - Metering		430	1,257	1,257	1,257	1,257	5,459
20 Hydro Line Rebuild		-	-	-	-	200	200
21 Northern Hills 65th St Feeder		-	-	350	-	-	350
22 Feeder 306 Install		-	-	-	-	300	300
23 Feeder 615 Install		-	-	300	-	-	300
24 Feeder 715 Install		-	170	220	-	-	390
25 Feeder 913 Install		-	-	-	300	-	300
26 Feeder 914 Install		-	-	-	-	300	300
27 Feeder 1315 Install		-	-	400	-	-	400
28 Feeder 1602 Install		-	-	-	300	-	300
29 Feeder 1733 Install		-	-	200	-	-	200
30 Feeder 1911 Install		-	66	-	-	-	66
31 Feeder 1912 Install		-	-	260	250	-	510
32 Feeder 1913 Install		-	-	264	-	-	264
33 Feeder 1914 Install		-	-	-	220	-	220
34 Downtown New Duct Systems		-	-	100	1,250	2,600	3,950
35 Downtown New Feeder Extensions		-	-	-	-	900	900
36 65th St - 50th to 60th Ave		400	-	-	-	-	400
37 Q2 Rebuild from Bear Creek - RCTC		-	-	-	-	350	350
38 Q4 Rebuild from BV Sub to Salem Rd		-	-	-	400	400	800
39 Q7 Rebuild to Grade B		-	-	-	400	400	800
40 Q11 W.C. to new St. Bridget Sub - ROW		175	-	-	-	-	175
41 IBM Substation Upgrade		-	-	-	200	200	400
42 Fiber Cascade Creek to Westside		215	-	-	-	-	215
43 Fiber OWEF Splice to Chester		-	-	-	275	-	275
44 Feeder 1401 & 1411 Bifurcation		-	-	-	-	-	-
45 Marion Rd Substation & Feeder Buildout	17,864	9,930	7,934	-	-	-	17,864
46 Hydro Line Reconfig for New Hydro Sub		-	-	-	300	-	300
47 New Padmount Hydro Sub		-	-	-	-	300	300
48 New Mayo Feeders		-	-	1,200	1,200	-	2,400
49 Mayo - Feeders to St. Mary's		-	-	-	500	5,800	6,300
50 Substation Communication		200	-	1,200	-	-	1,400
51 Volt/VAR Optimization		-	-	145	-	-	145
52 LED Roadway Lighting Upgrade		1,732	-	-	-	-	1,732
53 Solar/DER 20+ MW		960	-	-	-	-	960
54 Capacitor Control Replacement		35	35	-	-	-	70
55 Hydro Line Recloser Replacement		60	-	-	-	-	60
56 60th Ave NW Right of Way Purchase		40	-	120	-	-	160

Attachment: Board Packet EIC (12525 : 2021 Electric Utility Budget)

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

5.4.a

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

Multi-Year

		2021	2022	2023	2024	2025	5-Yr Total
	Project Total						
57	Allocation - Distribution Expansion	2,750	2,805	3,810	4,678	4,675	18,717
58	Feeder Extensions	135	300	360	275	825	1,895
59	Feeder Rebuilds	90	100	125	150	150	615
60	Transmission Projects	36	40	40	40	40	196
61	Substation Projects	234	50	105	215	220	824
62	Road Projects	158	100	275	1,025	1,000	2,558
63	Road Projects - DMC	599	400	250	50	50	1,349
64	Manhole Switch Replacements	81	95	100	100	105	481
65	Cable Replacement	315	400	450	500	500	2,165
66	Manhole Repair/Replace	270	300	300	325	350	1,545
67	Substation Switchgear Replacement	-	-	675	700	-	1,375
68	Capacitor Bank Installations	18	50	20	50	50	188
69	Fiber Optic Projects	36	50	60	70	80	296
70	Distribution Transformers	495	575	600	625	650	2,945
71	Overhead to Underground Conversion	248	300	400	500	600	2,048
72	Pole Replacements	36	45	50	53	55	239
73	Survey GPS Replacement	-	-	35	-	-	35
74	Responder/SCADA Integration	45	-	-	-	-	45
75	GIS Utility Network Implementation	215	95	80	40	-	215
76	Service Territory Payments	359	355	360	365	370	1,809
77	Service Territory Payments - SMMPA Reimbursement	(180)	(178)	(180)	(183)	(185)	(905)
78	Total Core Services	20,055	19,700	13,963	11,901	13,196	78,442
82	Corporate Services						
83	NSX Implementation	142	42	100	-	-	142
84	Enterprise Software Backup	-	-	140	-	-	140
85	Business Intelligence/Reporting	-	45	45	45	45	225
86	Symantec Replacement	120	60	60	-	-	120
87	Allocation - Technology	476	405	514	591	430	2,416
88	Network Management	223	72	71	173	72	611
89	Output Management	16	16	16	16	16	80
90	Server Management	94	144	79	99	84	500
91	Workstation Management	113	93	93	113	93	505
92	Backup/DR	-	-	-	60	35	95
93	Storage Management	-	-	175	-	-	175
94	Operation Technology	30	80	80	130	130	450
95	Total Corporate Services	262	623	750	559	636	3,043
96	Power Resources						
97	Allocation - Power Resources	870	940	560	500	585	3,455
98	Replace AHU 1-4	473	-	-	-	-	473
99	A-Wing Renovation	-	360	-	-	-	360
100	Allocation - Facilities	30	30	30	30	30	150
101	Allocation - Fleet	737	688	621	677	751	3,474
102	Total Power Resources	-	2,109	2,018	1,211	1,207	7,912
103	General Management						
104	Project Contingency Fund	700	700	700	700	700	3,500
105	Total General Management	700	700	700	700	700	3,500
106	Total External Expenditures	20,317	23,132	17,431	14,371	15,739	92,897
107	Total Internal Expenditures		7,785	5,653	7,505	8,060	37,943
108	Less Bonding		-	-	-	-	-
109	Net Capital Plan	20,317	30,917	23,084	21,876	23,799	130,840

Attachment: Board Packet EIC (12525 : 2021 Electric Utility Budget)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the 2021 electric utility capital, including multi-year projects, and operating budgets as submitted.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the

2021 Electric Utility Capital, Including Multi-year Projects, and Operating Budgets

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of October, 2020.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 12527)

Meeting Date: 10/27/2020

SUBJECT: 2021 Water Utility Budget

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

The preliminary budget for the water utility was presented to the finance and audit committee of the Board on August 20, 2020 and the full Board on August 25, 2020. With the economic impacts to many of our customers due to the Pandemic, management is recommending no general rate increase for the Water Utility in 2021.

The significant drivers for the 2021 Water Utility budget are:

- o Adoption of the utility method (Industry Standard) of rate setting
- o Sustainability: Rates set to recover revenue requirement and based on cost of service
- o Establishing targeted change in net assets to fund operations and future capital replacements - \$5,029K; 2021 Budget \$ 1,341K
- o Establishing a minimum cash reserves - Per policy \$8,529K; 2021 Budget \$8,878K
- o 1.1% growth in sales volume (CCF)
- o No additional FTEs
- o DMC street reconstruction (\$2,368K)
- o Distribution system expansion (\$1,090K)

The budget supports continued investment in infrastructure for both growth and replacement of aging infrastructure in 2021. Capital and funding imbalances will need to be addressed for 2022 and beyond.

Summary financial sheets are attached reflecting the recommended budget. Staff will be available to answer questions.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve and request City Council approval of the RPU Water Utility capital, including multi year projects, and operating budget for 2021.

ROCHESTER PUBLIC UTILITIES

2021

WATER UTILITY

OPERATING BUDGET

Attachment: Board Packet Wtr (12527 : 2021 Water Utility Budget)

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2021 OPERATING BUDGET**

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Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2021 OPERATING BUDGET**

BASIC ASSUMPTIONS

- Interest Earnings Rate: 1.80%
- Average Salary Expense Change: 3.1%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Change in Full-time Equivalents: 0
- Minimum Cash Reserve Requirement: Policy Amount \$8,529,100

RETAIL REVENUES / SALES

- Revenue Adjustment: 0.0% proposed
- Water CCF Sales Forecast: 1.13% Increase from 2020 Projected Sales
- Total Water Utility Customers: 0.8% Increase over Y/E 2020 Projected Customers
- Forecast Assumes Normal Weather : 525 Cooling Degree Days,
22.1 Inches Summer Rainfall

OTHER ITEMS

- In Lieu of Tax forecast decreasing \$1,696 to a total of \$383,432.

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

	Historical Data		2020 F2					
	2018	2019		2021	2022	2023	2024	2025
in 000's								
	RPU Rate Increase	6.0%	6.0%	3.5%	0.0%	3.5%	3.5%	3.5%
1 Revenue								
2 Retail Water	\$9,601	\$9,959	\$10,826	\$10,993	\$11,431	\$11,971	\$12,548	\$13,137
3 Other Services & Fees	\$1,217	\$1,698	\$1,430	\$1,449	\$1,476	\$1,503	\$1,530	\$1,558
4 Total Revenue	\$10,817	\$11,657	\$12,256	\$12,442	\$12,907	\$13,473	\$14,078	\$14,695
5 Cost of Revenue								
6 Water Supply	\$1,892	\$1,682	\$1,729	\$1,822	\$1,822	\$1,841	\$1,864	\$1,879
7 Total Cost of Revenue	\$1,892	\$1,682	\$1,729	\$1,822	\$1,822	\$1,841	\$1,864	\$1,879
8 Gross Margin								
9 Retail Water	\$7,709	\$8,277	\$9,096	\$9,171	\$9,610	\$10,129	\$10,684	\$11,258
10 Other Services & Fees	\$1,217	\$1,698	\$1,430	\$1,449	\$1,476	\$1,503	\$1,530	\$1,558
11 TOTAL GROSS MARGIN	\$8,925	\$9,975	\$10,527	\$10,620	\$11,085	\$11,632	\$12,214	\$12,816
12 Controllable Costs								
13 Salaries & Benefits	\$2,593	\$3,026	\$3,140	\$3,108	\$3,451	\$3,619	\$3,866	\$4,009
14 Other Operating Expenses	\$1,313	\$1,310	\$1,204	\$1,281	\$1,306	\$1,332	\$1,358	\$1,385
15 Major Maintenance	\$304	\$323	\$604	\$505	\$455	\$355	\$205	\$540
16 Non-Bonded Capital Projects	\$2,271	\$1,712	\$4,147	\$4,975	\$8,396	\$5,110	\$6,553	\$7,143
17 TOTAL CONTROLLABLE COSTS	\$6,481	\$6,371	\$9,094	\$9,869	\$13,608	\$10,416	\$11,983	\$13,078
18 Depreciation & Amortization	\$2,674	\$2,742	\$2,816	\$2,910	\$3,041	\$3,149	\$3,229	\$3,303
19 Less Non Bonded Projects (capitalized)	(\$2,271)	(\$1,712)	(\$4,147)	(\$4,975)	(\$8,396)	(\$5,110)	(\$6,553)	(\$7,143)
20 Less Total Internal Costs (capitalized)	(\$164)	(\$270)	(\$364)	(\$458)	(\$360)	(\$345)	(\$361)	(\$378)
21 Interutility Allocation	\$1,333	\$1,534	\$1,655	\$1,719	\$1,753	\$1,788	\$1,824	\$1,860
22 Total Operating Expenses	\$8,052	\$8,664	\$9,054	\$9,065	\$9,646	\$9,898	\$10,121	\$10,719
23 Net Operating Income (Loss)	\$873	\$1,311	\$1,472	\$1,555	\$1,439	\$1,734	\$2,093	\$2,097
24 Financing & Other Non-Operating Items:								
25 Bond & Interest Related Expenses	(\$0)	(\$1)	(\$0)	\$0	\$0	\$0	\$0	\$0
26 Interest Income	\$146	\$201	\$239	\$169	\$154	\$142	\$118	\$92
27 Misc Non-Operating Income (Expense)	(\$31)	(\$31)	\$0	\$0	\$0	\$0	\$0	\$0
28 Total Financing & Non-Operating Items	\$114	\$169	\$239	\$169	\$154	\$142	\$118	\$92
29 Income Before Transfers or Capital Contributions	\$988	\$1,480	\$1,711	\$1,724	\$1,593	\$1,876	\$2,211	\$2,189
30 Transfers (In Lieu of Taxes)	(\$368)	(\$358)	(\$385)	(\$383)	(\$391)	(\$404)	(\$418)	(\$431)
31 Capital Contributions	\$1,657	\$891	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100
32 Cash Transfers from City/Intercompany	\$0	\$0	\$15	\$85	\$4,030	\$0	\$0	\$1,475
33 NET INCOME	\$2,277	\$2,013	\$2,441	\$2,526	\$6,332	\$2,572	\$2,893	\$4,333
34 NET INCOME (Excluding Contrib & Cash Tfrs from City)			\$1,326	\$1,341	\$1,202	\$1,472	\$1,793	\$1,758
35 TARGET NET INCOME			\$ 3,446	\$ 5,029	\$ 5,300	\$ 5,469	\$ 5,684	\$ 5,917
36 Excess (Deficit) from Target			\$ (2,120)	\$ (3,688)	\$ (4,098)	\$ (3,997)	\$ (3,891)	\$ (4,159)
37 1/01 Cash Balance	\$ 9,335	\$ 10,529	\$ 10,109	\$ 8,878	\$ 8,366	\$ 7,535	\$ 5,642	
38 Change in Net Assets	2,013	2,441	2,526	6,332	2,572	2,893	4,333	
39 Depreciation & Amortization	2,742	2,816	2,910	3,041	3,149	3,229	3,303	
40 Capital Additions	(1,982)	(4,510)	(5,432)	(8,756)	(5,455)	(6,914)	(7,522)	
41 Non-Cash Contributions	(891)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	
42 Debt Principal Payments	-	-	-	-	-	-	-	
43 Debt Proceeds	-	-	-	-	-	-	-	
44 Net Change in Other Assets/Liabilities	(688)	(67)	(135)	(30)	3	-	-	
45 Net Changes in Cash	1,194	(420)	(1,231)	(513)	(831)	(1,892)	(986)	
46 12/31 Cash Balance	\$ 10,529	\$ 10,109	\$ 8,878	\$ 8,366	\$ 7,535	\$ 5,642	\$ 4,656	
47 Minimum Cash Reserve	\$ 7,641	\$ 7,908	\$ 8,529	\$ 8,803	\$ 8,995	\$ 8,945	\$ 9,159	
48 Excess (Deficit) from Minimum Cash Reserve	\$ 2,888	\$ 2,201	\$ 349	\$ (437)	\$ (1,460)	\$ (3,303)	\$ (4,503)	

