

MEETING AGENDA – JULY 27, 2021

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

VIEWING AND ATTENDING THE PUBLIC UTILITY BOARD MEETING

View Meeting: YouTube, Teams, Livestreaming

- The meeting can be livestreamed or viewed after the meeting on YouTube via this link: [YouTube](#)
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Calling In to the Teams Meeting:

- Call: 1-347-352-4853
- Conference ID: 102 738 21#
- Press *6 to mute and unmute your phone

Individuals may attend the meeting in person at the RPU Service Center, Community Room

Call to Order

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

1. Public Utility Board - Regular Meeting - Jun 29, 2021 4:00 PM
2. Review of Accounts Payable
3. Watermain & Sanitary Service Reconstruction (22nd Street NW)
Resolution: Watermain & Sanitary Service Reconstruction (22nd Street NW)
4. USIC Locating Agreement
Resolution: USIC Locating Agreement

NEW BUSINESS

Open Comment Period

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

- 4. Regular Agenda**

1. Westinghouse Gas Turbine Overhaul
Resolution: Westinghouse Gas Turbine Overhaul

5. Informational

1. 2020 Water Engineering, Operations and Environmental Update

6. Board Liaison Reports

1. RPU Index of Board Policies

7. General Managers Report

8. Division Reports & Metrics

1. Division Reports & Metrics - July 2021

9. Other Business

10. 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>



MEETING MINUTES – JUNE 29, 2021

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

The Rochester Public Utility Board is holding this meeting by telephone or other electronic means pursuant to Minnesota Statutes Section 13D.021. Some Board members may attend in person at the RPU Service Center Community Room.

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Calling In to the Teams Meeting:

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- Press *6 to mute and unmute your phone

In Person Attendance:

- Attend the meeting in person at the RPU Service Center, Community Room
- Spacing is limited, so electronic attendance is encouraged
- The In-Person Open Comment Period is open to the public, however space is limited

Call to Order

Attendee Name	Title	Status	Arrived
Brett Gorden	Board Vice President	Present	
Patrick Keane	Board Member	Present	
Tim Haskin	Board Member	Present	
Melissa Graner Johnson	Board President	Present	
Brian Morgan	Board Member	Present	

1. Approval of Agenda

Minutes Acceptance: Minutes of Jun 29, 2021 4:00 PM (Consent Agenda)

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

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Brian Morgan, Board Member
SECONDER:	Brett Gorden, Board Vice President
AYES:	Gorden, Keane, Haskin, Johnson, Morgan

2. Safety Moment

President Johnson spoke regarding taking precaution against the spread of respiratory illnesses and wearing a mask when one experiences symptoms.

3. Consent Agenda

1. Public Utility Board - Regular Meeting - May 25, 2021 4:00 PM
2. Review of Accounts Payable
3. Country Club Manor Standpipe Repair/Repainting

Resolution: Country Club Manor Standpipe Repair/Repainting

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to accept the bid from Maguire Iron, Inc., in an amount not to exceed \$196,150, for Country Club Manor Standpipe Repair/Repainting.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of June, 2021.

4. Watermain & Sanitary Sewer Reconstruction (20th Street NW)

Resolution: Watermain & Sanitary Sewer Reconstruction (20th Street NW)

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to accept the bid from Elcor Construction, Inc. in an amount not to exceed \$558,390 for Watermain and Sanitary Sewer Reconstruction at 20th Street NW and authorize the RPU Project Manager to perform the acts to execute the project.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of June, 2021.

5. Authorized Banking Representative

Resolution: Authorized Banking Representative

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the following person or persons are hereby authorized for and on behalf of the City of Rochester, doing business as, Rochester Public Utilities, to endorse or cause to be endorsed such documents regarding deposits, checks, drafts, investments or any other matter necessary for or pertaining to the financial operation of Rochester Public Utilities.

Mark Kotschevar, General Manager

Peter Hogan, Chief Financial Officer

Melissa Braaten, Accounting Supervisor

Judy Anderson, Senior Financial Analyst

Tina Livingston, Senior Financial Analyst

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th

day of June, 2021.

6. **Motion to:** approve the consent agenda as presented

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Brian Morgan, Board Member
SECONDER:	Brett Gorden, Board Vice President
AYES:	Gorden, Keane, Haskin, Johnson, Morgan

NEW BUSINESS

Open Comment Period

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

President Johnson opened the meeting for public comment. No one came forward to speak. The following email was received to the RPU Board Mailbox on June 27, 2021 from Raymond Schmitz.

From: Raymond <rschmitz22@charter.net>

Sent: Sunday, June 27, 2021 2:49 PM

To: RPU Board <RPUBoard@RPU.ORG>

Subject: Fwd: Good news! New Xcel plan ditches climate polluting gas plant

This is a fair summary of their action! Is it time for RPU to abandon the possible gas plant?

From: Raymond <rschmitz22@charter.net <mailto:rschmitz22@charter.net>>

Date: June 25, 2021 at 3:09:22 PM CDT

To: Ivan Idso <ivanidso@gmail.com <mailto:ivanidso@gmail.com>>, Rick Morris <rick.morris@sierraclub.org <mailto:rick.morris@sierraclub.org>>, edward cohen <edward.cohen350@gmail.com <mailto:edward.cohen350@gmail.com>>, Dave Reichert <dcreich@charter.net <mailto:dcreich@charter.net>>, Alan Hoffman <hoffman.alan1@gmail.com <mailto:hoffman.alan1@gmail.com>>

Subject: Fwd: Good news! New Xcel plan ditches climate polluting gas plant

Difficult to see how RPU builds a gas plant!

From: Ellen Anderson <eanderson@mncenter.org <mailto:eanderson@mncenter.org>>

Date: June 25, 2021 at 12:56:04 PM CDT

To: "Raymond F. Schmitz" <rschmitz22@charter.net <mailto:rschmitz22@charter.net>>

Subject: Good news! New Xcel plan ditches climate polluting gas plant

Reply-To: eanderson@mncenter.org <mailto:eanderson@mncenter.org>

Today Xcel Energy, Minnesota's largest utility, filed an alternate long-range energy plan <<https://click.everyaction.com/k/31391184/292517796/-1018923770?nvep=ew0KICAiVGvYUW50VXJpJjogIm5ncHZhbiovL3Zhb9UU00vVFNNRUEvMS84NzlyNCIsDQogICJEaXN0cmliZXQp9&hmac=KJ5QYUvqRsgx4uZxchsK8Z72PKglxDS2C9C4B1SD9Jk=&emc=i=af43b7eb-d9d5-eb11-a7ad-501ac57b8fa7&emdi=42a84789-ded5-eb11-a7ad-501ac57b8fa7&ceid=5909275>> at the Public Utilities Commission. That might not sound exciting... but it is! Why? **Because Xcel's new plan removes a proposed climate polluting gas plant and adds significant investments in renewable energy.**

MCEA and our partner orgs in the Integrated Resource Plan (IRP) process - Fresh Energy, Union of Concerned Scientists, and the Clean Grid Alliance - see this move by Xcel as a crucial realignment with the utility's promise to achieve a carbon-free electric system by 2050.

Minutes Acceptance: Minutes of Jun 29, 2021 4:00 PM (Consent Agenda)

We pushed Xcel to drop the plant after they included it in their initial IRP, filed in February, so seeing that reflected in the latest version is a huge win for MCEA, our partners, and all Minnesotans. Not only is a new gas plant unnecessary to meet future energy demands, but it's unaffordable and contradictory to the company's own data and modeling, the latest science on climate change, and Xcel's carbon-reduction commitments.

The science is clear: we are in a climate emergency. A May 2021 measurement by NOAA <https://click.everyaction.com/k/31391185/292517797/-2082061915?nvep=ew0KICAiVGvUyYW50VXJpIjogIm5ncHZhbjovL3Zhb9UU00vVFNNRUEvMS84NzlyNCIsDQogICJEaXN0cmliidXRpb25VbmlxdWVJZCI6IClOMmE4NDc4OS1kZWQ1LWVjMTETdTdhZC01MDFhYzU3YjhmYTciLA0KICAiRW1haWxBZGRyZXNzljogInJzY2htaXR6MjJAY2hhcnRlci5uZXQiDQp9&hmac=KJ5QYUvgRsgx4uZxchsK8Z72PKqlxDS2C9C4B1SD9Jk=&emci=af43b7eb-d9d5-eb11-a7ad-501ac57b8fa7&emdi=42a84789-ded5-eb11-a7ad-501ac57b8fa7&ceid=5909275> shows CO2 levels are at the highest level in 4,000,000 years. Cross-sector decarbonization is required to avoid the worst impacts of climate change, and leadership from our utilities is a critical piece of the puzzle.

The plan was just filed, and MCEA and our coalition partners look forward to digging deeper into the new proposal's data and details in the coming weeks, but we wanted to start your weekend off with some encouraging news!

Read our press release [here https://click.everyaction.com/k/31391186/292517798/-1773560336?nvep=ew0KICAiVGvUyYW50VXJpIjogIm5ncHZhbjovL3Zhb9UU00vVFNNRUEvMS84NzlyNCIsDQogICJEaXN0cmliidXRpb25VbmlxdWVJZCI6IClOMmE4NDc4OS1kZWQ1LWVjMTETdTdhZC01MDFhYzU3YjhmYTciLA0KICAiRW1haWxBZGRyZXNzljogInJzY2htaXR6MjJAY2hhcnRlci5uZXQiDQp9&hmac=KJ5QYUvgRsgx4uZxchsK8Z72PKqlxDS2C9C4B1SD9Jk=&emci=af43b7eb-d9d5-eb11-a7ad-501ac57b8fa7&emdi=42a84789-ded5-eb11-a7ad-501ac57b8fa7&ceid=5909275](https://click.everyaction.com/k/31391186/292517798/-1773560336?nvep=ew0KICAiVGvUyYW50VXJpIjogIm5ncHZhbjovL3Zhb9UU00vVFNNRUEvMS84NzlyNCIsDQogICJEaXN0cmliidXRpb25VbmlxdWVJZCI6IClOMmE4NDc4OS1kZWQ1LWVjMTETdTdhZC01MDFhYzU3YjhmYTciLA0KICAiRW1haWxBZGRyZXNzljogInJzY2htaXR6MjJAY2hhcnRlci5uZXQiDQp9&hmac=KJ5QYUvgRsgx4uZxchsK8Z72PKqlxDS2C9C4B1SD9Jk=&emci=af43b7eb-d9d5-eb11-a7ad-501ac57b8fa7&emdi=42a84789-ded5-eb11-a7ad-501ac57b8fa7&ceid=5909275)!

Ellen Anderson

Climate Director

Minnesota Center for Environmental Advocacy

4. Regular Agenda

1. Cascade Creek Controls Upgrade Project (GT1)

Manager of Power Resources Tony Dzubay presented a request to the board to move forward with an upgrade to the control system for the turbine generator at the Cascade Creek facility. Petrotech Inc submitted a proposal of \$179,483 to perform the work which includes the purchase of equipment, spares and configuration services to upgrade or replace obsolete equipment for the Westinghouse control system for the GT1 turbine at Cascade Creek. The work is expected to take six days and will include a new control computer used to control the generator locally or remotely. Staff also requested a contingency fund of \$18,000 for the project and authorization for the project manager to perform the acts to execute the project. The funds allocated for the project are included in the 2021 budget and are within estimates. Since the work is considered professional services, bidding is not required.

Board Member Brian Morgan asked if there is any concern with bringing the new system online. Director of Power Resources Jeremy Sutton said there is not.

Resolution: Cascade Creek Controls Upgrade Project (GT1)

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the proposal from Petrotech, Inc., subject to final agreement, for Cascade Creek Controls Upgrade Project (GT1) in an amount not to exceed

\$197,483 and authorize the RPU Project Manager to perform the acts to execute the project.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of June, 2021.

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

2. Distributed Energy Resources, Technical Specification Manual

Senior Electrician Steve Cook presented a request to the board to approve the proposed Technical Specification Manual for Distributed Energy Resources, a set of technical specifications for interconnection to the RPU electric distribution system. The State of Minnesota issued orders requiring investor-owned and regulated utilities under Public Utility Commission jurisdiction to have an approved Technical Specification Manual (TSM) published in June 2020, although as a municipal utility, RPU did not fall under this requirement. However, as most utilities in the state have adopted a TSM, RPU is following suit.

Board Member Brian Morgan asked if the specifications are for new construction or if they have impact to existing inter-connected customers. Mr. Cook stated the standards are for new construction, but there are some new requirements for existing customers not specified before. Letters will be sent to those customers informing them of the changes. Mr. Morgan asked if there has been any feedback from industry partners in the area. The TSM is not shared with industry professionals ahead of time, said Mr. Cook, however the RPU TSM is very similar to other TSM's throughout the state, so installers should already be aware of the general requirements.

Resolution: Distributed Energy Resources, Technical Specification Manual

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to adopt the proposed Technical Specification Manual for Distributed Energy Resources effective on August 1, 2021, and grant staff the ability to make minor changes to the document to keep it current with Minnesota requirements and applicable industry standards.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of June, 2021.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brett Gorden, Board Vice President
SECONDER:	Brian Morgan, Board Member
AYES:	Gorden, Keane, Haskin, Johnson, Morgan

3. 2021 Electric Service Rules and Regulations

RPU revises its Electric Service Rules and Regulations about every four years. This document provides guidance to customers and electrical contractors in establishing new electric service or to make revisions to an existing electrical service. The last version was adopted in June 2017.

Senior Electrical Engineer Brian Kelly said the new version includes questions and updates from area contractors and city building inspectors, adds references to interconnect solar, and a new section on Distributed Energy Resources.

Board Member Brian Morgan asked if any of the changes were in response to experiences with various customers or contractors. One such change was a change in grade to utility easement after work was done by an out-of-town contractor, said Mr. Kelly, that involved a dispute regarding payment.

The new version becomes effective on July 19, 2021.

Resolution: 2021 Electric Service Rules and Regulations

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to adopt the proposed 2021 Electric Rules and Regulations, effective July 19, 2021.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of June, 2021.

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

4. Board Committee Assignments

The board approved committee assignments for 2021-2022.

Public Utility Board Committee Assignments 2021-22					
Finance	Communications	Strategic Planning	Operations & Admin.	Policy	Rates
Melissa Graner Johnson	Melissa Graner Johnson	Tim Haskin	Tim Haskin	Brian Morgan	Patrick Keane
Brett Gorden	Tim Haskin	Brian Morgan	Melissa Graner Johnson	Brett Gorden	Brett Gorden
Peter Hogan	Steven Nyhus	Jeremy Sutton	Jeremy Sutton	Mark Kotschevar	Mark Kotschevar
	Krista Boston	Peter Hogan	Scott Nickels		

5. Informational

1. Strategic Planning

General Manager Mark Kotschevar presented RPU's updated 2022-2024 Strategic Plan Overview and a 3-year road map with specific outcomes to be achieved each year. The plan was updated using input from the board. Important themes incorporated into the plan are resiliency and disaster planning, the need for additional customer communication, demonstration of transparency, maintaining reputation and relationships, additional outreach, communication based on customer demographics, segregation of RPU customers, further discussion of the 2030 resource plan, reliability as a central consideration, other RPU assets that may be leveraged throughout the city for the benefit of the community, and additional rate structure options, said Mr. Kotschevar.

President Johnson stated that staff did a good job of integrating the board's suggestions.

The 3-year road map contains more detailed actions designed to carry out the initiatives of the strategic plan, said Mr. Kotschevar, and will become the

foundation of the RPU budget process to ensure projects are aligned to outcomes.

Is there any action the board's Strategic Planning committee should take as a result of this planning, asked President Johnson? The committee members may decide to meet with staff, said Mr. Kotschevar, but assuming there is consensus among board members to endorse the plan, the budget process will ultimately determine what initiatives are approved. Board Member Tim Haskin, a member of the Strategic Planning committee, stated he is in favor of moving forward with the budget and approving any changes during that process. The board will see the budget first draft in August and staff will coordinate the process with the Strategic Planning committee, said Mr. Kotschevar.

6. Board Liaison Reports

1. Adjustment of Utility Services Billed Policy

The board's Adjustment of Electric and Water Bills policy was updated using input from the Board Finance Committee and was presented to the board for approval. The policy was re-titled Adjustment of Utility Services Billed to reflect all the utility services that RPU currently bills for or may bill for in the future. Changes to the policy bring it into compliance with Minnesota Statute 216B.098 Residential Customer Protections, and include meter accuracy parameters for water meters, revised look back periods for overcharges and undercharges, and added guidance for payment agreements when correcting for undercharges.

Where will the changes in calculations have the biggest impacts, asked Board Member Brian Morgan? When billing errors do arise, they most often occur due to an incorrect factor in billing setup or in meter tolerance, however errors usually only affect about 50 bills per year among the 57,000 electric and 40,000 water customers who receive bills every month, said Director of Corporate Services Peter Hogan.

Resolution: Adjustment of Utility Services Billed Policy

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Adjustment of Utility Services Billed Policy, attached.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of June, 2021.

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

2. RPU Index of Board Policies

Although the board's Contribution in Lieu of Taxes policy has been targeted for revision, the board will hold off on moving forward with updates until after the City Council discusses additional revenues and enhancements in regard to enterprise funds as part of its budget discussions. President Johnson suggested the board's Policy Committee meet to discuss which of the board's policies should be designated for revision.

Board Member Brian Morgan asked if there is a reason for the RPU Board to be proactive in the Council discussions or reactive. City Council Liaison Patrick Keane

stated he would rather RPU not be campaigning for certain outcomes and it is not currently an issue in front of Council.

7. General Managers Report

General Manager Mark Kotschevar announced that Scott Nickels, previous Manager of System Operations, Transmission Planning and NERC Compliance, has accepted the position of Director of Core Services. Additionally, Controller Julie Ackerman is resigning from RPU. Judy Anderson will be the interim Controller while staff works to backfill the position.

Staff is working on the RPU budget which will be finalized over the next couple months. The board's Finance Committee will receive a first look at the budget in August, and it will be presented to the full board at the August 31, 2021 board meeting.

Mr. Kotschevar, Board Member Brian Morgan and Director of Customer Relations Krista Boston attended the 2021 APPA National Conference in Orlando June 20-23. Mr. Kotschevar shared his take-aways from a session he attended on battery storage and renewable energy. There was a lot of conversation about increasing renewables in the US and how to integrate them while reliably serving the public, said Mr. Kotschevar. Storage is a key issue and the use of utility batteries will depend on technology advances to make them a viable option. In the near term, gas is the viable option to maintain the security and reliability of the grid. The marrying of solar and storage was also frequently mentioned, although length of battery storage is the issue. Additionally of note, Mr. Kotschevar attended a presentation on the future of energy in the United States moderated by the CEO of EPRI (Electric Power Research Institute). In order for the country to reach its carbon goals in 2050, it was stated it will take all of the sectors to substantially reduce CO2 output, not just the electric power sector, but the transportation sector, building sector and agriculture sector, with the key being to focus on energy not just electricity. Achieving those carbon goals will require the use of efficient electrification to replace the fossil fuels that heat our buildings and drive our cars with less carbon-intensive electricity. The Low Carbon Resources Initiative, a project led by EPRI and the Gas Technology Institute (GTI), bands together public power, investor-owned utilities, industry sectors and technology companies to work together to find ways to increasingly reduce the carbon in the energy sector. RPU has requested to be a participant in this initiative, said Mr. Kotschevar. The speaker also spoke of the use of hydrogen as an energy source on the horizon, but due to high cost and lack of technology it's not currently a viable option. The retiring of aging coal plants was another common point of discussion at the conference, said Mr. Kotschevar.

Mr. Morgan shared topics he gleaned from the conference, such as that as people move to electric vehicles and rooftop solar energy, eventually the utility becomes more of an infrastructure provider than an electricity provider which affects rate design in the future. Other trends he noticed were resiliency of current infrastructure with the safety margin factored in (such as the polar vortex in Texas and how close they came to the entire state grid going black), as well as risk management and mitigation and how decisions made now will affect the next twenty years as we move away from the use of coal and fossil fuels. For example, gas or solar technology or battery technology becoming obsolete.

Board Member Patrick Keane asked if nuclear energy was part of the discussion at the conference in regard to the 2050 energy plans. Mr. Kotschevar said there was not much discussion on nuclear, but there is a project through the Department of Energy in conjunction with Utah Municipal Power, Advanced Small Modular Reactors, utilizing small 60 megawatt nuclear reactors that can be tied together, but the project is mired in the Nuclear Regulatory Commission (NRC) approval process, is very expensive and will not be readily-available in the foreseeable future. APPA will be holding its 2021 National Virtual Conference Event July 13-14, and board members are invited to attend.

8. Division Reports & Metrics

Board Member Patrick Keane asked about the return of electric disconnects on August 2, 2021 for non-payment, and what state and federal programs may be available to assist RPU customers. Director of Customer Relations Krista Boston said the Minnesota Housing COVID-19 Housing Assistance Program was released, however it does not include utility assistance, only mortgage assistance, so people are advised to seek energy assistance from the federal LIHEAP program or Three Rivers Community Action Agency. Olmsted County has \$15 million in housing assistance and housing stability available, and the Minnesota Department of commerce will provide storm water and wastewater assistance, which will be a separate program for people to apply. Ms. Boston stressed that customers will need to ensure they submit applications for assistance, and RPU is available to help with that process. In addition, Minnesota Housing will be issuing a Guarantee letter to local landlords to stop customers from being disconnected if they can show they have applied for assistance. Mr. Keane asked if delaying disconnects by another 30 days would provide relief to customers. Ms. Boston stated it would just be putting off the inevitable and having a predictable date allows customers to plan. Mr. Keane stated he is glad to hear about the mortgage and rent assistance since that seems to be a bigger issue.

Board Member Brian Morgan noted the electric system peak demand reached 206.9 megawatts in May due to high temperatures, and was interested in the June peak due to continued high temperatures.

Director of Core Services Scott Nickels stated that June peak was 270 megawatts. Mr. Morgan noted the recent increase in materials costs and asked if contracts will need to be approved more quickly. RPU purchasing staff has requested that bids to be guaranteed for 90 days, said Buyer Mona Hoeft. President Johnson said that board members could be available at short notice for a quick meeting if needed to approve a contract to help keep costs down.

9. Other Business

10. 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 # 13625)

Meeting Date: 7/27/2021

SUBJECT: Review of Accounts Payable

PREPARED BY: Colleen Keuten

ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 06/14/2021 To 07/12/2021
Consolidated & Summarized Below 1,000

Greater than 50,000 :

SOUTHERN MN MUNICIPAL POWER A	June SMMPA Bill	8,675,103.26
MN DEPT OF REVENUE	May Sales and Use Tax	621,089.62
MN DEPT OF REVENUE	June Sales & Use Tax Accelerated Payment	560,000.00
THE ENERGY AUTHORITY INC	June MISO Transmission	256,227.80
CONSTELLATION NEWENERGY-GAS D	May Gas for SLP	216,739.57
SHI INTERNATIONAL CORP (P)	2021 Microsoft Enterprise Agreement	215,277.89
S L CONTRACTING INC	Watermain Reconstruction Teton	132,934.56
CONSTELLATION NEWENERGY-GAS D	May Gas for Cascade Creek	81,099.42
ASPLUNDH TREE EXPERT LLC (P)	Hourly Tree Trimming	75,886.53
CONSTELLATION NEWENERGY-GAS D	May Gas for WES	57,896.38
Price Range Total:		10,892,255.03

5,000 to 50,000 :

PAYMENTUS CORPORATION	May Credit/Debit/ACH Processing Fees	44,629.12
CENTRAL MINNESOTA MUNICIPAL P	June Capacity	44,000.00
OSI - OPEN SYSTEMS INTERNATIO	OSI SCADA System Upgrade	42,281.73
OSMOSE UTILITIES SERVICES INC	June 2021 Pole Testing & Treatment	38,375.23
ROCHESTER HOTEL PARTNERS LLC	CIP-Lighting (C&I)-Incentives/Rebates	37,232.99
CRYSTEEL TRUCK EQUIPMENT INC	2EA-Utility body for V665	36,159.12
MN DEPT OF COMMERCE	Q1FY2022 Indirect Assessment	29,598.88
DOXIM UTILITEC LLC	June Bill Print/Mail Services/Postage	27,314.27
ARCHKEY TECHNOLOGIES dba	Milestone Renewable Software Licenses 5Y	23,745.49
EPLUS TECHNOLOGY INC	4EA-FORTICARE FORTIGUARD FIREWALL	23,401.35
US BANK - VOYAGER	June Fuel Purchases	22,577.82
STUART C IRBY CO INC	50EA-Splice, 15kV, 500-750 MCM, C.S.	20,750.00
BADGER METER INC (P)	120EA-Meter, Bare E-Series 3/4"(57) Ultr	19,441.20
TRIPWIRE INC	Enterprise Support Renewal	18,217.49
KATS EXCAVATING LLC	SA Service Repair-3 Locations	17,050.00
VISION COMPANIES LLC (P)	Employee Development	15,487.50
BLUESPIRE dba	July/August 2021 Plugged In Contract	13,604.00
MASTEC NORTH AMERICA INC	Sectional Duct Repair 2nd St SW	13,583.53
CENTURYLINK (P)	21 Monthly Telecommunications	13,075.91
PARAGON DEVELOPMENT SYSTEMS I	8-Veeam 5yr Backup Essentials License	12,785.50
STUART C IRBY CO INC	1EA-Trans, PM, 3ph, 500kVA, 13.8/8, 208	12,751.00
HARVESTVIEW PLACE II	CIP-LED Light Fixtures-Incntivs/Rebts	11,635.00
FIRST BROADWAY ROCHESTER LLC	CIP-LED Light Fixtures-Incntivs/Rebts	11,267.50
KANTOLA CONSULTING	Cayenta, Time of Use & SEW Project Meetings	11,160.00
NORTH CENTRAL INTERNATIONAL L	Repair-Engine Light On-Matls & Labor	11,069.10
GDS ASSOCIATES INC	2021 NERC Compliance Assistance	9,940.00
REBATES	CIP Conserve & Save Rebates - Toilets	9,875.00
SMARTSHEET INC	Business Plan Plus Pro Support Licenses	9,311.29
STUART C IRBY CO INC	89EA-Cutout, 15KV, 100A, NLB, Poly	8,855.50
VERIZON WIRELESS	2021 Cell & iPad Monthly Service	8,710.67
ADVANTAGE DIST LLC (P)	4987GAL-Urea 32, WES	7,779.72
HAWKINS INC	810GAL-Carus 8500 Aqua Mag Phosphate	7,492.50
102 SOUTH BROADWAY LLC	Customer Refunds 6822	7,266.28
MINNESOTA ENERGY RESOURCES CO	May Gas for WES	7,076.51
HAWKINS INC	74EA-Chlorine Gas	7,001.88

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ROCHESTER PUBLIC UTILITIES
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For 06/14/2021 To 07/12/2021
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53	SCHAD TRACY SIGNS INC	Service Center Exterior Sign Installation	6,894.00
54	HARVESTVIEW PLACE II LIMITED	CIP-Lighting (C&I)-Incentives/Rebates	6,627.58
55	ACKY-324 LLC	CIP-Lighting (C&I)-Incentives/Rebates	6,527.75
56	GLOBAL RENTAL COMPANY INC	Truck Rental-Altec AT41M aerial device	6,412.50
57	A & A ELECT & UNDERGROUND CON	2017-2022 Directional Boring	6,365.00
58	CITY OF ROCHESTER	Q3-Attorney Services	6,250.00
59	MALLOY ELECTRIC dba	1EA-VFD, 125/100HP 460V	6,063.00
60	HARVESTVIEW PLACE II	CIP-Washer, Refrigerator, Dishwasher-Rebates	5,700.00
61	STUART C IRBY CO INC	1EA-Trans, PM, 3ph, 75kVA, 13.8/8, 480	5,451.00
62	ACKY-324 LLC	CIP-LED Light Fixtures-Incnetivs/Rebts	5,215.00
63	PARAGON DEVELOPMENT SYSTEMS I	May 2021 IT Help Desk Consultant	5,120.00
64			
65		Price Range Total:	721,128.91
66			

1,000 to 5,000 :

69	QUADIENT INC	21-22 Mail Equipment Maintenance Renewal	4,668.30
70	HAWKINS INC	11875.5LB-Hydrofluosilicic Acid	4,512.70
71	BOB THE BUG MAN LLC	Pest Control - Well Sites	4,476.00
72	PW POWER SYSTEMS INC	2EA-Plug, Igniter-Gas Turbine	4,221.58
73	EXPRESS SERVICES INC	2021 Seasonal Staff Facilities	4,102.56
74	CRESCENT ELECTRIC SUPPLY CO	12EA-Luminaire, 108W LED, PC 120-277V, B	4,021.92
75	MINNESOTA ENERGY RESOURCES CO	May Gas for SLP	3,783.51
76	HOM FURNITURE	CIP-Lighting (C&I)-Incentives/Rebates	3,777.88
77	CORE & MAIN LP (P)	Materials for Windsor Water Line Re-Location	3,669.30
78	TWIN CITY SECURITY INC	June 2021 Security Services	3,635.89
79	STUART C IRBY CO INC	3EA-Trans, PM, 1ph, 15kVA, 13.8/8, 240	3,606.00
80	WSB & ASSOCIATES	Well #42 Design	3,559.25
81	GOPHER STATE ONE CALL	May Locates Completed Tickets	3,399.30
82	GOPHER STATE ONE CALL	June Locates Completed Tickets	3,381.75
83	STUART C IRBY CO INC	24EA-Junction, LB, 200A, 4 Pos, w/Strap	3,313.20
84	SCHAD TRACY SIGNS INC	SLP Exterior Sign Installation	3,214.23
85	EPLUS TECHNOLOGY INC	2021-22 Informacast Maintenance	3,184.88
86	SPECTRUM PRO-AUDIO dba	Community Room Microphone/AV Pro	3,162.43
87	PW POWER SYSTEMS INC	2EA-Cable-Exciter, Left Spark Ign	3,130.39
88	BERGERSON CASWELL INC	Work performed on Well Pump #33	3,110.00
89	OPTIV SECURITY INC	BlueCoat Proxy Virtual Appliance Replacement	2,994.49
90	BARR ENGINEERING COMPANY (P)	General Groundwater Services	2,975.00
91	SOMA CONSTRUCTION INC	Water Main Break Repair Material	2,926.55
92	CITY OF ROCHESTER	Medical Services	2,924.00
93	STUART C IRBY CO INC	40EA-Arrester, 10kV, Dist, Elbow MOV	2,870.00
94	ONLINE INFORMATION SERVICES I	June 2021 Utility Exchange Report	2,814.88
95	CITY OF ROCHESTER	Workers Comp Fees 2021 Installment #3	2,785.99
96	WINKELS ELECTRIC INC	Replace Faulty Underground Service Wire	2,612.00
97	ACCURATE CALIBRATION SERVICES	Calibration of Test Equipment	2,600.00
98	ELITE CARD PAYMENT CENTER	Material for ZRS Project	2,597.06
99	BERGERSON CASWELL INC	Work Performed on Well Pump #23	2,550.00
100	EPLUS TECHNOLOGY INC	ISE Plus License	2,538.28
101	GDS ASSOCIATES INC	MISO Attachment O Consulting Service	2,526.25
102	SCHAD TRACY SIGNS INC	Service Center Main Entrance Installation	2,481.27
103	BENIKE CONSTRUCTION (P)	Remove Heaters & Patch Ceiling	2,400.00
104	NATIONWIDE DI WATER SOLUTIONS	8EA-DI Vessels, Mixed Bed, CC	2,400.00

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105	TECH SAFETY LINES	4EA-Self Rescue Kit, w/ 65' Line	2,351.25
106	CRESCENT ELECTRIC SUPPLY CO	500ROL-Tape, Vinyl, .750" x 66' 3M Super	2,304.22
107	RESCO	14EA-CT, XL Window 2000/5 600V High Accu	2,255.96
108	GFL SOLID WASTE MIDWEST LLC	June Recy/July Trash 2021 Waste Removal SC	2,167.97
109	STAR ENERGY SERVICES LLC	21 Nova Power Portal Cust Interconnect	2,137.50
110	STUART C IRBY CO INC	28EA-Pedestal, Dome Cover, Box Style	2,030.00
111	RESCO	600EA-Lock, Trans. Security	1,994.29
112	CORE & MAIN LP (P)	1EA-Valve, Gate, MJ, 12.0	1,979.67
113	IHEART MEDIA dba	June Radio Ads	1,932.00
114	REBATES	CIP Conserve&Save Clothes Washer Rebate	1,900.00
115	STUART C IRBY CO INC	28EA-Pedestal, Base, Secondary, w/o Cove	1,890.00
116	BOLTON AND MENK (P)	TMOB Baihly #92 Telecom Modifications	1,797.50
117	ROCHESTER ATHLETIC CLUB	CIP-Lighting (C&I)-Incentives/Rebates	1,769.50
118	STUART C IRBY CO INC	12EA-Junction, LB, 200A, 4 Pos, w/Strap	1,656.60
119	VERIZON CONNECT NWF INC	June 2021 GPS Fleet Tracking	1,576.17
120	N HARRIS COMPUTER CORP	Cayenta Modification	1,560.00
121	HI LINE UTILITY SUPPLY CO (P)	6ROL-Pull Tape, Printed, .750" x 3000'	1,552.98
122	K A A L TV LLC	May Advertising	1,510.00
123	OLDCASTLE PRECAST INC (P)	20EA-Manhole Spacer Ring, 37" x 2" Cemen	1,500.10
124	TMS JOHNSON INC	1EA-Fan, Exhaust	1,485.00
125	DAVIES PRINTING COMPANY INC	24PKG-Paper, RPU Letterhead (Cust Service)	1,449.23
126	S L CONTRACTING INC	Water Main Break Curb Repair	1,440.00
127	STUART C IRBY CO INC	June 2021 Rubber Goods Tstg & Replacement	1,438.50
128	STUART C IRBY CO INC	20EA-Arrester, 10kV, Dist, Elbow MOV	1,435.00
129	EPLUS TECHNOLOGY INC	2EA-Switch, Catalyst 1000, 8-port	1,373.22
130	STUART C IRBY CO INC	1EA-Trans, PM, 1ph, 37.5kVA, 13.8/8,240	1,361.00
131	BOLTON AND MENK (P)	TMOB #89 Decomissioning Services	1,312.50
132	BILDEAUX SERVICES	Chainsaw Safety Training	1,308.08
133	ELITE CARD PAYMENT CENTER	Application Fee-Rail Permitting	1,294.00
134	CITY OF ROCHESTER	Workers Comp Admin Fees-May	1,282.00
135	PW POWER SYSTEMS INC	1EA-Transducer, Pressure, 0- 100 psig	1,246.07
136	CORE & MAIN LP (P)	Materials for Winsor Hills Watermain Relocation	1,242.16
137	MINNESOTA ENERGY RESOURCES CO	May Gas for Cascade Creek	1,231.45
138	DAVIES PRINTING COMPANY INC	25BOX-Envelope, #10 Window, Sec Win 500/	1,216.25
139	HSI WORKPLACE COMPLIANCE SOLU	TKeller - Custom Bundle Training	1,200.00
140	BOLTON AND MENK (P)	TMobile Viola #98 Review	1,200.00
141	ZUMBRO EVANGELICAL LUTHERAN C	CIP-Custom (C&I)-Incentives/Rebates	1,193.96
142	MN VALLEY TESTING LABS INC	14 Tests-Marion Road Substation	1,190.00
143	EPLUS TECHNOLOGY INC	2021 Network Maintenance Services	1,166.00
144	FORBROOK LANDSCAPING SERVICES	Bollard Installation	1,156.39
145	AMERICAN GOVERNOR COMPANY (P)	3EA-Packing, Cylinder Rod	1,125.00
146	A T & T	Long Distance	1,121.65
147	MACQUEEN EQUIPMENT	Suction Tube	1,108.19
148	SOLOMON CORPORATION	2EA-Arc Free Oil Sample Device	1,100.00
149	GENERAL REPAIR SERVICE	1EA-Pump, Booster	1,100.00
150	Customer Refunds (CIS)	Customer Refunds 6791	1,092.53
151	CITY OF ROCHESTER	New Logo Employee Clothing	1,084.00
152	OPEN ACCESS TECHNOLOGY	July NERC Compliance Tag Agent	1,078.57
153	STUART C IRBY CO INC	8EA-Grd Sleeve, 1ph Sect. Encl, 30 x 18	1,056.00
154	S L CONTRACTING INC	Hydro Seeding	1,044.00
155	DAVIES PRINTING COMPANY INC	20BOX-Envelope, #10 Window, Sec Win 500/	1,030.00
156	RESCO	50EA-Clamp, Deadend, Strate Line, 2/0-556	1,009.00

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157	CORE & MAIN LP (P)	40FT-Pipe, DI, Push-on, 6.0	1,006.40
158	THE CONNECTIVITY CENTER INC	4PKG-RJ45 Port Lock, Dark Blue	1,000.00
159			
160		Price Range Total:	194,968.70
161			
162	<u>0 to 1,000 :</u>		
163			
164	Customer Refunds (CIS)	Summarized transactions: 115	12,439.86
165	REBATES	Summarized transactions: 32	9,651.42
166	EXPRESS SERVICES INC	Summarized transactions: 12	9,442.27
167	ELITE CARD PAYMENT CENTER	Summarized transactions: 47	7,187.73
168	WESCO DISTRIBUTION INC	Summarized transactions: 22	5,327.65
169	CORE & MAIN LP (P)	Summarized transactions: 24	5,079.29
170	STUART C IRBY CO INC	Summarized transactions: 21	4,925.12
171	BOLTON AND MENK (P)	Summarized transactions: 6	4,385.00
172	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 17	3,579.41
173	CITY LAUNDERING COMPANY	Summarized transactions: 20	3,573.31
174	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 12	3,370.55
175	GRAINGER INC	Summarized transactions: 18	3,116.00
176	NORTH CENTRAL INTERNATIONAL L	Summarized transactions: 5	2,540.48
177	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 26	2,270.72
178	THE CONNECTIVITY CENTER INC	Summarized transactions: 22	2,104.51
179	U S A SAFETY SUPPLY	Summarized transactions: 13	1,902.74
180	SHI INTERNATIONAL CORP (P)	Summarized transactions: 4	1,890.58
181	KOTSCHERVAR MARK	Summarized transactions: 5	1,796.16
182	LAWSON PRODUCTS INC (P)	Summarized transactions: 10	1,745.57
183	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 6	1,616.05
184	BOB THE BUG MAN LLC	Summarized transactions: 3	1,599.93
185	METRO SALES INC	Summarized transactions: 4	1,471.06
186	WERNER ELECTRIC SUPPLY	Summarized transactions: 20	1,457.35
187	RESCO	Summarized transactions: 6	1,365.52
188	REINDERS INC	Summarized transactions: 6	1,294.35
189	GFL SOLID WASTE MIDWEST LLC	Summarized transactions: 2	1,276.18
190	ULTEIG ENGINEERS INC	Summarized transactions: 3	1,264.00
191	POLLARDWATER dba	Summarized transactions: 4	1,256.48
192	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 2	1,093.81
193	EPLUS TECHNOLOGY INC	Summarized transactions: 5	1,076.23
194	MILESTONE MATERIALS	Summarized transactions: 4	1,070.11
195	BADGER METER INC (P)	Summarized transactions: 3	1,061.01
196	CENTURYLINK (P)	Summarized transactions: 6	1,060.53
197	WINKELS ELECTRIC INC	Summarized transactions: 3	1,034.07
198	U S A SAFETY SUPPLY	Summarized transactions: 2	997.88
199	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 10	967.41
200	PARAGON DEVELOPMENT SYSTEMS I	Summarized transactions: 2	961.88
201	MIDCONTINENT ISO INC	Summarized transactions: 1	958.01
202	DAVE SYVERSON TRUCK CENTER IN	Summarized transactions: 1	939.36
203	ON SITE SANITATION INC	Summarized transactions: 3	934.21
204	ROCHESTER ARMORED CAR CO INC	Summarized transactions: 1	913.02
205	ELECTRIC SCIENTIFIC CO INC	Summarized transactions: 1	908.44
206	KANTOLA CONSULTING	Summarized transactions: 1	900.00
207	BARR ENGINEERING COMPANY (P)	Summarized transactions: 1	789.00
208	NORTHERN WOOD PRODUCTS INC	Summarized transactions: 3	771.10

