



## MEETING AGENDA – OCTOBER 25, 2016

BOARD ROOM  
4000 EAST RIVER ROAD NE  
ROCHESTER, MN 55906

4:00 PM

### **Call to Order**

#### **1. Election of Officers**

##### **A. Appointment of Board Secretary**

#### **2. Approval of Agenda**

#### **3. Approval of Minutes**

1. Public Utility Board - Regular Meeting - Sep 27, 2016 4:00 PM
2. Public Utility Board - Special Meeting - Oct 20, 2016 4:00 PM

#### **4. Approval of Accounts Payable**

1. A/P Board listing

#### **5. Recognition - Mary Tompkins**

### **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.)*

#### **6. Informational**

1. Water Utility Cash Reserve Policy

#### **7. Consideration Of Bids**

1. Customer Service Center Building Expansion & Renovation Project A/E Services Approval  
Resolution: A/E Services for Customer Service Center Building Expansion Project
2. Customer Service Center Building Expansion & Renovation Project Owner's Representative Selection Approval  
Resolution: Owner Representative Services Customer Service Center Building Expansion Project

#### **8. Regular Agenda**

1. Reimbursement Authorization for Service Center Expansion  
Resolution: Reimbursement Authorization for Service Center Expansion
2. IBEW, Local 949, 2017-2019 Collective Bargaining Agreement  
Resolution: IBEW Local 949 2017-2019 Contract
3. Preliminary 2017 Electric and Water Budgets  
Resolution: Preliminary 2017 Electric and Water Budgets
- 9. General Managers Report**
- 10. Division Reports & Metrics**
- 11. Other Business**
- 12. Adjourn**
- 13. Board Study Session - Line Extension Policy**  
*The agenda and board packet for Utility Board meetings are available on-line at [www.rpu.org](http://www.rpu.org) and <http://rochestercitymn.igmp2.com/Citizens/Default.aspx>*



## MEETING MINUTES – SEPTEMBER 27, 2016

BOARD ROOM  
4000 EAST RIVER ROAD NE  
ROCHESTER, MN 55906

4:00 PM

### Call to Order

Attendee Name	Title	Status	Arrived
Michael Wojcik	Board Member	Present	
Dave Reichert	Board President	Present	
Mark Browning	Board Member	Present	
Melissa Graner Johnson	Board Member	Present	
Tim Haskin	Board Member	Excused	
Dave Goslee	Deputy City Attorney	Present	

### 1. Approval of Agenda

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

**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Michael Wojcik, Board Member  
**SECONDER:** Mark Browning, Board Member  
**AYES:** Michael Wojcik, Dave Reichert, Mark Browning, Melissa Graner Johnson  
**EXCUSED:** Tim Haskin

### 2. Approval of Minutes

- Public Utility Board - Regular Meeting - Aug 30, 2016 4:00 PM

**RESULT:** ACCEPTED [UNANIMOUS]  
**MOVER:** Michael Wojcik, Board Member  
**SECONDER:** Melissa Graner Johnson, Board Member  
**AYES:** Michael Wojcik, Dave Reichert, Mark Browning, Melissa Graner Johnson  
**EXCUSED:** Tim Haskin

### 3. Approval of Accounts Payable

- A/P Board Listing

**RESULT:** APPROVED [UNANIMOUS]  
**MOVER:** Michael Wojcik, Board Member  
**SECONDER:** Mark Browning, Board Member  
**AYES:** Michael Wojcik, Dave Reichert, Mark Browning, Melissa Graner Johnson  
**EXCUSED:** Tim Haskin

### NEW BUSINESS

### Open Comment Period

Minutes Acceptance: Minutes of Sep 27, 2016 4:00 PM (Approval of Minutes)

*(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.)*

Tom Williamson signed up to speak. He commented on the remodeling project of the RPU Service Center and encouraged RPU to place an emphasis on energy efficiency. The energy action plan has been accepted by the Board and he would like RPU to follow that plan and show the public how the plan is being accomplished. He also asked what General Manager Mark Kotschevar had learned from his recent trip to Germany and how could RPU incorporate that information into the plan. Kotschevar mentioned that there would be a presentation at the COW meeting in the future. Mr. Williamson encouraged increased energy efficiency in remodeling projects and the COR should encourage new construction to use green initiatives.