Attachment: Board Packet Wtr ('12527 : 2021 Water Utility Budget)

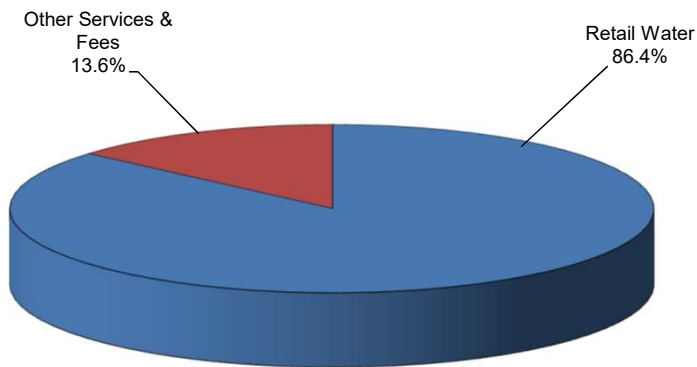
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

	Historical Data		2020		2021 Orig Bdg (from 2019 COSS)		Variance 2021 to Orig Bdg	% Variance
	2018	2019	Orig Bdg	2020 F2	2021	COSS	Orig Bdg	Variance
in 000's								
1 Revenue								
2 Retail Water	\$9,601	\$9,959	\$10,636	\$10,826	\$10,993	\$12,180	(\$1,187)	-9.7%
3 Other Services & Fees	\$1,217	\$1,698	\$1,222	\$1,430	\$1,449	\$1,267	\$182	14.4%
4 Total Revenue	\$10,817	\$11,657	\$11,858	\$12,256	\$12,442	\$13,447	(\$1,004)	-7.5%
5 Cost of Revenue								
6 Water Supply	\$1,892	\$1,682	\$1,867	\$1,729	\$1,822	\$1,851	(\$29)	-1.6%
7 Total Cost of Revenue	\$1,892	\$1,682	\$1,867	\$1,729	\$1,822	\$1,851	(\$29)	-1.6%
8 Gross Margin								
9 Retail Water	\$7,709	\$8,277	\$8,769	\$9,096	\$9,171	\$10,328	(\$1,157)	-11.2%
10 Other Services & Fees	\$1,217	\$1,698	\$1,222	\$1,430	\$1,449	\$1,267	\$182	14.4%
11 TOTAL GROSS MARGIN	\$8,925	\$9,975	\$9,991	\$10,527	\$10,620	\$11,595	(\$975)	-8.4%
12 Controllable Costs								
13 Salaries & Benefits	\$2,593	\$3,026	\$3,095	\$3,140	\$3,108	\$3,519	(\$411)	-11.7%
14 Other Operating Expenses	\$1,313	\$1,310	\$1,372	\$1,204	\$1,281	\$1,336	(\$55)	-4.1%
15 Major Maintenance	\$304	\$323	\$568	\$604	\$505	\$392	\$113	28.8%
16 Non-Bonded Capital Projects	\$2,271	\$1,712	\$4,554	\$4,147	\$4,975	\$6,663	(\$1,688)	-25.3%
17 TOTAL CONTROLLABLE COSTS	\$6,481	\$6,371	\$9,588	\$9,094	\$9,869	\$11,910	(\$2,041)	-17.1%
18 Depreciation & Amortization	\$2,674	\$2,742	\$2,770	\$2,816	\$2,910	\$2,866	\$44	1.5%
19 Less Non Bonded Projects (capitalized)	(\$2,271)	(\$1,712)	(\$4,554)	(\$4,147)	(\$4,975)	(\$6,663)	\$1,688	-25.3%
20 Less Total Internal Costs (capitalized)	(\$164)	(\$270)	(\$318)	(\$364)	(\$458)	(\$256)	(\$202)	78.7%
21 Interutility Allocation	\$1,333	\$1,534	\$1,486	\$1,655	\$1,719	\$1,546	\$173	11.2%
22 Total Operating Expenses	\$8,052	\$8,664	\$8,971	\$9,054	\$9,065	\$9,403	(\$337)	-3.6%
23 Net Operating Income (Loss)	\$873	\$1,311	\$1,019	\$1,472	\$1,555	\$2,192	(\$638)	-29.1%
24 Financing & Other Non-Operating Items:								
25 Bond & Interest Related Expenses	(\$0)	(\$1)	\$0	(\$0)	\$0	\$0	\$0	0.0%
26 Interest Income	\$146	\$201	\$44	\$239	\$169	\$13	\$156	1164.2%
27 Misc Non-Operating Income (Expense)	(\$31)	(\$31)	\$0	\$0	\$0	\$0	\$0	0.0%
28 Total Financing & Non-Operating Items	\$114	\$169	\$44	\$239	\$169	\$13	\$156	1164.2%
29 Income Before Transfers or Capital Contributions	\$988	\$1,480	\$1,063	\$1,711	\$1,724	\$2,206	(\$482)	-21.8%
30 Transfers (In Lieu of Taxes)	(\$368)	(\$358)	(\$398)	(\$385)	(\$383)	(\$426)	\$43	-10.0%
31 Capital Contributions	\$1,657	\$891	\$1,100	\$1,100	\$1,100	\$1,100	\$0	0.0%
32 Cash Transfers from City	\$0	\$0	\$0	\$15	\$85	\$0	\$85	0.0%
33 NET INCOME	\$2,277	\$2,013	\$1,765	\$2,441	\$2,526	\$2,880	(\$439)	-15.2%
34 1/01 Cash Balance	\$ 9,335		\$ 6,194	\$ 10,529	\$ 10,109	\$ 2,894	\$ 7,216	249.4%
35 Change in Net Assets		2,013	1,765	2,441	2,526	2,880	(354)	-12.3%
36 Depreciation & Amortization		2,742	2,770	2,816	2,910	2,866	44	1.5%
37 Capital Additions/Service Territory Comp		(1,982)	(4,873)	(4,510)	(5,432)	(6,919)	1,487	-21.5%
38 Non-Cash Contributions		(891)	(1,100)	(1,100)	(1,100)	(1,100)	-	0.0%
39 Debt Principal Payments		-	0	-	-	-	-	0.0%
40 Debt Proceeds		-	0	-	-	-	-	0.0%
41 Net Change in Other Assets/Liabilities		(688)	851	(67)	(135)	72	(207)	-286.9%
42 Net Changes in Cash		1,194	(586)	(420)	(1,231)	(2,201)	970	-44.1%
43 12/31 Cash Balance	\$ 10,529		\$ 5,607	\$ 10,109	\$ 8,878	\$ 692	\$ 8,186	1182.1%
44 Minimum Cash Reserve	\$ 7,641		\$ 7,641	\$ 7,908	\$ 8,529	\$ 6,495	\$ 2,034	31.3%
45 Excess (Deficit) from Minimum Cash Reserve	\$ 2,888		\$ (2,034)	\$ 2,201	\$ 349	\$ (5,802)	\$ 6,151	-106.0%

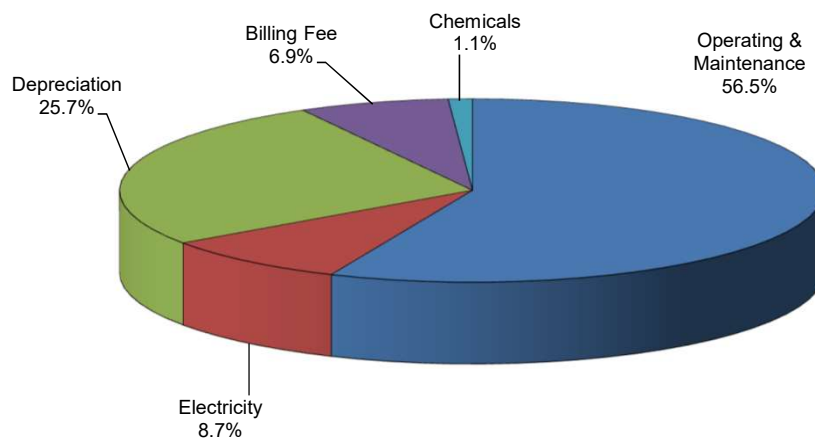
Attachment: Board Packet Wtr ('12527 : 2021 Water Utility Budget)