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209	JASPER ENGINEERING & EQUIP CO	Summarized transactions: 26	769.26
210	SOMA CONSTRUCTION INC	Summarized transactions: 1	767.22
211	BARR ENGINEERING COMPANY (P)	Summarized transactions: 1	755.00
212	THE ENERGY AUTHORITY INC	Summarized transactions: 1	753.80
213	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 8	721.65
214	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 8	714.82
215	UNITED RENTALS INC	Summarized transactions: 1	682.81
216	THOMPSON GARAGE DOOR CO INC	Summarized transactions: 2	676.05
217	ROOT RIVER HARDWOODS INC	Summarized transactions: 2	670.38
218	AIRGAS SAFETY INC	Summarized transactions: 1	655.89
219	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 1	655.64
220	HALLBERG ENGINEERING INC	Summarized transactions: 1	620.00
221	ADVANCE AUTO PARTS	Summarized transactions: 7	616.92
222	ERC WIPING PRODUCTS INC	Summarized transactions: 3	605.04
223	IDVILLE dba (P)	Summarized transactions: 4	594.72
224	LANGUAGE LINE SERVICES INC	Summarized transactions: 1	578.10
225	CITY LAUNDERING COMPANY	Summarized transactions: 4	574.94
226	AMARIL UNIFORM COMPANY	Summarized transactions: 3	568.56
227	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 3	543.47
228	MENARDS ROCHESTER NORTH	Summarized transactions: 5	510.12
229	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 2	502.97
230	NUVERA	Summarized transactions: 1	501.45
231	S L CONTRACTING INC	Summarized transactions: 1	500.00
232	SMART ENERGY SYSTEMS LLC	Summarized transactions: 1	498.28
233	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 3	484.71
234	AMERICAN PAYMENT CENTER	Summarized transactions: 2	446.56
235	BOWMANS DOOR SOLUTIONS	Summarized transactions: 4	443.55
236	CDW GOVERNMENT INC	Summarized transactions: 2	436.34
237	HEPPELMANN MIKE	Summarized transactions: 1	435.00
238	EDINALARM INC	Summarized transactions: 1	432.67
239	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 10	428.15
240	SKYWATCH SERVICES dba	Summarized transactions: 1	427.50
241	LIFELINE INCORPORATED	Summarized transactions: 2	403.24
242	CORPORATE WEB SERVICES INC	Summarized transactions: 1	396.00
243	WSB & ASSOCIATES	Summarized transactions: 1	392.00
244	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 20	391.69
245	EDEL OIL SERVICE INC	Summarized transactions: 1	380.00
246	MOTOPROZ INC	Summarized transactions: 2	356.67
247	EARLS SMALL ENGINE REPAIR INC	Summarized transactions: 5	354.39
248	OLDCASTLE PRECAST INC (P)	Summarized transactions: 2	339.77
249	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 1	319.99
250	ANDERSON JUDITH	Summarized transactions: 1	314.40
251	CORE & MAIN LP (P)	Summarized transactions: 1	311.01
252	CREDIT MANAGEMENT LP	Summarized transactions: 1	306.34
253	RDO EQUIPMENT COMPANY (P)	Summarized transactions: 2	302.73
254	PW POWER SYSTEMS INC	Summarized transactions: 4	301.91
255	DAKOTA SUPPLY GROUP	Summarized transactions: 2	301.42
256	CONDUX INTERNATIONAL INC	Summarized transactions: 2	300.00
257	VANCO SERVICES LLC	Summarized transactions: 1	294.32
258	NALCO COMPANY LLC	Summarized transactions: 4	291.25
259	STAR ENERGY SERVICES LLC	Summarized transactions: 2	286.00
260	MENARDS ROCHESTER SOUTH	Summarized transactions: 8	284.40

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261	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	279.54
262	CITY OF ROCHESTER	Summarized transactions: 2	270.64
263	MENARDS ROCHESTER NORTH	Summarized transactions: 6	263.67
264	DAVIES PRINTING COMPANY INC	Summarized transactions: 4	254.89
265	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 3	250.00
266	FASTENAL COMPANY	Summarized transactions: 9	247.71
267	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 2	243.37
268	S L CONTRACTING INC	Summarized transactions: 1	225.00
269	SCHUMACHER EXCAVATING INC.	Summarized transactions: 1	225.00
270	FEDEX SHIPPING	Summarized transactions: 14	221.13
271	CUSTOM HOSE TECH INC	Summarized transactions: 5	210.55
272	SAFELITE FULFILLMENT INC	Summarized transactions: 1	200.00
273	BADGER PAINTING	Summarized transactions: 1	197.00
274	FRONTIER	Summarized transactions: 1	193.21
275	THOMAS TOOL & SUPPLY INC	Summarized transactions: 1	192.36
276	NETWORK SERVICES COMPANY	Summarized transactions: 1	187.94
277	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 5	183.07
278	GOODIN COMPANY	Summarized transactions: 4	165.36
279	VERIZON WIRELESS	Summarized transactions: 1	161.86
280	HATHAWAY TREE SERVICE INC	Summarized transactions: 1	150.00
281	MN DEPT OF HEALTH	Summarized transactions: 1	150.00
282	SACRED ENGRAVING LLC	Summarized transactions: 1	146.21
283	WATER SYSTEMS COMPANY	Summarized transactions: 2	135.90
284	BATTERIES PLUS	Summarized transactions: 2	127.93
285	HI LINE UTILITY SUPPLY CO (P)	Summarized transactions: 1	127.86
286	CHARTER COMMUNICATIONS	Summarized transactions: 1	125.12
287	KLAMERUS DOUG	Summarized transactions: 1	125.00
288	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 1	123.77
289	BATTERIES PLUS	Summarized transactions: 1	119.70
290	HACH COMPANY	Summarized transactions: 3	117.74
291	FORUM COMMUNICATIONS COMPANY	Summarized transactions: 3	117.53
292	BECKLEYS OFFICE PRODUCTS INC	Summarized transactions: 1	114.44
293	HAWKINS INC	Summarized transactions: 3	113.50
294	SOLOMON CORPORATION	Summarized transactions: 3	112.80
295	DAKOTA SUPPLY GROUP	Summarized transactions: 3	111.85
296	GENERAL REPAIR SERVICE	Summarized transactions: 1	105.14
297	VERIFIED CREDENTIALS INC	Summarized transactions: 1	105.00
298	ALL SEASONS POWER & SPORT INC	Summarized transactions: 2	102.54
299	MACQUEEN EQUIPMENT	Summarized transactions: 1	91.78
300	BUCHOLZ MICHAEL	Summarized transactions: 1	86.50
301	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
302	AMERICAN GOVERNOR COMPANY (P)	Summarized transactions: 2	82.81
303	HIGHUM JODY	Summarized transactions: 1	77.83
304	BROCK WHITE COMPANY LLC (P)	Summarized transactions: 1	76.47
305	RAIN RICHARD	Summarized transactions: 1	76.28
306	GLOBAL RENTAL COMPANY INC	Summarized transactions: 2	75.00
307	BARRY SCREEN PRINT CO dba	Summarized transactions: 4	70.85
308	HAASE MITCH	Summarized transactions: 1	60.00
309	JOHNSTONE SUPPLY (P)	Summarized transactions: 1	58.17
310	THOMAS TOOL & SUPPLY INC	Summarized transactions: 1	56.84
311	STAR TRIBUNE	Summarized transactions: 1	55.77
312	A T & T MOBILITY	Summarized transactions: 2	53.39

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313	REBATES	Summarized transactions: 1	50.00
314	OSWEILER TODD	Summarized transactions: 1	38.08
315	CENTRAL FINANCE OLMSTED COUNT	Summarized transactions: 1	33.74
316	SOLID WASTE OLMSTED COUNTY	Summarized transactions: 1	31.80
317	CUSTOM COMMUNICATIONS INC	Summarized transactions: 1	30.80
318	LITTLE DAVID	Summarized transactions: 1	27.00
319	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	24.09
320	BOBCAT COMPANY dba	Summarized transactions: 2	22.09
321	SHERWIN WILLIAMS CO	Summarized transactions: 1	18.85
322	TECH SAFETY LINES	Summarized transactions: 1	16.92
323			
324		Price Range Total:	148,368.61
325			
326			
327		Grand Total:	11,956,721.25

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FOR BOARD ACTION

Agenda Item # (ID # 13617)

Meeting Date: 7/27/2021

SUBJECT: Watermain & Sanitary Service Reconstruction (22nd Street NW)

PREPARED BY: Mona Hoeft

ITEM DESCRIPTION:

Sealed bids for the water main and sanitary service reconstruction project on 22nd Street NW were received on July 16, 2021. The bid results, based on estimated unit pricing, are listed below.

Contractor	Bid
SL Contracting Inc.	\$327,470.00
Alcon Excavating Inc.	\$328,491.73
Snow Contracting, LLC	\$380,199.00

This 2021 budgeted project will be performed jointly with Rochester Public Works (RPW) using the Utility Cost Methodology for Infrastructure Projects process. RPW is expected to contribute about \$129,359.80 towards the project, plus contingency. City Council will be asked to approve RPW's share on August 2nd.

The engineers estimate was \$410,758.00. The RPU team is comfortable with the SL Contracting bid and this contractor has performed well in the past. At this time, the RPU team is also seeking approval of a contingency fund in the amount of \$33,000 and authorizing the RPU Project Manager to perform the acts to execute the project.

This project was identified on the water system replacement priority list using the Water Main Replacement Analysis completed by HDR on March 5, 2019. The project will replace a 61 year old watermain that has experienced eight breaks in recent years. This project is expected to be complete no later than October 31, 2021.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution to accept the bid from SL Contracting Inc. in an amount not to exceed \$360,470.00 and authorize the RPU Project Manager to perform the acts to execute the project.

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to accept the bid from SL Contracting, Inc. in an amount not to exceed \$360,470 for Watermain and Sanitary Service Reconstruction at 22nd Street NW and authorize the RPU Project Manager to perform the acts to execute the project.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of July, 2021.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 13619)

Meeting Date: 7/27/2021

SUBJECT: USIC Locating Agreement

PREPARED BY: Mona Hoeft

ITEM DESCRIPTION:

Staff negotiated a new five-year agreement with USIC Locating Services, LLC to provide the required locating and marking services of underground electrical facilities in connection with Gopher State One Call. This five-year agreement includes an annual increase in fees of 3% on the anniversary date. The annual cost of these services averaged \$185,000 over the past three years and are included in the annual budget.

The City Attorney has reviewed the agreement.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution to authorize the Mayor and City Clerk to execute the five-year agreement with USIC Locating Services, LLC, subject to the annual approval of the RPU budget for these services.

**FACILITIES LOCATING AND MARKING
SERVICE CONTRACT**

THIS CONTRACT is entered into as of _____, and is by and between USIC Locating Services, LLC, an Indiana limited liability company, (**USIC**), and City of Rochester acting through its Public Utility Board (**Customer**), each individually a party, and collectively, the parties.

BACKGROUND

- A. Customer owns and operates Facilities in the geographic area described on Exhibit A to this Contract (**Excavation Notification Area**).
- B. Customer desires to have USIC provide the necessary labor and equipment to provide certain services relative to locating and marking Customer's Facilities in the Contract Service Area.

CONTRACT

Based on the Background set forth above and in consideration of the mutual covenants, terms and conditions set forth below, USIC and Customer agree as follows:

- 1. **Definitions.** In addition to the terms defined above, the following capitalized terms when used in this Contract shall have the following meanings:
 - 1.1 **Advance Locate Service** means conductive, inductive, and map based measurement locating methods which may include hand digging and/or vacuum excavation to accurately complete a Locate which may include hand digging and/or vacuum excavation.
 - 1.2 **Annual Contract Value** means the aggregate of the last twelve months' Contract revenue.
 - 1.3 **APWA** means the American Public Works Association and its Underground Utility Location and Coordination Council.

- 1.4 **Atypical Condition (AC)** means any unusual condition, exigency, or occurrence at a given worksite that requires USIC's use of extra resources (including but not limited to manhole or vault entry, Unlocatable Facilities, labor, time, and equipment) outside of those routinely expended by USIC to accurately and safely complete a Locate.
- 1.5 **Contract Year** means the 365 (366 if period includes February during a leap year) days beginning with the date this Contract begins and the anniversary date each year after.
- 1.6 **Custom Reporting** means any reporting request from customer to USIC that cannot be accomplished by customer via USIC customer portal.
- 1.7 **Customer's Facilities** means any Facilities owned or operated by Customer.
- 1.8 **Damage to Customer's Facilities** means the penetration or destruction of any protective coating, sheath, housing or other protective facility of underground plant, the partial or complete severance of underground plant, or the rendering of any underground plant partially or completely inoperable.
- 1.9 **Emergency Normal Hours Locate** means a request for a Locate that arises from a condition that threatens life, health or property as defined by applicable state law and are transmitted during USIC's normal, non-holiday business hours Monday through Friday (7:00 am – 5:00 pm).
- 1.10 **Emergency After Hours Locate** means a request for a Locate that arises from a condition that threatens life, health or property as defined by applicable state law and is transmitted on weekends or on weekdays outside of the USIC's normal business hours (7:00 am – 5:00 pm).
- 1.11 **Emergency Holiday Locate** means a request for a Locate that arises from a condition that threatens life, health or property as defined by applicable state law and/or is transmitted on any Federally observed holiday (New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day,

Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day) or any state One-Call holiday.

- 1.12 **Environmental Handling Fee** means a fee imposed to cover USIC's cost and labor associated with proper use, disposal, and storage or recycling of any hazardous or harmful material to the environment.
- 1.13 **Excavator** means any person or entity which engages directly in excavation, which includes all kinds of conventional trenching and directional boring.
- 1.14 **Facilities** means any item used in connection with the storage or conveyance of water, sewage, electronic telephonic or telegraphic communications, cablevision, electric energy, petroleum products, gas, gaseous vapors, hazardous liquids or other substance including, but not limited to, pipes, sewers, conduits, cables, valves, lines, wires, manholes, attachments and those parts of poles or anchors, either above or below ground.
- 1.15 **Gridding (also known as "Excavation Notification Area")** means the geographic boundary area identified by Customer and provided to the applicable state One-Call center which is used to determine whether a request for Locate will generate a ticket for Customer after receipt of an Excavator's notification of intent to excavate (i.e., receipt of a locate ticket).
- 1.16 **Hazardous Materials** means any toxic or hazardous substance, hazardous material, dangerous or hazardous waste, dangerous good, radioactive material, petroleum or petroleum-derived products or by-products, or any other chemical, substance, material or emission, that is regulated, listed or controlled pursuant to any national, state, provincial, or local law, statute, ordinance, directive, regulation or other legal requirement of the United States ("U.S.") or the country of the Site.
- 1.17 **High Profile Facilities** means non-residential fiber cables, telecom cables 1200 pair or greater, 500 MCM or larger medium voltage electrical cable, 6" or greater gas mains, and 10" or greater water mains.

- 1.18 **Interruption of Service** means an interruption in the services provided by Customer to its customers arising from a Damage to Customer's Facilities.
- 1.19 **Locatable Facilities** means Customer's Facilities that can be located with Reasonable Accuracy by using devices designed to respond to the presence of Customer's Facilities, together with records and facility prints, drawings, and maps of sufficient accuracy, but shall specifically not include Unidentifiable Facilities and Unlocatable Facilities.
- 1.20 **Locate** means the process of providing Locate Services in response to an Excavator's notice of intent to excavate in accordance with this Contract.
- 1.21 **Locate Service** means using Standard Locate Services or Advance Locate Services to determine: 1) the presence or absence of Customer's Facilities; 2) whether Customer's Facilities conflict with proposed excavations; and 3) where appropriate, the Marking of the proper path or routes of Customer's Facilities with Reasonable Accuracy.
- 1.22 **Locator At Fault Damage** means Damage to Customer's Facilities caused by an Excavator that occurs as a direct result of USIC not performing the Locate with Reasonable Accuracy. Locator At Fault Damage does not include alleged Damage to Customer's Facilities arising from USIC's late or untimely Locates that were performed with Reasonable Accuracy prior to the damage occurring.
- 1.23 **Locator Not At Fault Damage** means Damage to Customer's Facilities caused by an Excavator or other third party that occurs for any other reason other than USIC not performing the Locate with Reasonable Accuracy.
- 1.24 **Marking** means the use of stakes and flags, paint or other clearly identifiable materials at appropriately distanced intervals and at each divergence from a straight line in accordance with the current marking standards of the APWA to show the field location of Underground Facilities accurately.
- 1.25 **Project Locate** is a ticket type designated by the state one call center or is any Locate that involves multiple addresses or requires more than 30 minutes to Locate Facilities at the excavation Site. Project Locate time is

tracked using system time thresholds and may include any ticket type (including but not limited to tickets designated as routine, normal, and/or emergency).

- 1.26 **Reasonable Accuracy** means the placement of appropriate Markings within the applicable state's tolerance zone.

- 1.27 **Repair Costs** means the reasonable and customary, actual costs incurred by Customer to repair Damage to Customer's Facilities arising from Locator At Fault Damages, but shall specifically exclude any Third Party Claims. "Repair Costs" is equal to only the actual labor, equipment, and material costs incurred by Customer to repair the Damage to Customer's Facilities as supported by actual invoice and/or receipts for work completed by each repair contractor. This shall include reasonable and customary costs incurred by Customer's in-house labor and third party contractor(s), where an itemized breakdown for all parties included in the repair is submitted. "Repair Costs" specifically excludes, except where prohibited by law: the costs and expenses listed in paragraph 7.2; overhead charges; costs arising from betterment of plant (which shall include, among other things, any upgrade, improvement, reinforcement, enlargement or extension of Customer's Facilities); administrative charges including third party administrator fees.

- 1.28 **Services** means the services to be provided by USIC under this Contract.

- 1.29 **Site** means the premises where Services are performed and Customer has ownership or exercises control.

- 1.30 **Site Visit** means to visit the Site of a request for a Locate, but there are no Locatable Facilities to be marked.

- 1.31 **Standard Locate Service** means 1) determining whether the Customer's Facilities are in conflict with proposed excavations when employing one conductive hook-up point on either side of a Locate target that is Identifiable, and 2) Marking, where appropriate, the proper path or routes of Customer's Facilities with Reasonable Accuracy.

- 1.32 **Telecommunications Vault or Manhole Entry** as stated 29 CFR 1910.269(x) is defined as an “enclosed space” or as a working space, such as a manhole, vault, tunnel, or shaft, that has limited means of egress or entry, that is designed for periodic employee entry under normal conditions, and that does not contain a hazardous atmosphere, but that may contain a hazardous atmosphere under abnormal conditions. “Manhole vaults” are confined spaces where a person’s entire body can enter as opposed to “handhole vaults” where a person can reach in only. USIC personnel are authorized to only enter telecommunications manhole vaults when a second person is onsite, but not inside the manhole vault, in a supporting safety role.
- 1.33 **Third Party Claims** means any claims for losses, fines, penalties, damages, costs, fees, or expenses made by a person not a party to this Contract arising from or related to Damages to Customer’s Facilities, including but not limited to, claims as a result of (a) injury to or death of any person, (b) damage to or loss or destruction of any property, or (c) losses identified in Section 7.2.
- 1.34 **Ticket** means the document generated at and transmitted by the One-Call center to USIC containing each request for Locate.
- 1.35 **Unidentifiable Facilities** means Customer’s Facilities that are neither apparent on the records, facility prints, drawings, or maps provided by Customer or from a Visual Examination.
- 1.36 **Unlocatable Facilities, including untenable facilities**, means Customer’s Facilities whose presence is known either from records provided by Customer or a Visual Examination, but which cannot be Marked with Reasonable Accuracy using Standard Locate Service procedures employed by USIC.
- 1.37 **Visual Examination** means an attempt to determine the existence of Customer’s Facilities at an excavation site by a reasonable visual inspection of the dig site rather than from Customer’s maps and records.

- 1.38 **Watch and Protect** means to oversee Customer's Facilities during unusual or extensive excavation projects (i.e. road widening projects, sewer projects, etc.) and providing appropriate Locate Services as may be dictated by the nature and scope of the excavations. Service requires preauthorization or prior agreement by the parties regarding criteria to be applied.
- 1.39 **White-Lining** means the Excavator designates the route and/or area to be excavated using white premarking either onsite or electronically (when available through the One-Call center), prior to or during the request for the Locate. The route of the excavation is marked with white paint, flags, stakes, lines, polygons, or a combination of these to outline the dig site prior to or during notification to the One-Call center and before the locator arrives on the job.

2. Responsibilities of USIC

- 2.1 USIC shall furnish all labor, materials, and equipment necessary to perform Locate Services for Customer within the Contract Service Area, except for the maps and records to be provided by Customer under Section 3.1. All Ticket transmittals to USIC shall come directly from the One-Call center for the Contract Service Area.
- 2.2 Upon receipt of a request for a Locate, USIC will assess whether a field visit to the excavation site and a Visual Examination is required to determine if a conflict exists between the Customer's Facilities and the proposed excavation. If USIC determines that no field visit or Visual Examination is necessary, USIC will proceed under section 2.4 below.
- 2.3 If USIC determines that there are underground Locatable Facilities present at the excavation site, USIC will indicate the presence of those Facilities with appropriate Markings.
- 2.4 If USIC determines that Customer's Facilities are not present at the excavation site, USIC will either notify Excavator prior to the proposed excavation that Customer's Facilities are not present or mark the excavation site in a manner to indicate that Customer's Facilities are not present at the proposed excavation site.

- 2.5 Customer agrees that USIC will have the right to screen tickets via prints and other technology which eliminates the requirement for an in person visit to the Site. Customer also agrees that, notwithstanding anything to the contrary contained in this Contract, USIC will not be liable for any damages that occur because of incorrect prints.
- 2.6 If USIC determines that there are Unlocatable Facilities at the excavation site, it will notify Customer and Customer will be responsible for determining what course of action should be followed to assure that the Unlocatable Facilities are not damaged by Excavator. USIC will not be liable for any damages associated with an Unlocatable Facility.
- 2.7 Any maps and records furnished by Customer pursuant to section 3.1 shall remain the property of Customer. USIC agrees to return all copies of such maps and records to Customer upon Customer's request. This obligation of confidentiality shall survive the termination of this Contract. All customers maps and records shall be kept confidential by USIC unless 1) such maps and records were previously known to USIC free of any obligation to keep them confidential; 2) such maps and records are given to USIC by a third party not obligated to keep them confidential; 3) such maps and records become public without any act or omission of USIC; or 4) otherwise, as required by law.
- 2.8 Subject to the terms of section 3.2, USIC shall perform the Services as an independent contractor and as such, USIC has the right to exercise control and supervision of the work and full control over the employment, direction, compensation and discharge of all persons assisting it in performing the Services. Further, USIC agrees that it will be solely responsible for the payment of its employees and for the payment of all federal, state, county and municipal taxes and contributions pertaining thereto.
- 2.9 USIC shall not subcontract the Services or any part of the Services without prior written approval of Customer.
- 2.10 USIC shall comply with the provisions of all applicable permits and licenses relative to the Services to be performed hereunder.

- 2.11 USIC agrees that it will reasonably cooperate with Customer regarding receipt and resolution of Third Party Claims, which cooperation shall include but not be limited to reasonable information sharing.

3. Responsibilities of Customer

- 3.1 Customer agrees not to suppress or screen any tickets in the Excavation Notification Area that would otherwise come to USIC from the state One-Call center. All Customer tickets shall be transmitted directly to USIC from the state One-Call center.
- 3.2 Customer shall not change existing Gridding such that the volume of tickets received by USIC is reduced with the applicable state One-Call center on or after the Contract Effective Date except as provided in Section 5.4.
- 3.3 Customer agrees to provide USIC with the maps and prints in a GIS format (.shp, .mdb, or .gdb) and One-Call ticket information (One-Call format for the applicable state) via e-mail or web services to USIC's Ticket Management System, so as to permit USIC to provide the Locate Services. Customer acknowledges that it is Customer's responsibility to keep all applicable maps, records, and prints up to date and provide them to USIC in a timely manner via Secure File Transfer Protocol (SFTP.) USIC bears no liability for Customer's failure to provide accurate maps, records, and/or prints, or any damage which arises from inaccurate maps, records, and/or prints.
- 3.4 Customer agrees that it will reasonably cooperate with USIC regarding receipt and resolution of Third Party Claims, which cooperation shall include but not be limited to reasonable information sharing.
- 3.5 Customer will pay USIC for the Locate Services in accordance with the charges set forth on Exhibit B. USIC shall bill for all tickets received from the State One-Call center, on behalf of Customer. USIC will not be responsible for the accuracy, updates to or the completeness of the definition of the Contract Service Area that Customer has provided to the State One-Call center.

- 3.6 Customer agrees to provide USIC with all state-issued 811 codes and a comprehensive Customer Point of Contact list within twenty-four (24) hours of Contract execution.
- 3.7 Customer recognizes White-Lining as a best practice for safe excavations. Customer agrees to use its best efforts to promote proper “White-Lining” by Excavators.
- 3.8 For Locates involving subsurface electric transmission of voltages greater than 33kV: (1) Customer will provide a qualified electric worker to identify the utility locating equipment connection point(s), via Customer’s transmission engineering and system expertise; (2) Customer will make the connection(s) safely without requiring entry inside the Minimum Approach Distance for such hazards; (3) Markings will be provided outside the Minimum Approach Distance. The Locate may require the Customer to make multiple connections to safely reach the full scope of the Ticket. Customer will be notified via email of any Locates with an electric transmission line on the Site and once the Marking is complete.

4. Invoicing and Payment Terms

- 4.1 USIC will remit monthly invoices to Customer via email to invoices@rpu.org.
- 4.2 All amounts payable under this Contract shall be paid on a net thirty (30) days basis, following the receipt of invoice.
- 4.3 A 1.5% late payment fee will be assessed for any undisputed invoice past due. Customer will notify USIC of any disputed charges on an invoice within twenty (20) days of receiving any USIC invoice. If USIC does not receive timely notice of the disputed charges, Customer shall pay the entire invoice within the established payment terms and the disputed portion will be reconciled on a future invoice pending resolution and following the steps listed in Section 12 – Dispute Resolution.
- 4.4 If Customer fails to pay any invoice pursuant to the payment terms set out in this section, then USIC may give written notice describing such breach (“Notice of Default”). If such material breach is not curable or the Customer

fails to pay USIC's invoices within ten (10) days following receipt of the Notice of Default then, at the option of USIC, this Agreement shall terminate, in addition to all the other rights and remedies available to the non-breaching party under this Agreement and at law and in equity.

- 4.5 If Customer fails to pay any Invoice according to the provisions of this Agreement and (a) such failure continues for a period of five Business Days after written Notice of such failure is provided to Customer or (b) USIC has reasonable grounds for insecurity regarding the performance by Customer of any obligation under this Agreement, then USIC, by delivery of written Notice to Customer, may demand Adequate Assurance by Customer. "Adequate Assurance" means, at the option of Customer, (i) the advance payment in cash by Customer to USIC for Work or (ii) delivery to USIC by Customer of a letter of credit in an amount equal to not less than the aggregate amounts owed from Customer to USIC hereunder for the prior two month period. If Customer fails to provide Adequate Assurance to USIC within 72 hours of USIC's request, USIC shall have the right to, at its sole option, (i) renegotiate payment terms under the Agreement; (ii) terminate this Agreement upon written Notice to Customer, or (iii) suspend or reduce all services under this Agreement without prior Notice to Customer, in each case, without limiting any other rights or remedies available to USIC under this Agreement or otherwise. If USIC exercises the right to terminate this Agreement or suspend or reduce any services, then Customer shall not be entitled to take, or cause to be taken, any action hereunder or otherwise against USIC for such termination, suspension, or reduction.

5. Term, Termination, Changes and Exclusive Nature of Contract

- 5.1 This Contract shall be effective August 1, 2021 and continue for a period of five (5) years, unless sooner terminated pursuant to Section 5.3. This Contract may be extended by mutual agreement of the parties.
- 5.2 Customer shall use USIC as its exclusive provider of Locate Services within the Excavation Notification Area as identified in Exhibit A;

- 5.3 Either party to this Contract can terminate this Contract upon sixty (60) days' prior written notice to the other. Upon such termination Customer shall only be liable for payment for any Services performed by USIC prior to the effective date of termination. Failure by Customer to provide proper notice under this provision will result in a penalty equal to 60 days average billing over the prior twelve-month period.
- 5.4 Either party may at any time propose changes in the schedule or scope of this Contract. USIC is not obligated to proceed with any change until both parties agree upon such change in writing. The written change documentation will describe the changes in the scope and schedule, and the resulting changes in price and other provisions, as agreed.
- 5.5 The scope, pricing, schedule and other provisions may, as appropriate, be equitably adjusted by USIC within 90 days of written notification to reflect additional costs or obligations incurred by USIC resulting from a change in Customer's requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations.
- 5.6 Without prejudice to any other right or remedy USIC may have under the Agreement, at law and/or in equity and upon providing written notice of such termination to Customer, USIC may terminate the Agreement without any liability being owed thereby by Customer to Contractor, in the event of the occurrence of any of the following:
- 5.6.1. insolvency of Customer;
 - 5.6.2. filing of a voluntary petition in bankruptcy by Customer;
 - 5.6.3. filing of an involuntary petition in bankruptcy against Customer;
 - 5.6.4. appointment of a receiver or trustee for Customer;
 - 5.6.5. execution by Customer of an assignment or any general assignment (other than an assignment undertaken in connection with a financing) for the benefit of creditors;
 - 5.6.6. commencement of any legal proceeding against Customer that, in USIC's opinion, may interfere with USIC's ability to perform in accordance with the Contract;
 - 5.6.7. or Customer consolidates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and/or sells,

assigns or otherwise transfers the Contract; in each case without USIC's advance written consent.

6. Investigations of Damage to Customer's Facilities

- 6.1 Should either party to this Agreement become aware of any Damage to Customer's Facilities that occurs after USIC has been asked to perform a Locate for Customer, the party learning of the Damage to Customer's Facilities shall and not later than forty-eight (48) hours, provide notification as follows:

USIC: USICDispatch@usicllc.com

RPU System Operations: 507-280-1696

Notification: The notification should include the street address of the damage location, damage date and size/type of facility. Both parties to this Contract reserve the right and shall be entitled to investigate any reports of Damage to Customer's Facilities.

- 6.2 USIC will investigate incidents of Damage to Customer's Facilities and provide a written report of its findings to Customer within 10 business days. Such report will contain USIC's determination as to whether the Damage to Customer's Facilities constitutes a Locator At Fault Damage. Customer shall have thirty (30) days after notification of USIC's completion of the investigation to contest USIC's conclusion. Unless Customer notifies USIC in writing within such time period that it disputes USIC's conclusion as to a Locator At Fault Damage, USIC's conclusion with regard to that issue shall be deemed final and binding with respect to this Contract. If Customer disputes USIC's conclusion, the parties will seek to mutually resolve such dispute and if they cannot, such dispute will be resolved in accordance with section 12.
- 6.3 Customer agrees that should it fail to notify USIC as provided in section 6.1 of any Damage to Customer's Facilities within forty-eight hours after Customer receives notice of the damage, then USIC shall not be liable to Customer for Repair Costs arising from that Damage to Customers'

Facilities and Customer shall indemnify USIC against Third Party Claims as applicable, in accordance with Section 7, even if it is later determined that such damage constitutes a Locator At Fault Damage.

- 6.4 When damages are determined to be Locator at Fault Damage, Customer agrees that USIC will be invoiced for repair costs only with supporting documentation provided with the invoice. Customer agrees not to invoice USIC for third party claims administrator fees.
- 6.5 Customer agrees to submit all supporting documents and detail for any claims related to USIC's failure to perform within 6 months of date of claims invoice, unless USIC is notified more time is needed. If USIC does not receive supporting detail to justify the invoice, Customer shall waive the ability to further request payment or withhold payment for USIC due to any contested invoices. This provision does not preclude Customer from seeking remedies in a court of competent jurisdiction.

7. Limitation of Liability and Indemnification

- 7.1 USIC will be responsible for paying Customer's Repair Costs only if: a) USIC receives a request to provide Locate Services with respect to Customer's Facilities at the location of the Damage, and b) the Damage to Customer's Facilities constitutes a Locator At Fault Damage. Repair Costs payable by USIC shall at no time collectively exceed \$13,000 per incident. If the Damage to Customer's Facilities is not At Fault Damages or if Customer's Facilities are Unidentifiable Facilities or Unlocatable Facilities, USIC's only responsibility will be to provide whatever support to Customer it can reasonably provide to establish whether the Excavator or another third party is liable for such Damage to Customer's Facilities.
- 7.2 To the fullest extent compliant with applicable law, USIC shall not be liable for loss of profit or revenues, loss of use of equipment or systems, Interruption of Service, cost of replacement power, cost of capital, downtime costs, increased operating costs, administrative costs including third party administrator fees, and any special, consequential, incidental, indirect or punitive damages, or claims of any customers of Customer for any of the

foregoing types of damages. Nothing in Sections 7.1 or 7.2 shall be interpreted to limit liability on the part of USIC for wanton, willful, reckless, or negligent conduct on the part of USIC.

- 7.3 Customer and USIC (as an “Indemnifying Party”) shall defend and indemnify the other party (as an “Indemnified Party”) from and against claims brought by a third party, on account of personal injury or damage to the third party’s tangible property, to the extent caused by the negligence of the Indemnifying Party in connection with this Contract. In the event the injury or damage is caused by joint or concurrent negligence of Customer and USIC, the loss or expense shall be borne by each party in proportion to its degree of negligence. The Indemnifying Party may retain counsel of its choosing, at its own expense. The Indemnified Party may retain separate or additional counsel as well, but cost of such counsel shall be borne by the Indemnified Party. USIC shall not indemnify Customer for claims resulting from Damages that are not caused by USIC’s negligence or for damages to Unidentifiable Facilities, Unlocatable Facilities or Third Party Claims that arise from the sole negligence or willful misconduct of Customer, its agents or employees. Customer shall not indemnify USIC for claims resulting from Damages that are not caused by Customer’s negligence or for damages to Unidentifiable Facilities, Unlocatable Facilities or Third Party Claims that arise from the sole negligence or willful misconduct of USIC, its agents or employees.

8. Price Revisions

- 8.1 Effective August 1st of each year, the charges for Locate Services set forth on Exhibit B shall be increased annually by 3%.
- 8.2 Either party may seek a change to existing pricing for Locate Services set forth on Exhibit A upon reasonable justification and written notification to the other party. Both parties will act in good faith to negotiate a mutually agreeable resolution or resolve the dispute as provided in section 12.1. If a resolution cannot be reached, either party may proceed with other rights afforded it in Section 5.

9. Environmental Health and Safety Matters

- 9.1 Customer shall maintain safe working conditions at the Site, including, without limitation, implementing appropriate procedures regarding Hazardous Materials, confined space entry, and energization and de-energization of power systems (electrical, mechanical and hydraulic) using safe and effective lock-out/tag-out (“LOTO”) procedures including physical LOTO or a mutually agreed upon alternative method.
- 9.2 USIC shall be fully and solely responsible for all necessary safety measures required to provide Services. Work performed must be conducted in a manner that is compliant with all applicable safety rules and regulations. USIC may be required to comply with the contents of Customers’ Contractor Safety Acknowledgement and other safety related documents.
- 9.3 Customer may conduct on-site inspections to audit USIC’s safety practices and to demand correction of any equipment or methods determined to be inadequate. Any authorized Customer employee may stop or suspend USIC’s work at any time to prevent or correct USIC activity that may pose a danger to the public, personnel, property or equipment.
- 9.4 If, in USIC’s reasonable opinion, the health, safety, or security of personnel at a Site may be imperiled by security risks, terrorist threats/acts, potential exposure to Hazardous Materials, or unsafe working conditions; USIC may: (1) evacuate some or all of its personnel from Site; (2) suspend performance of all or any part of the Contract; (3) remotely perform or supervise work; and/or (4) take any other action necessary to protect such personnel. Any such occurrence shall be considered an excusable event. Customer shall reasonably assist in any such evacuation.
- 9.5 Operation of Customer’s equipment is the responsibility of Customer. Customer shall not require or permit USIC’s personnel to operate Customer’s equipment at Site.
- 9.6 USIC has no responsibility or liability for the pre-existing condition of Customer’s equipment or the Site. Prior to USIC starting any work at Site,

Customer will provide documentation that identifies the presence and condition of any Hazardous Materials existing in or about Customer's equipment or the Site that USIC may encounter while performing under this Contract. Customer shall disclose to USIC industrial hygiene and environmental monitoring data regarding conditions that may affect USIC's work or personnel at the Site. Customer shall keep USIC informed of changes in any such conditions.

- 9.7 USIC shall notify Customer if USIC becomes aware of: (i) conditions at the Site differing materially from those disclosed by Customer, or (ii) previously unknown physical conditions at Site differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract. If any such conditions cause an increase in USIC's cost of, or the time required for, performance of any part of the work under the Contract, an equitable adjustment in price and schedule shall be made.
- 9.8 Information Transfer: As referenced in OSHA 1910.269(a)(3) and (a)(4), before work begins, the appropriate Customer's Representative shall provide USIC access to the following information:
- a. Existing characteristics and conditions of the Customer's installations that are related to the safety of the work to be performed;
 - b. Information about the design and operation of the Customer's installations that USIC needs;
 - c. Arc flash studies;
 - d. Ground fault studies;
 - e. Hand hole, manhole, and utility vault details; and
 - f. Danger poles tagging
- 9.9 As referenced in OSHA 1910.269(a)(3), USIC shall ensure that each of its employees is instructed in hazardous conditions relevant to the work, and USIC shall advise the Customer of any hazardous conditions found before and during the work.