#### **4. Consideration Of Bids**

#### **5. Regular Agenda**

1. Westside Energy Station (WES) Project Earthwork Modification – Ground Improvement Scope of Work

*Wally Schlink, Director of Power Resources, presented information regarding the need for pilings at the Westside Energy Station. There are three options including drilled and poured pilings, traditional driven pilings, and compressed aggregate. The compressed option is more attractive due to the cost. Current elevation is 1051 and should be increased to 1055. Existing flood data was used. All change orders and additions included in project are under budget not including contingency.*

Resolution - Westside Energy Station (WES) Project Earthwork Modification – Ground Improvement Scope of Work

*WHEREAS The Public Utility Board approved a contract with the Westside Energy Partners to Engineer, Procure and Construct the Westside Energy Station project at the February 23, 2016 RPU Board meeting; and*

*WHEREAS The Contract was executed by the City of Rochester and Westside Energy Partners on March 1, 2016, and*

*WHEREAS The contract provides a change order process for the expansion of the scope of work under the contract; therefore*

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, approving the resolution for:*

*Approval of Change Order-006, Rev. 0 for Earthwork Modification to the Westside Energy Station Engineering, Procurement and Construction Contract between Rochester Public Utilities and Westside Energy Partners dated March 1, 2016 in the amount of TWO MILLION ONE HUNDRED SIXTY-THREE THOUSAND, SEVEN HUNDRED EIGHT AND 00/100 DOLLARS (\$2,163,708) as proposed in the change order*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of*

September, 2016.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Melissa Graner Johnson, Board Member
<b>SECONDER:</b>	Michael Wojcik, Board Member
<b>AYES:</b>	Michael Wojcik, Dave Reichert, Mark Browning, Melissa Graner Johnson
<b>EXCUSED:</b>	Tim Haskin

2. Westside Energy Station (WES) Project 161 kV GSU Area Switchyard

*Wally Schlink, Director of Power Resources, presented information regarding the change order for the 161 kV GSU Area Switchyard at the Westside Energy Station. Engineering is taking care of the interconnection parts, which is included on RPU portion of contract. GSU fits in contractor contract.*

Resolution - Westside Energy Station (WES) Project 161 kV GSU Area Switchyard

*WHEREAS The Public Utility Board approved a contract with the Westside Energy Partners to Engineer, Procure and Construct the Westside Energy Station project at the February 23, 2016 RPU Board meeting; and*

*WHEREAS The Contract was executed by the City of Rochester and Westside Energy Partners on March 1, 2016, and*

*WHEREAS The contract provides a change order process for the expansion of the scope of work under the contract; therefore*

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, approving the resolution for:*

*Approval of Change Order-004, Rev. 2 for GSU Area Switchyard to the Westside Energy Station Engineering, Procurement and Construction Contract between Rochester Public Utilities and Westside Energy Partners dated March 1, 2016 in the amount of ONE MILLION TWO HUNDRED SEVENTY-FOUR THOUSAND, SIX HUNDRED SEVENTY-FIVE AND 00/100 DOLLARS (\$1,274,675) as proposed in the change order.*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of September, 2016.*

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Michael Wojcik, Board Member
<b>SECONDER:</b>	Melissa Graner Johnson, Board Member
<b>AYES:</b>	Michael Wojcik, Dave Reichert, Mark Browning, Melissa Graner Johnson
<b>EXCUSED:</b>	Tim Haskin

3. Billtrust Contract Renewal

*RPU Controller Bryan Blom provided information regarding the Billtrust contract renewal. This is for the customer-facing bill portal. Credit card payments and ACH*

Minutes Acceptance: Minutes of Sep 27, 2016 4:00 PM (Approval of Minutes)

*payments are handled. Paper envelopes and printing and mailing of bills are also covered. A question was asked if the new Cayenta software would eliminate the need for this contract? The new software has a customer self-service portal but the vendor would still need to handle ACH and initiate those payments.*