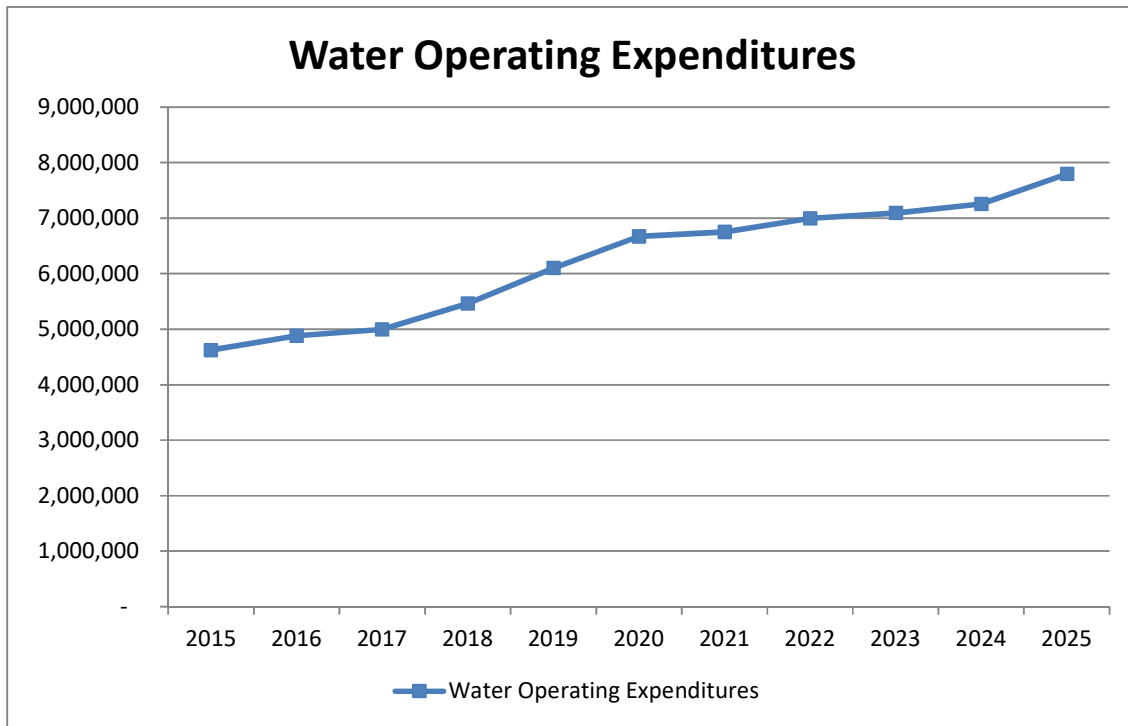
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2021 OPERATING BUDGET**

**GROSS MARGIN
\$10,620,306**



**EXPENSE USES
\$10,887,518**





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

	2020 F2	2021	2022	2023	2024	2025
1 CCF Pumped	5,654,471	5,718,560	5,714,756	5,789,759	5,871,730	5,942,568
2 % Change	-1.8%	1.1%	-0.1%	1.3%	1.4%	1.2%
3 Retail CCF	5,650,283	5,714,325	5,710,524	5,785,471	5,867,381	5,938,167
4 % Change	6.0%	1.1%	-0.1%	1.3%	1.4%	1.2%
5 Number of Customers						
6 Residential	37,339	37,642	38,039	38,393	38,830	39,226
7 Commercial	3,605	3,629	3,677	3,708	3,768	3,814
8 Industrial	31	31	31	31	31	31
9 Interdepartmental	1	1	1	1	1	1
10 Total Customers	40,976	41,303	41,748	42,133	42,630	43,072
11 % Change	1.3%	0.8%	1.1%	0.9%	1.2%	1.0%

Attachment: Board Packet Wtr ('12527 : 2021 Water Utility Budget)

ROCHESTER PUBLIC UTILITIES

2021

WATER UTILITY

**CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

Attachment: Board Packet Wtr (12527 : 2021 Water Utility Budget)

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2021 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	2021	2022	2023	2024	2025	5-Yr Total
1	Core Services							
2	Allocation - Water Distribution System Maintenance		280	345	275	120	425	1,44
3	Water Storage Facility Painting		280	345	275	120	425	1,44
4	Water Cost-of-Service/Rate Design Study		-	160	164	165	168	65
5	Operating Contingency Fund		75	80	80	85	85	40
6	Total Core Services		355	585	519	370	678	2,50
7	Compliance and Public Affairs							
8	Old Municipal Wells Sealing		30	-	-	-	-	3
9	Well #16 Sealing		105	-	-	-	-	10
10	Well #16 Sealing grant		(105)	-	-	-	-	(10)
11	Olmsted County Well Sealing		100	-	-	-	-	10
12	Water Quality Data Management		20	-	-	-	-	2
13	Total Compliance and Public Affairs		150	-	-	-	-	15
14	Total Major Maintenance Plan - External Expenditures		505	585	519	370	678	2,65

Attachment: Board Packet Wtr (12527 : 2021 Water Utility Budget)

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

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

		Multi-Year Project Total	2021	2022	2023	2024	2025	5-Yr Total
1	Core Services							
2	Well & Booster Station Metering		20	20	21	21	21	102
3	Well House Manual Switchgear		17	-	-	-	-	17
4	Install New AC Units at Wells & Boosters		35	36	37	39	40	188
5	Water AMI Implementation		-	1,404	1,404	1,404	1,404	5,616
6	Allocation - Water Distribution System Replacement		92	160	164	165	168	748
7	Replacement of Pumping Units		55	89	89	90	90	412
8	Well Motor Replacements		19	19	19	19	20	95
9	Installation of Variable Frequency Drive Units		18	18	20	20	20	96
10	Replacement of Booster Pumps		-	35	36	37	38	146
11	Allocation - Water Metering/AMR		313	320	326	332	339	1,630
12	Alloc - Residential Water Metering/AMR		191	195	198	202	206	993
13	Alloc - Commercial Water Metering/AMR		123	125	127	130	133	637
14	New Wells		400	-	440	780	-	1,620
15	Water Utility Contingency Fund		175	175	200	200	200	950
16	New Marion L 1.0MG Reservoir		-	-	-	-	1,475	1,475
17	DMC - 12th Ave SW from Center St W to 2nd St SW		550	-	-	-	-	550
18	1.0MG Baihly High Level Tower	4,115	85	4,030	-	-	-	4,115
19	DMC - Broadway From Civic Center Dr to 13th St N	1,537	795	742	-	-	-	1,537
20	DMC - 1st St NW from Broadway to 1st Ave		120	-	-	-	-	120
21	DMC - Discovery Walk	540	405	135	-	-	-	540
22	DMC - 2nd St SW 11th to 16th Ave		160	-	-	-	-	160
23	DMC - St. Mary's Transit Station		338	-	-	-	-	338
24	DMC - Broadway N, Zumbro River Bridge N to Elton		-	-	-	320	320	640
25	DMC - 3rd Ave SW - 2nd St SW to 4th St SW		-	-	-	160	-	160
26	Allocation - Water Distribution System Expansion		1,090	1,148	2,286	2,952	2,939	10,415
27	T&D City Projects		635	60	160	1,510	1,843	4,208
28	T&D Developer Projects		200	200	200	200	200	1,000
29	T&D RPU Projects		255	888	1,926	1,242	896	5,208
30	Total Core Services	6,192	4,594	8,170	4,878	6,373	6,905	30,921
31	Compliance & Public Affairs							
32	Well #16 Conversion		120	-	-	-	-	120
33	Olmsted County Well Conversion		60	-	-	-	-	60
34	Total Compliance & Public Affairs		180	-	-	-	-	180
35	Power Resources							
36	Pickup - Water Distribution Worker		53	-	-	-	-	53
37	Allocation - Fleet		148	226	232	180	238	1,023
38	Total Power Resources		201	226	232	180	238	1,076
39	Total External Expenditures	6,192	4,975	8,396	5,110	6,553	7,143	32,177
40	Total Internal Expenditures		458	360	345	361	378	1,902
41	Total Contributed Assets		1,100	1,100	1,100	1,100	1,100	5,500
42	Total Capital Plan	6,192	6,532	9,856	6,555	8,014	8,622	39,579

Attachment: Board Packet Wtr (12527 : 2021 Water Utility Budget)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the 2021 water utility capital, including multi-year projects, and operating budgets as submitted.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the

2021 Water Utility Capital, Including Multi-year Projects, and Operating Budgets

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of October 2020.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 12524)

Meeting Date: 10/27/2020

SUBJECT: 2021 Electric Utility Rate Adjustment

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Rochester Home Rule Charter Chapter 15.05, Subd. 3 states, *"The public utility board may adopt, amend, and rescind such rules and regulations as it may deem necessary for the control, management, and operation of the public utilities under its jurisdiction. The board shall, with the concurrence of the common council, fix the rates to be charged for the availability and use of the public utility commodities and services under its jurisdiction. Rates shall be **reasonable and compensatory** so as to cover all of the costs of the respective public utility and shall be **uniform for all consumers within the same class**, but different rates may be established for different classifications by the board. Rates within the city corporate limits may be less but shall be no greater than rates for the same classification outside the city limits."*

Based on the Charter the RPU Board has further developed a policy for determining rates. The main objective of the policy is, *"to recover, through the application of rates and charges for utility services, revenues which are sufficient to meet the financial obligations of each independent utility enterprise. Further, the Board intends to apply rates and charges which are equitable among customer or classes of customers based on the Utility Basis of (generally accepted industry) rate-making principles."*

Based on this guidance, staff conducted a Cost of Service Study for the electric utility during 2020. The study results were presented to the Board on September 29, 2020.

During the August 20, 2020 budget review by the Finance Committee of the Board and August 25, 2020 full Board review of the 2021 budget for the electric utility, management recommended that the Board approve a zero percent overall general rate increase for 2021.

During the September 29, 2020 Board meeting review of the Electric Utility Cost of Service Study, management recommended and the Board approved giving public notice of a proposed new Residential Time Of Use rate and adjustments to both the Clean Air Rider and LED Street Light rates. This notice was given on October 3, 2020 in accordance with the Board's rate setting policy. If the Board approves these changes they will be forwarded on for inclusion in the City Council's full City budget approval process.

UTILITY BOARD ACTION REQUESTED:

Approve and recommend City Council approval of the Residential Time Of Use rate and adjustments to both the Clean Air Rider and LED Street Light rates to take effect on or about January 1, 2021, according to the attached rate tariffs.

Weekend focus/News

An at-home antibody test is in the works

‘Game changers’ have so far failed the test of accuracy

BY MEREDITH COHN
Baltimore Sun

Plenty of people want to know whether they ever had COVID-19, and public officials need to know. But existing antibody tests that look for markers of the disease caused by the coronavirus have not met the challenge, with accuracy, cost and convenience problems. Scientists at the Johns Hopkins University and elsewhere, however, are working on the next generation of these tests that can be done at home. “We wanted to develop something you could use on your kids,” said Netz Arroyo, a Hopkins assistant professor of pharmacology and molecular sciences who joined with a biomedical engineer and a biophysicist to repurpose a common medical device to look for the virus. “It would be easy and you may not even have to poke their finger every time,” he said. “Now you have to go to a lab and have a blood draw.”

THE HOPKINS TEST

Antibody tests are different from the diagnostic tests widely

used to confirm COVID-19 cases, which involve a nose swab being sent to a lab for analysis. The Hopkins group designed its antibody test using a glucose monitor, a tool already used by millions of diabetics at home to keep tabs on their sugar levels using a finger prick of blood. The test can use a drop of blood, saliva or maybe other bodily fluid on a paper test strip that is inserted into a container and then into the monitor. If there are antibodies present, it sets off a series of chemical reactions. The monitor still reads glucose, created by the chemical reaction caused by the presence of antibodies, and the level is proportional to the level of antibodies. Antibodies are proteins produced by a person’s immune system in response to a virus. Their presence can indicate someone was infected recently, but do not indicate an active infection. They typically offer protection if they encounter the same virus again. That’s not to say that a positive coronavirus antibody test promises someone immunity from another case of COVID-19. Scientists do suspect survivors of the disease have some protection, but they don’t know how much or for how long. Once that’s sorted out, antibody tests could prove someone has immunity and could return to school or work,

Arroyo said. They also may be used to track the effectiveness of a vaccine. More immediately, the tests could identify hot spots that were not obvious from diagnostic testing alone. Health officials and scientists say many people with COVID-19 are not diagnosed with a lab-based PCR test or a rapid test in a doctor’s office because they have no symptoms or mild illness and are not tested.