9.10 If USIC encounters Hazardous Materials in Customer's equipment or at the Site that require special handling or disposal, USIC is not obligated to continue work affected by the hazardous conditions. In such an event, Customer shall eliminate the hazardous conditions in accordance with applicable laws and regulations so that USIC's work under the Contract may safely proceed, and USIC shall be entitled to an equitable adjustment of the price and schedule to compensate for any increase in USIC's cost of, or time required for, performance of any part of the work. Customer shall properly store, transport and dispose of all Hazardous Materials introduced, produced or generated in the course of USIC's work at the Site.

9.11 Customer shall indemnify USIC for any and all claims, damages, losses, and expenses arising out of or relating to any Hazardous Materials which are or were (i) present in or about Customer's equipment or the Site prior to the commencement of USIC's work, (ii) improperly handled or disposed of by Customer or Customer's employees, agents, contractors or subcontractors, or (iii) brought, generated, produced or released on Site by parties other than USIC.

10. Equal Employment

10.1 USIC is an equal opportunity employer. We are committed to ensuring equal employment opportunities for all applicants and employees, and do not to discriminate on the basis of sex, race, religion, color, national origin, age, disability, genetic information, or veteran status, or any other basis protected by federal, state or local law.

11. Insurance

11.1 USIC provides the following insurance coverage:

INSURANCE COVERAGE:

Workers Compensation

Employers' Liability

LIMITS:

Statutory Limit

Each Accident	\$1,000,000
Disease, Policy Limit	\$1,000,000
Disease, Each Employee	\$1,000,000

Comprehensive General Liability
(contractual liability limited to terms and conditions of the insurance policy)

Each Occurrence (bodily injury, advertising injury, personal injury and advertising injury)	\$2,000,000
General Aggregate	\$8,000,000
Products Completed Operations Aggregate	\$8,000,000
Medical Limits	Not Covered
Damages to Premises Rented to You Limit	\$1,000,000

Automobile Liability CSL	\$5,000,000
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Cyber	\$10,000,000
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12. Dispute Resolution

- 12.1 The parties agree that any dispute, controversy, or claim arising out of or related to this Contract, including any question regarding its existence or validity, shall be resolved in accordance with this Section 12.
- 12.2 Prior to seeking third party adjudication relating to a dispute under the terms of this Contract, the party will first informally attempt to resolve the dispute with the other party by seeking a meeting with the appropriate higher management representative(s) of the other party via written notice. Such meeting shall be held within twenty (20) business days after the giving of notice. If allowed by law, all negotiations and resolutions pursuant to this Section 12.1 are confidential and shall be treated as compromise and settlement negotiations for purposes of the applicable rules of evidence. If the dispute is not resolved within thirty (30) business days after the giving of notice, or such later date as may be mutually agreed, either party may pursue formal resolution in accordance with the below Section 12.3.

- 12.3 The Parties shall attempt to resolve any claims, disputes and other controversies arising out of or relating to this Agreement (collectively, "Disputes") promptly by negotiation between individuals who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. If allowed by law, all negotiations pursuant to this Section are to be deemed confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

If the Dispute has not been resolved by negotiation within sixty (60) Days of the disputing Party's initial notice, or if the Parties failed to meet for the first time within ten (10) Days of the initial notice, then either Party may initiate arbitration or litigation for matters in dispute of \$250,000 or less. For all matters in dispute over \$250,000, either party may initiate litigation in a court of competent jurisdiction. The venue of any legal proceeding shall be in Olmsted County, Minnesota. Either Party shall have the right, in its discretion, to include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in any litigation.

13. Non Solicitation

- 13.1 Customer agrees not to intentionally solicit USIC employees. Should Customer hire a current employee of USIC with less than five years of employment, Customer agrees to pay USIC a transfer fee of \$500, unless otherwise agreed to in writing.

14. Force Majeure

- 14.1 Neither party shall be deemed to be in default of this Contract to the extent that any delay or failure to perform its obligations, other than the payment of money, results from any cause beyond its reasonable control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, pandemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions or strikes. If USIC claims that it is delayed by such a cause, it shall notify

Customer immediately and Customer shall be entitled to obtain the Services from any other person until such cause terminates as evidenced by a notice from USIC that such cause has ended.

15. Contract Modification and Assignment

15.1 This Contract may only be modified or amended by a written instrument signed by an authorized representative of USIC and Customer. The term "Contract" shall include any such future amendments or modifications.

15.2 Neither party shall assign, delegate, or otherwise transfer its rights or obligations under this Agreement, voluntarily or involuntarily, whether by merger, consolidation, dissolution, affiliation, operation of law, or any other manner, without at least 60 days' advance notice and the prior written consent of the other party.

16. Public Regulations, Permits and Laws

16.1 USIC agrees to comply with all federal, state, and local laws and ordinances applicable to the Services to be performed. If USIC performs any Services which is contrary to any laws, ordinances or regulations, USIC shall bear all costs and penalties arising therefrom.

Under Minnesota Statutes §16C.05, subdivision 5, USIC's books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the City, State Auditor, or Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this Agreement.

17. Contract Entirety

17.1 This Contract shall constitute the entire contract between the parties with respect to the subject matter of this Contract. Customer and USIC each represent that it has read this Contract, agrees to be bound by all terms and conditions contained in this Contract, and acknowledge receipt of a signed, true exact copy of this Contract.

18. Severability Clause

18.1 The parties expressly agree that if any provision of this Contract is held unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Contract shall remain in full force and effect.

19. Contract Notification

19.1 Any notice, consent or other communication given under this Contract shall be in writing (unless otherwise specified in this Contract as permitting oral or verbal communication) and delivered to the below authorized representative of each party, specifying the subject matter and any other persons at USIC or Customer who should be notified of the notice, consent, or other communication. Notice shall be effective on the date when sent via email or, if delivered via certified mail, such notice shall be effective five (5) days after the date of mailing thereof.

19.1.1 USIC authorized representative:

Attn: Contracts
9045 River Road, Suite 300
Indianapolis, IN 46240,
contracts@usicllc.com

19.1.2 Customer authorized representative:

Attn: Mona Hoeft, CPPB
4000 East River Rd NE
Rochester MN 55906
mhoeft@rpu.org

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their duly authorized officers or representatives.

City of Rochester

USIC Locating Services, LLC

By: _____
Kim Norton, Mayor

By: _____
Darin Stalbaum, Vice President

By: _____
Kelly K. Geistler, City Clerk

Approved as to form:

By: _____
Michael Spindler-Krage, Interim City Attorney

Rochester Public Utilities

By: _____
Mark Kotschevar, General Manager

Date 7/19/2021

Attachment: 21-49 USIC Locating Services Contract (13619 : USIC Locating Agreement)



Exhibit B

USIC Locating Services, LLC shall provide **Electric** Locating Services:

In the State of **Minnesota**

Member Codes (state One-Call CDC or Customer Description Codes): ROCPUC01

USIC Locating Services, LLC Pricing:

\$ 11.27	Per Ticket Received from the One Call
\$ 40.00	Per Emergency Call Out Ticket
\$ 15.00	Project Price Per Quarter Hour for Tickets that Exceed 30 Minutes
\$ 15.00	Watch and Protect per ¼ Hour

Mail Invoices To: Rochester Public Utilities
 ATTN: Accounts Payable
 4000 East River Road NE
 Rochester, MN 55906
 Phone: 507- 280-1500
 Email: invoices@rpu.org

USIC shall render invoices and statements to Customer on a monthly basis. Each statement shall be paid by Customer within thirty (30) days of invoice date.

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution to authorize the Mayor and City Clerk to execute the five-year agreement with USIC Locating Services, LLC, subject to the annual approval of the RPU budget for these services.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of July, 2021.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 13544)

Meeting Date: 7/27/2021

SUBJECT: Westinghouse Gas Turbine Overhaul

PREPARED BY: Tony Dzubay

ITEM DESCRIPTION:

The Westinghouse gas turbine (GT1) at Cascade Creek was originally scheduled for a major overhaul in 2022. A condition assessment consisting of internal inspections, site audits and evaluation of operational data has been performed by the Westinghouse OEM, Ethos Energy, to generate a scope of work for this project. Based on this work and expected lead times, staff is recommending to move up the timeline for this overhaul. A proposal was received from Ethos Energy for services to disassemble, evaluate equipment condition, repair or procure parts, reassemble and test the unit. Ethos has the unique experience, access to parts, special tooling, drawings and specifications to service this 1974 turbine.

The first phase of this project will be to disassemble and further evaluate the condition of the unit. Ethos has given staff an estimate of \$605,000 to \$715,000 to perform this work. Not included in this cost is site mobilization and other necessary setup expenses estimated to be \$100,000. The RPU team is also seeking approval of a contingency fund in the amount of \$85,000 and authorizing the RPU Project Manager to perform necessary acts to execute the project. Because this work was originally planned and budgeted for 2022 and not included in the 2021 approved budget, the City Council will need to concur this change.

The outage is expected to start in October and be completed by May 31, 2022. Continued investment in this equipment is prudent given the revenue it will generate from the 10 year capacity sale approved last year. This project was originally planned for 2022, but due to long lead times and duration of the project, RPU staff would like to start the process in October of 2021. Staff will evaluate unit condition after the disassembly process and will utilize 2022 funding for repairs, reassembly and testing should they be required.

UTILITY BOARD ACTION REQUESTED:

Approve Phase One of the Westinghouse Gas Turbine Overhaul Project in the amount, not-to-exceed, \$900,000. Approval includes submission of project approval to City Council, acceptance of the proposal from Ethos Energy, subject to negotiated terms, and authorizing the RPU Project Manager to perform the acts to execute Phase One.



July 7, 2021

Rochester Public Utilities
(Cascade Creek Power Station)
1814 Seventh St Northwest
Rochester MN 55901

Attn: Tony Dzuby

Subject: Budgetary Proposal 19-017774 W251B2 Major Inspection
(S.O.# 17A2182-1)

Dear Mr. Dzuby,

Please find attached a budgetary proposal for a Major Inspection on your W251B2 Gas Turbine (SO#17A2182-1), located at the Cascade Creek Power Station, in Rochester, MN.

EthosEnergy retains OEM responsibility, history, and technical expertise on the mature frame Westinghouse gas turbine fleet, which includes the mature W251B2 model at Cascade Creek. By selecting EthosEnergy as your service provider, you have the backing of an experienced Westinghouse gas turbine engineering group, parts support, complete service bulletin history, and qualified OEM repair technicians. We are the only Company that has the exact design criteria which allows us to return the components to OEM specifications, avoiding fit up issues and premature parts failure that could lead to a catastrophic failure.

Respectfully submitted for your review and further consideration,

Sincerely,

Dave Robinson (503)-858-7558
Dave.Robinson@ethosenergygroup.com



www.ethosenergygroup.com

EthosEnergy Power Plant Services, LLC – 3100 South Sam Houston Parkway East, Houston, Texas 77047

Attachment: Budgetary Proposal 19-017774 RPU Cascade Creek Major Inspection (13544 : Westinghouse Gas Turbine Overhaul)



EthosEnergy

Rochester Public Utilities ("RPU")
Cascade Creek Power Plant
W251B2 Major Inspection
S.O.# 17A2182-1

BUDGETARY PROPOSAL

Proposal No: 19-017774
Date: July 8, 2021

**SAFETY****SERVICE EXCELLENCE****PEOPLE****FINANCIAL RESPONSIBILITY****INTEGRITY**

EthosEnergy Core Values

Safety

Safety & assurance is our top priority. We passionately care about the safety of our people and behave as safety leaders. We are committed to preventing injuries and ill health to our people and everyone we work with. We provide our people with the training, knowledge and tools to work safely and prevent accidents. We are focused on assuring the safety of everything we design, construct, operate and maintain.

Service Excellence

Service Excellence is at the core of our culture. Delighting customers will be at the top of our agenda. Continual improvement will be a way of life as we grow and succeed with our customers.

People

People are our business. We are professional, high performing team players focused on delivering and drawing on our global expertise. We aim to attract, develop and retain the best people, treating each other with honesty, compassion and respect. We create a stimulating and open work culture that encourages personal development, rewards competitively and celebrates success.

Financial Responsibility

We expect to receive fair reward for our business performance. We are cost aware and carefully manage our own and our customers' costs. We manage financial risk systematically and communicate our financial performance in a clear, concise manner.

Integrity

We are proud of our reputation, built over many years, which depends on us doing the right thing. We build trust and act with honesty. We comply with our Business Ethics Policy, management system and all local rules and regulations. We foster a culture of transparency and responsibility. We investigate all violations and complaints and take appropriate action.



www.ethosenergygroup.com

EthosEnergy Power Plant Services, LLC - 3100 South Sam Houston Parkway East, Houston, Texas 77047

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1.0 EXECUTIVE SUMMARY

EthosEnergy, working in partnership with RPU, will supply the services necessary to perform a Major Inspection of the W251B2 Gas Turbine at the RPU Cascade Creek Power Station, including field service, component repairs, and replacement parts as needed.

The following are a number of benefits that reflect Ethos Energy's capabilities and approach to the RPU project.

- For the purposes of maintaining project schedule, parts availability should be considered. EthosEnergy maintains a large new and used parts inventory to support Westinghouse engine design fleet operations. In addition to inventory, EthosEnergy has a robust supply chain to support the fleet required parts and repairs. EthosEnergy will refine a combustion outage engine specific parts list which can be merged with the Customer's inventory list. Ethos will then work with RPU with respect to suggested purchases of key "long lead" parts required with intent to minimize risk of project delay.
- The W251B2 frame design / components are generally consistent from engine to engine; however there are design changes that have been implemented over the approximately 35 years of manufacture and operation. EthosEnergy has access to the original build records for the engine being considered along with details of all component change / upgrades. Review of the build records in conjunction with design change documentation will accommodate decisions with respect to replacement , upgrades and as required component design intermixing
- For the expediency of the project there is sometimes a need to mix parts with different designs. Where this is required / possible it will be done based on OEM understanding of risk, interface issues and effect on engine operation.
- Important to any W251B2 project is the proper assessment of engine refurbishment. All engines incur decreased reliability and performance loss thru engine age / degradation. As the engine is refurbished / rebuilt it is important to understand the key components, clearances, surface areas, operating parameters that need to be confirmed / addressed to improve performance and reliability.
- In any project there is the need to help the Customer with defect / risk / repair cost / benefit decisions. With the technical experience / knowledge available, EthosEnergy OEM engineering can assess engine / component issues as related to reliability and performance. This includes the use customer past issues, combined with their future unit requirements (starts, run life & performance expectations) to drive repair work scope and upgrade cost / benefit decisions.





2.0 EXECUTION PLAN

EXECUTION PLAN

A commitment to excellence has allowed EthosEnergy to become the largest independent field service company while earning a solid reputation for completing successful Overhauls and Maintenance Outages. The following outlines the key areas we address for every job – Execution Plan. These steps ensure a successful execution and achieve the desired results.

Pre-Outage

EthosEnergy will mobilize a small crew to the site a day before the outage to stage all the equipment and to take possession of any and all customer supplied items as needed.

The entire EthosEnergy staff will attend a safety training session held by the customer the 1st hour that they report to the job site. Any additional Safety Training needed by the EthosEnergy employees will be completed prior to arriving on-site.

EthosEnergy will provide manpower plan and work schedule to RPU that will support the execution of the plan and ensure the on-time achievement of all tasks. The schedule will detail pre-outage, outage, and post-outage tasks to ensure that all phases of the project are coordinated and controlled. The schedule will be used to track the daily progress of the project and to ensure that all primary and secondary critical paths are managed to be completed on or before schedule. The schedule will be utilized by the management team and the craftsmen to help plan each day's work and materials required.

Outage

Appropriate hold points will be identified and reviewed with the RPU representative. Daily meetings will be conducted to review schedule performance, to address any issues and set forth actions needed to achieve next key milestone. In addition to the daily meetings, turnover meetings are held with each shift to ensure all facets of the work are being covered. During these meeting plans are made to handle discovery work and handle contingencies that arise during the project. The management team will provide proactive measures to ensure that all issues are resolved in a correct and decisive manner.



Start-Up and Post Outage

EthosEnergy provides a start-up crew that will consist of the crew makeups as noted above. EthosEnergy will provide a full project report at the conclusion of the project. This report will include all technical data sheets, photographs, job logs, engineered and as built drawings, original equipment data as available, parts used, and recommendations. EthosEnergy will hold a Post-Outage meeting with the client and the EthosEnergy management team to review what worked well and to address any problems that occurred during the project. This process has proven to be mutually valuable as it allows both companies to improve processes and procedures. EthosEnergy will provide a Commissioning staff capable of commissioning all the projects. This staffing will be per the plans and schedules agreed to by EthosEnergy and RPU.

Quality Management

EthosEnergy tracks the success of the project from inception through planning and to completion. EthosEnergy establishes Key Indicators to ensure that all phases of the project process are being completed in a successful manner. Some Key Indicators to be used will include milestones, interviews, surveys, and cost criteria. These Key indicators will be set in different phases of the project and will allow EthosEnergy and RPU to evaluate where the project is and how successful the methodology being employed is working. The key is to improve the process and to strive for continuous improvement.

EthosEnergy is a project oriented company and thus has several in house processes it uses to monitor all its projects. Throughout the project EthosEnergy will check to ensure that all the Project Management processes and principals are being utilized. Project specific processes will be incorporated to ensure that this project is managed in the most efficient method possible.

EthosEnergy understands that the key to each project is in the planning that goes into the project and plans to put controls in place to guarantee the success of the project. EthosEnergy will develop an effective schedule and cost control system that will enable the Project Team to evaluate the status of the project at all times. EthosEnergy will develop a schedule in the planning process that will be dynamic and will allow quick updates. The schedule will become an important tool to be utilized to perform what-if scenarios and to ensure that the project is proceeding to



plan. The schedule will also allow EthosEnergy to track not only the critical path but to also find and manage secondary critical paths as well.

As a repair and field service company EthosEnergy has several material tracking processes. The Management Team will customize one of these programs to match the requirements of RPU. EthosEnergy will use its own Purchasing System to order all materials and rentals as requested. The process will be made to be able to track all parts from order to installation. The success of the project will depend on these proven processes.

EthosEnergy's Quality Management is the cornerstone of our success. Thus EthosEnergy will develop a very specific QA/QC plan to manage this project. This plan will be made to enter hold points, inspection requirements, material specifications, incoming parts inspections, equipment measurements, and OEM specifications. QA/QC job responsibility is either assigned to a separate manager or one of the job superintendents. The QA/QC job function is to ensure that all employees are completing the work per EthosEnergy standards.

In addition to the QA/QC job position, EthosEnergy employs equipment specific TFA's. These individuals are Technical Experts in their fields. They are responsible to ensure that all the required steps are taken to complete the project and return the equipment OEM standards. The EthosEnergy will follow all OEM specifications and the TFA's will review all the clearance and equipment data to make repair recommendations. The TFA's will be charged to investigate all equipment issues that might affect the unit's performance as listed in the RFQ. The TFA's will make recommendations to the customer that will allow them to ensure that all aspects of the equipment have been inspected and give them the information to make decision on the repair methods to use. Additionally the TFA's will provide final written reports for their pieces of equipment that will become part of the final report.

Supply Chain Management

EthosEnergy is dedicated to supplying the customer with a process that will ensure the completion of the project in the timeline available. EthosEnergy plans to closely coordinate all aspects of the project with the client representatives to ensure that the project is delivered on schedule.

EthosEnergy employs a Materials/Sub-Contractor Manager who is responsible to manage and coordinate the subcontractors, rentals, and materials to ensure that all facets of this work is



managed to ensure the schedule is maintained. These employees will work closely with the EthosEnergy management team and the subcontractors to ensure they know their scope and schedule requirements. By utilizing a dedicated person, EthosEnergy is able to manage this critical function to further ensure that the project will be delivered on or before schedule.

Parts and equipment will be guaranteed as they are ordered. No guarantee can be made on the availability of all the items until the Scope Development is completed. After this process is complete EthosEnergy will utilize its supply chain and global presence to find the parts and equipment needed. Through the EthosEnergy's extensive set of relationships with multiple vendors the EthosEnergy is ideally situated to provide parts for the different OEM parts.

Tooling

EthosEnergy maintains a full tool list that can be reviewed by RPU upon your request.

Technical Support

EthosEnergy provides a Technical Support staff capable of supporting all the work on each project. Onsite support includes staffing that will be per the plans, loading charts, and organizational charts listed elsewhere in this RFQ. Offsite support is provided to onsite personnel through 81+ EthosEnergy staff engineers.

Permits

EthosEnergy will coordinate with the Site Operations Department for all permits required to complete this project.

Space Limitations

If EthosEnergy is aware of any space limitations at your site, we will plan accordingly to ensure all the work will be completed in the listed time frame. Some plans might include a portion of the work being performed off-site and others will be to maximize the space available to work with at the site.



Assessment Report

EthosEnergy can employ an Extra/Discovery Work Process for the outages, if desired. Additionally, EthosEnergy will provide a detailed Assessment Report on each component inspected.

EthosEnergy Safety Execution Plan

EthosEnergy believes that no project is successful unless all of its employees leave in the same physical health in which they arrived. EthosEnergy believes that the key to the success for any project is first planning for safety. Safety does not just happen it has to be an attitude and has to come from the top of the organization. *We are a member of ISNetworld and very proud of our dashboard grade of A.* EthosEnergy will initiate a Safety Plan to ensure that all the work on the project will be completed in a safe manner. As mentioned in the cover letter, EthosEnergy is assigning a Safety Specialist as part of our coverage. This Safety Specialist along with input from RPU site representatives will develop the Safety Plan for these outages.

The safety plan will be completed and posted on the project. All employees will be trained in the safety plan. In addition to the safety plan, EthosEnergy will utilize other processes to ensure the project is completed injury free.

The key to safely complete any project is employee involvement. On a project that is fast tracked such as this one the potential for fatigue and mental lapses from concentrating on saving time can cause an unacceptable risk to injury. Therefore, it is key for the management team to instill a Safety 1st attitude in all employees. EthosEnergy will instill this attitude through training, daily tailgate meetings, weekly safety meetings, near-miss investigations, and a safety bonus program.

All EthosEnergy employees will go through a Basic Safety Training course before they are allowed on the job site. This training along with any client site-specific training will be completed before the employees begin working on the project. This training will ensure that all employees understand the importance of safety and are trained per EthosEnergy safety procedures.



At the beginning of each shift all EthosEnergy project personnel will attend a safety tailgate meeting with their respective crews. These tailgates meetings will be coordinated by the area foremen and will cover specific hazards the employees will face that day as well as a general safety topic. All employees will be encouraged to convey any safety issues they find and these will be resolved immediately.

EthosEnergy will also hold a weekly safety meeting where the Safety Manager will cover specific job incidents and train on corporate safety initiatives. The meeting will also be open for employee comments and concerns as well. These meeting will take place during all phases of the project and will be attended by all EthosEnergy employee and their sub-contractors.

EthosEnergy will perform a Near-Miss Investigation on any near-miss incidents to ensure that the issues causing the near miss are corrected. These near miss investigations will be led by the Safety supervisors and will be compiled and discussed during the daily tailgate meetings.

In addition to the items listed above EthosEnergy employs a full time Safety Department. The Safety Department is given the responsibility to ensure all employees are trained to EthosEnergy safety procedures. The Safety Department also monitors the safety performance of all subcontractors and approves their safety programs before the each project begins. Additionally the Safety Department conducts Safety Audits to ensure that all employees are wearing their correct PPE and are following all safety procedures.



3.0 FIELD SERVICES

Scope:

Service – Major Inspection

2.1.1. Pre Inspection Activities

1. Unit and turning gear LOTO complete (customer)
2. Electrical disconnects / I&C complete (customer)
3. Remove insulation (customer)
4. Mobilize inspection crew and tooling
5. Set up site services as required
6. Stage site and perform safety orientation

2.1.2. Pre Inspection / Alignment Checks

1. Obtain safe work permits
2. Visually inspect CT enclosure or housing area
3. Remove inlet and exhaust man way covers
4. Visually inspect inlet section
5. Visually inspect exhaust section
6. Record R1 compressor blade tip clearances
7. Record R3 turbine blade tip clearances
8. Record RP and thrust clearances
9. Unbolt and perform alignment checks between turbine and main gear box

2.1.3. Dis-Assembly

1. Remove turbine enclosure fan housings/roof panels
2. Remove cooling air piping
3. Remove all fuel gas piping
4. Remove all upper half manifolds
5. Remove all fuel nozzles and combustor cover plates
6. Remove spark plugs & flame detectors (customer)
7. Remove all combustor baskets and cross flame tubes
8. Remove transitions, seals, and supports
9. Fit casing support jacks
10. Unbolt all internal and external bolting from compressor, CC, turbine cylinders
11. Remove upper half compressor, CC, turbine cylinders
12. Remove compressor diaphragms
13. Unbolt and remove turbine blade ring (Blade rings will be sent to the repair facility for disassembly, inspection, repair and assembly upon removal from the engine)
14. Unbolt & remove inlet manifold and cylinder
15. Unbolt and remove exhaust cylinder
16. Unbolt and remove torque tube housing and seals
17. Remove upper half of thrust bearing housing
18. Record all bearing / seal clearances for all bearings (thrust, inlet, exhaust)



19. Remove turbine rotor measure and prep for shipment if required
20. Remove all lower half bearings

2.1.4. Inspection

1. Measure and record compressor radial and axial clearances
2. Measure and record turbine radial and axial clearances
3. Visually inspect all turbine / compressor / combustor components
4. Record all damage to compressor / turbine / combustor components
5. Visually inspect bearings and record bearing clearances
6. Record all style and serial numbers
7. Measure and record journal clearances
8. Map rotor balance planes
9. Visually inspect all upper and lower half cylinders
10. Clean out lower half cylinders and prep for assembly
11. Visually inspect combustor liner
12. Record torque tube seal clearances
13. Visually inspect turbine rotor

2.1.5. Re-Assembly

1. Record rotor balance planes
2. Install bearing lower halves
3. Re-install turbine rotor
4. Install all bearing oil seals & liners
5. Record all bearing / seal clearances
6. Re-assemble all upper halves of bearing housings
7. Re-assemble upper half torque tube and combustor liner housings
8. Re-assemble upper half inlet manifold and cylinder
9. Re-assemble upper half exhaust cylinder
10. Install all compressor diaphragms
11. Assemble blade ring
12. Install and align turbine inter-stage seals to the blade ring
13. Install and align turbine blade ring to the rotor
14. Re-assemble upper half compressor, CC, turbine cylinders
15. Remove casing support jacks
16. Install transitions
17. Install combustor baskets and cross flame tubes
18. Install fuel nozzles and cover plates
19. Re-assemble spark plugs & flame detectors (customer)
20. Reconnect upper half IGV linkage
21. Re-assemble all upper half gas manifolds
22. Re-assemble all fuel gas pipes
23. Re-assemble cooling air piping
24. Re-assemble turbine fan housings / roof panels



25. Perform alignment checks from CT to main gear box
26. Reinstall and torque coupling bolts
27. Final inspection of inlet section and record R1 compressor blade tip clearances
28. Close out inlet with customer and install man way cover
29. Final inspection of exhaust section and record R3 turbine blade tip clearances
30. Close out exhaust with customer and install man way cover
31. Release unit permits and EthosEnergy LOTO

2.1.6. Post Overhaul Activities

1. Demobilize site services as required
2. Demobilize crew and tooling
3. Write a final report
4. Site clean up of EthosEnergy work areas
5. Sweep up turbine enclosure / housing area
6. Reconnect all electrical connections / I&C (customer)
7. Install insulation (customer)
8. Remove LOTO and place unit on turning gear (customer)

Shift Schedule:

Ethos Energy will perform the quoted work with the assumption being craft will work (2) 12-hour shifts per day for a 7-day work week.

Pre-Outage and Post-Outage:

Ethos Energy will mobilize the following craft to prepare site prior to and clean-up site post-outage.

- (1) Technical Field Advisor
- (1) Superintendent
- (1) Working Foreman
- (3) Millwrights

Pre and Post outage activities will happen over (2) 8-hour shifts.



W251B2 Major Inspection:

Ethos Energy will utilize the following craft on a per shift basis to perform a Major plus Inspection on (1) W251B2 CT.

DAYS:

- (1) Technical Field Advisor
- (1) Superintendent
- (1) Working Foreman
- (6) Millwrights

NIGHTS:

- (1) Superintendent
- (1) Working Foreman
- (6) Millwrights

Major Inspection will be performed in (28) days using (2) 12-hour shifts. Plus (1) 12-hour shift of start up support, assuming no additional mobilizations/demobilizations are required due to unforeseen conditions or emergent repairs to components.

Start-Up:

Ethos Energy will utilize the following craft on a per shift basis to provide start-up support.

DAYS:

- (1) Technical Field Advisor
- (1) Superintendent
- (1) Working Foreman
- (3) Millwrights

Start-Up support will be performed over (1) 12-hour shift.

Should circumstances occur that required subsequent demobilisation and remobilisation of personnel and/or equipment, costs associated with this would be billed to Customer at EthosEnergy's Time and Material rates (Exhibit 1).

EE PPS will provide a full project report within 30 days of the conclusion of the project. This report will include all technical data sheets, photographs, job logs, engineered and as built drawings, original equipment data as available, parts used, and recommendations.



Notes for Section 3.0

- The following estimate prepared for Cascade Creek power station is a T&M estimate and will require a clear scope of work and division of responsibility prior to generating a firm price quote..
- Estimate is based on the expectations that the customer responsibilities are:
 - Overhead and/or Mobile Crane
 - ROTOR Stands
 - Plant Air 110 psi
 - 110/220 VAC
 - Any Scaffolding needs/ requirements
 - Insulation removal/re installation.
 - Forklifts
 - Manlift-If required
- This is a T&M estimate for a MI of (1) W251 B2 CT.
- If the project requires a Demobilization/Remobilization, due to off-site repair of components additional fees for Mobilization & Demobilization will apply.
- Quote includes expending maximum efforts on the removal of problem bolting; however, destructive removal of bolting 1" and larger will be at an extra cost to the contract. Quote includes normal bolt removal for all bolting associated with disassembly as defined by the specification. (Normal bolt removal is defined as soaking the bolts or studs with penetrating oil and applying enough force to remove the nut or bolt.) 24 man-hours of small bolt (smaller than 1") destructive removal are included in base price. Additional man-hours will also be extra.
- Rotor Removal is included in the estimate.
- NDE of components is NOT included in this estimate and will be quoted separately upon need/discovery.
- Quote includes (1) 12- hour shift of start-up support.
- Installation of FME covers bags and taping are included in this estimate.
- All rotor repair work is assumed to be performed off site. Assumption is that field craft will remove, visually inspect and reinstall only.



- TFA is included for days only. Superintendent is scheduled for both day and night.
- There is assumed to be NO generator scope.
- Hand cleaning and spot PT testing is included in this estimate. Blast cleaning and other NDE would be handled thru a third-party vendor at their applicable T&M rates.
- IGV in situ inspections are included in this estimate. R&R of vanes, gears, or bushings would be handled at applicable T&M rates.
- Quote includes standard honing and wire brushing of all vertical and horizontal joints. This assumption is based on the joints being in good to fair condition. Any mars, cracks, or missing materials that will require extensive work to repair would be billed at T&M rates.
- Quote includes direct exchange of parts. Disassembly and reassembly beyond the normal scope of work requiring welding, machining or repeated hand fitting of components to make them fit/work would be billed at T&M rates.
- Ethos Energy proposal includes tooling to perform required scope and duration.
- Special tooling and rotor stands are assumed to be supplied by customer as standard equipment. In the event these items are required to be supplied by Ethos Energy it would be provided at applicable T&M and rental rates.
- In the event the schedule is extended due to emergent work, chemical release, foul weather, or etc. outside the control of Ethos Energy, the following costs will be passed onto the customer:
 - Additional cost (wages and per diem, including rental cars).
 - Site services (third party rentals – office trailer, phone service, safety clean, scaffolding, and etc.). There will be no charge for Ethos Energy tooling already onsite.
 - Schedule may vary due to emergent work.



- The removal and disposal of all wastes, hazardous and otherwise generated on-site relating to the contracted work shall become the responsibility of the customer. Ethos Energy will keep deck area clean and free of all trash and debris.
- Asbestos remediation is not included. In the event Asbestos is found in the work area, Owner will have complete responsibility for licensed remediation work.
- Any repairs where not noted in this document are not included in price. All repairs will be quoted or performed on a T&M basis.
- Ethos Energy will offer its standard warranty terms.

3.1 Outage Responsibility Check List

Responsibility	EEPPS	Cust.
a) Project Manager	X	
b) Labor and supervision	X	
c) Labor and equipment to disassemble, reassemble and calibrate controls		X
d) Labor to disconnect and reconnect wiring to motors and exciter		X
e) Labor to support generator specialist and excitation specialist	N/A	N/A
f) On site machining		X
g) Technical Direction	X	
h) Controls Engineer		X
i) Generator Specialist		N/A
j) Tools and transport	X	
k) Field consumables and safety material/equipment	X	
l) Parts Cleaner	X	
m) Craft labor per diem	X	
n) Remove insulation (blanket type/non-asbestos)		X
o) Parking for work force / off site		X
p) Transporting crew from parking lot to site	X	
q) Lay down area		X
r) Replacement parts and materials		X
s) Replacement damaged hardware/bolting		X
t) Crane service access and priority (Tested & certified prior to use)		X
u) Mobile Crane, if required		X
v) Office space and change room	X	

Attachment: Budgetary Proposal 19-017774 RPU Cascade Creek Major Inspection (13544 : Westinghouse Gas Turbine Overhaul)



Responsibility	EEPPS	Cust.
w) Potable water and sanitation facilities for the crew		X
x) Fork lift (warehouse)		X
y) Fork lift (reach / rough terrain)		X
z) Man Lift		X
aa) Welding gases (Acetylene & Oxygen)		X
bb) Engine Driven Welding Machine (Single phase 480V 45AMP or 220V 90AMP or 200V 103AMP) and Certified Welder	X	
cc) Fueled or Electric Heaters		X
dd) Supplementary Electric Power (diesel generator)		X
ee) Supplementary Lighting (light towers)		X
ff) Compressed air (plant air)		X
gg) H2S / Air Monitors		if Req
hh) ERAG	N/A	N/A
ii) Borescope	X	
jj) Trucking Services	X	X
kk) Refueling on site		X
ll) OEM and special tools		X
mm) ITH Bolt Tensioner		N/A
nn) Startup support (12 Hour Support)	X	
oo) Component sandblasting	N/A	N/A
pp) NDE, UT, Mag Particle inspections		X
qq) Clean / Rod out surface condenser tubes		N/A
rr) Test and equalize battery banks		N/A
ss) Test and inspect battery charging system		N/A
tt) Scaffolding		X
uu) Trash disposal and container supply	X	X
vv) Confirm lockout/tag out of all energized equipment		X
ww) First aid / fire protection	X	X
xx) Disable emergency fire protection systems		X
yy) Access to OEM drawings and manuals, as required	X	X
zz) Site Specific Training	X	X
aaa) Turbine rotor and generator rotor stands		X
bbb) Bearing mandrels & lapping discs		X
ccc) Cell phones and internet	X	

Attachment: Budgetary Proposal 19-017774 RPU Cascade Creek Major Inspection (13544 : Westinghouse Gas Turbine Overhaul)



Responsibility	EEPPS	Cust.
ddd) Cribbing, fencing, and deck covering material		X
eee) Reinstallation of non-blanket insulation		X
fff) E & I disconnects and re-connects (includes generator leads)		X
ggg) Connect power to office trailer		X
hhh) Generator electrical testing		N/A
iii) Instrumentation calibration		X
jjj) Draining and refilling oil systems		X
kkk) De-energize / Re-energize Unit		X

Attachment: Budgetary Proposal 19-017774 RPU Cascade Creek Major Inspection (13544 : Westinghouse Gas Turbine Overhaul)



3.2 Field Services Pricing

A budgetary number has been included for the field work pending final scope clarification. There is field effort that may be addressed by the Customer. Enclosure repair is an example. (It should be noted that per SB36803 the unit has operated beyond a recommended HGP(800 ES) and is now near or beyond a recommended Major(1600 ES). Per 2021 review, added some cost has been for field weld of exhaust strut shielding.

Major Inspection:

Time and Materials Estimated Price between \$725,000.00 - \$825,000.00

- Estimated Pricing includes applicable labour, travel and living expenses, tools for items listed in Section 3.0 Field Work Scope, of this proposal.
- All applicable taxes, duties and fees will be added to the invoice(s)
- You will be invoiced in accordance with the Time and Materials Rates sheet included in Exhibit 1. Final cost is subject to change depending on the actual time and expenses involved in accomplishing the work.



4.0 ROTOR SHOP SERVICES

EthosEnergy will provide an inspection report to the customer specifying any required repairs, and Proposal update will be sent to the customer based on the Inspection findings. A final repair report will be submitted following completion of repairs.

The rotor should go to the Ethos shop for inspection, repair and rebalance to OEM criteria.

Debris expected inside rotor due to poor engine filtration. Blade locking issues expected. The locking system and potential disc wear/corrosion needs to be assessed. Part of "worst case" scenario on the budget spreadsheet in Attachment 2 is possible disc replacement requirement due to disc steeple issues. Budget estimate includes 1 disc replacement. (Look into OMM43) Repairs will be performed at our shop located in Houston TX, USA.

W251 Rotor Class II Inspection

1. Receive Rotor
2. Visually inspect for shipping damage
3. Record incoming balance weight locations
4. Mic journal diameters and thrust collar thickness
5. Check turbine blade tip clearance, in line #1 balance hole
6. Check compressor blade tip clearance, in line #1 balance hole
7. Record incoming turbine blade sequence Rows 1 - 3
8. Remove turbine blades and locking hardware Rows 1 - 3
9. Blast clean rotor
10. MT rotor
11. VT rotor
12. Blast clean locking hardware
13. MT locking hardware
14. VT locking hardware
15. Dimensionally inspect locking hardware
16. Truth check spindle assembly
17. Inspect compressor disc gap
18. Inspect turbine blade platform gap
19. Machine truth check of spindle assembly
20. Identify and inspect turbine blade tip heights
21. Inspect turbine blade seal lip diameters
22. Install spindle assembly in balance machine
23. Resolve static imbalance/clean end planes
24. Lock out turbine blades
25. Blade/balance turbine rotor, Rows 1 - 3
26. Clean end planes to complete balance
27. Final inspect/check off list
28. Prep for shipment, load



Class II Rotor Inspection:

Price\$100,320.00

Standard Delivery: 5 weeks

Notes for Class II Rotor Inspection:

- Compressor Blades will not be removed.
- Quantity of Additional Items will be determined during the incoming inspection. An updated proposal will be sent to the customer reflecting necessary repairs and replacement parts.
- Any additional repair or replacement parts not quoted in this proposal will be quoted separately if required.
- Final Pricing will be based on the options required. Customer approval will be requested.
- A final repair report will be submitted following full completion of repairs.