Resolution - Billtrust Contract Renewal

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

*one year contract renewal with*

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

*The amount of the one year contract renewal to be FIVE HUNDRED FOUR THOUSAND AND 00/100 DOLLARS (\$504,000.00).*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of September, 2016.*

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Melissa Graner Johnson, Board Member
<b>SECONDER:</b>	Mark Browning, Board Member
<b>AYES:</b>	Michael Wojcik, Dave Reichert, Mark Browning, Melissa Graner Johnson
<b>EXCUSED:</b>	Tim Haskin

## 6. Informational

### 1. RPU Customer Service Center Building Expansion & Renovation Project

*Patricia Bremer presented information about a future expansion to the RPU Service Center. The current facility status and proposed solutions were presented.*

- Board member Browning asked if there was a plan showing overall property to determine how much space is available to expand? Bremer mentioned there was ample land and not a concern about reaching land space; would like to keep green space. The footprint is based on existing site parameters.*
- Browning asked if this could be done in a phased approach? Board member Graner Johnson asked if a phased approach would be more expensive? Mark Kotschevar mentioned that the project could be included in the bond for the Westside Energy Station project. Bremer mentioned it would be more costly to phase over a longer period of time, but this could be looked at with the A/E firm.*
- Board member Wojcik asked how many A/E firms responded? There were six responses, which were narrowed to three.*
- It was also asked how do we want to meet energy efficiency? Bremer mentioned that it would meet MN B3 standards, but we're not seeking to get any designation. All firms responding had an emphasis on sustainability. When designing we need to determine our*

*needs for sustainability. The boiler and geothermal currently in use would need upgrades to support this project.*

- *Board President Reichert asked about solar options? Could this be something for public to see? Bremer mentioned that most areas are behind the scenes in a secure area.*
- *Wojcik asked about staff staying centralized here or some possibly at Westside or a satellite location? Bremer mentioned there are space needs now and there wouldn't be time to build elsewhere. Kotschevar mentioned this building paid for itself by bringing staff to one location and creating efficiency; RPU was de-centralized in the 1980's. Reichert appreciates that everyone is here in one location. Kotschevar acknowledged the culture we've built here is one where we work together. He also mentioned he is working with directors on not raising rates for this project.*
- *Bremer mentioned RPU would ask for Board action next month. She will provide the overall site drawing beforehand.*

<b>RESULT:</b>	<b>NO ACTION</b>
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## 7. General Managers Report

Board President Reichert would like the budget committee meeting to be open to all Board members who are interested in attending. It will be held on October 20, 2016, at 4:00

General Manager Mark Kotschevar announced that the new Executive Assistant, Christina Bailey, will be starting on September 29.

Mark Beauchamp will present work that is done and analysis on the line extension policy at the October board meeting. Implementation is planned to start in 2018 giving the development community time to factor into future development plans. Kotschevar will clarify if this is approved at the utility board level or will need to go to the COW also. Conceptual plan based on Mr. Beauchamp's work. RPU will recommend a plan and seek board input after the presentation.

The SMMPA annual meeting is October 13-14, 2016. Some agenda items for the meeting include:

- ☐ The Agency forecasted a 4% rate increase, but it will actually only be 2% now with a projection of a 0% increase until 2021
- ☐ MISO market and transmission revenues

The annual Chamber celebration will be on October 26, 2016. This is the sesquicentennial. RPU will have a sponsored table; Board members are invited to attend.