RELIABLE, BUT BEING REFINED

The Hopkins test is proving reliable but is being refined still and won’t be available until perhaps sometime next year. Arroyo noted that this mechanism can also be adapted for future outbreaks and pandemics. For now, there are 47 antibody tests with emergency use authorization from the U.S. Food and Drug Administration. Nearly all require individuals to visit a lab to have blood drawn. That has limited wide-scale use so far, though researchers have begun using the tests to assess the infection rates in certain areas. One recent study by Stanford University School of Medicine used blood samples taken from dialysis patients to determine that fewer than 1 in 10 Americans have antibodies to the coronavirus, with higher rates among Black and Hispanic people and those in densely populated areas.

Other research projects are underway, including at Northwestern University in Chicago with the aid of a test developed there that, like Hopkins’ test, relies on a drop of blood that could be collected at home. In that case, the blood is dried on a paper strip and mailed to a lab. Each costs about \$1, a fraction of typical antibody tests at commercial labs that can range from about \$40 to about \$120.

NORTHWESTERN TEST

Work started on the Northwestern coronavirus test in April in the lab of Thomas McDade, an anthropology professor and a faculty fellow in the university’s Institute for Policy Research. He said they have proved easy to use and reliable. Like the Hopkins tests, they show the level of antibodies, information that could show the severity of someone’s infection but also could help scientists understand levels of potential immunity. Repeat tests could show whether antibodies and their protections wane. The Northwestern lab already has tested 1,000 samples and plans to get 3,000 to 4,000 from Chicago-area disadvantaged neighborhoods to show the rates of illness and death. An earlier study found 70% of people who lived with someone infected with COVID-19 also tested positive. “An individual infection is not super useful information ... though I understand people’s

individual level of curiosity,” McDade said. “I can’t tell you how many people have written or talked to me about that cold they had in March probably being coronavirus,” he said. “They all come back negative, but a lot of people with no symptoms come back positive.” He said the real value of the tests is the insight into hidden hot spots. Such tests will be crucial going forward since diagnostic testing has been lacking since the start of the pandemic, said Dr. Ravina Kullar, a spokesperson for the Infectious Diseases Society of America and adjunct faculty member at UCLA. Having more easy-to-use and reliable antibody tests, including those that show the level of antibodies, will help inform decisions about resources and mitigation efforts, she said. “All of these tests can be expensive, require you to go to a clinic or doctor’s office, and cannot be done at the comfort of your own home,” Kullar said. “Diversifying our testing in the U.S. can help with controlling this pandemic, so a test that can be done at home, like a pregnancy test or glucose monitor, to tell you if you may have had the SARS-CoV-2 virus or if you presently have it could be a game-changer.”

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Local Classifieds

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- services

public notices

Probate

**STATE OF MINNESOTA
COUNTY OF OLMDSTED DISTRICT COURT TIDRO JUDICIAL DISTRICT PROBATE COURT DIVISION**
Court File No. 55-PR-20-4858
In re the Estate of:
Thomas A. Sorenson aka Thomas Adolph Sorenson Decedent
NOTICE AND ORDER FOR HEARING ON PETITION FOR FORMAL PROBATE OF WILL, APPOINTMENT OF PERSONAL REPRESENTATIVE AND NOTICE TO CREDITORS
It is Ordered and Notice is given that on October 21, 2020, at 10:00 a.m., a hearing will be held in this Court at 151 4th Street SE, Rochester, Minnesota by Zoom, for the formal probate of an instrument purporting to be the Will of the Decedent dated June 29, 2017 ("Will") and a copy of a separate writing under Minn. Stat. 524.2-513 dated July 13, 2009, and for the appointment of Ruth Sorenson-Prokosch whose address is 1019 Shryer Avenue W, Roseville, Minnesota 55113 as Personal Representative of the Estate of the Decedent in an UNSUPERVISED administration. There will be no in person appearances.
Any objections to the Petition or Will must be mailed or filed by paper or in the electronic filing system, together with the court filing, to Olmsted County District Court, 151 - 4th Street SE, Rochester, Minnesota 55904 prior to the hearing instead of made in person. If proper and if no objections are filed or raised, the Personal Representative will be appointed with full power to administer the Estate including the power to collect all assets, to pay all legal debts, claims, taxes and expenses, to sell real and personal property, and to do all necessary acts for the Estate. Notice is also given that (subject to Minnesota Statutes section 524.3-801) all creditors having claims against the Estate are required to present the claims to the Personal Representative or to the Court Administrator within four months after the date of this Notice or the claims will be barred. Any charitable beneficiary may request notice of the probate proceeding be given to the attorney general pursuant to Minnesota Statute Section 501B.41, Subdivision 5.
IT IS FURTHER ORDERED that notice shall be given by: [X] publication once a week for two consecutive weeks in a legal newspaper in the county where the hearing is to be held, the last publication of which is to be at least ten (10) days before the time set for hearing; and

Probate

[X] mailing via U.S. Postal Service a copy of this Notice and Order at least fourteen (14) days prior to the hearing date to all interested parties and parties who have filed a demand for notice.
BY THE COURT
/s/ Katherine Wallace
September 18, 2020
Judge of District Court
Hans Holland - Court Administrator
Attorney for: Personal Representative Name: John M. Ophaug Firm: Schmitz Ophaug & Blumhoefer, LLP
Street: 220 Division Street S. City, State, ZIP: Northfield, MN 55057-2046
Attorney License No: 82648
Telephone: 507-645-9541
FAX: 507-645-8232 Email: john@sodlaw.com
(Sept. 26; Oct. 3, 2020) 2860219

Other Public Notices

The Rochester Community and Technical College is accepting by SEALED BIDS ONLY for the sale of the following items:
1 - Fire Bricks: 650 modular fire bricks. Brands are a mix of EMPIRE and JET DP.
2 - Oak Firewood/Kindling: 4"H. x 72"L. cut, dried, and stacked firewood in three rows: approx. 4.5 cords and one pile of kindling.
Questions should be directed to:
Shayn Jensson
Facilities Project Manager
507.358.3148
shayn.jensson@rctc.edu
Items can be viewed on Thursday, October 8th from 11:00 A.M. to noon and are located near the RCTC East Loading Dock (south of Market & Johnson construction trailer). Masks are required to be worn at all times while viewing items.
Sealed bids will be received no later than Thursday, October 15th at 2:00 P.M. Central Standard time.
Sealed bids cannot be made in-person and must be mailed to:
June Meitzner
Purchasing Manager
Rochester Community and Technical College
851 30th Ave SE
Office SS 153
Rochester, MN 55904
Contact June Meitzner at June.meitzner@rctc.edu or 507.285.7213 to request an emailed PDF Sealed Bid Form with additional bidding instructions.
College expects all bidders to follow our Pandemic Preparedness Plan which can be found at https://www.rctc.edu/wp-content/uploads/2020/08/RCTC-Return-to-Work-Plan-2020-8-21-post.pdf (Sept. 26; Oct. 3, 2020) 2860554

Other Public Notices

Other Public Notices

Other Public Notices

Other Public Notices

Other Public Notices

Other Public Notices

Other Public Notices

On September 29, 2020, the RPU Utility Board reviewed the proposed 2021 RPU budget. Included in the budget were proposed changes to the Clean Air Rider, City Street Lighting, and a Residential Time of Use Service Pilot Program.

The Board directed staff to give public notice of the proposed rates in the paper of record. The table below includes a summary of the proposed changes by rate. The final Board approved Rate tariff will be the governing document. The proposed rates will also be available on the RPU website (www.rpu.org) and by calling RPU customer service (507.280.1500).

Public comment on the proposed rates will be taken at the November 10, 2020, RPU Board Meeting prior to the Board voting on the proposed budget and rate changes. If approved, the Board will recommend approval by the City Council on November 23, 2020, at 7 p.m.

Please contact Tony Benson at 507-280-1534 or email at tbenson@rpu.org.

Proposed 2021 Electric Rate Tariff changes

CLEAN AIR RIDER	
2020 rate:	.00180 per kWh
2021 rate:	.00191 per kWh

CITY STREET LIGHTING	
AVAILABILITY: To the City of Rochester for the illumination of public thoroughfares. Rates includes both energy and facilities charges.	
RATE:	
Per kWh for all kWh Billed	
Mercury Vapor (all Sizes)	23.249¢
Metal Halide (All Sizes)	24.657¢
LED (All Sizes)	55.720¢
LED with Capital Contribution (All Sizes)	41.650¢
High Pressure Sodium (All Sizes)	23.249¢

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

CONDITIONS OF DELIVERY:

- This rate is based on lamps being lighted every night from approximately 30 minutes after sunset to 30 minutes before sunrise, providing dusk to dawn operation.
- RPU will replace inoperative lamps and otherwise maintain luminaires during regular daytime hours. No credit will be allowed for periods during which the lamps are out of service. Routine lamp replacement will be made on a group replacement schedule.
- RPU will determine the amount of energy used during any month by multiplying the rated kilowatt capacity of all lamps and accessory equipment by 350 hours for the month.
- RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board: TBD
Effective Date: January 1, 2021

RESIDENTIAL - TIME - OF - USE SERVICE PILOT PROGRAM

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. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

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.

CHARACTER OF SERVICE:
Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:	
Customer Charge:	\$18.30
Energy Charge:	
Non-Summer Energy	
Super-peak Energy / Kwh:	13.91¢
On-peak Energy / Kwh:	13.91¢
Off-peak Energy /Kwh:	7.06¢
Summer Energy:	
Super-peak Energy / Kwh:	28.80¢
On-peak Energy / Kwh:	17.13¢
Off-peak Energy /Kwh:	7.05¢
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.
Definition of Super-Peak Energy:	All energy used by the customer between the hours of 4:00 p.m. and 8:00 p.m. (4 Hours) Monday through Friday.
Definition of On-Peak Energy:	All energy used by the customer between the hours of 8:00 a.m. and 4:00 p.m. (8 hours) and between the hours of 8:00 p.m. and 10:00 p.m. (2 hours) Monday through Friday.
Definition of Off-Peak Energy:	All energy used by the customer for all others hours, including weekends and holidays.

Attachment: 2021 Electric Proposed Rates Post Bulletin Public Notice (12524 : 2021 Electric Utility Rate Adjustment)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Residential Time-Of-Use rate with adjustments to the LED Street Light rates and Clean Air Rider according to the attached tariffs, effective on or about January 1, 2021.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the tariffs, to take effect on or about January 1, 2021.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of October 2020.

President

Secretary

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE RESTOU
SHEET 1 OF 2**

RESIDENTIAL - TIME - OF - USE SERVICE PILOT PROGRAM

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. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

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.

CHARACTER OF SERVICE:

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

RATE:

Customer Charge: \$18.30

Energy Charge:

Non-Summer Energy

Super-peak Energy / Kwh: 13.91¢

On-peak Energy / Kwh: 13.91¢

Off-peak Energy /Kwh 7.06¢

Summer Energy:

Super-peak Energy / Kwh: 28.80¢

On-peak Energy / Kwh: 17.13¢

Off-peak Energy /Kwh: 7.05¢

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

Definition of Super-Peak Energy: All energy used by the customer between the hours of 4:00 p.m. and 8:00 p.m. (4 Hours) Monday through Friday.

Definition of On-Peak Energy: All energy used by the customer between the hours of 8:00 a.m. and 4:00 p.m. (8 hours) and between the hours of 8:00 p.m. and 10:00 p.m. (2 hours) Monday through Friday.