5.0 COMPONENT REPAIR SHOP SERVICES

- Important to any W251B2 project is the proper assessment of engine refurbishment. All engines incur decreased reliability and performance loss thru engine age / degradation. As the engine is refurbished / rebuilt it is important to understand the key components, clearances, surface areas, operating parameters that need to be confirmed / addressed to improve performance and reliability.
- Specific to this project, there is the need to help the Customer with defect / risk / repair cost / benefit decisions. With the technical experience / knowledge available, EthosEnergy OEM engineering can assess engine / component issues as related to reliability and performance. This includes the use customer past issues, combined with their future unit requirements (starts, run life & performance expectations) to drive repair work scope and upgrade cost / benefit decisions.

5.1 W251B2 Fuel Nozzles

Fuel Nozzle workscope will be performed at Windsor, CT

Item #	Part/Workscope	Unit Price (USD)	Extended price(USD)	Turn Around Time (TAT)
W251B2 Fuel Nozzle Assembly				Receipt to Quote – 10 - 12 Days Approval to Ship – 4 Weeks**
1	Standard Overhaul - Nozzle Based on workscope listed: <ul style="list-style-type: none"> • Receive Inspect • Flow Test all circuits • Leak Test • Disassemble • Clean all components • NDT • Issue Preliminary Repair Report & recommendations for any repairs • HOLD for customer approval • Perform recommended repairs • Replace all consumables • Reassemble • Final flow all circuits • Leak test • Pack & ship with Final Report 	\$ 600.00	\$ 4,800.00	



2	Standard Overhaul - Pilot Based on workscope listed: <ul style="list-style-type: none"> • Receive Inspect • Flow Test all circuits • Leak Test • Disassemble • Clean all components • NDT • Issue Preliminary Repair Report & recommendations for any repairs • HOLD for customer approval • Perform recommended repairs • Replace all consumables • Reassemble • Final flow all circuits • Leak test • Pack & ship with Final Report 	\$ 175.00	\$ 1,400.00	
<i>Optional repairs for customer approval post inspection</i>				
3	Basket Repair - ** Repair is an 8 week lead time	\$ 980.00	As Required	
4	Tip Replacement	\$1,210.00	As Required	
5	Bellows Replacement	\$ 900.00	As Required	
6	Front Crack Face Repair	\$ 330.00	As Required	
7	Flange Seal Surface per Flange	\$ 175.00	As Required	
7	Front Face Crack Repair	\$ 330.00	As Required	
8	Flange Sealing Surface Repair	\$ 175.00	As Required	

5.2 Combustion Baskets

INSPECTION

- Receive and identify by drawing and serial number
- Grit blast to clean and remove coating as required
- Dimensionally inspect
- FPI and visually inspect
- Compile inspection report with findings

5.3 Transitions

INSPECTION

- Receive and identify by drawing and serial number
- Dimensionally inspect



- Remove all seals, as required
- Grit blast to clean
- Solution heat treat
- FPI and visually inspect
- Compile inspection report with findings

5.4 Turbine Blades : Rows 1 - 3 incl.

INSPECTION

- Receive and identify by drawing and serial number
- Grit blast to clean and remove coating
- Dimensionally inspect
- FPI and visually inspect
- Compile inspection report with findings

5.5 Turbine Vanes : Rows 1 - 3

Incoming Inspection:

- Receive and identify/verify style and serial numbers
- Remove and inspect inserts, document if replacements are needed.
- Dust blast
- Mask off cooling holes and core openings (as required)
- Chemical Strip coating (as applicable)
- Clean for inspection purposes
- Perform solution heat treatment
- FPI and visually inspect per OEM requirements
- Verify wall thickness as applicable
- Inspect 'critical to quality' dimensions
- Quote repair classification, required replacement parts and options

5.6 Compressor Diaphragms

INSPECTION

- Receive and Identify
- Measure seal ID's in fixture where possible
- Blast clean
- NDE (LPI)
- Visual inspection of diaphragms (marking areas in need of repair)
- Dimensional inspection of diaphragms
- Produce inspection/recommendations report and quote



5.7 Blade Ring Inspection (Qty: 1 assy)

INSPECTION

- Perform receipt inspection and record serial numbers and take digital photographs of component in as received condition
- Inventory and identify all hardware as disassembly progresses
- Thorough inspection of hardware for potential reuse
- Report for immediate potential replacement
- Delivery a consideration
- Perform dimensional inspection of blade ring assembly
- Remove vanes, ring segments, and remaining hardware from the blade ring
- Note: work scope and quote for ring segments and vanes done separately
- Clean blade ring
- Perform dimensional inspection on blade ring
- Record results
- Perform visual inspection on all blade rings record all defects
- Perform fluorescent penetrant inspection of blade ring and record all defects
- Compile incoming Inspection report for technical review
- Engineering review of past operating history
- Engineering review of engine disassembly clearances
- Assessment based on all information including, field and shop repair criteria
- Submit inspection report with recommendations to Customer

5.8 Bearing Repairs (Qty:2) Inlet and Outlet

REPAIR SCOPE:

- Disassemble
- Clean, & Inspect
- Sand Blast Shoes
- Tig Rough Babbitt & Bore Shoes
- UT Inspect
- Grind Shoe Back contact Area
- Skim Bore to Size
- Sand Blast & Skim Cut Aligning Ring
- Bore
- Reassemble Bearing

Instrumentation requirements to be verified after inspection



5.9 Component Repair Pricing Tables

Part	Description	Qty	Unit Price	Extended Price
Blade Ring Cylinder	Inspection	1 assy	\$27,600.00	\$27,600.00
	Basic Repair	1 assy	\$75,135.00	\$75,135.00
	Rounding	1 assy	\$22,300.00	\$22,300.00
	Joint Face Restoration	1 assy	\$7,090.00	\$7,090.00

Part	Description	Qty	Unit Price	Extended Price
ISSH R2	Inspection	1 assy	\$6,072.00	\$6,072.00
	Basic Repair	1 assy	\$19,620.00	\$19,620.00
	Aft Seal Restoration	1 assy	\$2,955.00	\$2,955.00
	Joint Face Restoration: Weld / Machine	1 assy	\$5,250.00	\$5,250.00
	Cam Holes Repair	1 hole / 6 max	\$737.50	\$4,425.00

Part	Description	Qty	Unit Price	Extended Price
ISSH R3	Inspection	1 assy	\$6,072.00	\$6,072.00
	Basic Repair	1 assy	\$19,620.00	\$19,620.00
	Aft Seal Restoration	1 assy	\$2,955.00	\$2,955.00
	Joint Face Restoration: Weld / Machine	1 assy	\$5,250.00	\$5,250.00
	Cam Holes Repair	1 hole / 6 max	\$737.50	\$4,425.00

Part	Description	Qty	Unit Price	Extended Price
R1 Turbine Blades	Inspection	1 set	\$285.88	\$22,870.00
	Minor Repair	1 set	\$277.20	\$22,176.00
	Medium Repair	1 set	\$744.69	\$59,575.00
	Major Repair	1 set	\$865.20	\$69,216.00
	Coating	1 set	\$262.50	\$21,000.00
	Material Life Assessment	1 blade	\$4,500.00	\$4,500.00



Part	Description	Qty	Unit Price	Extended Price
R2 Turbine Blades	Inspection	1 set	\$291.07	\$20,375.00
	Minor Repair	1 set	\$294.29	\$20,600.00
	Medium Repair	1 set	\$645.64	\$45,195.00
	Major Repair	1 set	\$837.64	\$58,635.00
	Coating	1 set	\$338.10	\$23,667.00
	Material Life Assessment	1 blade		\$4,500.00

Part	Description	Qty	Unit Price	Extended Price
R3 Turbine Blades	Inspection	1 set	\$239.54	\$15,570.00
	Minor Repair	1 set	\$273.97	\$17,808.00
	Medium Repair	1 set	\$610.62	\$39,690.00
	Major Repair	1 set	\$770.22	\$50,064.00
	Material Life Assessment	1 blade	\$4,500.00	\$4,500.00

Part	Description	Qty	Unit Price	Extended Price
R1 Turbine Vanes	Inspection	1 set	\$611.38	\$24,455.00
	Minor Repair	1 set	\$993.00	\$39,720.00
	Medium Repair	1 set	\$2,102.75	\$84,110.00
	Major Repair	1 set	\$3,113.90	\$124,556.00
	Airfoil Brazing (NOT including PSP Plates)	1 set	\$435.00	\$17,400.00
	Coating	1 set	\$1,072.50	\$42,900.00

Part	Description	Qty	Unit Price	Extended Price
R2 Turbine Vanes	Inspection	1 set	\$811.67	\$19,480.00
	Minor Repair	1 set	\$1,228.50	\$29,484.00
	Medium Repair	1 set	\$2,450.50	\$58,812.00
	Major Repair	1 set	\$3,467.50	\$83,220.00
	Airfoil Brazing (including PSP Plates)	1 set	\$1,383.33	\$33,200.00
	Coating	1 set	\$1,144.38	\$27,465.00



Part	Description	Qty	Unit Price	Extended Price
R3 Turbine Vanes	Inspection	1 set		\$12,348.00
	Minor Repair	1 set		\$21,545.00
	Medium Repair	1 set		\$48,550.00
	Major Repair	1 set		\$79,636.00
	Airfoil Brazing (NOT including PSP Plates)	1 set		\$20,500.00

Part	Description	Qty	Unit Price	Extended Price
Ring Segments R1	Inspection	1 set	\$229.58	\$8,265.00
	Minor Repair	1 set	\$640.50	\$23,058.00
	Major Repair	1 set	\$1,768.67	\$63,672.00
	Brazing	1 set	\$433.50	\$15,606.00

Part	Description	Qty	Unit Price	Extended Price
Ring Segments R2	Inspection	1 set	\$229.58	\$8,265.00
	Minor Repair	1 set	\$640.50	\$23,058.00
	Major Repair	1 set	\$1,387.50	\$49,950.00
	Brazing	1 set	\$433.50	\$15,606.00

Part	Description	Qty	Unit Price	Extended Price
W251B8 Ring Segments R3	Inspection	1 set	\$193.20	\$4,636.80

Part	Description	Qty	Unit Price	Extended Price
Transitions	Inspection	1 set	\$1,698.90	\$13,591.20
	Minor Repair	1 set	\$1,635.20	\$13,081.60
	Medium Repair	1 set	\$4,243.75	\$33,950.00
	Major Repair	1 set	\$6,388.20	\$51,105.60
	Coating Removal	1 set	\$1,267.50	\$10,140.00
	Apply TBC to internal surfaces/CrC on inlet	1 set	\$1,875.00	\$15,000.00

Attachment: Budgetary Proposal 19-017774 RPU Cascade Creek Major Inspection (13544 : Westinghouse Gas Turbine Overhaul)



Part	Description	Qty	Unit Price	Extended Price
Transitions Seals	Inspection	1 set	\$77.00	\$1,232.00
	Basic Repair	1 set	\$385.00	\$6,160.00

Part	Description	Qty	Unit Price	Extended Price
Combustion Baskets	Inspection	1 set	\$2,173.50	\$17,388.00
	Minor Repair	1 set	\$2,173.50	\$17,388.00
	Medium Repair	1 set	\$4,144.14	\$33,153.12
	Major Repair	1 set	\$6,230.63	\$49,845.00
	CrC Coating to Spring Seal OD	1 set	\$312.50	\$2,500.00
	Full MCrAlY/TBC Coating	1 set	\$1,081.25	\$8,650.00

Part	Description	Qty	Unit Price	Extended Price
Diaphragm-Compressor	Inspection	1 set	\$2,050.00	\$36,900.00
	Minor Repair	1 set	\$4,612.50	\$83,025.00
	Medium Repair	1 set	\$6,047.50	\$108,855.00
	Major Repair	1 set	\$14,760.00	\$265,680.00
	Coating	1 set	\$2,125.00	\$38,250.00
	Seal Strips Replacement (Major Repair ONLY)	1 set	\$2,361.11	\$42,500.00

Part	Description	Qty	Unit Price	Extended Price
Bearing	Inspection and Basic Repair	2 Bearings (Inlet & Outlet)	\$21,450.00	\$42,900.00



5.10 Shop Repair Definitions

Combustion Component Repair

Level of repair required will be determined by the inspection scopes listed above.

Light Repair – Scope includes blending to remove surface defects, cold-forming to restore shape, re-assembly and inspection.

Medium Repair – Scope includes light repair plus minor-moderate defect repair and correction of moderate distortion.

Turbine Blade Repair Definition

Level of repair required will be determined by the inspection scopes listed above.

Light Repair – Scope includes minor defect repair by blending, re-coat (as applicable), and inspection.

Medium Repair – Scope includes light repair plus partial tip weld repair and machine, and restoration of cooling holes.

Heavy Repair – Scope includes medium repair plus full tip restoration.

Turbine Vane Repair Definition

Level of repair required will be determined by the inspection scopes listed above.

Light Repair – Scope includes minor defect repair by welding and blending, inspection and re-assembly.

Medium Repair – Scope includes light repair plus moderate defect repair by weld and braze, and restoration of seal slots and cooling holes.

Heavy Repair – Scope includes medium repair plus heavy defect repair by weld and braze.



5.11 Shop Work Scope Clarifications

- A. The determination of reparability shall be by EthosEnergy. If the requirement to repair results in scope outside established repair limits and procedures, the Customer shall be consulted for discussion, agreement, and technical or commercial resolution as required.
- B. Inspection and repair scopes and procedures offered are based on OEM component / engine design configuration. The effect of modifications made by others is outside EthosEnergy responsibility. When discovered / observed, modifications will be brought to the Customer's attention for review.
- C. If during the initial inspection section of the repair procedure, it is discovered that previous repairs have been carried out that EthosEnergy deem detrimental to the components integrity, the Customer shall be consulted for discussion, agreement and technical or commercial resolution as required.
- D. Additional inspection scope, technical evaluations and cost required to assess situations as mentioned in points A, B & C above shall be reviewed with the Customer for agreement prior to work proceeding.
- E. All component repairs except the fuel nozzles to be performed at our shop located in Thailand.
- F. Repair Price provided does not include options or replacement parts including consumable items required for repairs (ie – seals, etc).
- G. The inspection will determine the repair category as well as Options, Additional , Coating & Parts replacements. Customer will be informed and price will be adjusted accordingly.
- H. Delivery:
 - o EthosEnergy will bear all shipping costs to and from our repair facility in Thailand
Delivery Terms: ExWorks EthosEnergy Facility in Greenville, NC in accordance with the stipulations of Incoterms 2010. Other mode of transportation could be negotiated between the parties. Quoted repair lead times are after receipt of parts and all information required to proceed at designated repair facility.
 - o Fuel Nozzle Delivery terms: ExWorks EthosEnergy Facility in accordance with the stipulations of Incoterms 2010.



6.0 NEW COMPONENTS

- For the purposes of maintaining project schedule, parts availability should be considered. EthosEnergy maintains a large new and used parts inventory to support Westinghouse engine design fleet operations. In addition to inventory, EthosEnergy has a robust supply chain to support the fleet required parts and repairs. EthosEnergy will refine a combustion outage engine specific parts list which can be merged with the Customer's inventory list. Ethos will then work with RPU with respect to suggested purchases of key "long lead" parts required with intent to minimize risk of project delay.
- The W251B2 frame design / components are generally consistent from engine to engine; however there are design changes that have been implemented over the approximately 35 years of manufacture and operation. EthosEnergy has access to the original build records for the engine being considered along with details of all component change / upgrades. Review of the build records in conjunction with design change documentation will accommodate decisions with respect to replacement , upgrades and as required component design intermixing
- For the expediency of the project there is sometimes a need to mix parts with different designs. Where this is required / possible it will be done based on OEM understanding of risk, interface issues and effect on engine operation.

6.1 Outage Consumables.

EthosEnergy maintains a large amount of inventory as well as a robust supply chain. In order to minimize the amount of parts RPU would have to stock in their inventory if not used during the course of the outage, it is recommended that the damaged consumable items are identified at disassembly and then quoted as emergent workscope as required. A list of the OEM hardware for a standard W251B2 is provided in Attachment 1.



7.0 COMMERCIAL TERMS

- Pricing and Payment:
 - Prices are in USD
 - Payment terms: Net 30 days
 - Taxes, Duties and Fees
 - All applicable taxes, duties, and fees will be added to the final invoice
 - Taxes that are typically characterized as Owner taxes are not included and shall be paid directly by the Owner or reimbursed to EthosEnergy if paid by EthosEnergy.
- Validity:
 - This proposal is valid for a period of 30 days.
- Freight:
 - Ex-works, if Purchaser requests EthosEnergy to arrange shipping, all freight costs will be billed to the purchaser at cost plus fifteen (15%) percent.
- Delivery:

The services offered herein are based on receipt of an acceptable purchase order and all other information required by EthosEnergy to perform the Work. All pricing and delivery is subject to prior sale.
- Contracting Entity for this proposal:

EthosEnergy Power Plant Services, LLC
3100 South Sam Houston Parkway East
Houston, Texas 77047
- Terms and Conditions:
 - EthosEnergy has attached a copy of our standard terms and conditions to the end of this document. Any modifications to these terms will be subject to mutual agreement and EthosEnergy Management approval.



EXHIBIT 1: Time and Material Rates (Non-Union Labor)

PROCEDURES, CONDITIONS, AND RATES FOR SERVICE

Domestic

EFFECTIVE 1/1/21

EthosEnergy Service Representatives are dispatched worldwide to provide technical guidance, advice and counsel for installations, inspections, upgrades and overhauls. When our Service Representatives arrive on-site they bring with them the support of EthosEnergy substantial engineering and manufacturing resources.

The following Hourly rates will apply to all SITE WORK in the UNITED STATES through 12/31/2020

Field Labor Classification	Straight Time	Overtime	EthosEnergy Holidays
Turbine Mechanics	\$51	\$76	\$102
Working Foreman	\$59	\$89	\$118
Superintendent	\$87	\$131	\$174
Technical Field Advisor/Project Manager	\$200/225	\$300/338	\$400/450

Notes:

1. A minimum charge of 8 hours per day per person plus expenses will be billed while mobilized, whether working on site or on stand-by, unless the personnel are released in writing from the site and payment is made for demobilization and remobilization. The word "standby" will be stated on the timesheet for the applicable hours.
2. Above rates are "non-union" only. If union or union craft labor and/or supervision are required, additional rates will be provided prior to commencement of work.
3. EthosEnergy holidays include Christmas Day (December 25th) and New Year's Day (January 1st), inclusive, will be invoiced at holiday rates. Other fixed holidays include Good Friday, Easter Sunday, Memorial Day, Fourth of July, Labor Day, Thanksgiving and the day after



Thanksgiving. Where union labor is utilized, the local union agreement for holidays will be observed for billing purposes, if such holidays are in addition to the aforementioned.

4. Overtime rates apply to all hours worked in excess of eight (8) Monday through Friday, and all hours worked on Saturday and Sunday.
5. Rates include normal hand tools payroll taxes, insurance, overhead and profit.
6. EthosEnergy Technical Field Advisors and Project Managers are entitled to two (2) days at home every four (4) weeks job permitting. Travel expenses from the job site to home base and return will be billed at cost plus 15%.
7. Any special requirements such as, special permits, licenses, materials, and special PPE equipment will be invoiced at cost plus 15%. Any working hours required for these special requirements will be invoiced at the applicable hourly rates.
8. Specialty Technician includes the following job classifications: Laser Alignment Technicians, Bucket Technicians, Steam Path Repair Technicians, and Generator Specialist. Any other Specialist required for a project and not listed above can be provided upon request.

Travel & Per Diem:

1. Per Diem – TFA/PM		\$225.00 / man-day	
2. Per Diem – Superintendent and below		\$175.00 / man-day	
3. Travel Time applies for Supervisor and above		ST Rate/man hour + Exp. per Rate	
4. Travel Matrix applies for Foremen and below		Round Trip / Per Employee	
<u>Mileage</u>	<u>Round Trip</u>	<u>Mileage</u>	<u>Round Trip</u>
0 – 250	\$725	1000 – 1250	\$1,155
251 – 500	\$780	1251 – 1500	\$1,270
501 – 750	\$935	1501–1750	\$1,430
751 – 1000	\$1,000	1751 +	\$1,510

- Per Diem rate includes hotel and meals. Higher rates may apply for locations where living expenses are high such as major metropolitan areas.
- Airfare, Car Rental, and Gas for Rental Car will be invoiced at cost plus 15%.

Company Vehicle, Tools, and Other Charges:

- | | |
|--|---------------------------------|
| 1. Company vehicle | \$85.00 / day (on site) |
| 2. Vehicle mileage | \$0.70/ mile (portal to portal) |
| 3. Project expendables (gloves, rope, Kroil oil, etc.) | \$1.75 / Man hour (on site) |



4. FRC Supply Cost (where applicable)	\$0.60 / Man hour (on-site)
5. Turbomachinery tool unit	\$450.00 / day (on site)
6. ERAG or Laser Alignment Tooling	\$250.00 / day (on site)
7. Connex Office w/Tables & chairs or FME Cabinet	\$175.00 / day (on site)
8. Borescope	\$325.00 / day (on site)

Notes:

1. Any other specialty tooling required can be quoted as required.
2. Turbine Tool Containers do not include specialty tools provided with original unit purchase. These tools, if required, can be supplied and tooling rate will be provided separately.



EXHIBIT 2: Time and Material Rates (TFA)

PROCEDURES, CONDITIONS, AND RATES FOR SERVICE

Domestic

EFFECTIVE 1/1/21

EthosEnergy Service Representatives are dispatched worldwide to provide technical guidance, advice and counsel for installations, inspections, upgrades and overhauls. When our Service Representatives arrive on-site they bring with them the support of EthosEnergy substantial engineering and manufacturing resources.

The following Hourly rates will apply to all SITE WORK in the UNITED STATES through 12/31/2020

Field Labor Classification	Straight Time	Overtime	EthosEnergy Holidays
Technical Field Advisor/Project Manager	\$200	\$300	\$400

Notes:

9. A minimum charge of 8 hours per day per person plus expenses will be billed while mobilized, whether working on site or on stand-by, unless the personnel are released in writing from the site and payment is made for demobilization and remobilization. The word "standby" will be stated on the timesheet for the applicable hours.
10. EthosEnergy holidays include Christmas Day (December 25th) and New Year's Day (January 1st), inclusive, will be invoiced at holiday rates. Other fixed holidays include Good Friday, Easter Sunday, Memorial Day, Fourth of July, Labor Day, Thanksgiving and the day after Thanksgiving. Where union labor is utilized, the local union agreement for holidays will be observed for billing purposes, if such holidays are in addition to the aforementioned.
11. Overtime rates apply to all hours worked in excess of eight (8) Monday through Friday, and all hours worked on Saturday and Sunday.
12. EthosEnergy Technical Field Advisors and Project Managers are entitled to two (2) days at home every four (4) weeks job permitting. Travel expenses from the job site to home base and return will be billed at cost plus 15%.



13. Any special requirements such as, special permits, licenses, materials, and special PPE equipment will be invoiced at cost plus 15%. Any working hours required for these special requirements will be invoiced at the applicable hourly rates.

Travel & Per Diem:

- | | |
|--|----------------------------------|
| 5. Per Diem | \$225.00 / man-day |
| 6. Travel Time applies for Supervisor and above | ST Rate/man hour + Exp. per Rate |
| <ul style="list-style-type: none"> ▪ Per Diem rate includes hotel and meals. Higher rates may apply for locations where living expenses are high such as major metropolitan areas. ▪ Airfare, Car Rental, and Fuel for Rental Car will be invoiced at cost plus 15%. | |

Company Vehicle, Tools, and Other Charges:

- | | |
|--|---------------------------------|
| 9. Company vehicle | \$85.00 / day (on site) |
| 10. Vehicle mileage | \$0.70/ mile (portal to portal) |
| 11. FRC Supply Cost (where applicable) | \$0.60 / Man hour (on-site) |



TERMS AND CONDITIONS

EthosEnergy Power Plant Services, LLC Standard Terms and Conditions of Sales, Rev 4, 012715

These terms and conditions of sale of Services by EthosEnergy Power Plant Services, LLC, its affiliates and subsidiaries (herein called "EthosEnergy"), together with any special conditions of sale set forth in the EthosEnergy proposal, shall be the only terms and conditions applicable to the sale of Services by EthosEnergy. These terms and conditions shall be exclusive and in lieu of all terms and conditions appearing on the face or reverse side of any purchase order or other documents submitted by the Customer, except as may be otherwise agreed in writing between the parties in the manner specified herein. The identification of Services, price, quantity, delivery dates and shipping instructions shall be as set forth in the EthosEnergy proposal, or Customer's purchase order which has been accepted by EthosEnergy. As used herein, the term "Services" means all equipment, materials, supplies, parts, repairs, components and any services, or other work which EthosEnergy has agreed to supply.

TERMS AND CONDITIONS

1. Invoicing and Payment Terms

- 1.1 All invoices are due 30 days from date of invoice. Customer, in good faith and within ten (10) days of invoice date, may dispute any Service on an invoice and notify EthosEnergy of the reasons for the dispute. EthosEnergy and Customer shall promptly meet and resolve such dispute, with the disputed Services(s) immediately due for payment upon settlement, if the original invoice due date has passed. Customer shall pay the undisputed portion within thirty (30) days of the invoice date in such manner and to such account as stated in the invoice. Undisputed invoices or portions thereof that are past due shall bear a service charge of the lesser of one and one-half percent (1-1/2%) per month or the maximum rate permitted by applicable law until paid, as well as EthosEnergy's costs of collection, including, without limitation, actual attorneys' fees.
- 1.2 Unless otherwise agreed to in the purchase order, all prices are stated in and all payments are due in US dollars.
- 1.3 All payment schedules shall be as specified in the EthosEnergy' proposal and are subject to review and approval of customer credit. EthosEnergy reserves the right to require advance payment or a Letter of Credit from Customer. The Letter of Credit shall be from a USA chartered bank.
- 1.4 If Customer fails to fulfil any condition of the terms of payment, EthosEnergy may (1) suspend the Services, or (2) continue the Services if EthosEnergy deems it reasonable to do so. In any event, the Customer shall pay for the costs incurred by EthosEnergy as a result of Customer's non-fulfilment upon submission of EthosEnergy invoices. If such non-fulfilment is not remedied by Customer, EthosEnergy may cancel or suspend the Services and Customer shall pay EthosEnergy its reasonable and proper charges for cancellation, including charges for work already performed, upon submission of EthosEnergy invoices.
- 1.5 EthosEnergy reserves the right to modify payment terms, including requiring full or partial payments in advance, or to suspend or cancel Services, if (1) Customer fails to pay an undisputed invoice when due, (2) upon commencement of any bankruptcy or reorganization proceedings or potential insolvency of Customer, (3) EthosEnergy becomes aware of circumstances that may materially and adversely

impact Customer's ability to meet its financial obligations when due, or (4) if in EthosEnergy' sole judgment, Customer's financial condition materially deteriorates. These rights to modify payment terms or to suspend or cancel Services are not deemed to be a modification of this Agreement and are in addition to any policy rights of EthosEnergy whether or not provided to Customer. In the event of cancellation under this clause, the Customer shall pay EthosEnergy its reasonable and proper charges for cancellation, including charges for work already performed, upon submission of EthosEnergy invoices.

2. Tax

- 2.1 EthosEnergy agrees to pay any tax or assessment upon its charges covered by this Agreement based on or measured by net income or profit, imposed or levied by any government having jurisdiction over its place of business.

- 2.2 All prices are exclusive of any excise, sales, use or withholding taxes; customs or duties; or costs of a similar nature. Such costs, if to be collected by EthosEnergy by applicable law, shall be added to the purchase order, contract price, or invoice to be paid by Customer, subject to Customer's right to verify that the costs are in fact duly paid. In lieu thereof, the Customer may provide EthosEnergy with an exemption or direct-pay certificate acceptable to the taxing authorities.

3. Title, Risk of Loss, Delivery

- 3.1 For good and materials supplied by EthosEnergy:
 - Delivery shall be ExWorks (Incoterms 2010) EthosEnergy facility.
 - Title and risk of loss shall transfer to Customer when such goods or materials are made available for shipment at EthosEnergy facility.
- 3.2 For Services involving repair or modification of Customer equipment at an EthosEnergy facility:
 - Delivery shall be ExWorks (Incoterms 2010) EthosEnergy facility
 - Risk of loss shall transfer to EthosEnergy upon delivery of Customer equipment to EthosEnergy facility.
 - Risk of loss shall transfer to Customer when such goods or materials are made available for shipment at EthosEnergy facility.



- Title of Customer equipment shall remain with the Customer.
- 3.3 Title to site services shall pass to Customer upon performance.
- 4. Patents/Intellectual Property
- 4.1 EthosEnergy agrees, upon receipt of written request from Customer, to hold Customer safe and harmless from any damages assessed against Customer by any court of final jurisdiction in respect of suits for patent infringement filed against Customer and to undertake the defense of such suits, wherein the alleged patent infringement is based upon material, equipment and tools furnished and used and processes chosen by EthosEnergy under this Contract and except with respect to infringement where claims result from changes made to such by Customer or upon any material, equipment or tools specified or furnished by Customer; provided that Customer shall give EthosEnergy: (1) prompt written notice of the commencement or threat of commencement of such suit, (2) all cooperation necessary in connection with any such suit, and (3) the right to control the defense of, and any negotiations for settlement of, such suit as well as any appeals and any ancillary litigation deemed necessary by EthosEnergy. THIS PARAGRAPH SETS FORTH ETHOSENERGY EXCLUSIVE LIABILITY WITH RESPECT TO PATENTS.
- 4.2 Customer is advised and acknowledges that EthosEnergy does not provide its Services on a "Work for Hire" basis. All EthosEnergy intellectual property remains the sole and exclusive property of EthosEnergy.
- 5. Warranty
- 5.1 EthosEnergy warrants that the parts delivered are free from defects in workmanship and the services shall be performed with the skill and care commensurate with the recognized standards prevailing in the industry. EthosEnergy makes no warranty regarding Customer or third party designed, manufactured, or supplied Services, but will assist Customer in securing the benefit of any warranties provided by such third parties.
- 5.2 EthosEnergy's warranty for each application or Service is as follows:
 - Parts supply or repair or control system supply – 8,000 equivalent or factored hours, 450 equivalent or factored starts, 12 months from date of original installation or 18 months from date of shipment, whichever shall first occur;
 - Field services or technical assistance – 8,000 equivalent or factored hours, 450 equivalent or factored starts, 12 months from date of original Service, whichever shall first occur; and
 - Controls site services – 90 days from date of original Service.

Equivalent or factored hours and starts shall be calculated in accordance with applicable OEM reference documents.
- 5.3 If the within the warranty period stated above, Customer discovers the Services are not as warranted and promptly notifies EthosEnergy in writing thereof, EthosEnergy' liability and Customer's sole exclusive remedy in any cause of action whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any Services is

expressly limited to, at EthosEnergy' option, the repair or replacement of such Services on their return to EthosEnergy, the re-performance of the Services, or the allowance to Customer of credit for the cost of such Services.

- 5.4 Customer shall assume all responsibility and expense for removal, reinstallation, and freight in connection with the foregoing remedies. Repaired or replaced Services are warranted for the balance of the original warranty. EthosEnergy shall have the right of disposal or of reuse of the part(s) and material(s) that it replaces.
- 5.5 Any warranty claim made shall be made in writing and delivered to EthosEnergy within thirty (30) days after the defect or failure is discovered. Warranty claims shall only be considered by EthosEnergy in respect of defects that become apparent and are notified by the Customer in writing to EthosEnergy before the expiry of the warranty date. If Customer asserts a timely warranty claim, as provided herein, EthosEnergy shall promptly evaluate the warranty claim and advise Customer within thirty (30) days whether EthosEnergy contests the warranty claim. If the claim is not a valid warranty claim (to the reasonable satisfaction of EthosEnergy), then all costs of the claim evaluation shall be the responsibility of the Customer. In the event Customer elects to engage a third-party or parties to correct the Services claimed to be nonconforming, prior to the expiration of said thirty (30) day period, EthosEnergy is released from any warranty obligation.
- 5.6 This warranty is subject to the following conditions: (a) The item (equipment, part, or component) was properly installed by qualified personnel or EthosEnergy; (b) the item was operated and maintained in accordance with applicable manufacturer's guidelines and standards, overhaul manuals, service bulletins and handbooks; (c) the item has been used under normal operating conditions, has not been subjected to misuse, neglect or accident and has not subsequently been repaired or altered, except by EthosEnergy; and (d) where the item is to be stored for any period prior to installation, acceptance by EthosEnergy of any warranty claims, are conditional upon the item being stored in accordance with the manufacturer's recommended storage procedures and conditions laid down in the maintenance instructions prepared by the manufacturer.
- 5.7 IT IS EXPRESSLY AGREED THE FOREGOING WARRANTY IS MADE IN LIEU OF ALL OTHER WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND CONSTITUTES THE ONLY WARRANTY OF ETHOSENERGY WITH RESPECT TO THE SERVICES.
- 6. Software Warranty
- 6.1 EthosEnergy takes the necessary reasonable precautions to assure that EthosEnergy's computer programs, application software, operation system software, firmware and other such information and manuals supplied on tapes, disks, documents and other materials in machine readable or



other form which is the property of EthosEnergy or EthosEnergy's licensors ("Software") that are supplied to Customer are operative for the purposes set forth in Customer's specifications. However, because users of EthosEnergy Software may employ Software in unusual applications outside the scope of those originally contemplated, and because defects in Software cannot with absolute certainty be detected and removed in advance of actual operation, any express or implied warranty by EthosEnergy with respect to EthosEnergy Software is limited to the making of corrective changes therein or the refund of the purchase price of the Software if corrective action cannot remedy the defect.

- 6.2 Within one (1) year after delivery to Customer of any item of EthosEnergy Software, EthosEnergy will supply free of charge a corrected version of that item provided the Customer furnishes EthosEnergy with a detailed description of the problem or difficulty which it has experienced, and only if the correction of the Software that is to be made by EthosEnergy does not involve new functions that were not included or intended to be provided as part of the original Software. No other warranty is made or implied, and the foregoing warranty shall be void if changes or additions to the Software are made by the Customer to the EthosEnergy Software unless the written approval of EthosEnergy is first given with respect to any change or addition, which the Customer desires to adopt.
- 6.3 Should EthosEnergy give written notice to Customer, or subsequent owner of EthosEnergy Software, of any updated or revised software developed by EthosEnergy for any system, the Customer or said subsequent owner shall, without delay, employ the same in the application or the system. This update or revised Software will be made available free of charge. Failure to so comply with such notification shall fully release EthosEnergy from any and all liability and claims related to or resulting from disregard of such notice. Such notice shall be deemed duly given when forwarded by U.S. certified or registered mail, postage prepaid, addressed to Customer's or said subsequent owner's address as appearing on EthosEnergy books of record.
- 6.4 Notwithstanding the supply of the Software, all rights in the Software remain the property of EthosEnergy. However, EthosEnergy hereby grants to Customer a non-exclusive, non-transferable license to use the Software for the intended function, the consideration for such license being included in the price of the Software products unless otherwise indicated in the EthosEnergy proposal/offer; and provided Customer abides by EthosEnergy's confidentiality requirements. This license shall automatically terminate if Customer transfers the Software or provides a copy of such Software to another party.
- 6.5 Customer shall not make available or otherwise disclose to any other third party the Software or any part thereof or any information relating thereto without the prior written consent of EthosEnergy. Customer shall, at all times, be able to account for all copies of the Software which are required to be made to permit its efficient use in its

intended application. EthosEnergy shall be entitled to terminate this license in the event of failure by Customer to comply with any of the conditions stated in this paragraph and in the event of termination; the Customer shall return all copies of the Software to EthosEnergy within thirty (30) days of such termination.

- 6.6 Any software materials purchased from a third party by EthosEnergy that is to be supplied to Customer under a contract or purchase between Customer and EthosEnergy shall be furnished to Customer with the same warranty and licenses that the EthosEnergy receives from the third party. Notwithstanding any other provisions herein to the contrary, EthosEnergy or the other third party owners shall retain all exclusive rights, interest and title to EthosEnergy's respective Software.

7. Codes and Law

Only the Customer or EthosEnergy specifications which form a part of the contract or purchase order and those codes and standards which EthosEnergy considers applicable to the contract or purchase order shall apply.

8. Force Majeure

- 8.1 Under the terms of this contract, "Force Majeure" shall mean acts of God, strikes, lockouts, other industrial disturbances, acts of the public enemy, laws and regulations, wars or war-like action (whether actual, impending or expected and whether de jure or de facto), arrests or other restraints of governments (civil or military), blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, civil disturbances, explosions, breakage or accident to equipment or machinery, confiscation or seizure by any government or public authority, nuclear reaction or radiation, radioactive contamination, and any other causes, whether of the kind herein enumerated or otherwise, that are not reasonably within the control of the Party claiming a delay or suspension and that the exercise of due diligence such Party shall not have been able to avoid or overcome.

- 8.2 Except as specifically provided otherwise in this Agreement, if either Party is rendered unable, wholly or in material part, by reason of Force Majeure to carry out any of its obligations hereunder, other than obligations to pay money, then on such Party's giving notice and reasonably full particulars of such Force Majeure in writing to the other Party within ten (10) days after the occurrence of the cause relied on, such obligation of the Party giving such notice, so far as it is effected by such Force Majeure, shall be suspended during the continuation of any inability so caused and such cause shall, as far as practicable, be remedied with all reasonable dispatch.

- 8.3 If the event in question continues for more than three (3) months, either Party may give written notice to the other to terminate the Agreement. The notice to terminate must specify the termination date, which must be not less than seven (7) days after the date on which the notice is given.

9. Changes

- 9.1 The Customer may order changes to the Services or scope of work in writing and where such changes result in a change in price or time of completion, EthosEnergy shall



advise Customer of the change in price or time of completion.

- 9.2 EthosEnergy shall not proceed with any change until there is agreement upon the equitable adjustment to price and time of completion and written change order/notice is received.

10. Suspensions

- 10.1 In the event Customer temporarily suspends the performance of any site work on the contract or purchase order, Customer shall specify which part of the site work shall be suspended, the effective date of the suspension, the expected date of resumption and the mobilization and support functions which are to be maintained during the suspension period.

- 10.2 EthosEnergy shall advise Customer of any price change necessitated by the suspension and work shall only be restarted upon acceptance of Customer of an equitable price adjustment.

- 10.3 EthosEnergy, at its option, shall be relieved of its obligation to provide the Service hereunder without further obligation, if the Customer defers start of the Service beyond three months of the starting date originally specified, or if the Service is suspended for more than three months. In any event, the date for completion shall be extended in all cases by an amount of time equal to the length of the delay.

11. Liens

- 11.1 If, upon the completion of the services or delivery of the goods Customer shall have cause to believe that unsatisfied claims for labor, materials, services, taxes, or liens exist, it may request, and EthosEnergy shall provide EthosEnergy standard lien waiver to Customer provided Customer has met all of its obligations under the contract.