## 8. Division Reports & Metrics

## 9. Other Business

## 10. Adjourn

*The agenda and board packet for Utility Board meetings are available on-line at [www.rpu.org](http://www.rpu.org) and <http://rochestercitymn.igm2.com/Citizens/Default.aspx>*

Submitted by:

\_\_\_\_\_  
Secretary

Approved by the Board

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**Regular Meeting****Tuesday, September 27, 2016****4:00 PM**

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Board President

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Date

Minutes Acceptance: Minutes of Sep 27, 2016 4:00 PM (Approval of Minutes)





## MEETING MINUTES – OCTOBER 20, 2016

BOARD ROOM  
4000 EAST RIVER ROAD NE  
ROCHESTER, MN 55906

4:00 PM

**Call to Order**

Attendee Name	Title	Status	Arrived
Michael Wojcik	Board Member	Excused	
Dave Reichert	Board President	Present	
Mark Browning	Board Member	Excused	
Melissa Graner Johnson	Board Member	Present	
Tim Haskin	Board Member	Excused	

**1. Informational****A. Preliminary Review of 2017 Budget**

A quorum was not present, but the Board continued to have informal discussions regarding the Preliminary Review of the 2017 Budget.

**2. Adjourn**

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

Submitted by:

\_\_\_\_\_  
Secretary

Approved by the Board

\_\_\_\_\_  
Board President\_\_\_\_\_  
Date

Minutes Acceptance: Minutes of Oct 20, 2016 4:00 PM (Approval of Minutes)

## ACCOUNTS PAYABLE

Meeting Date: 10/25/2016

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**SUBJECT: A/P Board listing**

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**PREPARED BY: Terri Engle**

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Please Approve

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 09/15/2016 To 10/12/2016  
**Consolidated & Summarized Below 1,000**

**Greater than 50,000 :**

SOUTHERN MN MUNICIPAL POWER A	September charges	8,130,192.92
MN DEPT OF REVENUE	August Sales & Use Tax	760,255.82
CONSTELLATION NEWENERGY-GAS D	Gas at Cascade Creek	304,173.91
ALVIN E BENIKE INC (P)	Lake Zumbro Dam Bldg Improvements	246,560.46
THE ENERGY AUTHORITY INC	August MISO Transmission Activity	209,371.63
XCEL ENERGY CORP	CapX LaCrosse CMA	194,402.63
CONSTELLATION NEWENERGY-GAS D	Gas at SLP	180,982.45
ALVIN E BENIKE INC (P)	Douglas Trail Substation Construction	118,708.50
U S BANK	Closure of Foreign Currecnry Exchange Contracts	73,999.40
GALVANIZERS INC	Structure SB - Douglas Trail Sub	71,140.34
<b>Price Range Total:</b>		<b>10,289,788.06</b>

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

ORACLE AMERICA INC	2015-2016 Home Energy Reports	48,000.00
ROAD MACHINERY & SUPPLIES	Shoring box	43,125.00
N HARRIS COMPUTER CORP	Cayenta Implementation Services	40,000.00
BILLTRUST dba	15-16 CC/Billing/Mailing/IVR Services	39,426.65
PEOPLES ENERGY COOPERATIVE (P	September Compensable	34,161.92
VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 5.00, 20' length	33,551.20
GALVANIZERS INC	Structure JT - Douglas Trail Sub	31,498.48
VISION COMPANIES LLC (P)	Org Strategy	29,925.00
N HARRIS COMPUTER CORP	Travel for Cayenta Implementation Serv	29,086.07
GALVANIZERS INC	Structure SM - Douglas Trail Sub	27,775.84
MN DEPT OF COMMERCE	Q2 FY 2017 Indirect Assmt	27,119.41
OLM COUNTY PUBLIC WORKS DEPT	OWEF Energy Purchases	26,846.77
GALVANIZERS INC	Structure JV - Doulgas Trail Sub+G73	26,076.85
PW POWER SYSTEMS INC	2016 Field Services for GT2	25,230.00
STUART C IRBY CO INC	Trans, PM, 3ph, 300kVA, 13.8/8, 208/120	22,659.00
OLM COUNTY PUBLIC WORKS DEPT	Lake Zumbro Rest Barr Engineering	21,679.53
THE ENERGY AUTHORITY INC	September Resource Fee	21,678.75
ITRON INC	Maintenance & Warranty-Software & Maint	21,646.61
VIKING ELECTRIC SUPPLY INC	Conduit, Bore guard, 5"	21,542.50
BLUESPIRE STRATEGIC MARKETING	2016 RPU Plugged In Contract	20,417.90
U S ALLIANCE GROUP	Sept Credit Card Processing Fees	19,116.99
DAKOTA SUPPLY GROUP	Luminaire, 108W LED, PC 120-277V, Gray	18,339.75
COMPUTER TASK GROUP INC	Project Coordinator for Cayenta Project	18,112.50
BADGER METER INC (P)	HRE Badger M-25 100W Itron ERT Integral	17,922.00
VALMONT INDUSTRIES INC	Steel Pole Q5019	16,768.00
VALMONT INDUSTRIES INC	Steel Pole Q14001	16,672.00
CENTURYLINK	2016 Monthly Telecommunications	15,042.33
JOE C WEIS	Ref-Water Serv Abandon-Deposit Return	14,585.00
MINNESOTA PUMP WORKS dba	Metering pump, DDA 7.5-16	14,418.75
USIC LOCATING SERVICES INC	2016 Locating Services	14,222.02
GDS ASSOCIATES INC	Prof. Serv. for FERC filing	14,000.62
MASTEC NORTH AMERICA INC	Lofts @ Mayo Park & 6 ave se OH to UG	12,848.00
RESCO	Three Phase VT Pack Ratio 2.5:1	12,688.20
SERVIN SAMUEL	Customer Refunds 300000582011	12,502.72
McGRANN SHEA CARNIVAL STRAUGH	Legal Services - 2016 Retainer - 3rd Qua	12,500.00