Definition of Off-Peak Energy: All energy used by the customer for all others hours, including weekends and holidays.

Approved by Rochester Public Utility Board:
Effective Date:

TBD
January 1, 2021

Attachment: 2021 Residential TOU Rate 2020 09 25 (12528 : Resolution: Approval of the 2021 Electric Utility Rate Adjustment)

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE RESTOU
SHEET 2 OF 2**

POWER COST ADJUSTMENT:

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

MINIMUM BILL per month: \$18.30

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

DISTRIBUTED ENERGY RESOURCES:

Customers who have installed Distributed Energy Resources and have elected to receive average retail utility rate are eligible to participate in the Residential Time of Use Pilot Program. All energy supplied by the customer's qualifying facility will be purchased by RPU at the Residential Average Retail Rate as listed in Schedule 1 of the Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities. Schedule 1 is updated annually and can be found on RPU's website.

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. Service under this rate will be made available at the option of the residential service customer, subject to the availability of the necessary time-of-use metering equipment.
5. A customer may switch the RESIDENTIAL SERVICE rate providing the customer gives RPU at least 45 days notice.
6. A customer may only switch from RESIDENTIAL SERVICE to RESIDENTIAL TIME OF USE SERVICE PILOT PROGRAM one time.

**ROCHESTER PUBLIC UTILITIES
(RPU)**

**RATE SCHEDULE CSL
SHEET 1 OF 1**

CITY STREET LIGHTING

AVAILABILITY:

To the City of Rochester for the illumination of public thoroughfares by means of RPU owned overhead street lighting facilities.

RATE:

Per kWh for all kWh Billed

Mercury Vapor (all Sizes)	23.249¢	
Metal Halide (All Sizes)	24.657¢	
LED RPU Owned (All Sizes)	39.942¢	55.720¢
LED City Owned (All Sizes)	41.650¢	
High Pressure Sodium (All Sizes)	23.249¢	

POWER COST ADJUSTMENT:

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

CONDITIONS OF DELIVERY:

1. This rate is based on lamps being lighted every night from approximately 30 minutes after sunset to 30 minutes before sunrise, providing dusk to dawn operation.
2. RPU will replace inoperative lamps and otherwise maintain luminaires during regular daytime hours. No credit will be allowed for periods during which the lamps are out of service. Routine lamp replacement will be made on a group replacement schedule.
3. RPU will determine the amount of energy used during any month by multiplying the rated kilowatt capacity of all lamps and accessory equipment by 350 hours for the month.
4. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

TBD
January 1, 202021

**ROCHESTER PUBLIC UTILITIES
CAR
(RPU)**

RATE SCHEDULE

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 20~~2021~~ is ~~\$0.00180~~ **\$0.00191**/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~~ TBD
January 1, 20~~2021~~

Attachment: Clean Air Rider 2021 (12528 : Resolution: Approval of the 2021 Electric Utility Rate Adjustment)

FOR BOARD ACTION

Agenda Item # (ID # 12519)

Meeting Date: 10/27/2020

SUBJECT: Approval of Taxable Electric Utility Refunding Bonds, Series 2021A

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Management, with the Utility's financial advisors, BakerTilly Municipal Advisors, monitor our outstanding bonds for opportunities to save rate payers borrowing costs through refunding. In 2017, tax-exempt advanced refunding options were eliminated, which increases refunded bond costs. Given the current historically low interest rates, the Utility has the potential to save about \$330,000 per year in interest costs over the remaining 20 years of the 20213B Electric Utility Bonds that are currently outstanding. The actual amount saved will depend on the price of the bonds when issued. The current projection represents about \$6,300,000 in present value of the future savings.

Management is recommending offering the refunding bonds on a competitive sale basis. In the past, RPU has offered bonds on a negotiated sale basis. Considerations for this approach are included in the attached recommendation from our financial advisor, Baker Tilly Municipal Advisors.

The attached Parameters Resolution will authorize a pricing committee of Baker Tilly Municipal Advisors, the City's and RPU's financial advisor, the City's Director of Finance, RPU's General Manager, and RPU's Director of Corporate Services, to approve the sale of taxable Electric Utility refunding bonds up to \$39,500,000, within the parameters established by the RPU Board and authorized by the Rochester City Council.

The results of the sale will be reported to the Board.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Utility Board approve the concurring bond issuance resolution, the authorization of a pricing committee within the parameters resolution, and request the Common Council approve a resolution authorizing the sale of debt instruments to be used for a taxable refunding of Electric Utility revenue bonds, and further authorize the Pricing Committee to approve the final sale within the parameters of this resolution.

Memo

To: Peter Hogan, Director of Corporate Services, Rochester Public Utilities
 Dale Martinson, Finance Director, City of Rochester

From: Dave MacGillivray

Date: October 20, 2020

Subject: Issuance of Taxable Electric Revenue Refunding Bonds,
 Recommendation on Method of Sale

The Rochester Public Utilities (the “RPU”) and the City of Rochester (the “City”) are proceeding with the potential issuance of approximately \$36MM of Taxable Electric Revenue Refunding Bonds. The issue’s purpose is to reduce future interest costs. This recommendation relates to the method of sale.

Recommendation: We recommend the RPU and City sell these bonds on a competitive basis.

Basis of Recommendation: Two primary method of sales dominate the placement of municipal bonds. A competitive sale method places the bonds before the national underwriting market with bids taken on the date of sale to select the underwriter. A negotiated sale engages the underwriter well before the sale date. Here the underwriter can perform various bond structuring and credit quality services prior to the sale date, and then as the sale date approaches, pre-markets the bonds and then presents an offer to purchase the bonds on the sale date at interest rates negotiated with the bond issuer. For previous electric revenue bonds, the RPU and City have used a negotiated sale approach. These decisions were based on the market conditions and the context of each bond issue at that particular time.

The decision on method of sale should be based on specific criteria. For a negotiated sale one or more of the following criteria should be met.

- The issue is of a very small or large size
- The issuer is new to the municipal bond marketplace without name recognition
- The issue has an unusual structure
- The issue is of questionable credit quality
- The market is highly volatile requiring more precise timing to enter the market.

Our issue is of moderate size, with a straightforward structure, good credit quality. RPU and the City have both an established market presence and are viewed very favourably. Lastly our scheduled bond sale is in January, a month in which empirically the market has experienced very low bond supply and high investor demand. Also, the overall market since the second quarter has been relatively unchanged at a historically low level. Although any disruptive events surrounding the national election and its aftermath are unknown, January has been a very advantageous month to be an issuer of bonds.

Our recommendation for a competitive sale is based on the absence of any currently known factors which would cause a negotiated sale. We welcome any discussion on our recommendation.



RESOLUTION

BE IT RESOLVED By the Public Utility Board (the "Board") of Rochester Public Utilities ("RPU") as follows:

1. Recitals.

- (a) The City of Rochester, Minnesota (the "City"), in cooperation with the Board, has heretofore issued its Electric Utility Revenue Bonds, Series 2013B (the "Series 2013B Bonds") to finance the acquisition construction and equipping of certain capital improvements to the City's municipal electric utility (the "Electric Utility") including without limitation, portion of RPU's percentage interest in the CapX 2020 Southwest Metro to Rochester to La Crosse transmission line project.
- (b) The Board has determined that it is in the best interests of RPU and the City to issue the City's Taxable Electric Utility Revenue Refunding Bonds, Series 2021A in an aggregate principal amount not to exceed \$39,500,000 (the "Bonds") to provide for a current refunding of the outstanding Series 2013B Bonds and fund certain reserves and costs of issuance (the "Project").

2. Request, Consent and Approval.

- (a) The Board hereby requests that on November 9, 2020, or as soon thereafter as possible, the Rochester Common Council (the "Council") consider a Resolution Authorizing the Sale of the City's Taxable Electric Utility Revenue Refunding Bonds, Series 2021A and Providing for Their Issuance (the "Resolution") to provide funds to refund the Series 2013B Bond;
- (b) The Resolution would, upon its adoption, (I) authorize the issuance of the Bonds in an aggregate principal amount not to exceed \$39,500,000, and delegate to a pricing committee the authority to negotiate with an underwriter to be selected by the pricing committee, as representative of the participating underwriter(s): (i) the purchase price, provided that the par principal amount of the Bonds may not exceed \$39,500,000, (ii) the maturity schedule, including mandatory sinking fund redemptions, provided that the final maturity date shall be not later than December 1, 2043, (iii) interest rates, provided that (a) the rates on the Bonds result in debt service savings such that as of the nominal date of the Bonds the present value of the dollar amount of the debt service on the Bonds, computed to their stated maturity dates, after deducting any premium, is lower by at least 3% than the present value of the dollar amount of debt service, on the Refunded Bonds, exclusive of any premium, computed to their stated maturity dates; provided that in computing the dollar amount



of debt service on the Bonds, any expenses of the refunding payable from a source other than the proceeds of the Bonds or the interest derived from the investment thereof shall be added to the dollar amount of debt service on the Bonds; and (b) the annual average of the Net Revenues of the Electric Utility for the two fiscal years immediately preceding the issuance of the Bonds is greater than 115% of the average of the unpaid annual debt service requirements on the Outstanding Debt and the Bonds, (iv) any redemption provisions, and (v) other details of the Bonds, (II) pledge the Net Revenues of the Electric Utility for the payment of the Bonds, and (III) set forth other covenants and obligations of the City relating to the Electric Utility; and

- (c) The Resolution, in the form actually adopted, is hereby incorporated into this Resolution to the same extent as though set forth in full herein, and each capitalized term which is used in this Resolution but not otherwise defined herein shall have the meaning given to that term in the Resolution.
- (d) The Board hereby consents to and approves the issuance of the Bonds, and determines that the issuance of the Bonds by the City is necessary and desirable and that the issuance of the Bonds is appropriate for the purposes for which the Bonds are issued and hereby authorizes and requests that City issue the Bonds.
- (e) The Board hereby concurs in the award, issuance and sale of the Bonds and joins in and concurs in the adoption of the Resolution, and adopts all of the covenants and agreements contained therein with the same force and effect as if said Resolution had been adopted by the Board.
- (f) The approval hereby given to the Resolution includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Pricing Committee described therein.
- (g) The Board hereby covenants and pledges to cooperate with the Council (and to take such actions, or refrain from acting, as the case may be, as may be necessary) in order to fully effectuate the intent, purposes and obligations of the City under the Resolution.



Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of October, 2020.

President

Secretary

The foregoing Resolution was introduced by Boardmember _____, who moved its adoption. The motion for the adoption of the foregoing Resolution was duly seconded by Boardmember _____ and upon a vote being taken thereon, the following Boardmembers voted in favor thereof: _____

and the following voted against the same:

Whereupon said Resolution was declared duly passed and adopted.

STATE OF MINNESOTA
CITY OF ROCHESTER
PUBLIC UTILITY BOARD

I, the undersigned, being the duly qualified and acting Secretary of the Public Utility Board of the City of Rochester, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes with the original minutes of a meeting of the Board duly called and held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom approving the issuance and sale by the City of Rochester of its Taxable Electric Utility Revenue Refunding Bonds, Series 2021A.

WITNESS my hand as such Secretary this _____ day of _____, 2020.

Secretary
Rochester Public Utility Board

FOR BOARD ACTION

Agenda Item # (ID # 12546)

Meeting Date: 10/27/2020

SUBJECT: 2021 Utility Board Meeting Dates

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

Attached is a proposed list of RPU Board meeting dates for 2021. Following approval, these will be posted on the RPU website and City's calendar.

UTILITY BOARD ACTION REQUESTED:

Approval of the 2021 Utility Board meeting dates.