- 11.2 Notwithstanding Clause 11.1, EthosEnergy shall have a right of lien upon all equipment in EthosEnergy possession upon which EthosEnergy has undertaken work of any nature. In the event of non-payment of any undisputed invoice, Customer shall be in default. EthosEnergy remedies for Customer's default shall include, but not be limited to, sale after notice.

12. Delivery Schedules

Shipping and completion schedules are based on typical manufacturing cycles and anticipated conditions prevailing at the time of contract award and are premised upon prompt receipt of all information and approvals (if required) from Customer. EthosEnergy will make every reasonable effort to meet Customer schedules.

13. Inspection

- 13.1 Within ten (10) business days of receipt by Customer of any delivery, Customer will inspect and perform any necessary testing and immediately notify EthosEnergy of any claim that the Services are defective. Failure to timely notify EthosEnergy in writing of any defects will constitute conclusive proof the Services delivered were accepted by Customer and received without defects.

- 13.2 EthosEnergy will not be responsible for any damage caused during shipment. It is the sole responsibility of Customer to file any appropriate claims with the carrier

for reimbursement. EthosEnergy will fully cooperate with Customer in making such claims.

14. Confidentiality

- 14.1 Parties (Customer and EthosEnergy) shall consider all information designated by label, stamp or other communication as "CONFIDENTIAL" or "PROPRIETARY" that is produced, prepared, or furnished by the other Party as CONFIDENTIAL OR PROPRIETARY and the Parties shall not disclose any such information to any other person, other than affiliates of EthosEnergy, or use such information for itself for any purpose other than the performing of this Agreement, unless the receiving Party obtains written permission in advance from the disclosing Party.

- 14.2 The confidential obligation assumed by the Parties herein shall not apply to any information in which the receiving Party can show by reasonable proof: (a) to have been in the public domain at the time of its receipt from disclosing Party; (b) to have become generally known to the public through no fault of the receiving Party following its receipt; (c) to have been known by the receiving Party prior to its receipt; (d) to have been disclosed to the receiving Party by a third party on a non-confidential basis, who has no legal duty to the disclosing Party to maintain the information in confidence; (e) is approved in writing by a Party for disclosure by the other Party to a third party; or (f) is required to be disclosed by order of a court or other governmental agency, but only after reasonable notice to the disclosing Party.

- 14.3 Confidential or proprietary information shall not be reproduced for external use by the receiving Party without the written consent of the disclosing Party.

15. Inspection

- 15.1 Customer may inspect the Services at any reasonable time at EthosEnergy' plant and EthosEnergy shall give Customer reasonable notice as to the time when ready for inspection. EthosEnergy shall not be responsible for any expenses associated with the inspection. Progress of work shall not be delayed by any Customer inspection.

- 15.2 Access to plants of subcontractors or other suppliers shall be at their discretion. A Customer Acceptance Test (CAT) is included only if so referenced in EthosEnergy proposal.

16. Dispute Resolution

- 16.1 EthosEnergy and Customer agree that in the event of a dispute and prior to initiating arbitration proceedings, the Parties will each designate one (1) senior officer to negotiate a resolution to the dispute within 21 days of written notice from one Party to the other at the time and place agreed. If the officers are unable to agree upon a resolution within fourteen (14) days, or any agreed upon extension, then the parties agree to submit the dispute to arbitration for final and binding resolution.

- 16.2 Any claims, disputes or controversies arising out of this Agreement between the Parties hereto which cannot be settled by mutual agreement shall, upon written notice by one Party to the other, be finally settled by arbitration in accordance with American Arbitration Commercial Arbitration Rules or JAMS-ADR, in a mutually agreed



location. The laws of the State of Texas shall apply without regard to conflicts of law provisions.

- 16.3 The Party desiring arbitration shall notify the other Party in writing of the matter to be arbitrated and the name of the arbitrator selected by it. Within ten (10) days after receipt of such notice, the other Party shall appoint an arbitrator and shall forthwith notify the first Party of such appointment. The two arbitrators named shall within ten (10) days appoint, in writing, a third arbitrator. Pending a decision by the majority of the arbitration panel, both Parties agree to take no action which might upset the status quo or prejudice the respective positions of the Parties with respect to the matter in controversy. A decision by the majority of the arbitration panel with respect to the matter in controversy shall be final and binding on the Parties, and judgment on any award so rendered may be entered in any court having jurisdiction.

16.4 BOTH PARTIES WAIVE TRIAL BY JURY.

17. Indemnity

- 17.1 To the fullest extent permitted by law, EthosEnergy agrees to release, indemnify, protect and hold harmless the Customer, its agents, representatives, affiliates and their directors and officers and employees, from all losses or liability for personal injury, death or property damage of any nature to any person or entity to the extent arising from the negligence of EthosEnergy, its agents, representatives, affiliates, directors and officers or employees, its subcontractors, vendors and their agents, representatives or employees with respect to performance of the Services provided under this Agreement.

- 17.2 To the fullest extent permitted by law, Customer agrees to release, indemnify, protect and hold harmless EthosEnergy, its agents, representatives, affiliates and their directors and officers and employees, EthosEnergy subcontractors vendors and their agents, representatives or employees from all losses or liability, for personal injury, death or property damage of any nature to any person or entity to the extent arising from the negligence of the Customer, its agents, representatives, affiliates, directors and officers or employees, or its other contractors, their agents, representatives or employees with respect to acts or omissions connected to this Agreement and the site.

18. Limitation of Liability

NOTWITHSTANDING ANY RULE OF LAW TO THE CONTRARY OR ANY OTHER PROVISION IN THIS AGREEMENT, AND REGARDLESS OF THE FORM OF ACTION OR THEORY OF LIABILITY, INCLUDING CONTRACT, STRICT LIABILITY, NEGLIGENCE OR OTHER TORT, BREACH OF WARRANTY, INDEMNITY, OR OTHERWISE, WHETHER CAUSED BY THE SOLE NEGLIGENCE OF THE ALLEGEDLY RESPONSIBLE PARTY OR ANY OTHER CAUSE WHATSOEVER :

(A) NEITHER PARTY NOR ANY OF ITS PARTNERS, MEMBERS, AFFILIATES, AGENTS, SUBCONTRACTORS OF ANY TIER, VENDORS, DIRECTORS, OFFICERS OR EMPLOYEES SHALL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, SPECIAL, PUNITIVE, INCIDENTAL, OR INDIRECT LOSS OR DAMAGE INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR

REVENUE, LOSS OF USE OF A POWER SYSTEM, COST OF CAPITAL, ECONOMIC LOSS, LOSS OF CONTRACTS, COST OF PURCHASED OR REPLACEMENT POWER, OR FUEL COST DIFFERENTIAL OR CLAIMS OF END-BUYERS, WHETHER FORSEEABLE OR UNFORSEEABLE, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT;

(B) NEITHER ETHOSENERGY NOR ITS AFFILIATES SHALL BE LIABLE FOR ANY LOSS, DAMAGE, OR EXPENSE ARISING FROM ITS FAILURE TO DISCOVER OR REPAIR LATENT DEFECTS OR DEFECTS INHERENT IN THE DESIGN OF GOODS SERVICED, UNLESS SUCH DISCOVERY, REPAIR, AND THE MEANS TO EFFECT SUCH ARE SPECIFIED AND AGREED IN WRITING BY THE PARTIES;

(C) NEITHER ETHOSENERGY NOR ITS AFFILIATES SHALL BE LIABLE FOR ANY LOSS, DAMAGE, OR EXPENSE ARISING FROM ANY ADVICE, RECOMMENDATIONS, OR ASSISTANCE PROVIDED TO CUSTOMER, BUT NOT REQUIRED BY THIS AGREEMENT; AND

(D) ETHOSENERGY'S AND ETHOSENERGY AFFILIATES' TOTAL AGGREGATE LIABILITY WITH RESPECT TO THE SERVICES OR IN ANY WAY ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL NOT EXCEED THE PURCHASE ORDER PRICE AND CUSTOMER RELEASES ETHOSENERGY AND ETHOSENERGY'S AFFILIATES FROM ANY AND ALL LIABILITIES IN EXCESS OF THE PURCHASE ORDER PRICE.

19. Hazardous Materials

- 19.1 Customer shall identify hazardous materials and conditions that may be encountered by EthosEnergy personnel while at Customer site. Such identification shall include any MSDS sheets. Absent timely notification, EthosEnergy shall be relieved from performance of this contract to the extent of any handling or other encounter of such conditions.

- 19.2 It shall be Customer's responsibility for the handling or disposal of any hazardous materials or waste specifically including but not limited to asbestos, and CUSTOMER SHALL DEFEND, INDEMNIFY, AND HOLD ETHOSENERGY HARMLESS FOR ANY DAMAGES, LOSSES, CLAIMS, JUDGMENTS, DEMANDS, CAUSES OF ACTION AND EXPENSES ARISING FROM HAZARDOUS MATERIALS EXISTING AT THE SITE OR BROUGHT TO THE SITE BY CUSTOMER OR OTHER PARTIES.

20. Insurance

Both Parties shall maintain in force adequate insurance to cover relevant statutory requirements and their obligations under the terms of this Agreement. Customer shall add EthosEnergy as an additional insured to each applicable insurance policy, except for worker's compensation, to the extent of Customer's defense and indemnity obligations hereunder. The Parties' insurers shall each waive subrogation rights against the other Party to the extent of the defense and indemnity obligations of such Party.

21. Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of law. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The Parties acknowledge and agree that Texas Insurance Code 151 does not apply to the



Services hereunder. This Agreement for the scope of Services provided is not and shall not be considered to be a construction contract.

22. Miscellaneous

- 22.1 If any provision of this Agreement shall be held to be invalid, void, or of no effect for any reason, such holding shall not be deemed to affect the validity of the remaining provisions of this Agreement which can be given effect, without the invalid provision, and to this end, the provisions of this Agreement are declared to be severable.
- 22.2 This Agreement is the entire Agreement between the Parties and merges and supersedes all prior understandings, representations, warranties and agreements in respect of the subject matter contained herein. This Agreement cannot be changed or terminated orally.
- 22.3 Unless otherwise requested by either Party, all notices required or permitted under this Agreement must be made in writing and sent to EthosEnergy and Customer at their respective addresses.

- 22.4 No provisions of this Agreement shall be changed or modified in any way, including this provision, either in whole or in part except by an instrument in writing made after the date of this Agreement signed on behalf of both Parties and which is expressly stated to amend this Agreement.
- 22.5 Except with respect to an EthosEnergy assignment to an EthosEnergy Affiliate, neither Party may assign this Agreement without the prior written consent of the other Party. Said consent may not be unreasonably withheld.
- 22.6 Except for EthosEnergy Affiliates, which are third party beneficiaries of this Agreement, no provision of this Agreement shall in any way inure to the benefit of any other third person to make such person a third party beneficiary of this Agreement or of any one or more of the terms hereof.
- 22.7 In the event either Party brings a judicial or administrative proceeding to enforce any provision of this Agreement, the prevailing Party shall be entitled to recover from the other Party its actual costs and attorneys fees.

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve Phase One of the Westinghouse Gas Turbine Overhaul Project in the amount, not-to-exceed, \$900,000. Approval includes submission of project approval to City Council, acceptance of the proposal from Ethos Energy, subject to negotiated terms, and authorizing the RPU Project Manager to perform the acts to execute Phase One.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of July, 2021.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 13631)

Meeting Date: 7/27/2021

SUBJECT: 2020 Water Engineering, Operations and Environmental Update

PREPARED BY: Lucas Payne

ITEM DESCRIPTION:

Staff will make a brief presentation on the major accomplishments and performance statistics that reflect the work of the water utility for the last year.

UTILITY BOARD ACTION REQUESTED:

No action requested, informational only

FOR BOARD ACTION

Agenda Item # (ID # 13638)

Meeting Date: 7/27/2021

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	5/25/2021	Finance
17. Electric Service Availability	10/29/2019	Ops & Admin
18. Water and Electric Metering	6/26/2018	Ops & Admin
19. Adjustment of Utility Services Billed	6/29/2021	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. Joint-Use of Infrastructure and Land Rights	3/30/2021	Ops & Admin
29. Customer Data Policy	10/9/2014	Communications
30. Life Support	9/24/2019	Communications
31. Electric Utility Undergrounding Policy	9/29/2020	Ops & Admin
Red - Currently being worked on		
Yellow - Will be scheduled for revision		

FOR BOARD ACTION

Agenda Item # (ID # 13640)

Meeting Date: 7/27/2021

SUBJECT: Division Reports & Metrics - July 2021

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

Division Reports & Metrics July 2021

CORE SERVICES
SAFETY, COMPLIANCE & PUBLIC AFFAIRS
POWER RESOURCES
CUSTOMER RELATIONS
CORPORATE SERVICES
FINANCIAL REPORTS

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

Division Reports & Metrics July 2021

CORE SERVICES

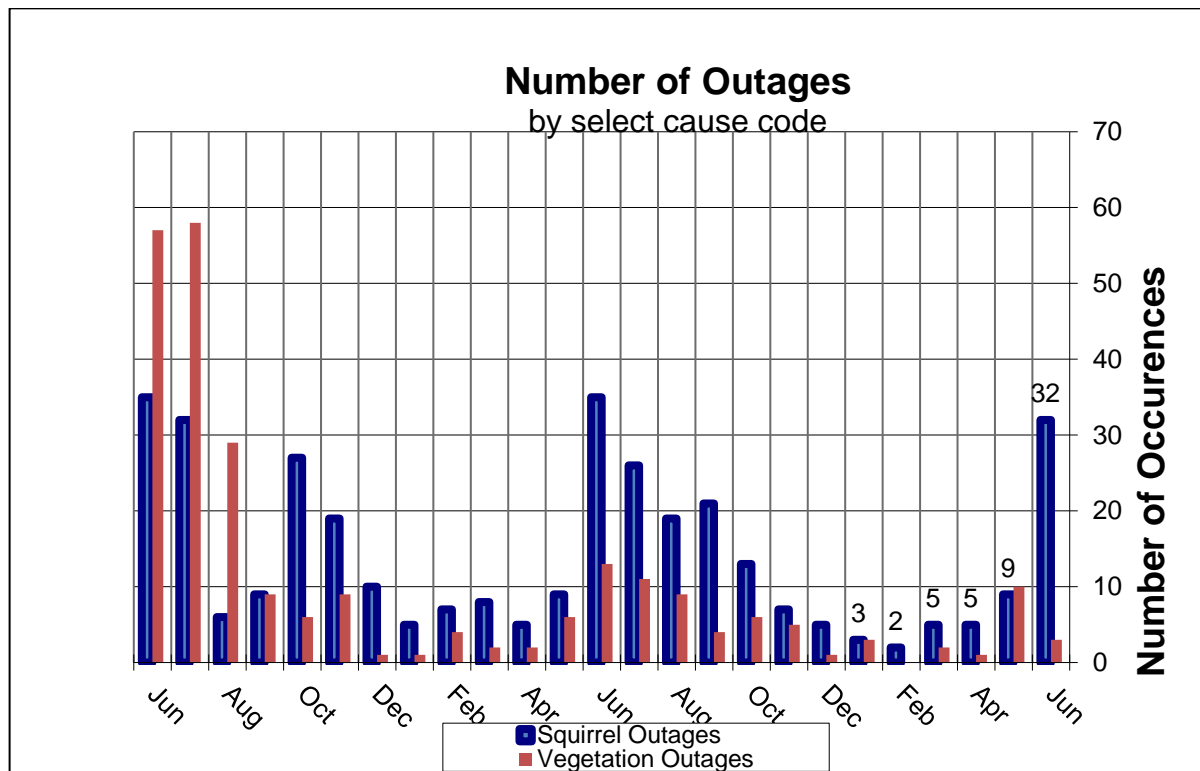
Electric Utility:

1. Electric Outage Calculations for the month and year to date (June 2021 Data)

- | | |
|--|---|
| a. Reliability = 99.98287% | Year-to-date Reliability = 99.99150% |
| b. 7,109 Customers affected by Outages | Year-to-date Customers affected by Outages = 23,129 |
| c. SAIDI = 7.4 min | Year-to-date SAIDI = 3.74 min |
| d. CAIDI = 57.44 min | Year-to-date CAIDI = 51.81 min |

2. Electric Utility Operations – T&D, Engineering, System Ops, GIS, Tech Services:

- Design phase of the Marion Road substation is on-going on specific equipment. The Request for Bid for site construction has been released in June, with bids due in July.
- The SCADA upgrade project was completed on June 30, 2021. This project was on schedule and on budget.
- Reliability statistics were negatively impacted in June due to animal contact outages and a large thunderstorm event.



Summary of individual electrical outages (greater than 200 customers – June 2021 data)

# Customers	Date	Duration	Cause
3,057	6/7/21	38m	Animals – Squirrel
2,098	6/9/21	39m	Vegetation
1,696	6/20/21	1h 6m	Overhead Equipment
1,000	6/17/21	1h 58m	Lightning
307	6/8/21	26m	Overhead Equipment
226	6/7/21	29m	Overhead Equipment

- Summary of aggregated incident types (greater than 200 customers – June 2021 data)

# Customers	Total # of Incidents	Cause
3,459	32	Animals
2,266	3	Vegetation
2,241	4	Overhead Equipment
1,036	4	Lightning
280	5	Underground Equipment

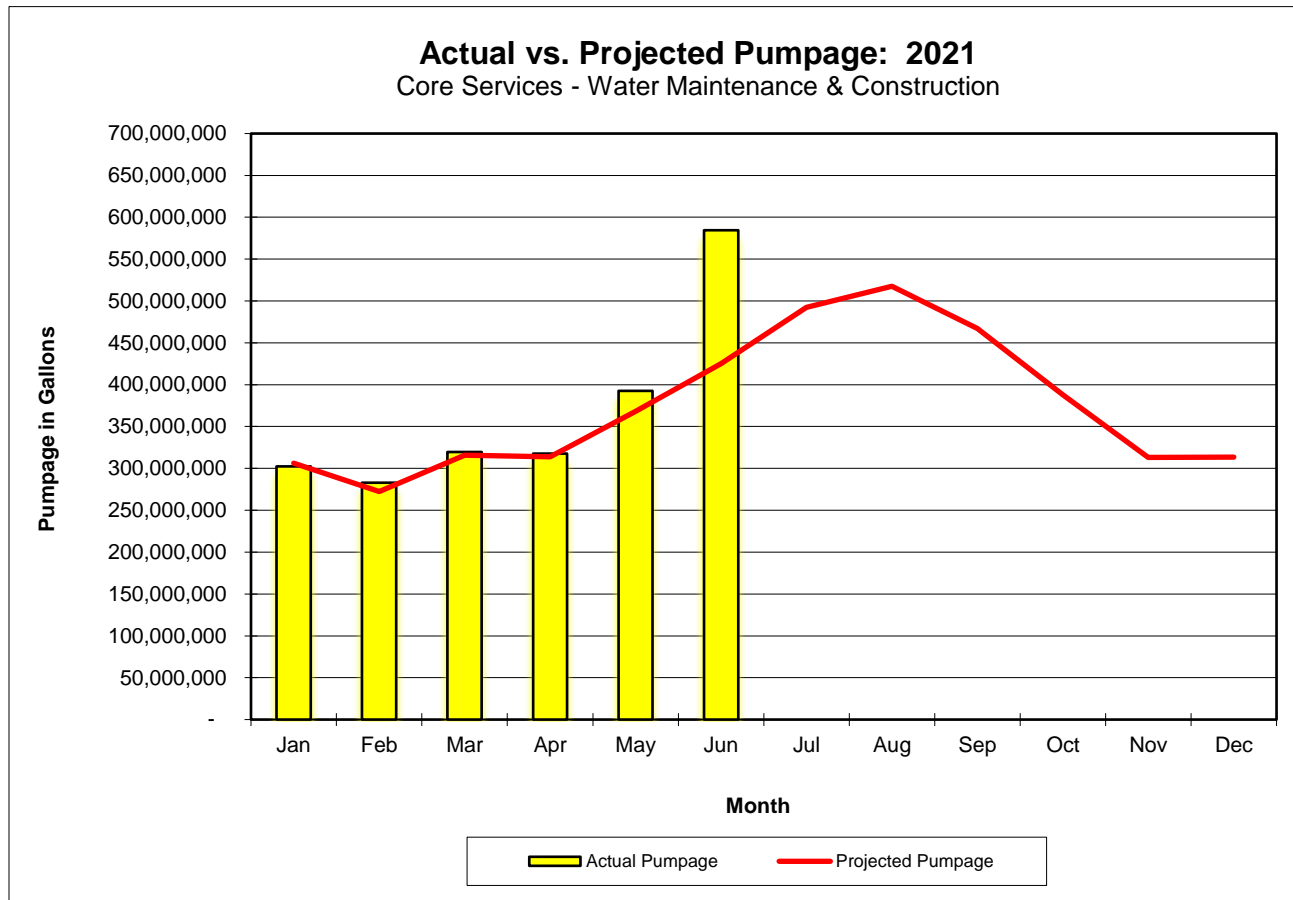
Water Utility:

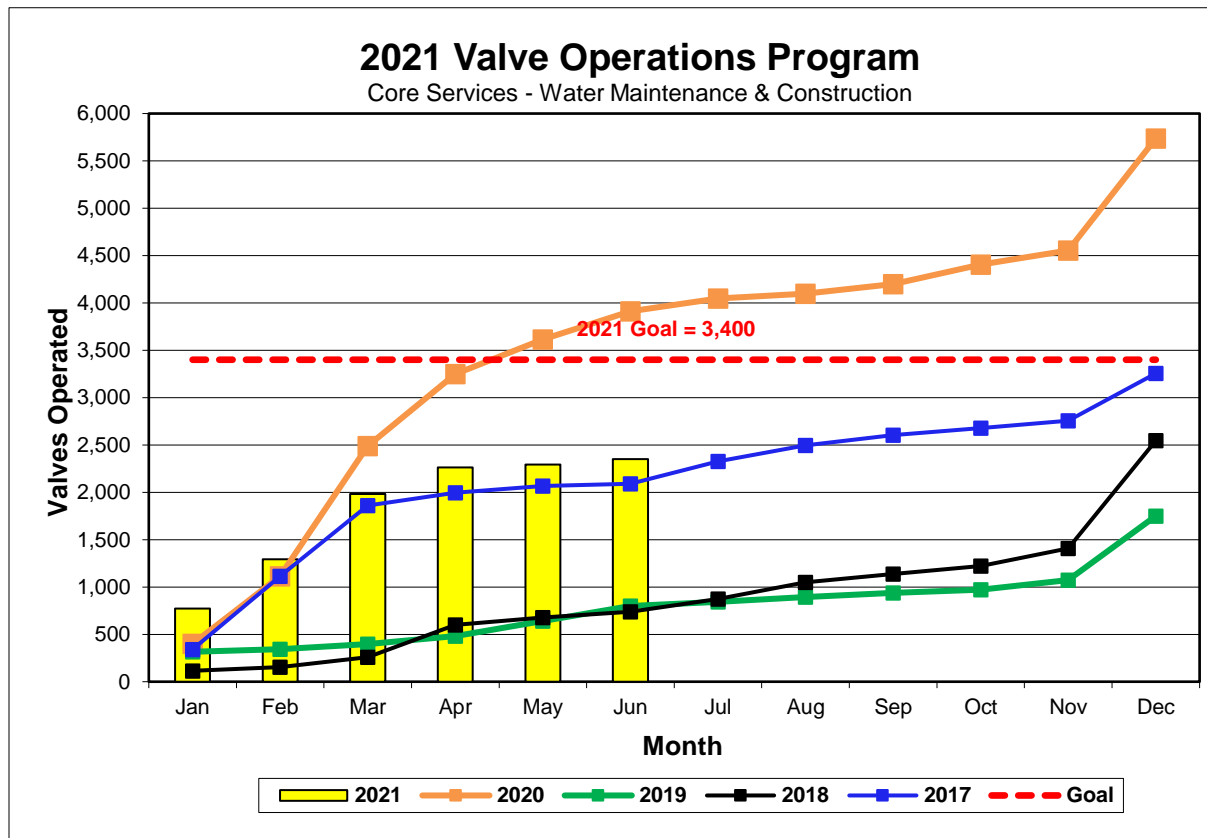
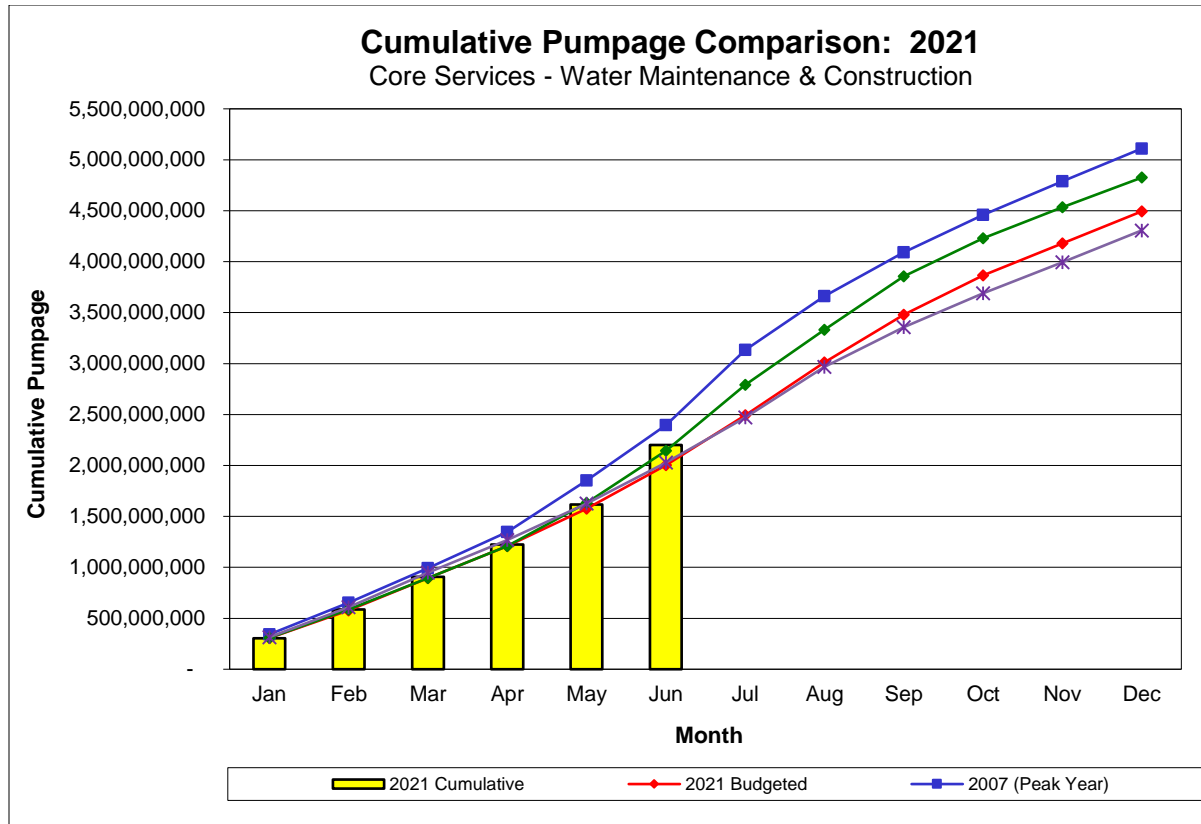
1. Water Outage Calculations for the month and year to date (June 2021 data):

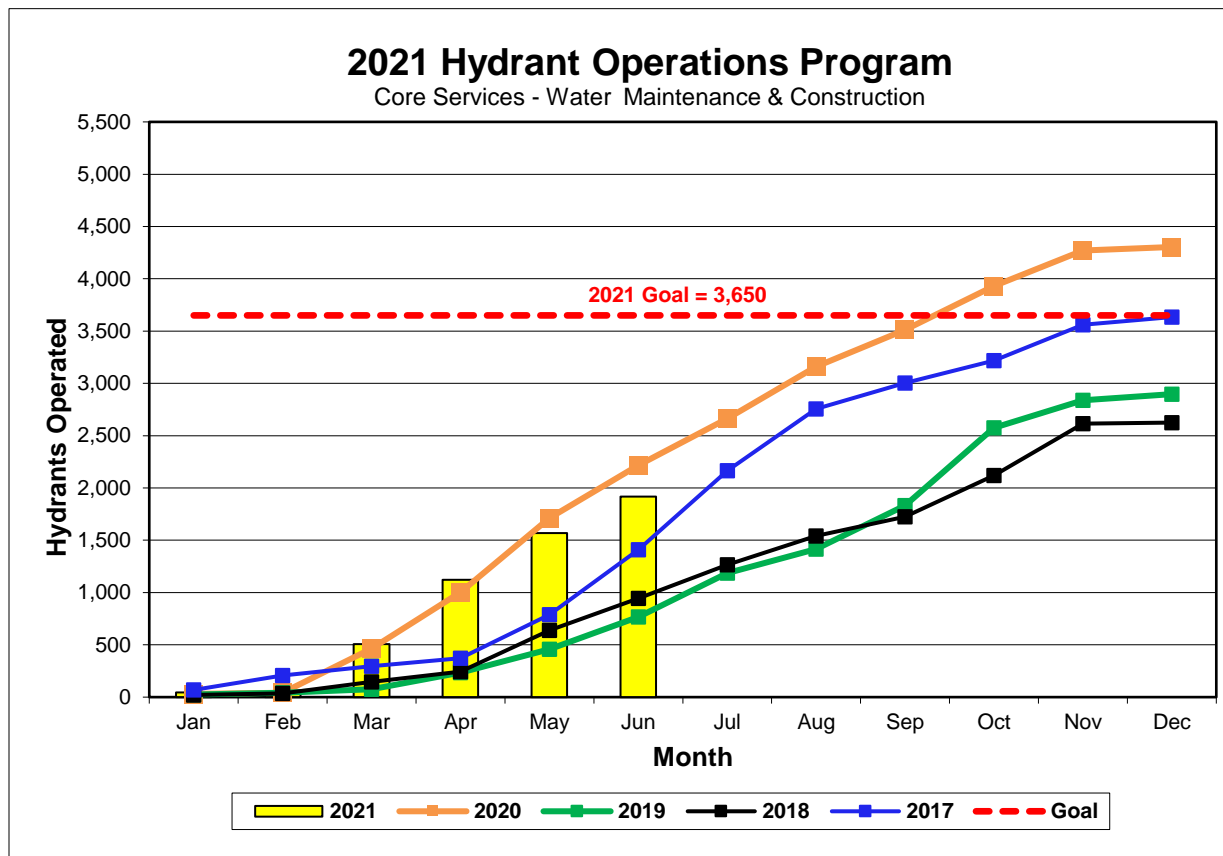
- | | |
|--------------------------------------|--|
| a. Reliability = 99.99847991% | Year-to-date Reliability = 99.99862794% |
| b. 161 Customers Affected by Outages | Year-to-date Customers Affected by Outages = 742 |
| c. 451.2 Customer Outage Hours | Year-to-date Customer Outage Hours = 2,049.9 |
| d. SAIDI = 0.7 | Year-to-date SAIDI = 3.0 |
| e. CAIDI = 168.1 | Year-to-date CAIDI = 165.8 |
- Performed 2,379 Gopher State water utility locates during the month for a total of 9,582 for the year.
 - Repaired water distribution system failures or maintenance at the following locations during the month:
 - 1531 Wilshire Dr NE – (main break) – 6/10

- 627 Rocky Creek Dr NE – (main break) – 6/16
- 1818 7th St SW – (corrosion hole) – 6/29
- 2425 52nd St NW – (valve repair) – 6/30

- RPU personnel received 94 inquiries during the month by phone, email, and in person related to questions about letters that customers received regarding how to accomplish backflow testing and backflow prevention.







GIS/Property Rights

- Hydro line LIDAR flight completed utilizing drone technology. Deliverables will include a 3D point cloud of the corridor and also identify vegetation and other clearance issues that need to be addressed.

SAFETY / COMPLIANCE & PUBLIC AFFAIRS July 2021

1. Safety

TRAINING	Total Required Enrollments	Completions as of 6/30/2021	Percent Complete
June 2021	585	579	98.9%
Calendar Year to 6/30/2021	3706	3700	99.8%

SAFETY TEAMS	Total Members	Members Attending	Percent Attending
June 2021	45	30	66.7%
Calendar Year to 6/30/2021	222	180	81.1%

INCIDENTS	Reports Submitted	OSHA Cases ¹	RPU RIR ²	BLS RIR ³
June 2021	0	0	--	--
Calendar Year to 6/30/2021	14	2	2.2	1.7

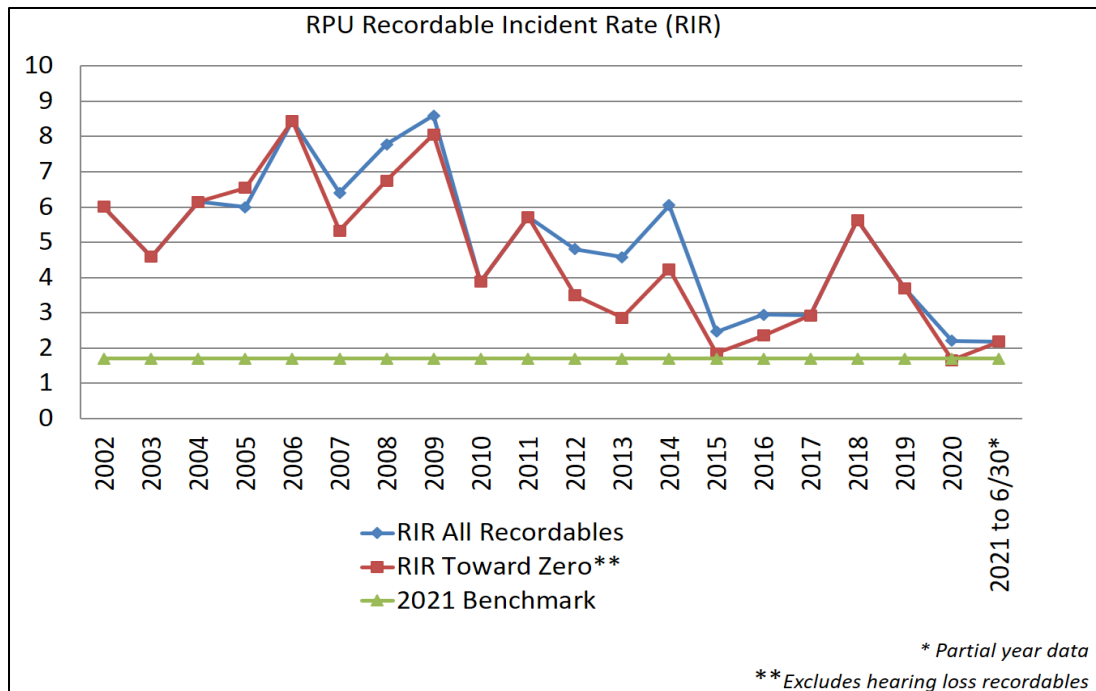
¹ Deemed to meet OSHA criteria as a recordable case by RPU Safety Manager, subject to change

² Recordable Incident Rate – Number of OSHA Recordable Cases per 100 employees.

³ Bureau of Labor Statistics nonfatal illnesses and injuries in the utility sector



22 of RPU's 24 departments are recordable injury free in 2021
214 of RPU's 216 employees are recordable injury free in 2021



2021 OSHA Recordable Case Detail				
Work Area	Incident Date	Description	Primary Reason it's a Recordable	Corrective Action
T&D	2/8/2021	Slipped on ice in parking lot striking head and shoulder (R) on pavement	Restricted Work	Reviewed salting/sanding procedures
Water	3/1/2021	Possible knee (L) injury due to slip on ice	Days Away	Encouraged use of better slip resistant footwear

SAFETY INITIATIVES

1. Completed annual line workers skills training
2. The safety manager participated in annual evaluation of the Minnesota Municipal Utilities safety services that are provided to RPU
3. Enhancements were completed to the learning management system to facilitate more accurate and timely training assignments.

2. Environmental & Regulatory Affairs

- On June 30th RPU's monitoring wells were measured and annual inspections completed at each location. RPU currently has 10 monitoring wells as part of our monitoring well network.
- On July 2nd RPU updated our weekly bacteriological sample site plan with MN Dept. of Health. RPU Water Operations collects over 100 bacteria samples a month to ensure our water clear of bacteria and *E. coli*.
- On July 20th RPU staff presented to Folwell School on Drinking Water in Rochester. There were 72 students in attendance ranging from K – 4th grade.

3. Communications

- Staff participated in the city Diversity, Equity, and Inclusion (DEI) Workshop in late June. Other city departments were in attendance and participated. This will be an ongoing effort to weave DEI into more of our daily operations.
- We met with many of the local news outlets to discuss the non-payment disconnects communication that went out on July 13th. Along with the communication on disconnects, we also shared ways for customers to lower their energy and water usage to help lower their bills too.
- We fielded a number of media inquiries regarding RPU water availability and water conservation due to drought conditions across the state.