UTILITY BOARD MEETING DATES FOR 2021

January 26

February 23

March 30

April 27

May 25

June 29

July 27

August 31

September 28

October 26

November 30

December 21

Utility Board meetings are regularly scheduled on the last Tuesday of the month (see calendar for exceptions) at 4:00 p.m. at the RPU Service Center (see address below). Special meetings are scheduled as needed. Call 280-1540 to confirm.



RESOLUTION

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

2021 Utility Board Meeting Dates

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of October,
2020.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 12534)

Meeting Date: 10/27/2020

SUBJECT: Review of Accounts Payable

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/12/2020 To 10/12/2020
Consolidated & Summarized Below 1,000

Greater than 50,000 :

SOUTHERN MN MUNICIPAL POWER A	September SMMPA Bill	6,810,494.68
MN DEPT OF REVENUE	Aug Sales and Use Tax	941,659.74
ELCOR CONSTRUCTION INC	Watermain Reconstruction 15 Ave/7 St SW	234,074.88
CONSTELLATION NEWENERGY-GAS D	August Gas-SLP	183,367.93
PAYMENTUS CORPORATION	Electronic Bill Pmt Svcs-Jan, Feb,CM, August	113,112.21
NEW AGE TREE SERVICE INC	904 Tree Clearance	109,252.97
MIDWEST LIFT WORKS LLC	Vertical Rise Lift Replacement	95,572.92
REINHAUSEN MANUFACTURING INC	Repair of Transformer at Crosstown Substation	95,274.29
CONSTELLATION NEWENERGY-GAS D	August Gas-WES	93,847.77
S L CONTRACTING INC	Watermain Reconstruction-17th Ave N/4th St NW	92,843.31
STUART C IRBY CO INC	15617FT-Wire, Alum, 15kV, 750 Str, 1/C, 220 MIL	89,790.10
CONSTELLATION NEWENERGY-GAS D	August Gas-CC	88,563.87
BENIKE CONSTRUCTION (P)	Mechanical Systems Upgrade	88,122.38
NORTH CENTRAL INTERNATIONAL L	1EA-2021 Intl HV507 6X4 chassis (V675)	87,140.00
ULTEIG ENGINEERS INC	Engineering Svcs-Marion Road Substation Proposal	75,743.75
WRIGHT TREE SERVICE INC	Hourly Tree Removal 2019-2020~	58,583.20
DOXIM UTILITEC LLC	August & September Bill Print and Mail Services	52,314.44
SCHWICKERTS COMPANY INC	SLP Unit 4 Turbine Roof and A/C Replacement	50,862.75

Price Range Total: 9,360,621.19

5,000 to 50,000 :

ELCOR CONSTRUCTION INC	Watermain Reconstruction-37th St NW Frontage RD	46,760.65
BORDER STATES ELECTRIC SUPPLY	Mobile Meter Reader-MC3-Mobile Collection System	42,750.00
CENTRAL MINNESOTA MUNICIPAL P	September Capacity for CMPA	37,400.00
MN DEPT OF COMMERCE	Q2FY 2021 Indirect Assessment	33,208.91
ANCON COMMUNICATIONS INC	ARMER Radio Coverage Enhancement	32,126.63
SUNBELT RENTALS	Towable Articulating Manlift E687 for SLP	30,492.50
CENTRE PLAZA HOA	CIP-Lighting (C&I)-Incentives/Rebates	28,508.02
PEOPLES ENERGY COOPERATIVE (P	September Compensable	27,908.35
BURNS & MCDONNELL INC (P)	Cost of Survey and Rate Design	24,805.78
THE ENERGY AUTHORITY INC	September Resource Mgmt Fee	23,930.72
TECHNOLOGY PARK APARTMENTS	CIP-Lighting (C&I)-Incentives/Rebates	23,462.82
A & A ELECT & UNDERGROUND CON	2017-2022 Directional Boring	22,961.32
BLUESPIRE STRATEGIC MARKETING	2020-23 RPU Plugged In Contract	22,744.00
ELEVATED WELDING SERVICES LLC	Leak Repair/Drain/Drainage Improv-Arnold's Tower #88	22,700.00
WESCO DISTRIBUTION INC	50EA-Elbow, 15kv, 600A, 350-750 CU/AL	19,950.00
NEDERMAN MIKROPUL LLC	Evap Cooler Parts Second Set - SLP	19,622.50
STUART C IRBY CO INC	20EA-Metal Sec. Encl, 3ph, 30"x67"x22" 2	18,700.00
KORTERRA INC	Korterra Interface for Locates	18,245.64
MCNEILUS STEEL INC	880EA-Mast Arm, Residential LED, Extensi	17,634.38
US BANK - VOYAGER	September Fuel	17,338.45
BADGER METER INC (P)	29EA-Meter, Bare E-Series 2" Ultra , 17"	16,240.00
ITRON INC	2020-21 FCS License/Support	16,031.25
SUNBELT RENTALS	Genie 20' Single Manlift E686 for SLP	16,030.19
HARRIS ROCHESTER INC (HIMEC)	Replace Air Conditioner at SLP Substation	15,100.00
XYLO TECHNOLOGIES INC	2020 IT Helpdesk Support	14,784.00
US BANK - VOYAGER	August Fuel Purchases	14,378.13
VISION COMPANIES LLC (P)	Consult Svcs-Purch Dept Baseline;LJ100&200	14,175.00
CRESCENT ELECTRIC SUPPLY CO	6000FT-Wire, AL, 600V, 350-4/0 NEU YS Tr	14,112.01

Attachment: AP Board Listing 1020 (12534 : Review of Accounts Payable)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/12/2020 To 10/12/2020
Consolidated & Summarized Below 1,000

54	RESCO	1EA-Switch, PM, Air, 3PH, 2-600SW/2-200F	13,679.00
55	RESCO	1EA-Switch, PM, Air, 3PH, 2-600SW/2-200F	13,139.00
56	CENTURYLINK (P)	2018-20 Monthly Telecommunications	13,071.62
57	VISION COMPANIES LLC (P)	Leadership Academy/Offsite/Purch Baseline&Coachng	13,012.50
58	PARAGON DEVELOPMENT SYSTEMS I	IT Help desk consultant	12,400.00
59	BADGER METER INC (P)	29EA-Meter, Bare E-Series 1-1/2" Ultra ,	12,064.00
60	MAYO FOUNDATION	CIP-Custom (C&I)-Incentives/Rebates	10,879.16
61	GRAYBAR ELECTRIC COMPANY INC	8EA-SL Pole, 30' 9" Mtg Ht	10,800.00
62	SCHUMACHER EXCAVATING INC.	Hydro Service Road Maintenance	10,800.00
63	MALLOY ELECTRIC dba	1EA-Motor, 150HP	10,581.31
64	WELLS FARGO BANK ACCT ANALYSI	September Banking Fees	10,307.05
65	NARDINI FIRE EQUIPMENT CO INC	Fire System Cascade Creek-Release Retainage	10,259.55
66	MINNESOTA ENERGY RESOURCES CO	August Gas-WES	10,031.57
67	HCA ASSET MANAGEMENT	Insurance Appraisal Services	9,300.00
68	AE2S INC	Water Comprehensive Plan	9,063.55
69	PARAGON DEVELOPMENT SYSTEMS I	Implementation of Thales SAS-PCE	8,250.00
70	GDS ASSOCIATES INC	MISO Attch O Consulting Service	8,208.75
71	D P C INDUSTRIES INC	2020 Carus 8500 Aqua Mag F35	8,124.90
72	KATS EXCAVATING LLC	Rock removal Zumbro River Substation	7,605.00
73	PARAGON DEVELOPMENT SYSTEMS I	Engineering Services-Workstation Management	7,400.00
74	WARTSILA NORTH AMERICA	Field Service-E&A WOIS Programming	7,374.38
75	D P C INDUSTRIES INC	2020 Chlorine, 150 lb Cyl	7,272.00
76	SOLID WASTE OLMSTED COUNTY	Electricity Purchased by RPU	7,165.56
77	AMERICAN WATER WORKS	CIP-Lighting (C&I)-Incentives/Rebates	6,772.95
78	STUART C IRBY CO INC	30000FT-Wire, Tracer, Orange, #12, CCS	6,600.00
79	D P C INDUSTRIES INC	2020 Hydrofluorosilicic Acid - Delivered	6,541.02
80	WERNER ELECTRIC SUPPLY	6000FT-Conduit, HDPE, 2.50, Empty, Sch 4	6,474.60
81	KANTOLA CONSULTING	Consulting Services with Cayenta	6,435.00
82	WALGREEN CO	CIP-Lighting (C&I)-Incentives/Rebates	6,233.00
83	TWIN CITY SECURITY INC	2020 Security Services	6,232.95
84	SOUTHEAST SERVICE COOPERATIVE	CIP-Lighting (C&I)-Incentives/Rebates	6,135.50
85	QUADIENT INC	Postage	6,000.00
86	WESCO DISTRIBUTION INC	500EA-Photocontrol, 120V-305V	5,904.84
87	FORBROOK LANDSCAPING SERVICES	Landscaping for Douglas Trail Substation	5,878.13
88	WINKELS ELECTRIC INC	Rplc Udgrd Serv-Transf to Mtr Sockets to	5,867.58
89	DECOOK EXCAVATING INC	Marion Road Substation Shed Demolition	5,848.50
90	SORENSEN & SORESEN PAINTING	Bamber Substation Floor Re-Paint	5,800.00
91	STUART C IRBY CO INC	4EA-Trans, PM, 1ph, 50kVA, 13.8/8, 240	5,712.00
92	STUART C IRBY CO INC	5EA-Trans, PM, 1ph, 25kVA, 13.8/8, 240	5,570.00
93	SHI INTERNATIONAL CORP (P)	LICENSE, SAS SPE/PCE(2)	5,480.00
94	VERIZON WIRELESS	2020 Cell & iPad Monthly Service	5,322.97
95	GRAYBAR ELECTRIC COMPANY INC	11EA-Mast Arm, 9' for 2690	5,313.83
96	MINNESOTA ENERGY RESOURCES CO	August Gas-SLP	5,182.76
97			
98		Price Range Total:	1,002,195.78
99			
100	<u>1,000 to 5,000 :</u>		
101			
102	SMART ENERGY SYSTEMS LLC	Smart Customer Mobile Implementation	4,860.00
103	TREATMENT RESOURCES INC	4EA-Vac. Reg. 201C5, Adv. Ser.200, 50ppd	4,860.00
104	KATS EXCAVATING LLC	Repair Leak at Curbside-1023 Sierra Lane NE	4,800.00
105	BURNS & MCDONNELL INC (P)	Engineering Service-Underground Duct System RFP's	4,684.19
106	WIESER PRECAST STEPS INC (P)	1EA-Vault, Pulling, 8' x 6' x 6'	4,585.00

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107	VIKING ELECTRIC SUPPLY INC	400 FT-Conductor Cable-Breaker Upgrade-SL Sub	4,355.16
108	BORDER STATES ELECTRIC SUPPLY	20EA-Fault Indicator, Underground, Large	4,288.60
109	SOMA CONSTRUCTION INC	Water Break Backfill Material	4,274.23
110	ROCHESTER PUBLIC SCHOOLS	CIP-Lighting (C&I)-Incentives/Rebates	4,222.93
111	NEENAH FOUNDRY COMPANY	3EA-Manhole Cover w/Ring, 38.0", 10" Hig	4,206.60
112	GOPHER STATE ONE CALL	Electric & Water Completed Tickets	4,162.05
113	VIKING ELECTRIC SUPPLY INC	7500FT-Conduit, HDPE, 1.50, Empty, Orang	4,125.00
114	NORTH CENTRAL INTERNATIONAL L	Tax, License, Registration for Intl HV507 6x4 Chassis	4,074.10
115	KATS EXCAVATING LLC	Emergency Water Repair-5612 Clearwater Rd SW	4,000.00
116	STUART C IRBY CO INC	20EA-Grd Sleeve, 1ph Trans., 37 x 43 x 1	3,990.00
117	ELEVATE MARKETING SOLUTIONS L	September Advertising	3,905.00
118	KATS EXCAVATING LLC	Emergency service @ 4604 Sandywood Court	3,860.00
119	MEP ASSOCIATES LLC	Service Center HVAC Upgrade	3,836.01
120	CRESCENT ELECTRIC SUPPLY CO	10EA-Elbow, Steel, 36.0 R, 5.00	3,675.00
121	STUART C IRBY CO INC	3EA-Trans, PM, 1ph, 15kVA, 13.8/8, 240	3,639.00
122	WERNER ELECTRIC SUPPLY	1760FT-Conduit, PVC Sch 40, 3.00	3,617.92
123	BORDER STATES ELECTRIC SUPPLY	HPS to LED Conversion	3,435.23
124	BADGER METER INC (P)	24EA-Meter, Bare E-Series 5/8"(05) Ultra	3,336.00
125	EXPRESS SERVICES INC	2020 Seasonal staff facilities	3,214.80
126	GLOBAL RENTAL COMPANY INC	Truck Rental-Altec AT41M aerial device	3,206.25
127	EPLUS TECHNOLOGY INC	2020 Network maintenance services	3,180.00
128	BANKS JOSHUA C	Photography/Drone-Multiple Locations 4/15-8/21/20	3,150.00
129	BOB THE BUG MAN LLC	2020 Rodent control (well houses)	3,139.56
130	NOVASPECT INC	Troubleshooting DeviceNeet VFD to DeltaV	3,057.05
131	IHEART MEDIA dba	August Radio Ads	3,008.00
132	INSPEC INC.	2017-22 Electric Pavement Assessment	3,000.00
133	BORDER STATES ELECTRIC SUPPLY	14EA-Grd Sleeve, 3ph Sect. Encl, 18 x 67	2,972.90
134	BANKS JOSHUA C	SLP Demo Photos	2,800.00
135	WARTSILA NORTH AMERICA	1EA-Valve, WS-Turbo Impeller Cooling Valve	2,747.05
136	BORDER STATES ELECTRIC SUPPLY	100EA-Elbow, 15kV, 200A, LB, 1/0 Sol, 175-	2,724.00
137	WERNER ELECTRIC SUPPLY	220GAL-Cable Pulling Lube	2,719.92
138	PARSONS ELECTRIC	S2 Controller Update	2,638.00
139	LEAGUE OF MN CITIES INS TRUST	Claim # LMC CA 000000105910	2,625.81
140	MASTEC NORTH AMERICA INC	2020 Joint Trench Directional Boring	2,543.25
141	BORDER STATES ELECTRIC SUPPLY	1EA-RF Unit	2,520.00
142	WEST COLIN	CIP-Renewables-Incentives/Rebates	2,500.00
143	EUREKA KIDS INC	CIP-Renewables-Incentives/Rebates	2,500.00
144	VAN MOER GREG	CIP-Renewables-Incentives/Rebates	2,500.00
145	CALDWELL CASEY	CIP-Renewables-Incentives/Rebates	2,500.00
146	OFFICE OF PIPELINE SAFETY	MNOPS Fee	2,500.00
147	FINCK THOMAS	CIP-Renewables-Incentives/Rebates	2,360.00
148	BORENE LAW FIRM P.A.	Legal Services File 3943 TN	2,351.33
149	N HARRIS COMPUTER CORP	P-98001 TOU Project	2,340.00
150	TOTAL TOOL SUPPLY INC (P)	Crane Inspections	2,324.53
151	BORDER STATES ELECTRIC SUPPLY	500FT-Conduit, Corrugated PVC, 3.00	2,271.75
152	ELITE CARD PAYMENT CENTER	Attachment for Bobcat-Water Dept	2,250.00
153	ONLINE INFORMATION SERVICES I	2020 Utility Exchange Report	2,238.87
154	STUART C IRBY CO INC	32EA-Pedestal Dome Cover, Box Style	2,080.00
155	NALCO COMPANY LLC	1DRM-Sur-Gard 1700 Oxygen Scavenger DEMI	2,038.34
156	DAKOTA SUPPLY GROUP	165GAL-Cable Pulling Lube	2,022.63
157	MEGGER (P)	Multi-Function Instrument-Repair/Calibration	2,019.00
158	OPEN ACCESS TECHNOLOGY	October webCompliance Service	2,008.50
159	REINHAUSEN MANUFACTURING INC	CRS T1 LTC Overheating Repair	1,983.54
160	ADVANCED DISPOSAL SVC SOLID W	2020 Waste removal SC	1,975.91

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161	BINGENER-CASEY JULIANE	CIP-Renewables-Incentives/Rebates	1,920.00
162	STUART C IRBY CO INC	32EA-Pedestal Base, Secondary, w/o Cover	1,920.00
163	CRESCENT ELECTRIC SUPPLY CO	5000FT-Wire, Copper, 600V, 12-2 Solid w/	1,911.46
164	HEALING TOUCH SALON & SPA	CIP-Lighting (C&I)-Incentives/Rebates	1,904.04
165	ANDERSON MICHELLE	CIP-Renewables-Incentives/Rebates	1,870.00
166	MASSEY SUSAN	CIP-Renewables-Incentives/Rebates	1,870.00
167	WEBBER BRITTNIE	CIP-Renewables-Incentives/Rebates	1,840.00
168	SHERMAN & REILLY INC	Repair - Controls Not Working	1,816.88
169	MINNESOTA ENERGY RESOURCES CO	August Gas-CC	1,785.66
170	DAKOTA SUPPLY GROUP	500FT-Conduit, Corrugated PVC, 3.00	1,769.85
171	MENARDS ROCHESTER SOUTH	Items Purchased for T & D Coal Garage	1,755.95
172	POWERMATION DIVISON	WTB VFD Programming	1,673.19
173	PUGLEASA COMPANY INC	Semi-Annual Dock Inspection	1,633.05
174	ARROYAVE LILLYAM	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,605.00
175	VERIZON CONNECT NWF INC	August 2020-GPS Fleet Tracking	1,588.18
176	CORE & MAIN LP (P)	3EA-Coupling, 12" Romac Alpha 2Bolt Restr	1,585.89
177	UNITED RENTALS INC	Articulating Boom Rental	1,579.51
178	WESCO DISTRIBUTION INC	30EA-Fuse Holder, Straight Line, Breakaw	1,546.50
179	GRAYBAR ELECTRIC COMPANY INC	500FT-Wire, Copper, 4/0 Str, Bare, 19 St	1,511.41
180	FORBROOK LANDSCAPING SERVICES	Bamber Substation - Landscaping Svcs	1,510.27
181	MIDCONTINENT ISO INC	September MISO Fees	1,485.55
182	CORE & MAIN LP (P)	4EA-Coupling, 8" Romac Alpha 2-Bolt Restr	1,457.92
183	BOLTON AND MENK (P)	New Cingular St. Mary's Site Review~	1,440.00
184	DELL MARKETING LP	5EA-Wyse 3040 Thin Client Device	1,431.00
185	RESCO	10EA-Arrester, 10kV, Dist, Parking Stan	1,424.00
186	WESCO DISTRIBUTION INC	16EA-Conn, Trans, 1/0-1000, 6-Tap, Bare	1,419.68
187	HARRIS ROCHESTER INC (HIMEC)	2020 HVAC Maint Agreement	1,413.50
188	K A A L TV LLC	September TV Ads	1,400.00
189	CRESCENT ELECTRIC SUPPLY CO	4000FT-Wire, Copper, 600V, 12-2 Solid w/GRD	1,382.54
190	BORDER STATES ELECTRIC SUPPLY	8BOX-Staples, 1.50x .375, Serrated Copper	1,308.15
191	CITY OF ROCHESTER	August WC Admin Fees	1,282.00
192	BADGER METER INC (P)	2EA-Strainer, Bronze Plate. 4" Round Fla	1,261.40
193	WERNER ELECTRIC SUPPLY	320EA-Cable Shrink Cap, 1/0 - 600 MCM	1,219.68
194	TREATMENT RESOURCES INC	1EA-Vac. Reg. 201C5, Adv. Ser.200, 50ppd	1,215.00
195	BORDER STATES ELECTRIC SUPPLY	50ROL-Tape, Fireproof, 3.0" x 20'	1,197.50
196	ROCHESTER ARMORED CAR CO INC	2020 Pick Up Services	1,187.25
197	WINLECTRIC	880FT-Conduit, PVC Sch 40, 3.00	1,152.80
198	EPLUS TECHNOLOGY INC	Migrate to Enhanced Plus	1,151.26
199	ELITE CARD PAYMENT CENTER	APPA Registration-Mark K & Steve N	1,150.00
200	BOLTON AND MENK (P)	New Cingular Baihly Site Review~	1,137.50
201	FORBROOK LANDSCAPING SERVICES	Landscaping Svcs - 4604 Sand Wood Ct SE	1,135.64
202	WESCO DISTRIBUTION INC	1000EA-Tagging, Yellow UG Cable	1,132.88
203	JASPER ENGINEERING & EQUIP CO	1EA-Calibration kit	1,093.06
204	STUART C IRBY CO INC	16EA-Arrester, 10kV, Dist, Elbow MOV	1,074.40
205	OPEN ACCESS TECHNOLOGY	October webSmart Tag Agent Service	1,047.16
206	BORDER STATES ELECTRIC SUPPLY	1EA-Antenna, Side-looker	1,000.00
207	GAIL E SHORES	Gail Shores Easement-2015 30th PL NW	1,000.00
208	THE FENCE PROS LLC (P)	Fence Repair @ 50th Ave NW Water Tower	1,000.00
209	LINDA CHAPPIUS	Well Sealing Reimbursement	1,000.00

Price Range Total:

256,999.72

0 to 1,000 :