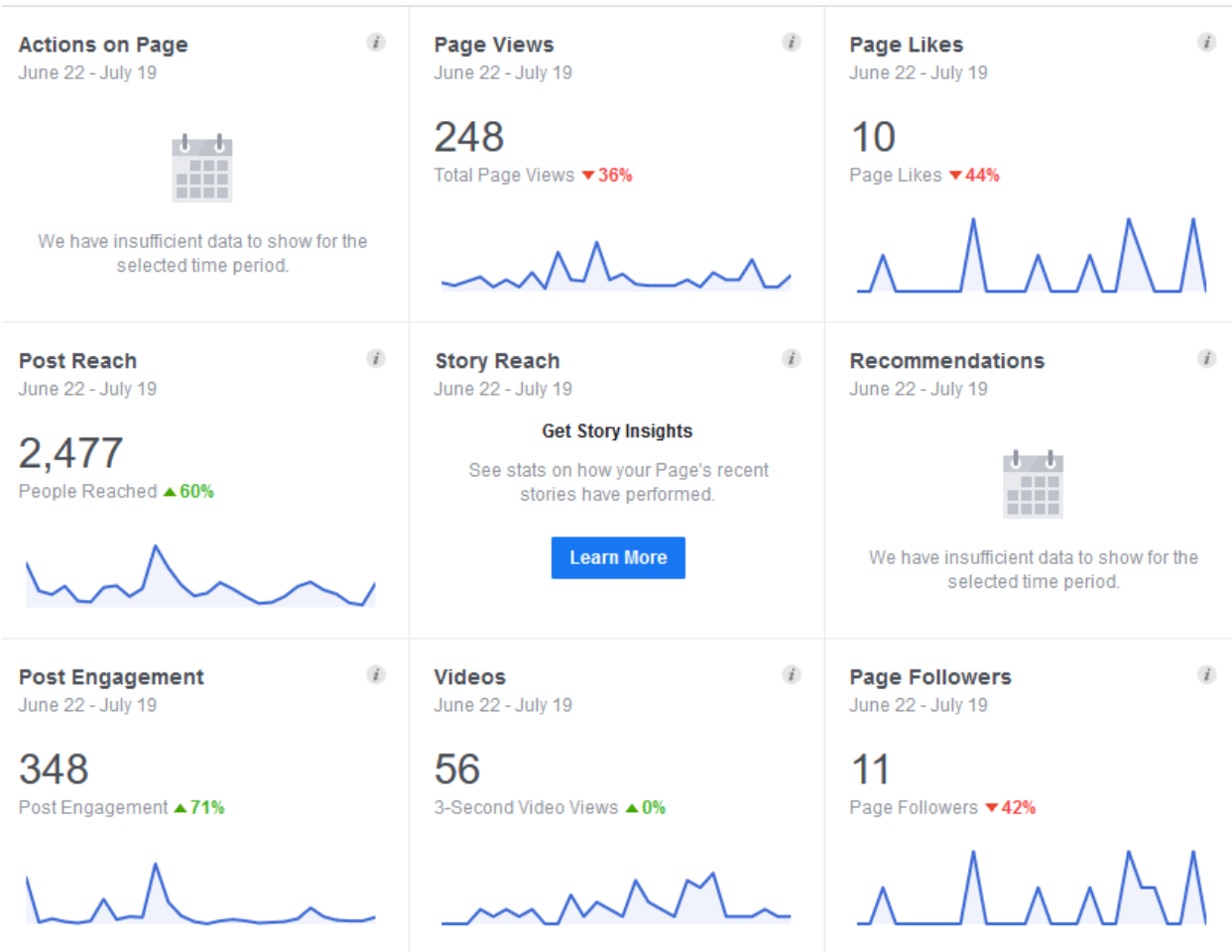
GC Cameron 🧑🏻👉🏻 STELLAR Customer Service, RPU! 🧑🏻👉🏻

🌸 From the Customer Service person who took my call to the techs who designated my area on the map on the website, to the expedient response of the line workers? SO GLAD I moved into your service area! Great job, Everyone! 🙌🏻 <https://t.co/zQGcOAwGzr>

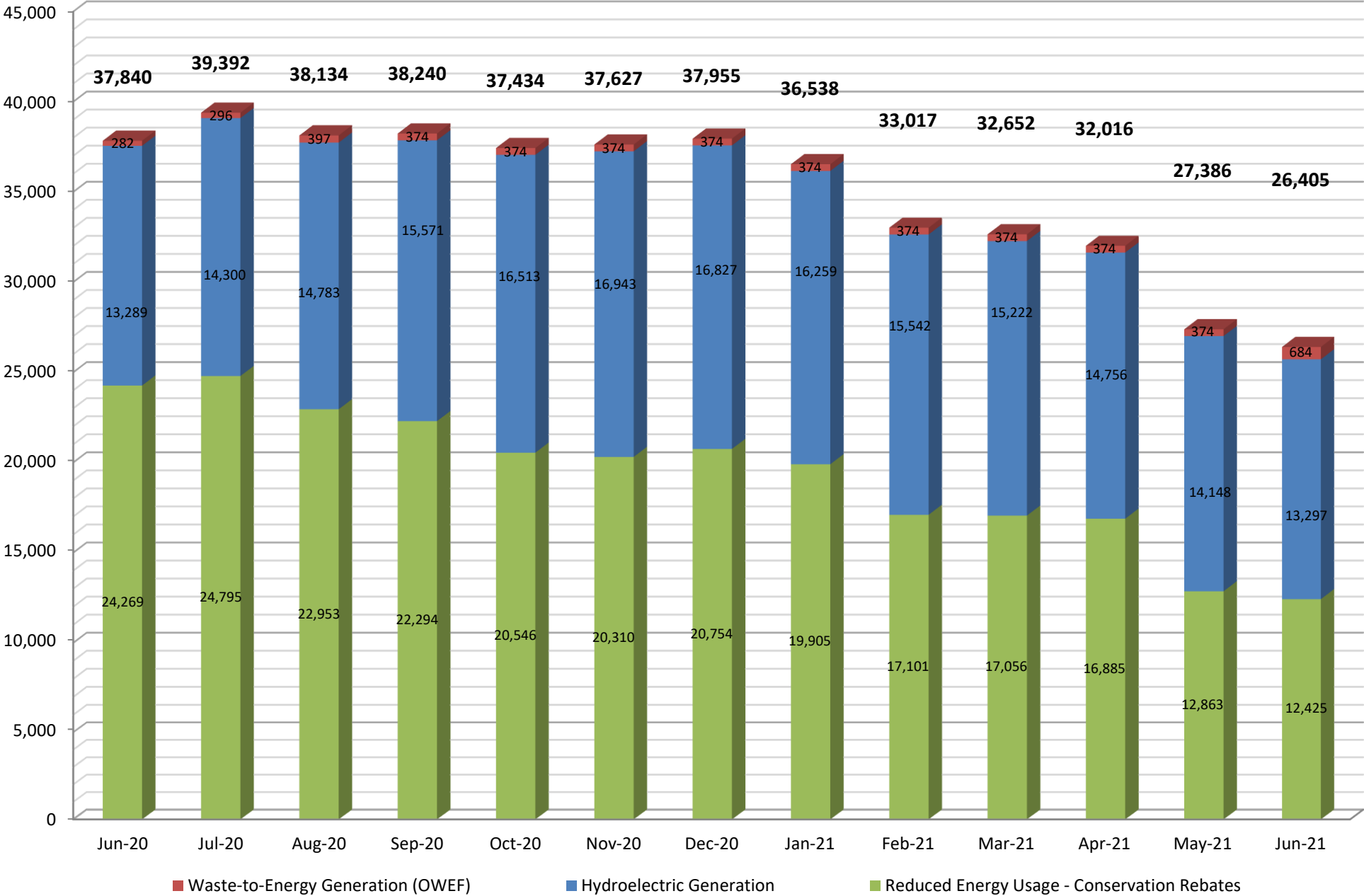


Results from Jun 22, 2021 - Jul 19, 2021

Note: Does not include today's data. Insights activity is reported in the Pacific time zone. Ads activity is reported in the time zone of your ad account.

■ Organic
 ■ Paid
**28 day summary** with change over previous period

RPU Environmental Stewardship Metric
Tons CO2 Saved
12 Month Rolling Sum



Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

POWER RESOURCES MANAGEMENT

JULY 2021

Portfolio Optimization

1. In June, RPU continued to bid GT1, GT2 and WES into the MISO day-ahead and real-time markets. Only GT2 and WES are capable of participating in the ancillary services market.
 - a. Ancillary Service Market – Supplemental Reserves
 - i. Cleared DA
 1. GT2 – 30 days
 2. WES – 30 days
 - ii. Deployment YTD
 1. GT2 – 1
 2. WES – 1
 - b. Dispatched by MISO

i. GT1 – 3 times	YTD 17
ii. GT2 – 16 times	YTD 51
iii. WES – 22 times	YTD 59
 - c. Hours of Operation

i. GT1 – 24 hours	YTD 109 hours
ii. GT2 – 150 hours	YTD 394 hours
iii. WES – 236 hours	YTD 479 hours
 - d. Electricity Generated

i. GT1 – 548 MWh	YTD 2,365 MWh
ii. GT2 – 5,726 MWh	YTD 13,536 MWh
iii. WES – 8,248 MWh	YTD 16,197 MWh
 - e. Forced Outage

i. GT1 – 0 hours	YTD 206 hours
ii. GT2 – 0 hours	YTD 3 hours
iii. WES – 0 hours	YTD 168 hours
2. MISO market Real Time Price averaged \$17.00/MWh and Day Ahead Price averaged \$18.92/MWh.

Customer Relations

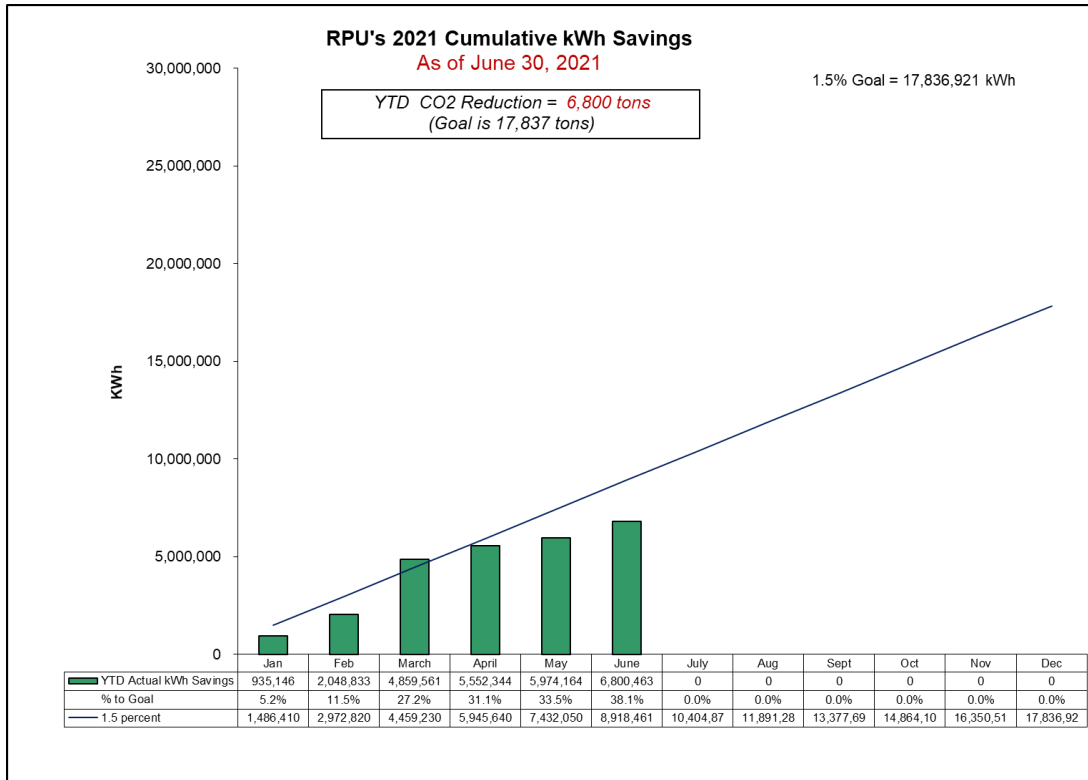
(Contact Center and Marketing, Commercial and Residential)

Stakeholder Engagement, Forums, and Meetings

1. On July 21, commercial marketing staff participated in Counter Days at Dakota Supply Group to talk with vendors and contractors about our programs.

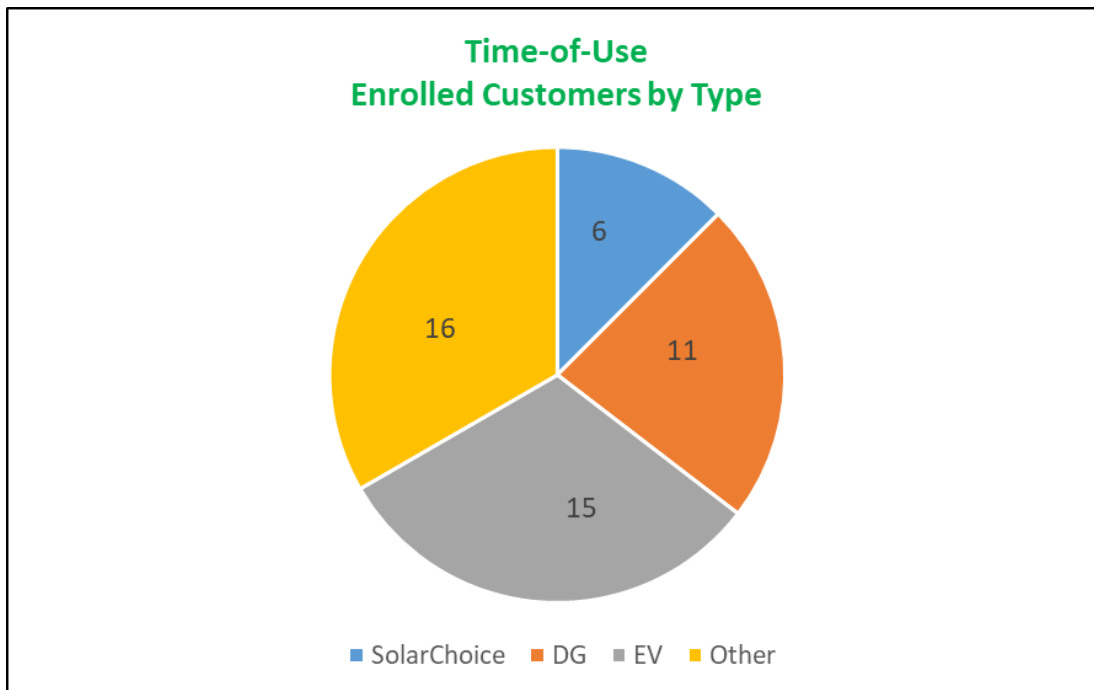
Opportunities for Customers

1. RPU participated in the Rochester Police Department's Safe City Nights event on July 13 at Jefferson Elementary School. Marketing staff was there with water information, as well as staff from the Water Department, with a water truck on site to show attendees.
2. RPU participated in the Rochester Police Department's Safe City Nights events on July 27 at Hope Summit Church. Marketing staff was there with electric information, as well as staff from the T&D department, with a line truck on site to show attendees.
3. Our Storm Water Customer Care Advisor has completed the initial clean up on both residential and commercial owners who have not been billed storm water but should have under the 2018 Chapter 77A Storm Water Utility ordinance. So far, this clean up impacted 3,540 accounts. A new process is being implemented to help with long-term management and maintenance of storm water accounts.
4. Starting July 7, Customer Care and Collections began making outreach calls to residential and commercial customers with past due balances. As of July 19, we have attempted to reach 776 customers that could be impacted by disconnects starting August 2. During these calls, we are referring customers to known financial resources and making payment arrangements as needed.
5. On July 17, marketing participated in the July Electric Car Display at the Farmers Market. We displayed the Mitsubishi Outlander and spoke with customers interested in learning more about EVs. Several other EVs were on display, including the Ford Mustang Mach-E, Tesla Model 3, Chevrolet Bolt EV and Volkswagen ID.4.

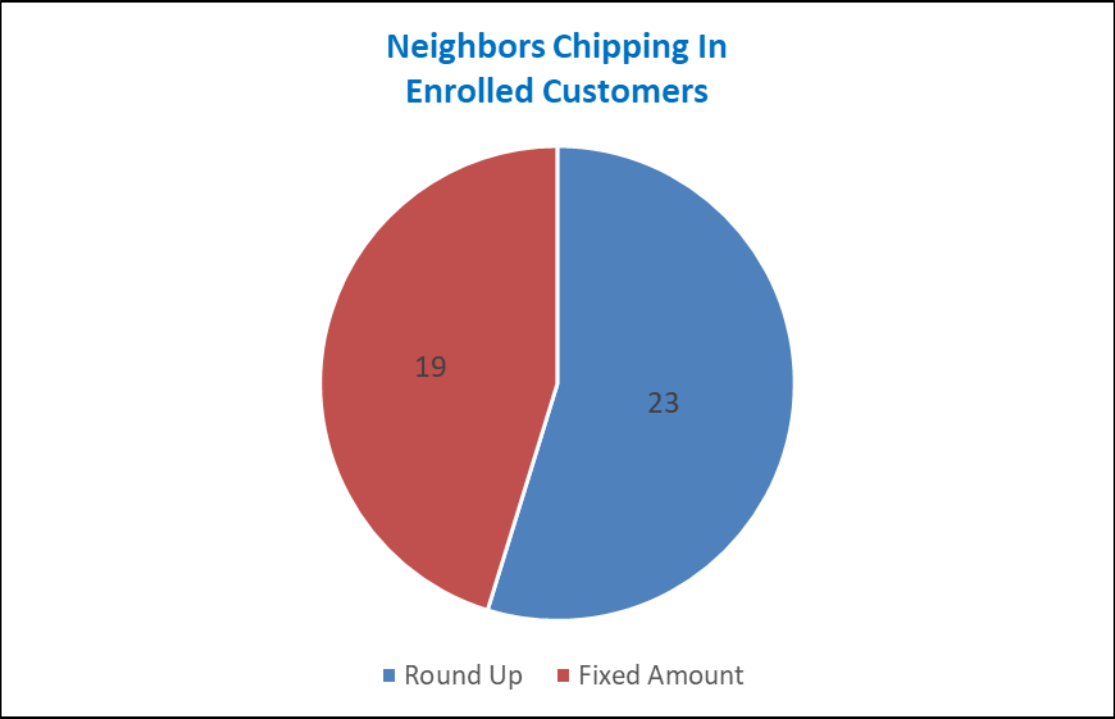


✚ Avoided kW: 931 kW

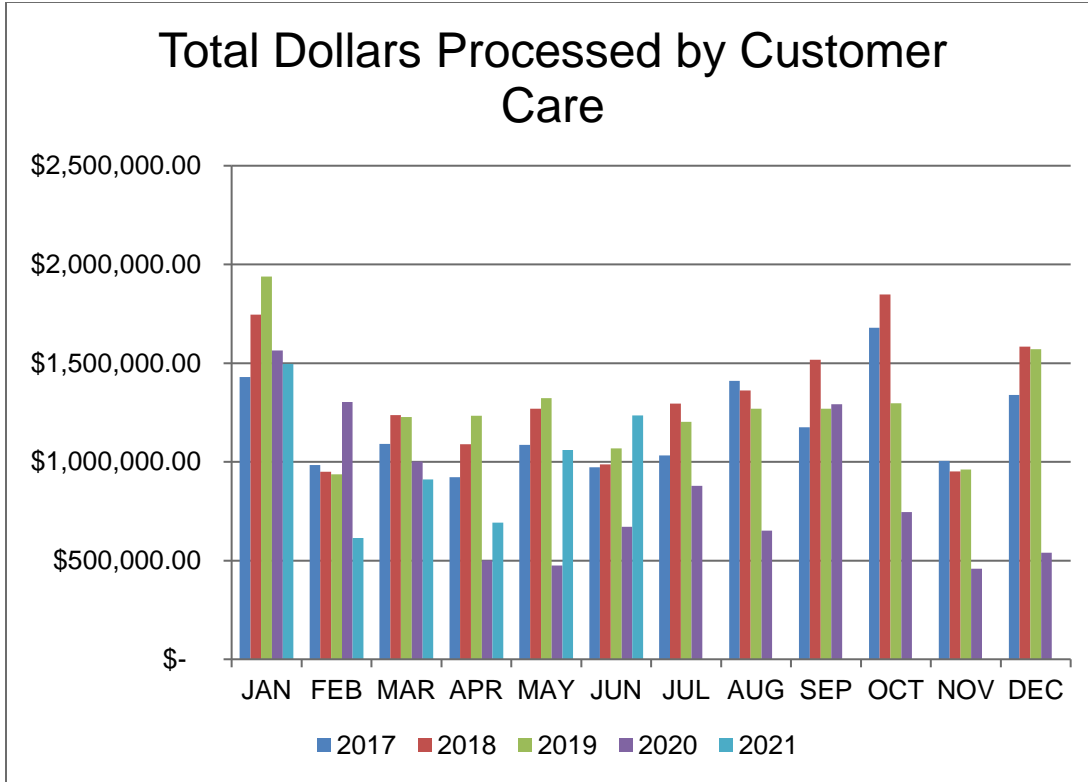
✚ Cost of Avoided kW: \$958/kW



✚ Total Customers Enrolled: 48

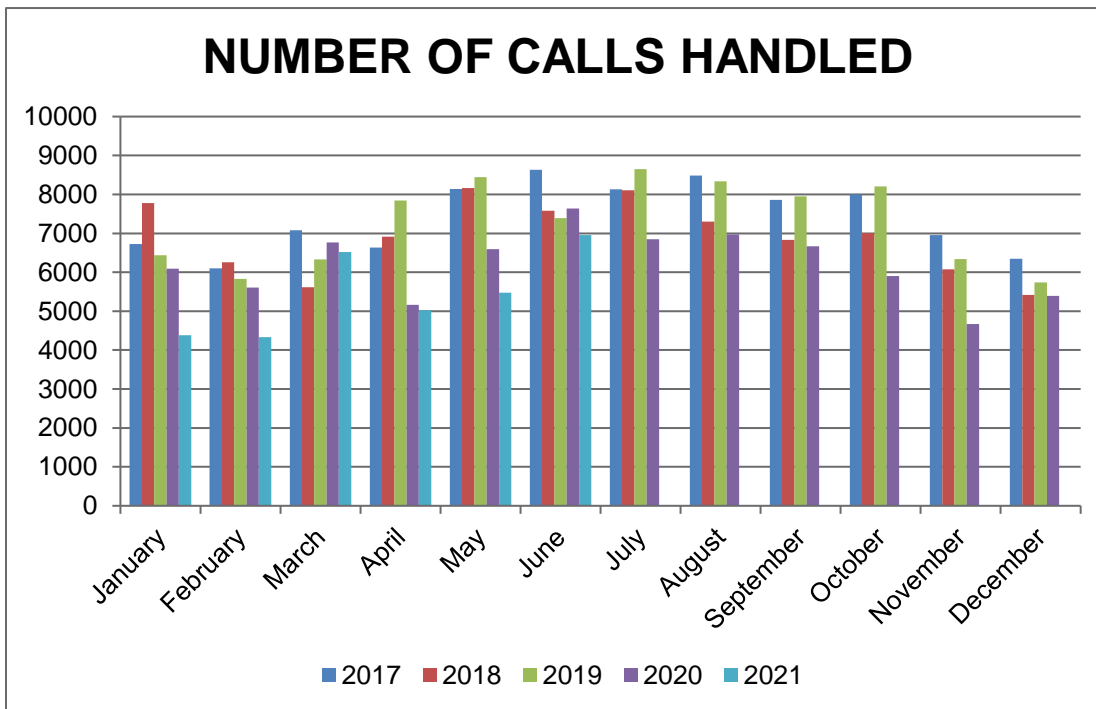


📊 Total Customers Enrolled: 42



✚ Total Number in Dollars Processed by Representatives: \$1,235,055 (graphed above)

✚ Total Number of Transactions Processed by Representatives: 3,259

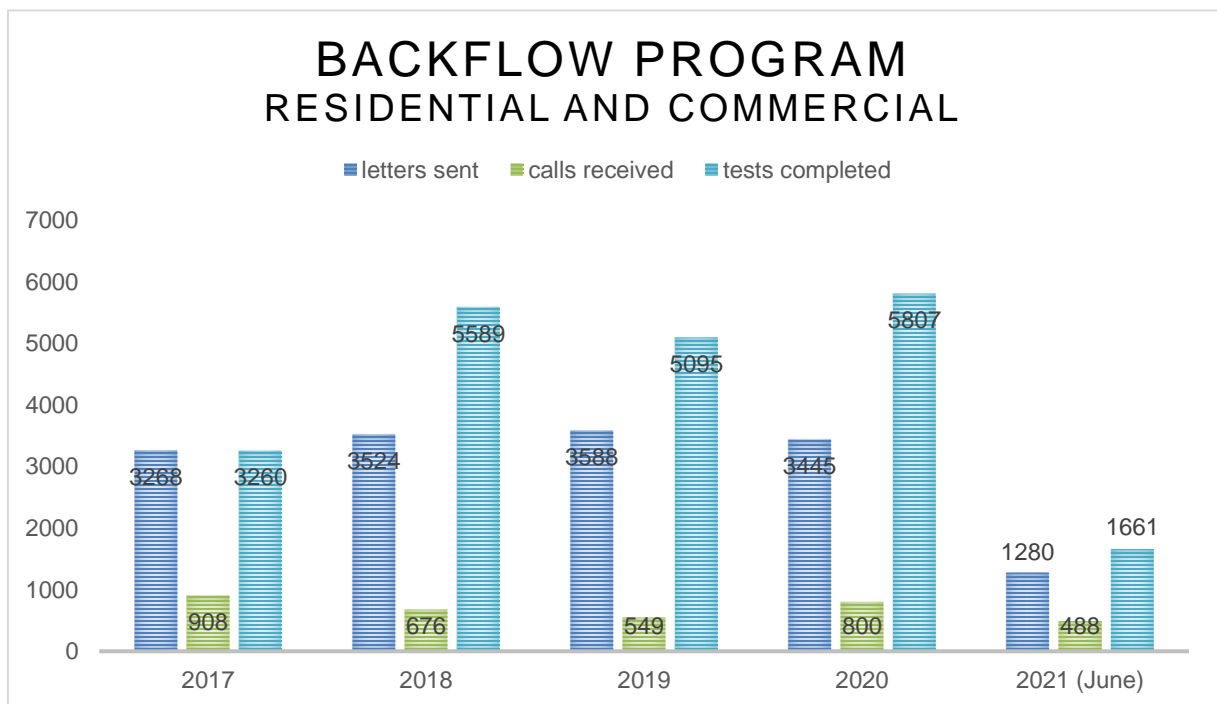


✚ Total Number of Calls: 6,957 (graphed above)

Corporate Services

1. Business Services:

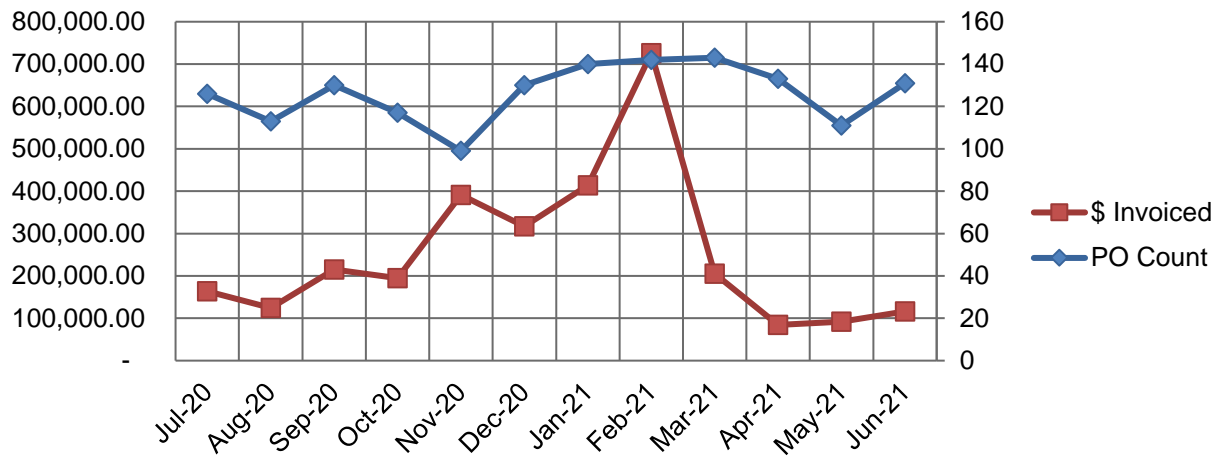
- Payroll/HR – Coordinated the on boarding of four full time employee and seven seasonal grounds crew and hydrant painters
- Payroll/HR – Coordinated retirement activities for 3 employees
- Administrative – Developing content for internal employee information on monitors within the Silver Lake Plant and Service Center
- As part of the customer outreach efforts 8,184 customer letters were printed and mailed internally, including 6,336 outreach letters and 560 customer notifications for planned work
- Water Ops Back Flow



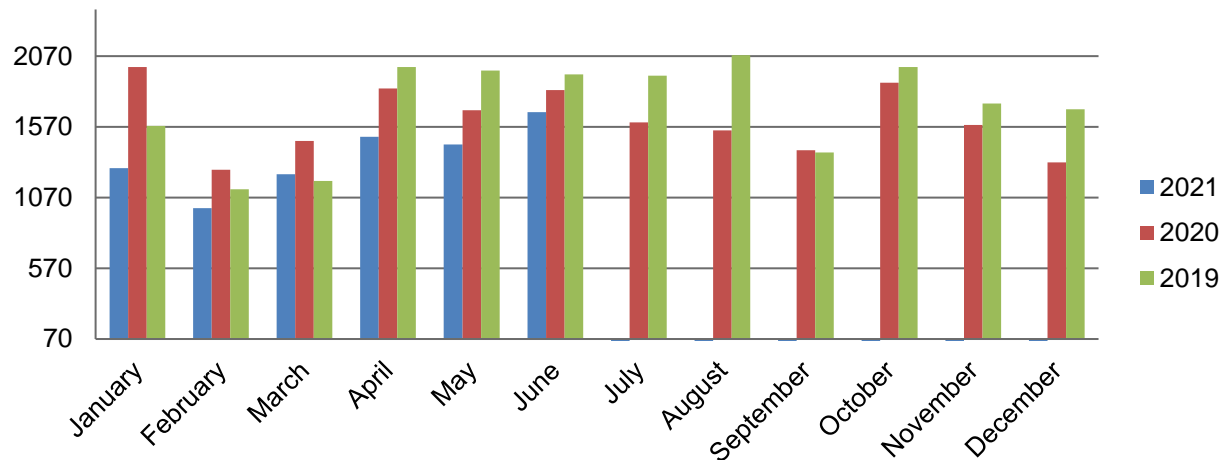
2. Purchasing and Materials Management:

- Dan Quimby, RPU Stores Controller, announced his intention to retire effective October 1, 2021. Dan has worked at RPU for 42 years.
- Completed the USIC locate services agreement.

Purchase Order Count and Dollars Invoiced



Warehouse Transactions Count All Plants



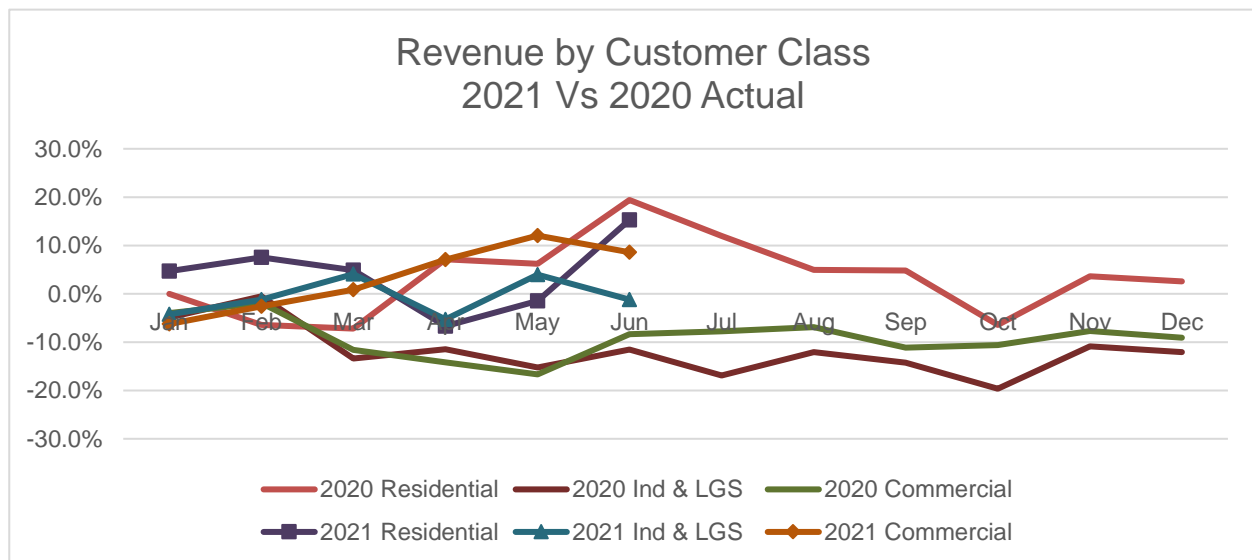
3. Finance and Accounting:

General

- The budget will be reviewed with the Finance Committee and the Board in August. The RPU budget will be reviewed by the Council during a study session in September, with approvals requested of the RPU Board and Council in October and December respectively. The Management team has completed the initial operating and project requests that are being reviewed and adjusted as part of the budget process.
- Customer Billing/Accounting teams are working to adjust the billing and collection process to ensure that customers receive the required notification. There are additional requirements that are being implemented by the State of Minnesota

that will impact the configuration of the billing system and may require some customer modifications. These include a new Low Income Water Assistance Program(LIWAP), RentHelp Program, MortgageHelp program and changes to the Cold Weather program.

- Covid19 Financial Impacts – As part of our 2021 Electric Utility budget process sales volumes and gross margin were adjusted down. The 2021 budget anticipates a slow recovery during 2021. The Electric Utility gross margin for June 2021 is over budget by \$1,1710,643 or 32.3%. This is \$1,215,419 or 21.0% above June 2020 actual gross margin. Included in the gross margin total is Wholesale sales gross margin which is \$404,265 above budget for June. These variances are driven by warmer than budgeted weather.



- Accounts Receivable – Past due account balances have increased from \$1,348,197 at the end of February 2020, before the pandemic, to \$3,001,857 at the end of June 2021. Of this amount, \$1,985,751 is due from residential customers and \$1,016,106 is due from commercial accounts. RPU will continue to reach out to customers to get them connected to assistance that they may be qualified for and to let customers know we are returning to normal operations on August 2, 2021.

Description	Residential			Commercial (Non Residential)		
	02/29/2020	6/30/2021	Incr (Decr)	02/29/2020	6/30/2021	Incr (Decr)
% Current	92.0%	70.2%	-21.8%	94.6%	79.9%	-14.7%
% Past Due	17.5%	29.8%	12.3%	5.8%	20.1%	14.3%
Amount Past Due	\$ 968,491	\$ 1,985,751	\$ 1,017,260	\$ 379,705	\$ 1,016,106	\$ 636,401
# Customers Past Due	6,349	5,035	(1,314)	385	398	13
Average Balance Past Due	\$ 153	\$ 394	\$ 242	\$ 986	\$ 2,553	\$ 1,567
# Customers > \$1,500 Past Due	17	335	318	38	60	22
# Customers > \$5,000 Past Due	-	13	13	13	23	10

4. Information Technology:

General

- The IT team in coordination with Cayenta is working to make the adjustments to the billing system to change business processes for the return to normal operations. New requirements are being requested due to changes in existing programs, cold weather rules, and new programs being introduced at both the State and Federal level.

5. Financial Results:

Note: Budget numbers are compared to the approved 2021 budget and have been adjusted for 2020 approved project budgets carried over to 2021.

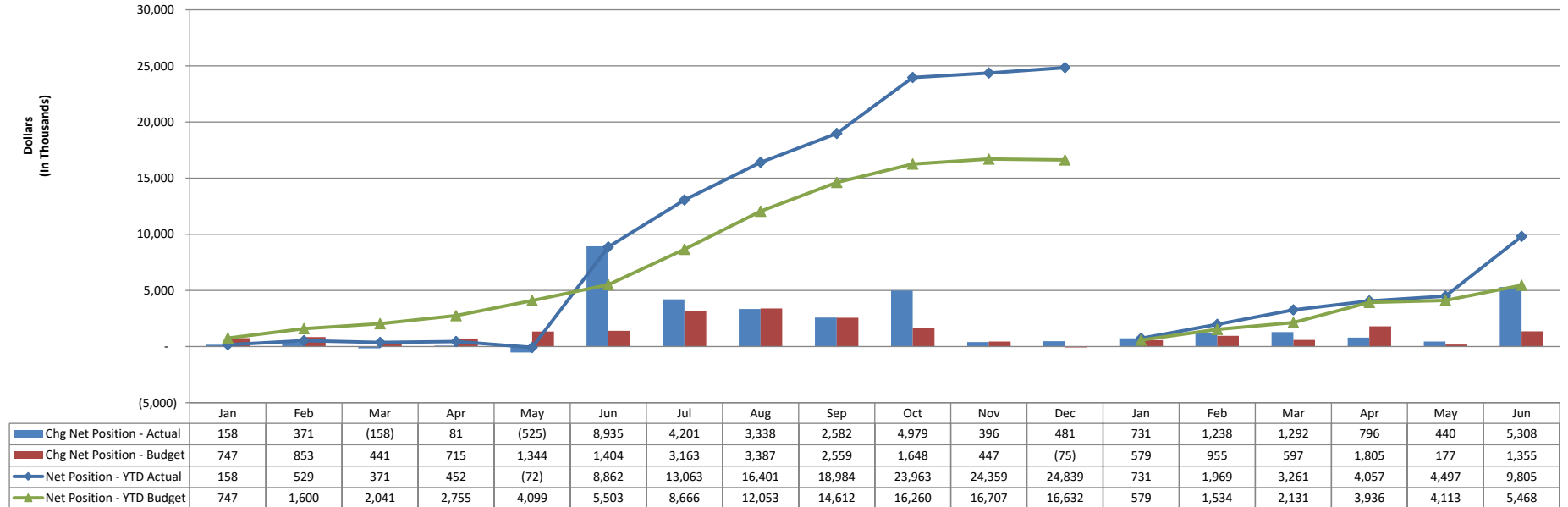
The large variance in the Electric Utility Change in Net Position for June is due to budgeted contributions in aid of construction related to the Marion Substation and 10MW solar installation in addition to the additional gross margin of \$1,710,643 due to warmer than forecast weather.