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214			
215	REBATES	Summarized transactions: 108	21,576.81
216	EXPRESS SERVICES INC	Summarized transactions: 12	10,616.88
217	Customer Refunds (CIS)	Summarized transactions: 80	6,897.17
218	STUART C IRBY CO INC	Summarized transactions: 20	6,620.03
219	ELITE CARD PAYMENT CENTER	Summarized transactions: 35	5,835.03
220	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 30	4,823.46
221	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 50	3,867.64
222	CORE & MAIN LP (P)	Summarized transactions: 16	3,826.33
223	WESCO DISTRIBUTION INC	Summarized transactions: 12	3,721.02
224	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 22	3,094.78
225	LAWSON PRODUCTS INC (P)	Summarized transactions: 14	3,057.91
226	WERNER ELECTRIC SUPPLY	Summarized transactions: 36	2,231.76
227	CENTRAL TOOL SPECIALITIES dba	Summarized transactions: 7	2,220.86
228	CITY OF ROCHESTER	Summarized transactions: 6	2,114.32
229	ROCHESTER CHEVROLET CADILLAC	Summarized transactions: 13	2,097.29
230	ADVANCE AUTO PARTS	Summarized transactions: 33	2,037.17
231	U S A SAFETY SUPPLY	Summarized transactions: 22	1,999.11
232	GRAINGER INC	Summarized transactions: 24	1,997.40
233	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 7	1,953.15
234	EPLUS TECHNOLOGY INC	Summarized transactions: 2	1,595.31
235	KENNEDY & GRAVEN CHARTERED	Summarized transactions: 3	1,581.75
236	CITY LAUNDERING COMPANY	Summarized transactions: 9	1,569.87
237	METRO SALES INC	Summarized transactions: 5	1,552.29
238	MENARDS ROCHESTER NORTH	Summarized transactions: 10	1,549.09
239	EVOQUA WATER TECHNOLOGIES LLC	Summarized transactions: 5	1,519.13
240	RESCO	Summarized transactions: 8	1,476.94
241	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 7	1,476.89
242	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 4	1,465.61
243	MENARDS ROCHESTER SOUTH	Summarized transactions: 7	1,427.44
244	CDW GOVERNMENT INC	Summarized transactions: 4	1,414.13
245	BARR ENGINEERING COMPANY (P)	Summarized transactions: 2	1,401.50
246	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 6	1,364.19
247	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 36	1,283.79
248	NETWORK SERVICES COMPANY	Summarized transactions: 11	1,268.28
249	CONNEY SAFETY PRODUCTS LLC	Summarized transactions: 2	1,218.38
250	GLOBAL INDUSTRIAL (P)	Summarized transactions: 8	1,218.25
251	PROCESS MEASUREMENT CO	Summarized transactions: 4	1,199.59
252	RDO EQUIPMENT COMPANY (P)	Summarized transactions: 3	1,158.39
253	ON SITE SANITATION INC	Summarized transactions: 6	1,108.91
254	THOMAS TOOL & SUPPLY INC	Summarized transactions: 4	1,025.95
255	DAKOTA SUPPLY GROUP	Summarized transactions: 9	1,022.54
256	CHS ROCHESTER	Summarized transactions: 2	998.34
257	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 4	989.38
258	GENERAL REPAIR SERVICE	Summarized transactions: 2	980.64
259	FASTENAL COMPANY	Summarized transactions: 16	965.87
260	LANGUAGE LINE SERVICES INC	Summarized transactions: 1	963.86
261	WINKELS ELECTRIC INC	Summarized transactions: 1	953.41
262	A T & T	Summarized transactions: 1	939.30
263	NALCO COMPANY LLC	Summarized transactions: 9	938.23
264	ERC WIPING PRODUCTS INC	Summarized transactions: 2	913.42
265	A & A ELECT & UNDERGROUND CON	Summarized transactions: 1	900.00
266	ELEVATE MARKETING SOLUTIONS L	Summarized transactions: 1	900.00
267	NORTHERN WOOD PRODUCTS INC	Summarized transactions: 4	873.70

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268	SUNBELT RENTALS	Summarized transactions: 1	858.14
269	CENTURYLINK (P)	Summarized transactions: 4	852.40
270	BOB THE BUG MAN LLC	Summarized transactions: 1	846.44
271	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 2	828.55
272	MAILE ENTERPRISES INC	Summarized transactions: 2	825.82
273	BLUESPIRE STRATEGIC MARKETING	Summarized transactions: 1	812.41
274	GARCIA GRAPHICS INC	Summarized transactions: 7	805.00
275	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 7	760.58
276	ROCHESTER SWEEPING SERVICE LL	Summarized transactions: 1	750.00
277	WSB & ASSOCIATES	Summarized transactions: 2	713.25
278	POMPS TIRE SERVICE INC	Summarized transactions: 5	709.18
279	FIRST SUPPLY (P)	Summarized transactions: 5	707.30
280	CORPORATE WEB SERVICES INC	Summarized transactions: 2	675.84
281	DELL MARKETING LP	Summarized transactions: 5	644.26
282	ADVANCED DISPOSAL SVC SOLID W	Summarized transactions: 2	639.29
283	PARAGON DEVELOPMENT SYSTEMS I	Summarized transactions: 1	625.00
284	ROCH AREA BUILDERS INC	Summarized transactions: 1	624.00
285	NAPA AUTO PARTS dba	Summarized transactions: 14	605.86
286	HATHAWAY TREE SERVICE INC	Summarized transactions: 1	600.00
287	CUSTOM COMMUNICATIONS INC	Summarized transactions: 1	590.00
288	ALTEC INDUSTRIES INC	Summarized transactions: 10	583.60
289	NEENAH FOUNDRY COMPANY	Summarized transactions: 1	582.90
290	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 1	571.23
291	GDS ASSOCIATES INC	Summarized transactions: 1	560.00
292	BADGER METER INC (P)	Summarized transactions: 3	539.00
293	SMART ENERGY SYSTEMS LLC	Summarized transactions: 1	526.50
294	MN SUPPLY COMPANY INC (P)	Summarized transactions: 1	515.34
295	FEDEX SHIPPING	Summarized transactions: 8	504.00
296	BOWMANS SAFE & LOCK SHOP LTD	Summarized transactions: 1	488.42
297	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 13	486.39
298	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	482.00
299	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 10	479.38
300	MOUSER ELECTRONICS INC	Summarized transactions: 4	477.47
301	USA BLUE BOOK DBA	Summarized transactions: 2	470.90
302	FEDEX FREIGHT INC	Summarized transactions: 2	465.39
303	HOGAN PETER	Summarized transactions: 3	462.55
304	REGIONAL CONCRETE CUTTING INC	Summarized transactions: 1	461.70
305	INSTITUTE FOR ENVIRONMENTAL	Summarized transactions: 1	436.14
306	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	425.18
307	ANDERSON JUDITH	Summarized transactions: 1	425.00
308	TMS JOHNSON INC	Summarized transactions: 4	418.00
309	COLLINS FEED & SEED CENTER	Summarized transactions: 1	413.71
310	POLLARDWATER dba	Summarized transactions: 3	411.31
311	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 5	388.23
312	EDEL OIL SERVICE INC	Summarized transactions: 1	384.75
313	MCNEILUS STEEL INC	Summarized transactions: 2	381.27
314	SANCO EQUIPMENT LLC	Summarized transactions: 4	361.46
315	SOLID WASTE OLMSTED COUNTY	Summarized transactions: 2	339.20
316	WIESER PRECAST STEPS INC (P)	Summarized transactions: 1	336.66
317	REINDERS INC	Summarized transactions: 1	329.79
318	MENARDS ROCHESTER NORTH	Summarized transactions: 7	323.60
319	VANCO SERVICES LLC	Summarized transactions: 1	308.60
320	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 1	307.62
321	TOTAL RESTAURANT SUPPLY	Summarized transactions: 15	301.35

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322	FORUM COMMUNICATIONS COMPANY	Summarized transactions: 1	294.84
323	CITY LAUNDERING COMPANY	Summarized transactions: 2	278.56
324	SHERWIN WILLIAMS CO	Summarized transactions: 2	276.59
325	BLACKBURN MANUFACTURING CO	Summarized transactions: 5	246.82
326	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 1	242.22
327	PROPERTY TAXES OLMSTED COUNTY	Summarized transactions: 2	234.80
328	GILLUND ENTERPRISES	Summarized transactions: 1	229.57
329	NEDERMAN MIKROPUL LLC	Summarized transactions: 1	229.49
330	KAMAN INDUSTRIAL TECHNOLOGIES	Summarized transactions: 7	227.92
331	MIDWEST MECHANICAL SOLUTIONS	Summarized transactions: 2	224.05
332	JOHNSON PRINTING CO INC	Summarized transactions: 1	221.23
333	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 2	210.00
334	VIRTEVA LLC	Summarized transactions: 1	206.25
335	CENTER FOR ENERGY AND ENVIRON	Summarized transactions: 1	200.00
336	WSB & ASSOCIATES	Summarized transactions: 1	196.00
337	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	187.97
338	SUTTON JEREMY	Summarized transactions: 2	187.88
339	HACH COMPANY	Summarized transactions: 5	179.25
340	WARTSILA NORTH AMERICA	Summarized transactions: 3	170.84
341	JASPER ENGINEERING & EQUIP CO	Summarized transactions: 4	160.37
342	SAFELITE FULFILLMENT INC	Summarized transactions: 1	160.31
343	CITY OF ROCHESTER	Summarized transactions: 3	157.46
344	BAUER BUILT INC (P)	Summarized transactions: 3	156.37
345	MEGGER (P)	Summarized transactions: 2	151.63
346	FRONTIER	Summarized transactions: 1	146.98
347	MIRATECH GROUP LLC	Summarized transactions: 5	145.56
348	DAVE SYVERSON TRUCK CENTER IN	Summarized transactions: 2	137.82
349	WATER SYSTEMS COMPANY	Summarized transactions: 4	135.90
350	BOB THE BUG MAN LLC	Summarized transactions: 1	135.00
351	POWER PROCESS EQUIPMENT INC (Summarized transactions: 2	131.10
352	CURVATURE INC	Summarized transactions: 1	127.18
353	DUNCAN WEINBERG GENZER & PEMB	Summarized transactions: 1	126.00
354	CHARTER COMMUNICATIONS	Summarized transactions: 1	125.94
355	T E C INDUSTRIAL INC	Summarized transactions: 2	125.87
356	QUADIENT INC	Summarized transactions: 3	124.96
357	J HARLEN CO INC	Summarized transactions: 2	109.59
358	FASTENAL COMPANY	Summarized transactions: 1	104.92
359	TIMBERS SHAWN	Summarized transactions: 1	95.99
360	KOTSCHERVAR MARK	Summarized transactions: 1	94.80
361	MINOGUE PETER	Summarized transactions: 1	90.13
362	WINLECTRIC	Summarized transactions: 2	88.44
363	FERGUSON ENTERPRISES INC #165	Summarized transactions: 1	88.20
364	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
365	REBATES	Summarized transactions: 3	75.00
366	NORTH CENTRAL INTERNATIONAL L	Summarized transactions: 2	66.27
367	D P C INDUSTRIES INC	Summarized transactions: 1	48.60
368	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 1	47.80
369	PREMIER ELECTRICAL CORP dba	Summarized transactions: 1	47.50
370	GREAT RIVER ENERGY	Summarized transactions: 1	46.19
371	FLAGSOURCE dba	Summarized transactions: 1	40.83
372	GLOBAL RENTAL COMPANY INC	Summarized transactions: 1	37.50
373	TREATMENT RESOURCES INC	Summarized transactions: 2	36.40
374	CENTRAL FINANCE OLMSTED COUNT	Summarized transactions: 1	33.74
375	A T & T MOBILITY	Summarized transactions: 1	32.40

Attachment: AP Board Listing 1020 (12534 : Review of Accounts Payable)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/12/2020 To 10/12/2020
Consolidated & Summarized Below 1,000

376	PAULS LOCK & KEY SHOP INC	Summarized transactions: 1	31.20
377	NELSON TODD J	Summarized transactions: 1	30.00
378	TOTAL TOOL SUPPLY INC (P)	Summarized transactions: 1	27.19
379	SARGENTS LANDSCAPE NURSERY IN	Summarized transactions: 1	25.49
380	POWERMATION DIVISON	Summarized transactions: 1	23.52
381	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 1	22.99
382	SHERMAN & REILLY INC	Summarized transactions: 1	22.58
383	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	22.53
384	HOVDEN ADAM	Summarized transactions: 1	19.00
385	POLLARDWATER dba	Summarized transactions: 1	18.45
386	FEDEX SHIPPING	Summarized transactions: 1	18.35
387	GOODIN COMPANY	Summarized transactions: 2	16.21
388	NORTH CENTRAL INTERNATIONAL L	Summarized transactions: 2	13.34
389	RONCO ENGINEERING SALES INC	Summarized transactions: 1	7.15
390	T E C INDUSTRIAL INC	Summarized transactions: 1	6.34
391			
392		Price Range Total:	169,290.58
393			
394			
395		Grand Total:	10,789,107.27

Attachment: AP Board Listing 1020 (12534 : Review of Accounts Payable)

FOR BOARD ACTION

Agenda Item # (ID # 12533)

Meeting Date: 10/27/2020

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	12/17/2019	Finance
17. Electric Service Availability	10/29/2019	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	1/28/2020	Finance
24. Water Utility Cash Reserve Policy	1/28/2020	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. Electric Utility Undergrounding Policy	9/29/2020	Ops & Admin
Red - Currently being worked on		
Yellow - Will be scheduled for revision		