(In Thousands)	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue - Electric	\$ 16,851	\$ 13,427	\$ 3,424	\$ 76,193	\$ 71,317	\$ 4,876
Revenue - Water	1,171	977	194	5,305	5,189	116
Change in Net Position - Electric	5,308	1,355	3,953	9,805	5,468	4,337
Change in Net Position - Water	435	89	346	855	463	392

2020 - 2021 Retail Gross Margin - Electric Utility



2020 - 2021 Change in Net Position - Electric Utility

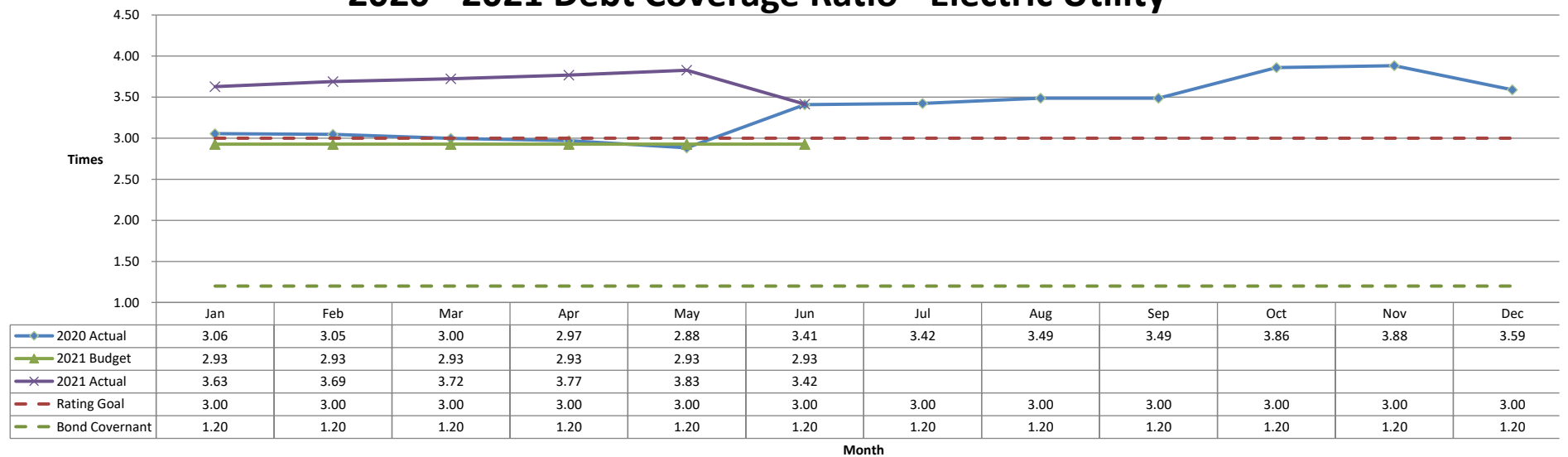


Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

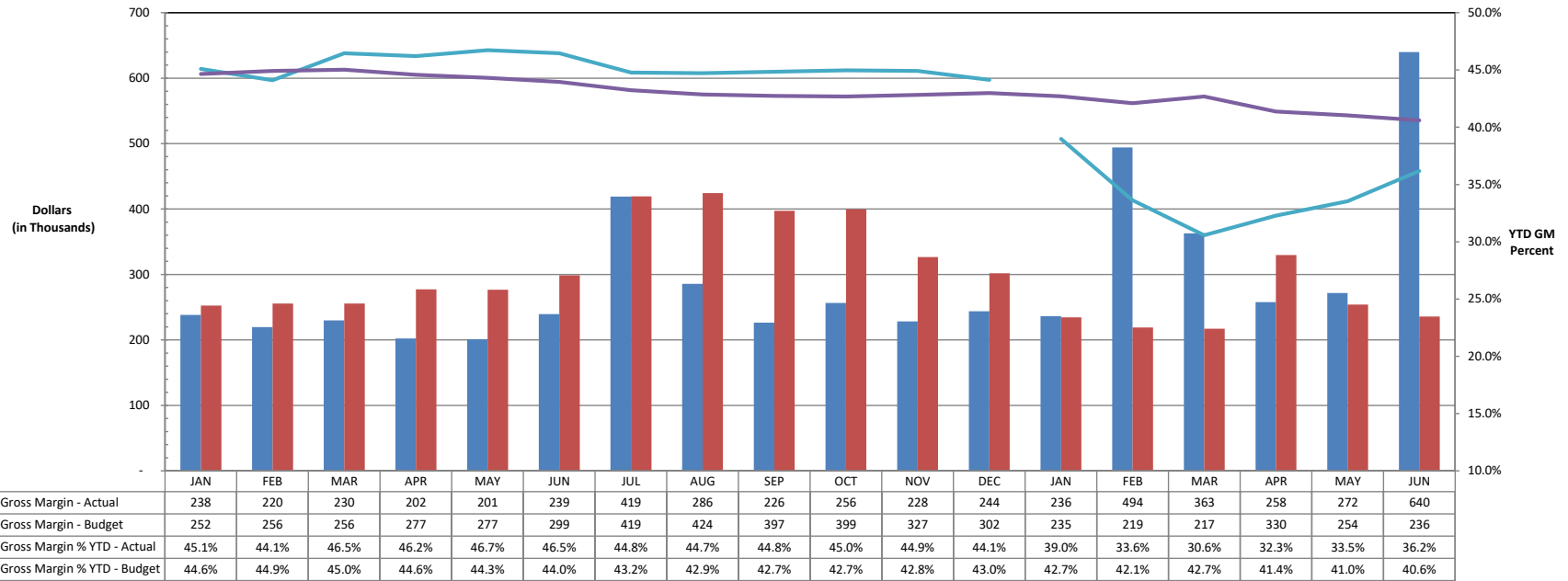
2020 - 2021 Cash Reserves - Electric Utility



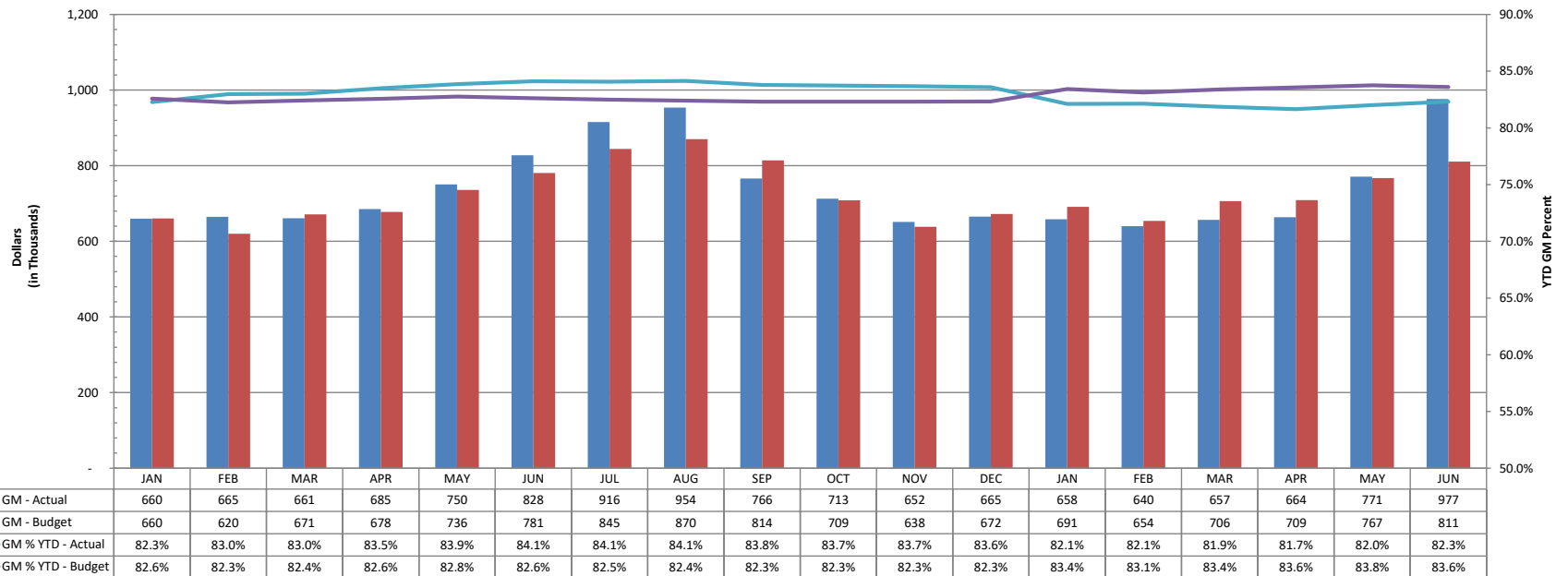
2020 - 2021 Debt Coverage Ratio - Electric Utility



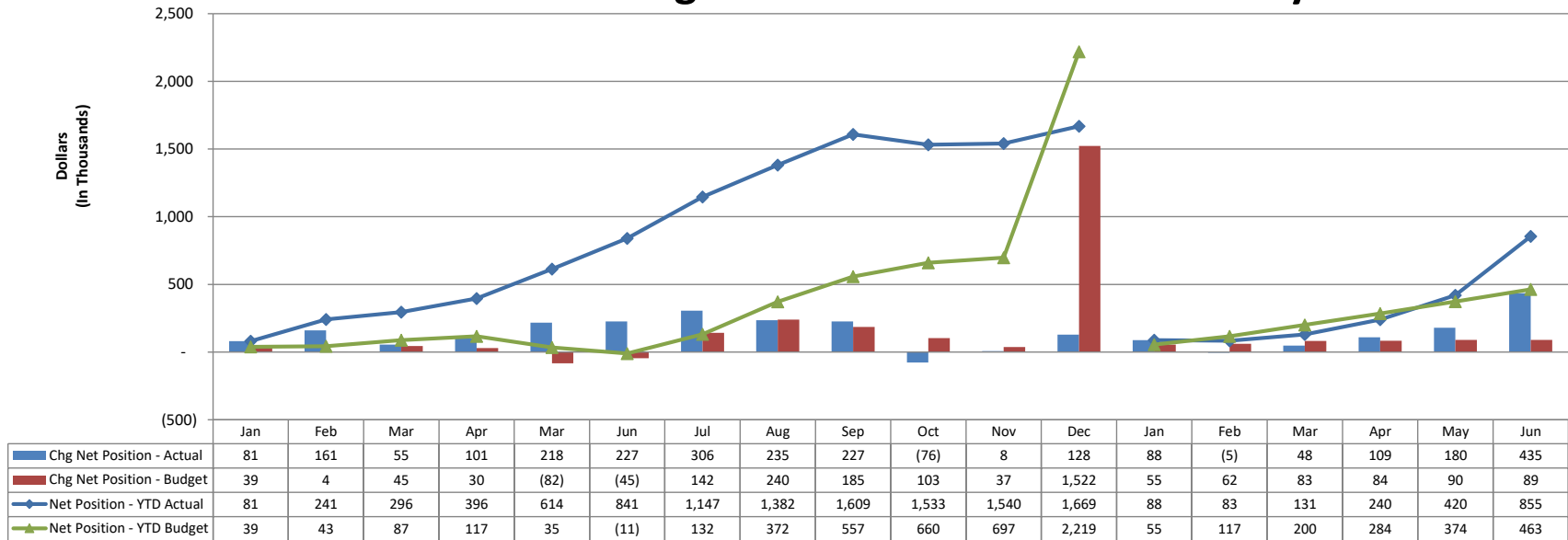
2020 - 2021 Gross Margin - Steam/Wholesale Electric



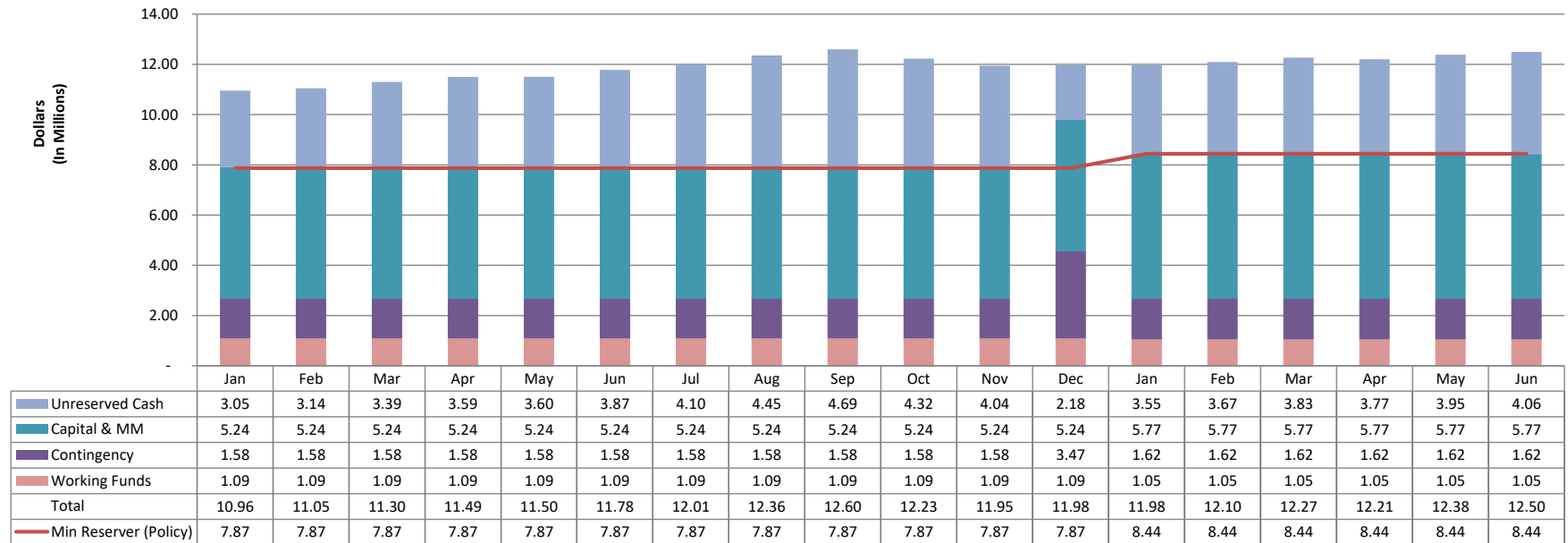
2020 - 2021 Gross Margin - Water Utility



2020 - 2021 Change in Net Position - Water Utility



2020 - 2021 Cash Reserves - Water Utility





TO: Jeremy Sutton, Director of Power Resources, Fleet & Facilities

FROM: Tina Livingston, Senior Financial Analyst

SUBJECT: LOAD FORECAST SUMMARY FOR 2021

MONTH	SYSTEM ENERGY			PEAK SYSTEM DATA		
	ACTUAL MWH	FORECAST MWH	% DIFF	ACTUAL MW	FORECAST MW	% DIFF
JAN	97,934	101,211	-3.2%	164.6	182.4	-9.7%
FEB	92,648	92,886	-0.3%	172.3	179.6	-4.0%
MAR	90,288	92,601	-2.5%	151.8	158.0	-3.9%
APR	85,195	90,885	-6.3%	158.6	168.7	-6.0%
MAY	92,262	90,824	1.6%	206.9	194.6	6.3%
JUN	119,714	102,551	16.7%	270.3	227.8	18.7%
JUL					265.5	
AUG					246.3	
SEP					238.8	
OCT					170.9	
NOV					171.7	
DEC					173.6	
YTD	578,041	570,958	1.2			

HISTORICAL SYSTEM PEAK 292.1 MW 07/20/2011

% DIFF = (ACTUAL / FORECAST X 100) - 100

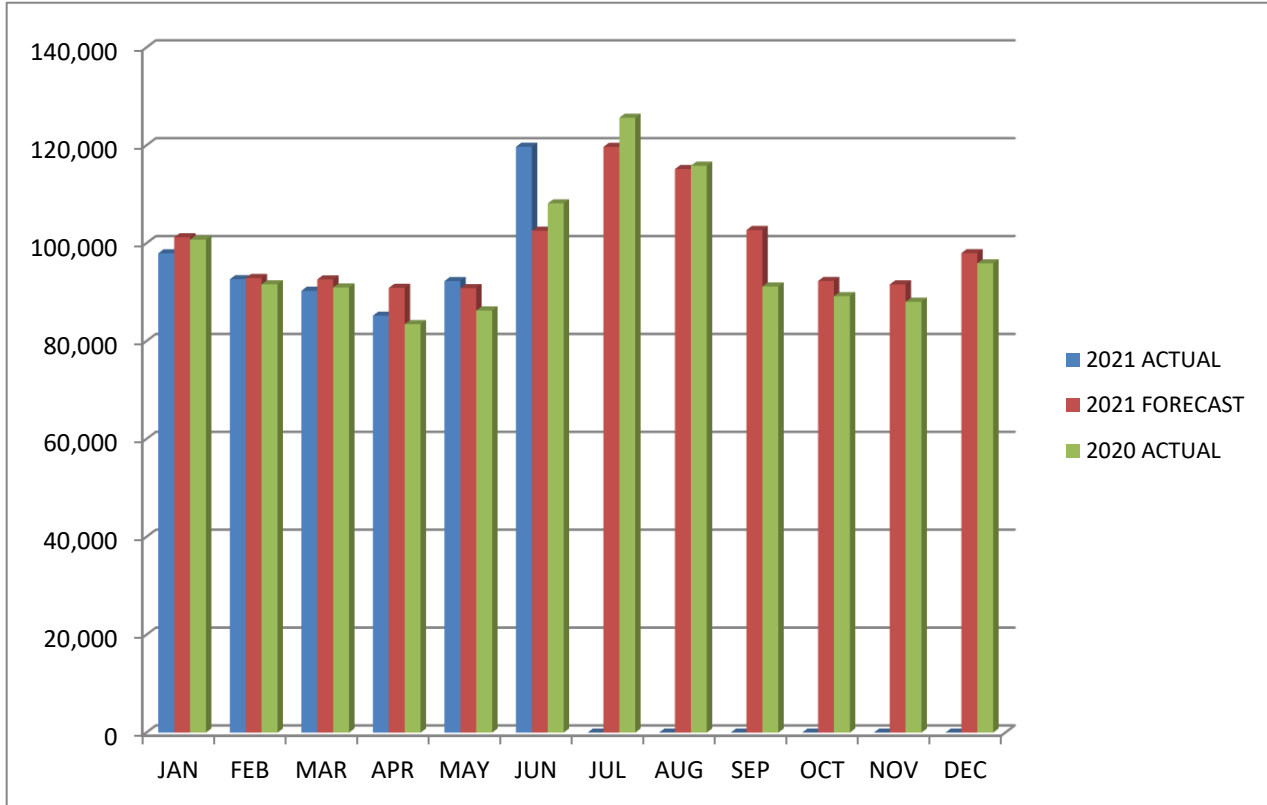
MWH = MEGAWATT HOUR = 1000 KILOWATT HOURS

MW = MEGAWATT = 1000 KILOWATTS

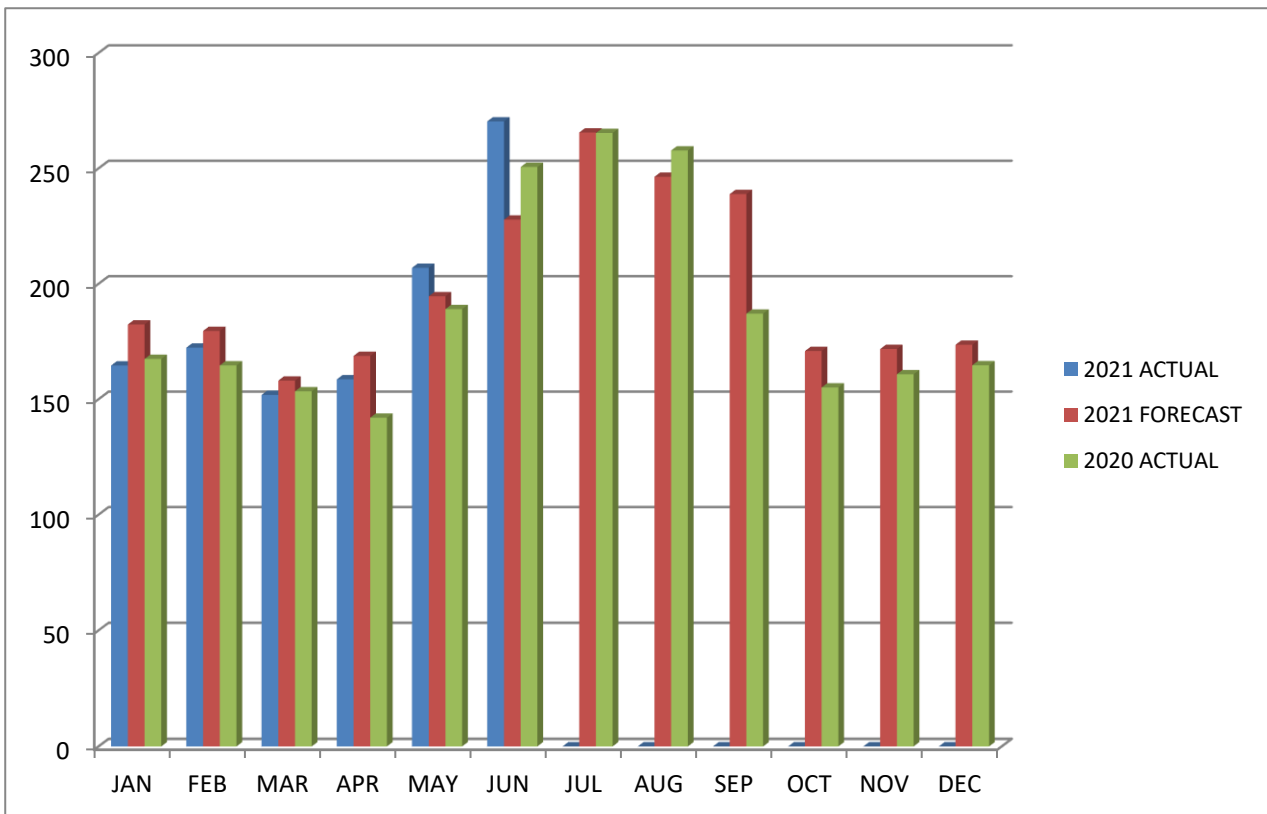
Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

2021 YTD SYSTEM REQUIREMENTS

Energy Required for the Month (MWH)



Peak Demand for the Month (MW)



ROCHESTER PUBLIC UTILITIES

INDEX

K:\RPU\GA\FINANCIAL REPORTS\FINANCIALS CRMO.pdf

DATE: June 2021

TO: _____

From: **Judy Anderson** (507) 292-1217
Interim Controller

SUBJ: **RPU - Financial Statements**

RPU - ELECTRIC UTILITY Financial Reports

<u>Page #</u>	<u>REPORT TITLE:</u>
1	Statement of Net Position - Condensed
2	Statement of Revenues, Expenses & Changes in Net Position YTD
3	Statement of Cash Flows YTD
4 - 5	Production and Sales Statistics - YTD
6	GRAPH - Capital Expenditures
7	GRAPH - Major Maintenance Expenditures
8	GRAPH - Cash & Temporary Investments
9	GRAPH - Changes in Net Position
10	GRAPH - Bonds

RPU - WATER UTILITY Financial Reports

<u>Page #</u>	<u>REPORT TITLE:</u>
11	Statement of Net Position - Condensed
12	Statement of Revenues, Expenses & Changes in Net Position YTD
13	Statement of Cash Flows YTD
14	Production and Sales Statistics - YTD
15	GRAPH - Capital Expenditures
16	GRAPH - Major Maintenance Expenditures
17	GRAPH - Cash & Temporary Investments
18	GRAPH - Changes in Net Position

END OF BOARD PACKET FINANCIALS

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

ROCHESTER PUBLIC UTILITIES
STATEMENT OF NET POSITION
ELECTRIC UTILITY
June 30, 2021

	June 2021	June 2020	Difference	% Diff.	May 2021
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	34,266,785	18,002,665	16,264,120	90.3	29,900,35
BOARD RESERVED CASH & INVESTMENTS					
Clean Air Rider Reserve	6,529,996	7,263,435	(733,439)	(10.1)	6,529,99
Working Funds Reserve	19,537,000	20,590,000	(1,053,000)	(5.1)	19,537,00
Special Capital & Major Maintnce Reserve	2,800,818	2,772,070	28,748	1.0	2,800,81
Contingency Reserve	10,943,000	10,581,000	362,000	3.4	10,943,00
General Capital & Major Maintnce Reserve	21,764,189	25,583,110	(3,818,921)	(14.9)	22,169,95
Total Reserved Cash & Investments	61,575,003	66,789,615	(5,214,612)	(7.8)	61,980,76
Total Cash & Investments	95,841,788	84,792,280	11,049,508	13.0	91,881,12
Receivables & Accrued Utility Revenues	25,156,910	19,610,506	5,546,404	28.3	21,746,84
Inventory	6,400,665	6,681,351	(280,687)	(4.2)	6,463,37
Other Current Assets	2,415,176	2,067,260	347,916	16.8	1,933,00
RESTRICTED ASSETS					
Restricted Cash and Equivalents	4,288,610	4,182,092	106,518	2.5	3,153,00
Total Current Assets	134,103,149	117,333,490	16,769,659	14.3	125,177,35
NON-CURRENT ASSETS					
RESTRICTED ASSETS					
RESTRICTED CASH & INVESTMENTS					
Debt Service Reserve	12,072,991	12,955,835	(882,844)	(6.8)	12,072,99
Funds Held in Trust	0	0	0	0.0	(
Total Restricted Cash & Investments	12,072,991	12,955,835	(882,844)	(6.8)	12,072,99
Total Restricted Assets	12,072,991	12,955,835	(882,844)	(6.8)	12,072,99
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	11,264,662	9,542,782	1,721,880	18.0	11,264,66
Construction Work in Progress	19,560,844	13,952,055	5,608,789	40.2	18,813,01
Total Non-depreciable Assets	30,825,507	23,494,837	7,330,670	31.2	30,077,67
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	244,278,818	249,389,570	(5,110,752)	(2.0)	245,209,63
Steam Assets, Net	1,325,508	1,620,065	(294,557)	(18.2)	1,350,05
Total Depreciable Assets	245,604,326	251,009,635	(5,405,309)	(2.2)	246,559,69
Net Capital Assets	276,429,832	274,504,472	1,925,361	0.7	276,637,37
Other Non-Current Assets	12,036,072	12,015,161	20,911	0.2	12,071,80
Total Non-Current Assets	300,538,895	299,475,468	1,063,427	0.4	300,782,16
TOTAL ASSETS	434,642,044	416,808,957	17,833,086	4.3	425,959,51
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	3,615,378	1,900,227	1,715,151	90.3	3,608,05
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	438,257,422	418,709,184	19,548,238	4.7	429,567,57
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	13,079,102	12,072,743	1,006,359	8.3	10,299,67
Due to other funds	3,486,668	3,355,772	130,896	3.9	3,567,55
Customer Deposits	1,993,229	1,763,873	229,356	13.0	1,971,82
Compensated absences	2,084,266	1,900,539	183,727	9.7	2,130,56
Accrued Salaries & Wages	661,189	556,178	105,010	18.9	516,14
Interest Payable	575,276	673,342	(98,065)	(14.6)	(
Current Portion of Long Term Debt	6,515,000	6,015,000	500,000	8.3	6,515,00
Misc Other Current Liabilities	355	0	355	0.0	24
Total Current Liabilities	28,395,086	26,337,447	2,057,638	7.8	25,001,01
NON-CURRENT LIABILITIES					
Compensated absences	1,530,825	1,361,939	168,886	12.4	1,521,82
Other Non-Current Liabilities	14,291,386	12,590,021	1,701,365	13.5	14,291,38
Unearned Revenues	1,853,609	2,061,101	(207,492)	(10.1)	1,810,30
Long-Term Debt	175,402,992	183,030,106	(7,627,115)	(4.2)	175,539,15
Total Non-Current Liabilities	193,078,812	199,043,167	(5,964,355)	(3.0)	193,162,67
TOTAL LIABILITIES	221,473,898	225,380,614	(3,906,717)	(1.7)	218,163,69
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	1,506,108	2,937,784	(1,431,676)	(48.7)	1,434,04
NET POSITION					
Net Investment in Capital Assets	107,983,074	98,629,267	9,353,807	9.5	108,649,95
Total Restricted Net Position	3,713,333	3,508,750	204,583	5.8	3,153,00
Unrestricted Net Position	103,581,009	88,252,770	15,328,240	17.4	98,166,87
TOTAL NET POSITION	215,277,416	190,390,787	24,886,630	13.1	209,969,82
TOTAL LIAB, DEFERRED INFLOWS, NET POSITION	438,257,422	418,709,184	19,548,238	4.7	429,567,57

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

ROCHESTER PUBLIC UTILITIES

Statement of Revenues, Expenses & Changes in Net Position

June, 2021
YEAR TO DATE

	<u>Actual YTD</u>	<u>Original Budget YTD</u>	<u>Actual to Original Budget</u>	<u>% Var.</u>	<u>Last Yr Actual YTD</u>
SALES REVENUE					
Retail Revenue					
Electric - Residential Service	26,580,285	25,130,526	1,449,759	5.8	25,356,03
Electric - General & Industrial Service	40,400,766	40,767,256	(366,491)	(0.9)	39,149,17
Electric - Public Street & Highway Light	843,105	740,562	102,544	13.8	782,54
Electric - Rental Light Revenue	93,948	126,598	(32,650)	(25.8)	98,76
Electric - Interdepartmental Service	500,617	430,556	70,061	16.3	474,46
Electric - Power Cost Adjustment	491,522	(549,360)	1,040,882	189.5	199,31
Electric - Clean Air Rider	1,025,942	999,559	26,383	2.6	948,63
Electric - Total Retail Revenue	69,936,186	67,645,697	2,290,489	3.4	67,008,92
Wholesale Electric Revenue					
Energy & Fuel Reimbursement	2,350,272	1,244,451	1,105,821	88.9	425,73
Capacity & Demand	151,557	70,420	81,137	115.2	83,12
Total Wholesale Electric Revenue	2,501,829	1,314,871	1,186,958	90.3	508,85
Steam Sales Revenue	3,754,715	2,356,000	1,398,715	59.4	2,354,42
TOTAL SALES REVENUE	76,192,730	71,316,568	4,876,162	6.8	69,872,20
COST OF REVENUE					
Purchased Power	42,940,677	42,785,675	155,002	0.4	41,371,12
Generation Fuel, Chemicals & Utilities	3,993,520	2,180,410	1,813,110	83.2	1,533,13
TOTAL COST OF REVENUE	46,934,197	44,966,085	1,968,112	4.4	42,904,25
GROSS MARGIN					
Retail	26,995,508	24,860,022	2,135,487	8.6	25,637,79
Wholesale	2,263,024	1,490,461	772,563	51.8	1,330,14
TOTAL GROSS MARGIN	29,258,532	26,350,482	2,908,050	11.0	26,967,94
FIXED EXPENSES					
Utilities Expense	230,311	232,649	(2,337)	(1.0)	223,82
Depreciation & Amortization	7,245,496	7,009,463	236,033	3.4	7,454,29
Salaries & Benefits	10,122,255	9,209,173	913,082	9.9	9,750,80
Materials, Supplies & Services	4,824,372	6,055,460	(1,231,088)	(20.3)	5,502,46
Inter-Utility Allocations	(945,335)	(859,500)	(85,835)	(10.0)	(867,33)
TOTAL FIXED EXPENSES	21,477,100	21,647,244	(170,144)	(0.8)	22,064,04
Other Operating Revenue	4,882,219	4,888,341	(6,122)	(0.1)	10,239,29
NET OPERATING INCOME (LOSS)	12,663,651	9,591,579	3,072,072	32.0	15,143,19
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	653,950	868,143	(214,194)	(24.7)	745,00
Interest Expense	(2,797,937)	(3,090,095)	292,158	9.5	(3,167,33)
Amortization of Debt Issue Costs	(51,798)	(38,586)	(13,212)	(34.2)	(40,45)
Miscellaneous - Net	(46,092)	(2,350)	(43,742)	(1,861.4)	(123,82)
TOTAL NON-OPERATING REV (EXP)	(2,241,878)	(2,262,888)	21,010	0.9	(2,586,61)
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	10,421,772	7,328,691	3,093,081	42.2	12,556,57
Transfers Out	(4,128,631)	(4,133,173)	4,542	0.1	(4,018,37)
Capital Contributions	3,511,855	2,272,528	1,239,327	54.5	324,13
CHANGE IN NET POSITION	9,804,996	5,468,046	4,336,950	79.3	8,862,34
Net Position, Beginning	205,472,420				181,528,44
NET POSITION, ENDING	215,277,416				190,390,78

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

Rolling 12 Months Planned for Curr Year

Debt Coverage Ratio

2

3.42

2.93

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ROCHESTER PUBLIC UTILITIES
STATEMENT OF CASH FLOWS
ELECTRIC UTILITY
FOR
JUNE, 2021
YEAR-TO-DATE

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
8 CASH FLOWS FROM OPERATING ACTIVITIES		
9 Cash Received From Customers	71,039,909	69,293,272
10 Cash Received From Other Revenue Sources	4,267,058	0
11 Cash Received From Wholesale & Steam Customer	5,541,334	2,938,408
12 Cash Paid for:		
13 Purchased Power	(41,311,016)	(39,817,055)
14 Operations and Maintenance	(11,175,471)	(14,805,019)
15 Fuel	(3,501,538)	(1,832,495)
16 Payment in Lieu of Taxes	(3,958,746)	(3,972,993)
17 Net Cash Provided by(Used in) Utility		
18 Operating Activities	20,901,530	11,804,118
19 Sewer, Storm Water, Sales Tax & MN Water Fee Collections		
20 Receipts from Customers	22,118,070	21,332,503
21 Remittances to Government Agencies	(22,304,980)	(21,630,193)
22 Net Cash Provided by(Used in) Non-Utility		
23 Operating Activities	(186,910)	(297,690)
24 NET CASH PROVIDED BY(USED IN)		
25 OPERATING ACTIVITIES	20,714,620	11,506,428
26 CASH FLOWS FROM CAPITAL & RELATED		
27 FINANCING ACTIVITIES		
28 Additions to Utility Plant & Other Assets	(8,684,562)	(8,646,508)
29 Payments related to Service Territory Acquisition	(51,226)	(96,666)
30 Proceeds on Long-Term Debt	3,175,000	0
31 Net Bond/Loan Receipts	0	0
32 Cash Paid for Interest & Commissions	(7,775,658)	(4,040,050)
33 NET CASH PROVIDED BY(USED IN)		
34 CAPITAL & RELATED ACTIVITIES	(13,336,446)	(12,783,224)
35 CASH FLOWS FROM INVESTING ACTIVITIES		
36 Interest Earnings on Investments	282,018	348,105
37 Construction Fund (Deposits)Draws	0	0
38 Bond Reserve Account	(2,231,236)	(3,007,500)
39 Escrow/Trust Account Activity	0	756
40 NET CASH PROVIDED BY(USED IN)		
41 INVESTING ACTIVITIES	(1,949,218)	(2,658,639)
42 Net Increase(Decrease) in Cash & Investments	5,428,956	(3,935,435)
43 Cash & Investments, Beginning of Period	90,412,832	88,727,715
44 CASH & INVESTMENTS, END OF PERIOD	95,841,788	84,792,280
45 Externally Restricted Funds	16,361,601	17,137,927
46 Grand Total	112,203,389	101,930,207

7/16/21

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

June, 2021

YEAR-TO-DATE

		<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>% Var.</u>	<u>Last Yr Actual YTD</u>	
7							
8							
9	ENERGY SUPPLY (kWh)	(primarily calendar month)					
10	Net Generation						
11	IBM Diesel Generators	13,977	0	13,977	-	22,097	
12	Lake Zumbro Hydro	5,398,470	7,454,136	(2,055,666)	(27.6)	9,985,107	
13	Cascade Creek Gas Turbine	15,901,152	7,364,000	8,537,152	115.9	2,000,139	
14	Westside Energy Station	16,196,500	17,965,000	(1,768,500)	(9.8)	12,152,471	
15	Total Net Generation	37,510,099	32,783,136	4,726,963	14.4	24,159,814	
16	Other Power Supply						
17	Firm Purchases	570,736,814	563,503,194	7,233,620	1.3	552,686,082	
18	Non-Firm Purchases	188,431	0	188,431	-	398,485	
19	LRP Received	0	0	0	-	0	
20	Total Other Power Supply	570,925,245	563,503,194	7,422,051	1.3	553,084,567	
21	TOTAL ENERGY SUPPLY	608,435,344	596,286,330	12,149,014	2.0	577,244,381	
22	ENERGY USES (kWh)	(primarily billing period)					
23	Retail Sales	<u># Custs</u>					
24	Electric - Residential Service	53,035	183,348,437	170,807,776	12,540,661	7.3	173,639,053
25	Electric - General Service & Industrial	5,112	366,588,703	377,813,998	(11,225,295)	(3.0)	360,966,695
26	Electric - Street & Highway Lighting	3	2,315,820	3,050,822	(735,003)	(24.1)	3,039,075
27	Electric - Rental Lights	n/a	417,032	451,172	(34,140)	(7.6)	454,841
28	Electric - Interdptmntl Service	<u>1</u>	3,749,227	3,186,948	562,279	17.6	3,446,219
29	Total Customers	<u>58,151</u>					
30	Total Retail Sales		556,419,219	555,310,716	1,108,503	0.2	541,545,883
31	# Wholesale Sales		32,167,712	25,329,000	6,838,712	27.0	14,233,452
32	Company Use		1,160,513	1,720,826	(560,313)	(32.6)	1,218,633
33	TOTAL ENERGY USES		589,747,444	582,360,542	7,386,902	1.3	556,997,968
34	Lost & Unacctntd For Last 12 Months		36,718,571	2.9%			
35	STEAM SALES (mlbs)	(primarily billing period)					
36			229,266	283,167	(53,901)	(19.0)	239,594

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

7/16/21

ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS (continued)
ELECTRIC UTILITY

June, 2021

YEAR-TO-DATE

									Last Yr
		<u>Actual YTD</u>		<u>Budget YTD</u>		<u>Variance</u>	<u>% Var.</u>		<u>Actual YTD</u>
9	FUEL USAGE	<i>(calendar month)</i>							
10	Gas Burned								
11	SLP	310,762	MCF	373,781	MCF	(63,019)	(16.9)	323,462	MCF
12	Cascade	124,021	MCF	62,366	MCF	61,655	98.9	22,628	MCF
13	Westside	126,499	MCF	120,141	MCF	6,358	5.3	94,644	MCF
14	Total Gas Burned	561,282	MCF	556,288	MCF	4,994	0.9	440,734	MCF
15	Oil Burned								
16	Cascade	206,143	GAL	0	GAL	206,143	-	1,949	GAL
17	IBM	1,142	GAL	0	GAL	1,142	-	1,966	GAL
18	Total Oil Burned	207,285	GAL	0	GAL	207,285	-	3,915	GAL

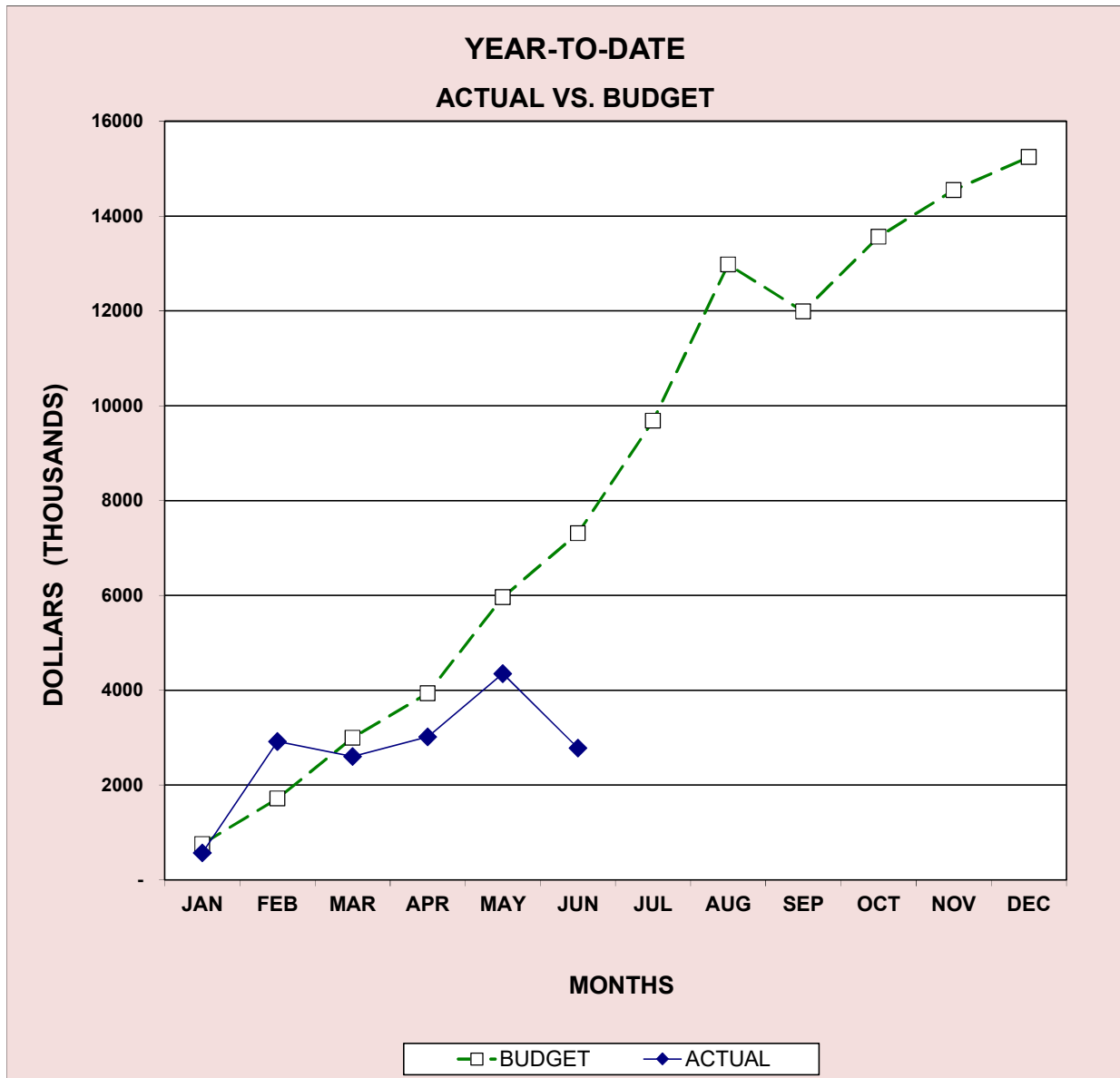
Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

CAPITAL EXPENDITURES ELECTRIC

Current Year	
ANNUAL BUDGET	15,246,736
ACTUAL YTD	2,782,175
% OF BUDGET	18.2%

June, 2021

Prior Years Ending Dec 31st		
2020	2019	2018
15,059,888	21,990,984	31,779,490
10,078,628	11,174,211	16,646,579
66.9%	50.8%	52.4%



Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

MAJOR MAINTENANCE EXPENDITURES ELECTRIC

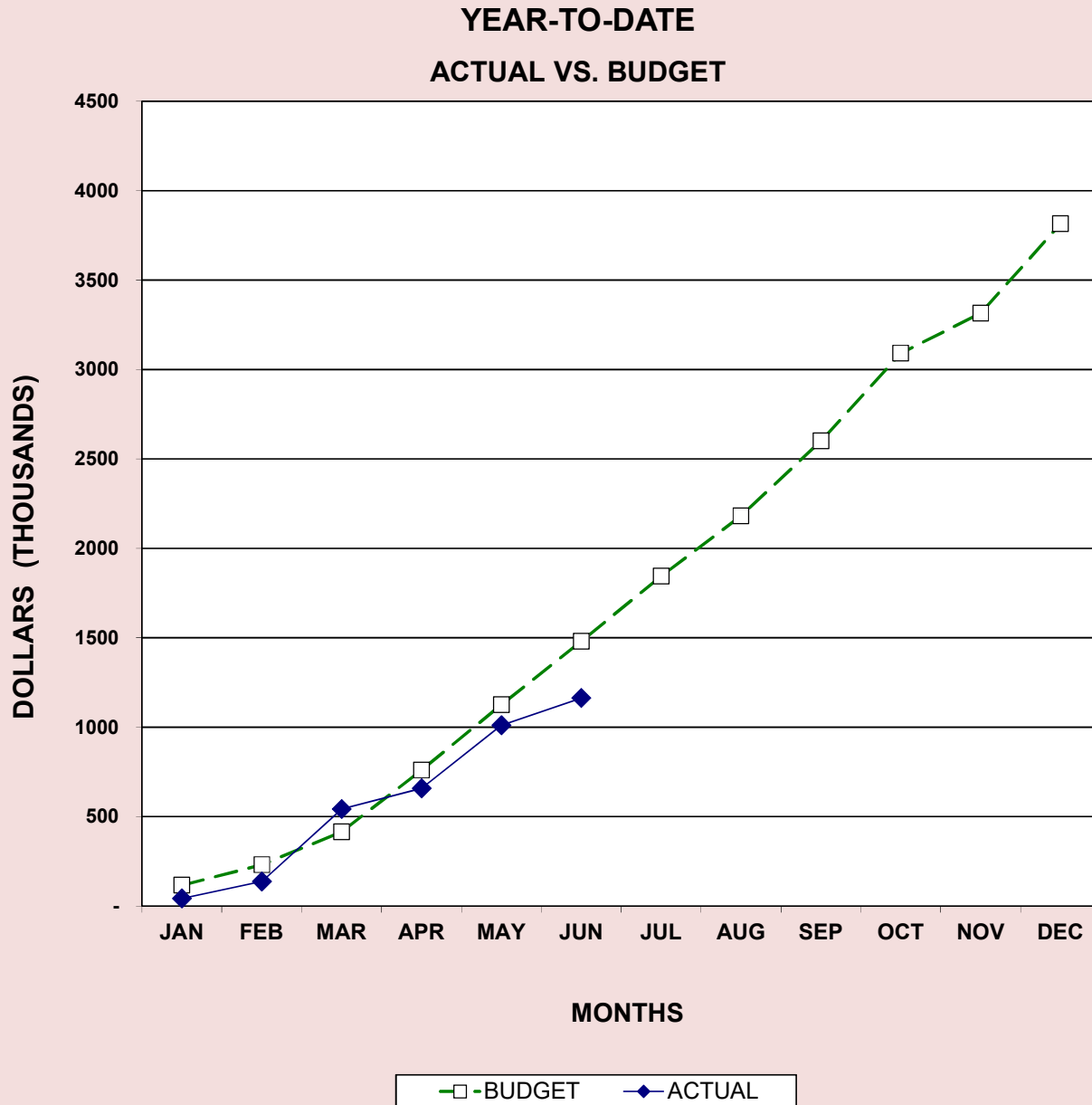
Current Year

ANNUAL BUDGET 3,815,243
 ACTUAL YTD 1,162,850
 % OF BUDGET 30.5%

June, 2021

Prior Years Ending Dec 31st

2020	2019	2018
4,010,088	3,353,049	3,038,283
3,111,620	2,881,017	2,421,088
77.6%	85.9%	79.7%



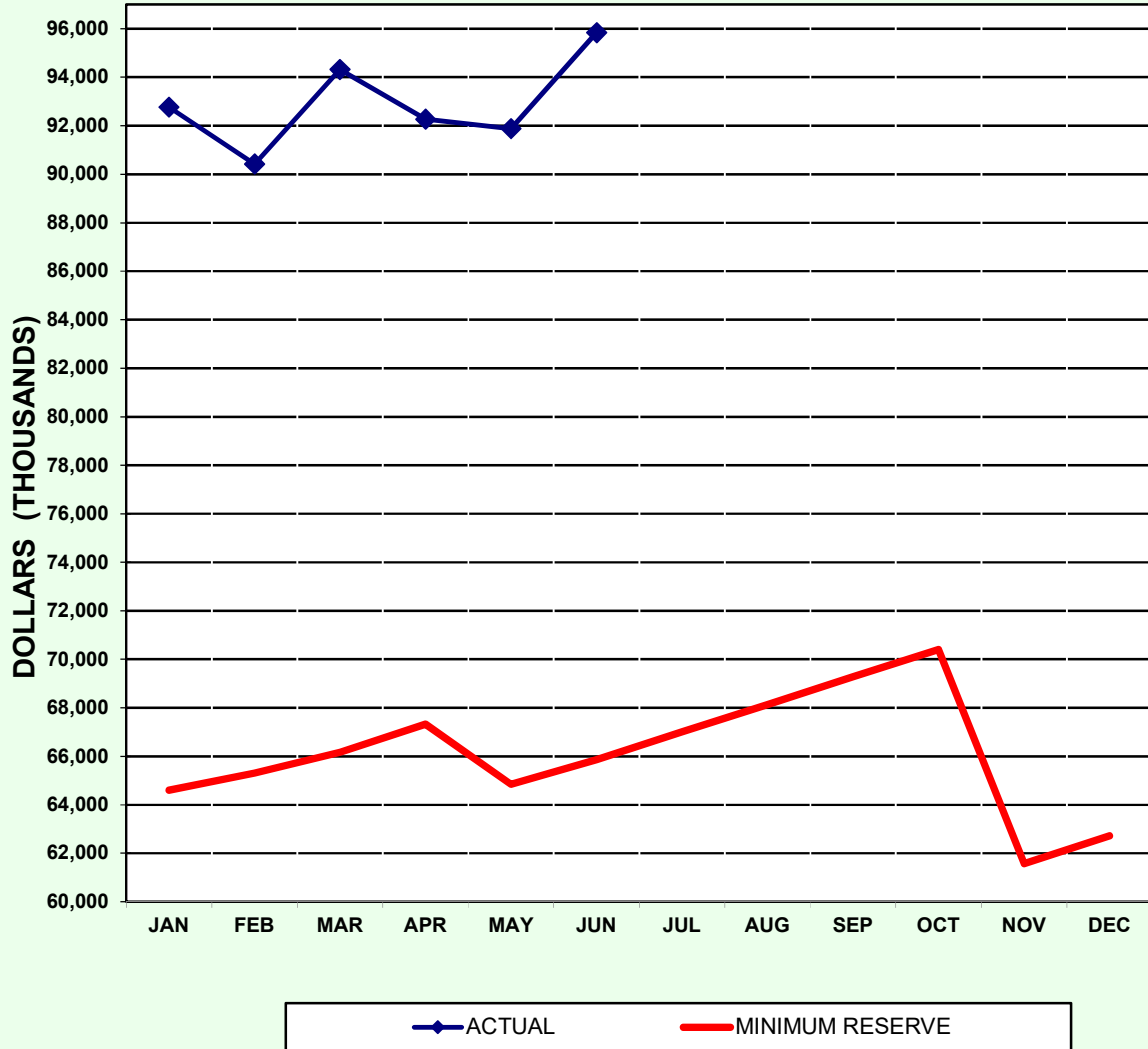
Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

CASH AND TEMPORARY INVESTMENTS ELECTRIC

June, 2021

YEAR-TO-DATE ACTUAL

Excluding: Construction Fund, Debt Reserve,
and Escrow Funds Accounts

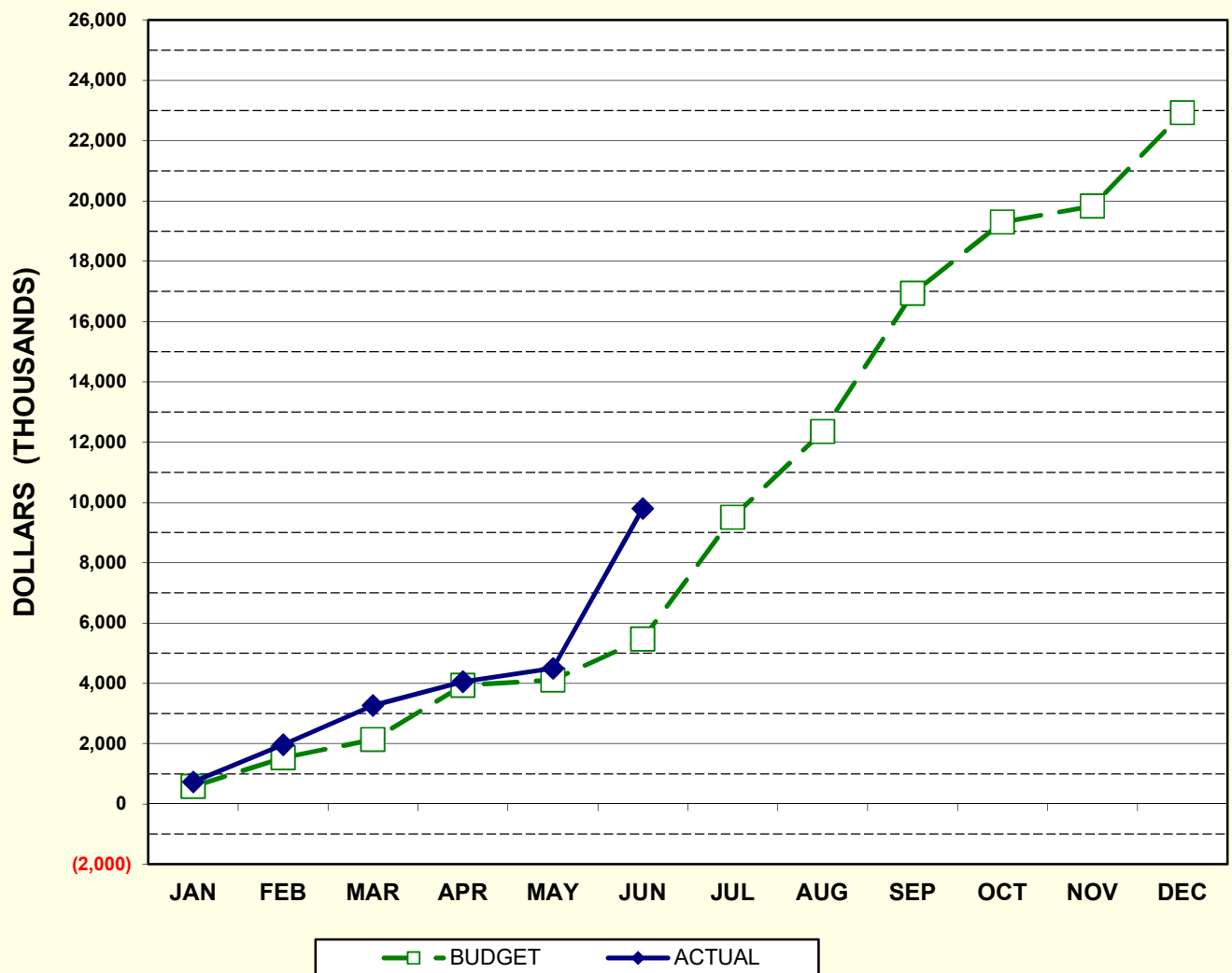


Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

CHANGE IN NET POSITION ELECTRIC

June, 2021

YEAR-TO-DATE ACTUAL vs. BUDGET



Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

6/30/2021

Principal & Interest (in thousands)

Electric Debt Service Payments
(2002 Bonds were redeemed in full on 4/1/2013; 2007C Bonds were partially redeemed on 11/17/2015 and redeemed in full on 2/15/17, 2013B Bonds were redeemed in full on 2/10/21)



6/30/2021

in thousands

Electric Outstanding Debt
(as of End of Year)



Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

ROCHESTER PUBLIC UTILITIES
STATEMENT OF NET POSITION
WATER UTILITY
June 30, 2021

	June 2021	June 2020	Difference	% Diff.	May 2021
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	4,062,078	3,870,400	191,678	5.0	3,949,898
BOARD RESERVED CASH & INVESTMENTS					
Working Funds Reserve	1,045,000	1,086,000	(41,000)	(3.8)	1,045,000
Capital & Major Maintenance Reserve	5,766,000	5,238,000	528,000	10.1	5,766,000
Contingency Reserve	1,622,000	1,584,000	38,000	2.4	1,622,000
Total Reserved Cash & Investments	8,433,000	7,908,000	525,000	6.6	8,433,000
Total Cash & Investments	12,495,078	11,778,400	716,678	6.1	12,382,898
Receivables & Accrued Utility Revenues	1,212,097	980,377	231,720	23.6	1,063,311
Inventory	213,753	210,357	3,397	1.6	207,488
Other Current Assets	74,525	56,045	18,480	33.0	91,305
Total Current Assets	13,995,453	13,025,178	970,275	7.4	13,745,002
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	677,486	677,486	0	0.0	677,486
Construction Work in Progress	5,051,832	2,280,271	2,771,561	121.5	4,829,809
Total Non-depreciable Assets	5,729,318	2,957,757	2,771,561	93.7	5,507,295
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	94,086,676	95,030,804	(944,129)	(1.0)	94,283,030
Net Capital Assets	99,815,994	97,988,561	1,827,433	1.9	99,790,325
Total Non-Current Assets	99,815,994	97,988,561	1,827,433	1.9	99,790,325
TOTAL ASSETS	113,811,447	111,013,739	2,797,708	2.5	113,535,327
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	213,549	121,597	91,952	75.6	210,792
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	114,024,996	111,135,336	2,889,660	2.6	113,746,120
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	417,350	264,041	153,309	58.1	400,806
Customer Deposits	113,452	112,340	1,112	1.0	117,727
Compensated Absences	310,111	341,836	(31,725)	(9.3)	340,679
Accrued Salaries & Wages	65,369	66,977	(1,608)	(2.4)	69,705
Total Current Liabilities	906,282	785,193	121,088	15.4	928,917
NON-CURRENT LIABILITIES					
Compensated Absences	178,133	153,786	24,347	15.8	219,906
Other Non-Current Liabilities	1,807,972	1,561,107	246,866	15.8	1,807,972
Total Non-Current Liabilities	1,986,105	1,714,892	271,213	15.8	2,027,878
TOTAL LIABILITIES	2,892,387	2,500,086	392,301	15.7	2,956,795
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	606,622	783,383	(176,760)	(22.6)	698,772
NET POSITION					
Net Investment in Capital Assets	99,815,994	97,988,561	1,827,433	1.9	99,790,325
Unrestricted Net Assets (Deficit)	10,709,993	9,863,306	846,686	8.6	10,300,228
TOTAL NET POSITION	110,525,986	107,851,867	2,674,119	2.5	110,090,553
TOTAL LIAB, DEFERRED INFLOWS, NET POSITION	114,024,996	111,135,336	2,889,660	2.6	113,746,120

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

7/16/2021

ROCHESTER PUBLIC UTILITIES
Statement of Revenues, Expenses & Changes in Net Position
WATER UTILITY
June, 2021
YEAR TO DATE

	<u>Actual YTD</u>	<u>Original Budget YTD</u>	<u>Actual to Original Budget</u>	<u>% Var.</u>	<u>Last Yr Actual YTD</u>
RETAIL REVENUE					
Water - Residential Service	3,205,332	2,980,788	224,544	7.5	3,067,424
Water - Commercial Service	1,488,112	1,449,847	38,265	2.6	1,386,022
Water - Industrial Service	302,795	444,612	(141,817)	(31.9)	295,479
Water - Public Fire Protection	296,959	299,996	(3,036)	(1.0)	294,236
Water - Interdepartmental Service	11,583	14,171	(2,588)	(18.3)	8,816
TOTAL RETAIL REVENUE	5,304,782	5,189,413	115,369	2.2	5,051,977
COST OF REVENUE					
Utilities Expense	499,740	422,585	77,155	18.3	489,651
Water Treatment Chemicals/Demin Water	64,695	53,641	11,054	20.6	62,287
Billing Fees	373,823	374,346	(523)	(0.1)	250,838
TOTAL COST OF REVENUE	938,258	850,572	87,686	10.3	802,776
GROSS MARGIN	4,366,523	4,338,841	27,682	0.6	4,249,200
FIXED EXPENSES					
Depreciation & Amortization	1,369,850	1,428,700	(58,850)	(4.1)	1,371,817
Salaries & Benefits	1,353,303	1,497,540	(144,237)	(9.6)	1,330,149
Materials, Supplies & Services	472,254	734,195	(261,941)	(35.7)	503,287
Inter-Utility Allocations	945,335	859,500	85,835	10.0	867,337
TOTAL FIXED EXPENSES	4,140,742	4,519,935	(379,193)	(8.4)	4,072,590
Other Operating Revenue	718,887	724,328	(5,442)	(0.8)	720,810
NET OPERATING INCOME (LOSS)	944,668	543,234	401,434	73.9	897,421
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	101,320	90,629	10,690	11.8	119,513
Interest Expense	(33)	0	(33)	0.0	(88)
Miscellaneous - Net	(865)	0	(865)	0.0	(1,364)
TOTAL NON-OPERATING REV (EXP)	100,422	90,629	9,792	10.8	118,061
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	1,045,090	633,863	411,226	64.9	1,015,482
Transfers Out	(189,612)	(170,779)	(18,833)	(11.0)	(174,960)
Capital Contributions	0	0	0	0.0	0
CHANGE IN NET POSITION	855,478	463,084	392,394	84.7	840,522
Net Position, Beginning	109,670,508				107,011,346
NET POSITION, ENDING	110,525,986				107,851,867

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

07/16/21

ROCHESTER PUBLIC UTILITIES
STATEMENT OF CASH FLOWS
WATER UTILITY
FOR
JUNE, 2021
YEAR-TO-DATE

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	6,194,979	6,010,142
Cash Paid for:		
Operations and Maintenance	(3,725,761)	(3,602,040)
Payment in Lieu of Taxes	(165,434)	(164,308)
Net Cash Provided by(Used in) Utility Operating Activities	2,303,784	2,243,794
Sales Tax & MN Water Fee Collections		
Receipts from Customers	198,071	253,490
Remittances to Government Agencies	(259,570)	(259,171)
Net Cash Provided by(Used in) Non-Utility Operating Activities	(61,499)	(5,681)
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	2,242,285	2,238,113
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Additions to Utility Plant & Other Assets	(1,823,926)	(1,108,335)
Payment on Long-Term Debt	0	0
Net Loan Receipts	0	0
Cash Paid for Interest & Commissions	0	0
NET CASH PROVIDED BY(USED IN) CAPITAL & RELATED ACTIVITIES	(1,823,926)	(1,108,335)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earnings on Investments	101,287	119,425
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	101,287	119,425
Net Increase(Decrease) in Cash & Investments	519,646	1,249,203
Cash & Investments, Beginning of Period	11,975,432	10,529,197
CASH & INVESTMENTS, END OF PERIOD	12,495,078	11,778,400

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

7/16/21

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

June, 2021

YEAR-TO-DATE

								Last Yr	
			<u>Actual YTD</u>		<u>Budget YTD</u>		<u>Variance</u>	<u>% Var.</u>	<u>Actual YTD</u>
			(ccf)		(ccf)		(ccf)		
9	PUMPAGE		(primarily calendar month)						
10	TOTAL PUMPAGE		2,941,389		2,547,033		394,356	15.5	2,683,760
11	RETAIL SALES		(primarily billing period)						
		<u># Custs</u>							
12	Water - Residential Service	37,468	1,436,569		1,197,219		239,350	20.0	1,326,920
13	Water - Commercial Service	3,756	1,003,168		971,939		31,229	3.2	911,306
14	Water - Industrial Service	23	309,216		364,591		(55,375)	(15.2)	300,620
15	Water - Interdptmntl Service	<u>1</u>	9,438		11,396		(1,958)	(17.2)	6,396
16	Total Customers	<u>41,248</u>							
17	TOTAL RETAIL SALES		2,758,391		2,545,145		213,246	8.4	2,545,242
18	Lost & Unaccntd For Last 12 Months		323,090	5.3%					

Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

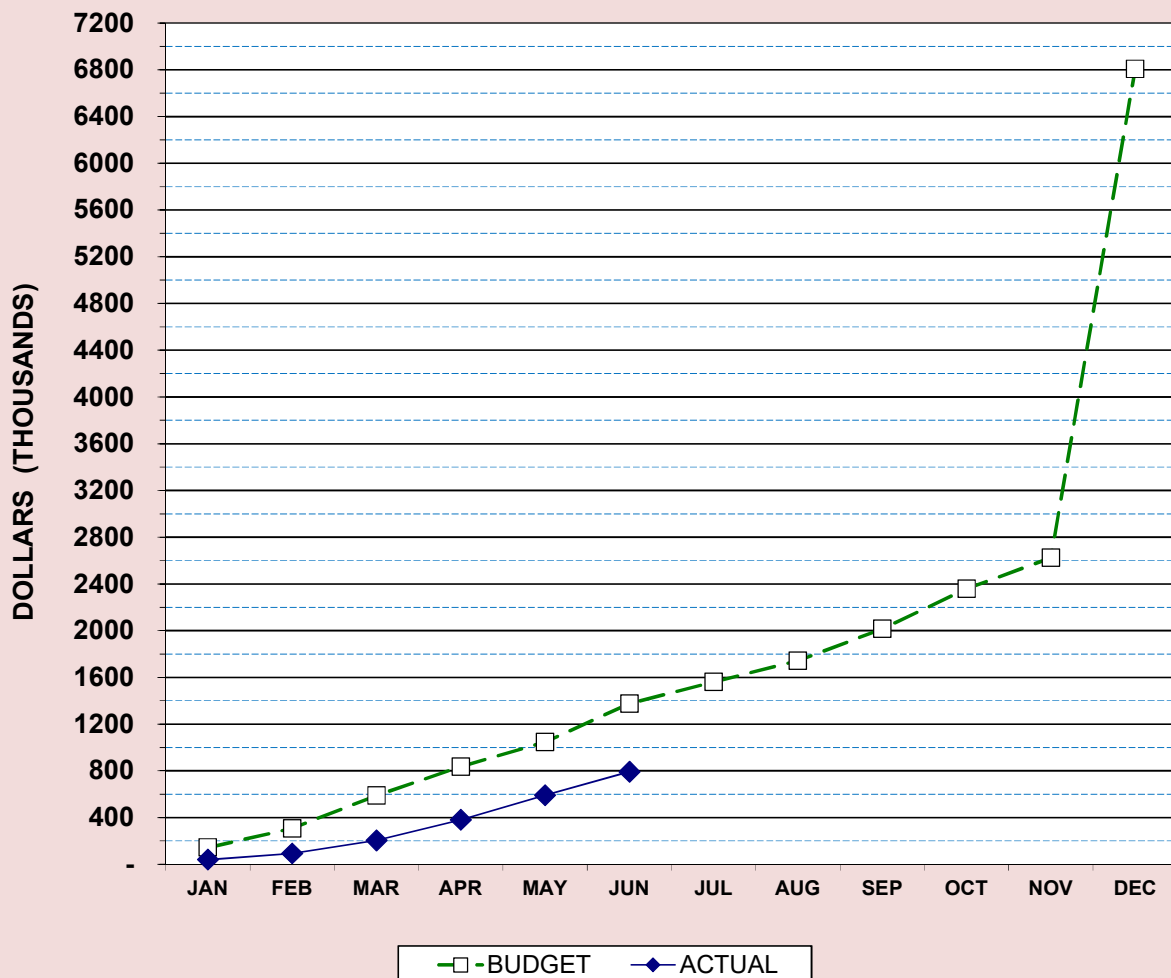
CAPITAL EXPENDITURES WATER

Current Year	
ANNUAL BUDGET	6,807,825
ACTUAL YTD	792,624
% OF BUDGET	11.6%

June, 2021

Prior Years Ending Dec 31st		
2020	2019	2018
5,917,740	4,554,317	3,171,521
2,365,830	1,689,025	2,264,812
40.0%	37.1%	71.4%

YEAR-TO-DATE ACTUAL vs. BUDGET



Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

MAJOR MAINTENANCE EXPENDITURES WATER

Current Year

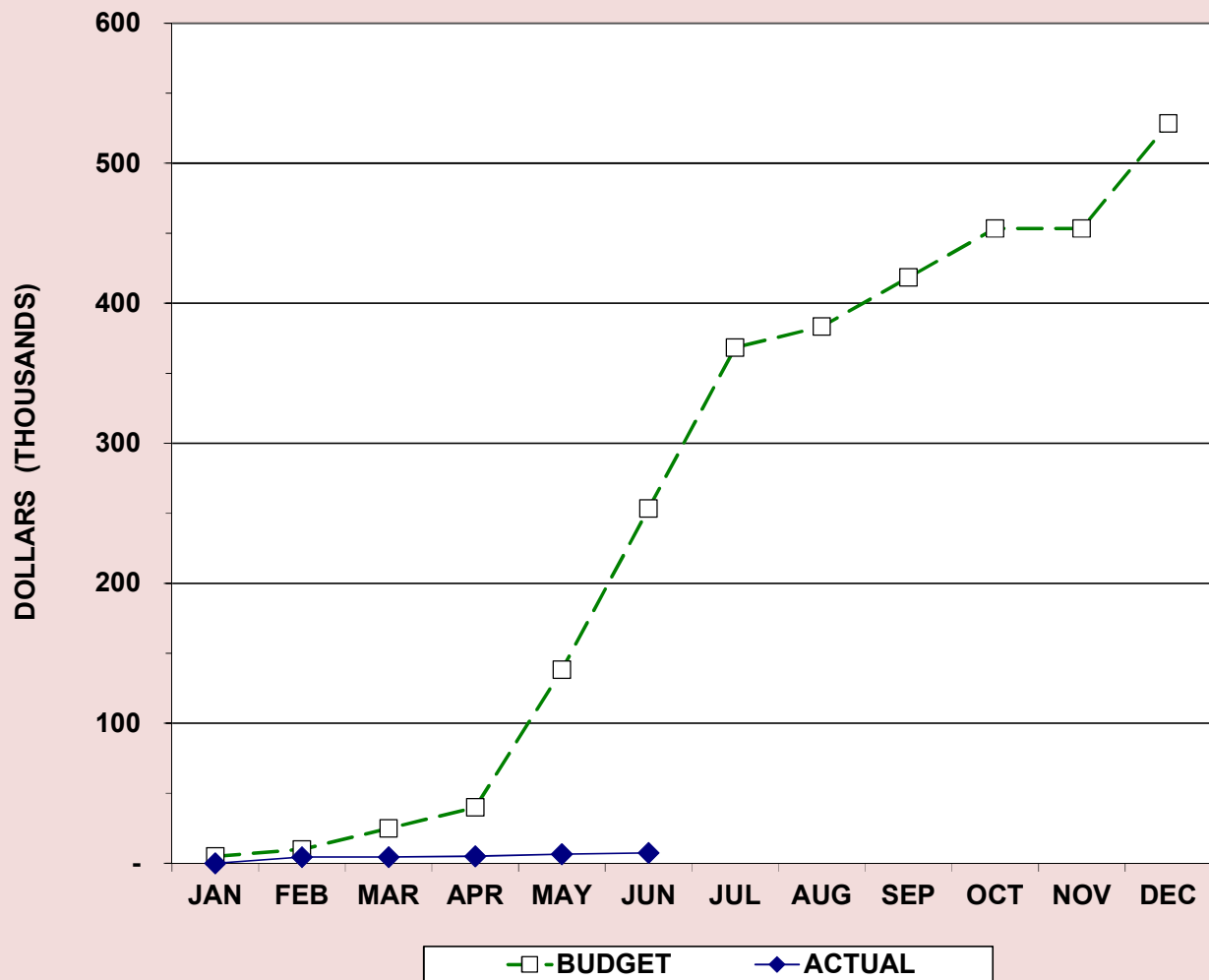
ANNUAL BUDGET	528,408
ACTUAL YTD	7,384
% OF BUDGET	1.4%

June, 2021

Prior Years Ending Dec 31st

2020	2019	2018
552,500	567,500	507,000
521,228	322,751	303,726
94.3%	56.9%	59.9%

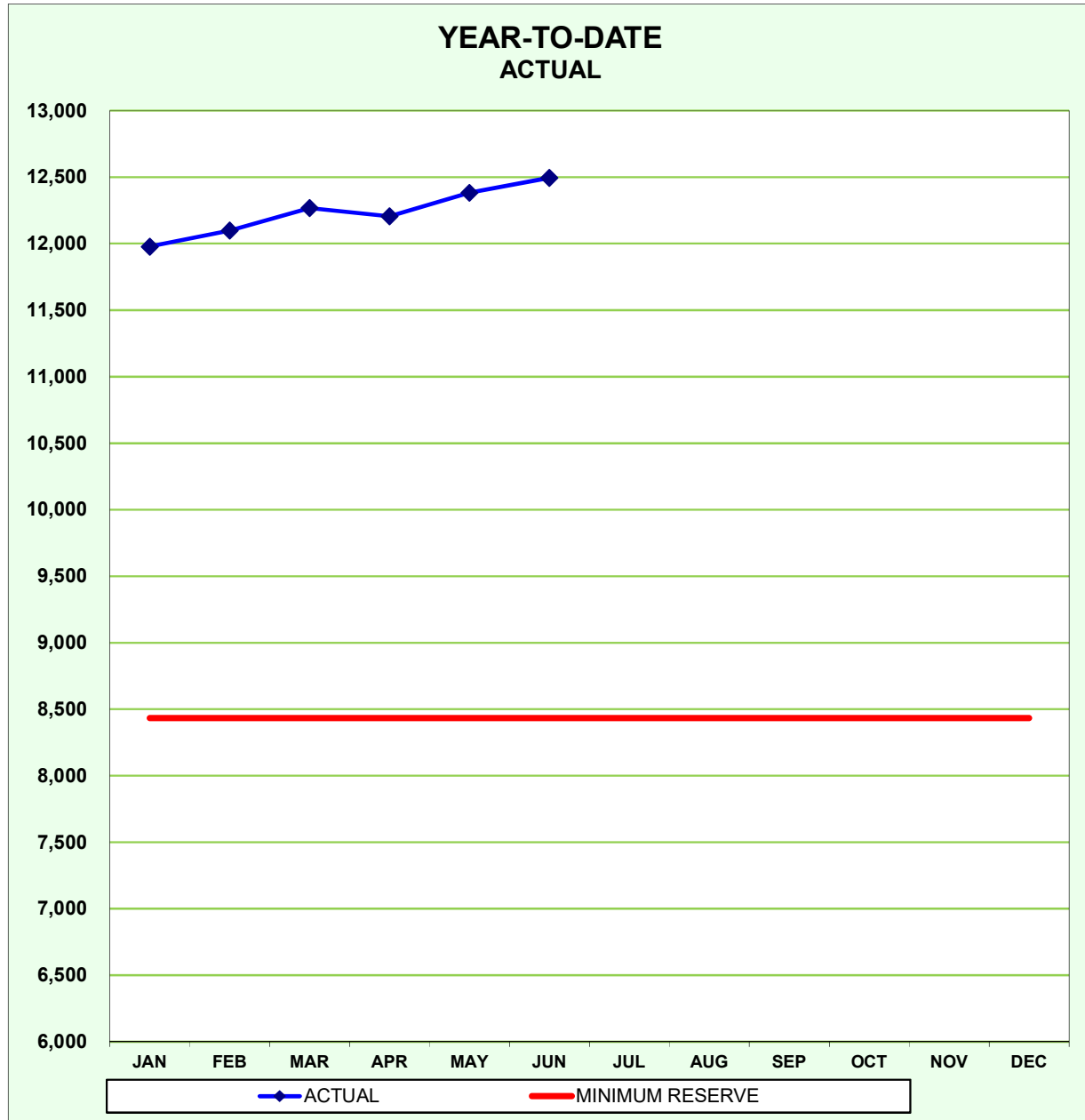
YEAR-TO-DATE ACTUAL vs. BUDGET



Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)

CASH AND TEMPORARY INVESTMENTS WATER

June, 2021

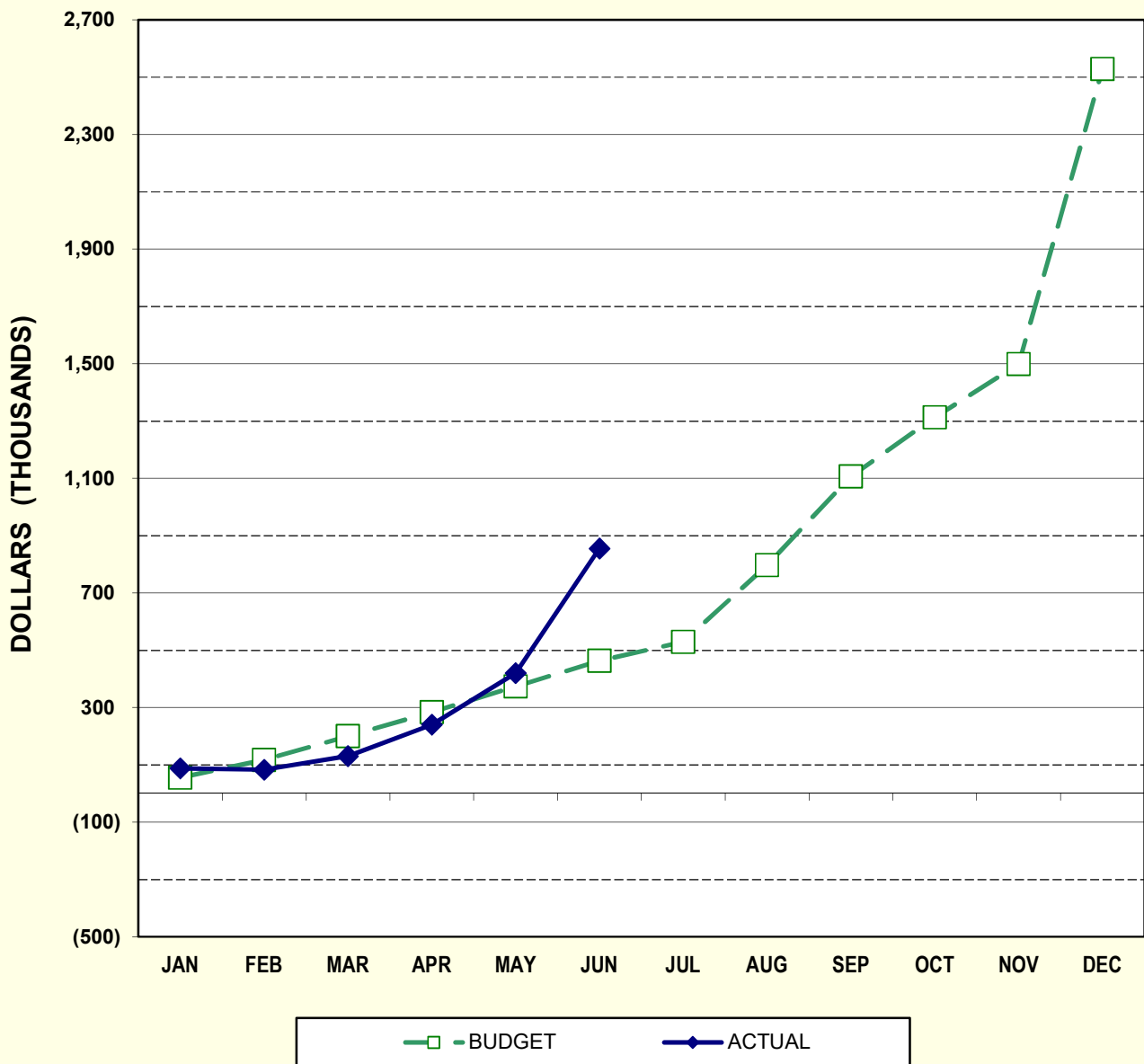


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CHANGE IN NET POSITION WATER

June, 2021

YEAR-TO-DATE ACTUAL vs. BUDGET



Attachment: Division Reports July 2021 (13640 : Division Reports & Metrics - July 2021)