Attachment: AP Board CRMO (6328 : A/P Board listing)

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 09/15/2016 To 10/12/2016  
**Consolidated & Summarized Below 1,000**

53	AMERICAN ENGINEERING TESTING	Substation Foundations QA Testing	11,227.00
54	SAP PUBLIC SERVICES INC	2016 SAP TDMS Support	11,151.25
55	ST MARYS UNIV MN CASCADE MEAD	2016 Annual Lease at Cascade Meadows	11,000.00
56	CITY OF ROCHESTER	Douglas Trl Subdivision Safety Permits	10,398.15
57	CENTURYLINK	Phone Line Installation	10,089.25
58	MASTEC NORTH AMERICA INC	New Subdivision	9,689.60
59	SHORT ELLIOTT HENDRICKSON INC	Utility Easements and Draft Exhibits	8,600.00
60	CHS ROCHESTER	August fuel	8,567.80
61	CRW ARCHITECTURE + DESIGN GRO	A/E Services- Zumbro Hydro Roof Repairs	8,542.00
62	STEVE BENNING ELECTRIC	Well 27-480V 3 Phase transfer switch and fuses	8,538.00
63	PAULSON ROCK PRODUCTS	Removal of waste fill NE Section	8,434.00
64	ARNOLDS SUPPLY & KLEENIT CO (	2016 Mowing Services Well Houses	8,385.00
65	WRIGHT TREE SERVICE INC	2016 Hourly Tree Trimming~	8,264.42
66	CPMI INC	Building Expansion Consulting Services	8,220.00
67	NALCO COMPANY	DI Vessels, Anion, CC	8,079.75
68	BARR ENGINEERING COMPANY (P)	Lake Zumbro Third Bay Feasibility Study	8,031.00
69	SPECTRUM REACH	Service Assured - September	7,930.00
70	POWER SYSTEMS ENGINEERING INC	System Wide Long Range Plan	7,584.00
71	WELLS FARGO BANK ACCT ANALYSI	2016 Banking Services	7,566.73
72	FORBROOK LANDSCAPING SERVICES	Well#41 landscape buffer requirements	7,499.58
73	ALSTOM GRID LLC	Neutral grounding reactor, 13.8kV	7,420.00
74	GALVANIZERS INC	Structure HB-Douglas Trail Sub	7,331.22
75	MIDWEST SAFETY COUNSELORS, IN	Safety Prof. for Douglas Trail Sub	7,139.24
76	U S BANK	Int Pmt on US Bank Debt Facility	6,779.61
77	GALVANIZERS INC	Structure LB - Douglas Trail Sub	6,734.52
78	CHS ROCHESTER	September Fuel	6,724.32
79	PW POWER SYSTEMS INC	2016 Travel and Tooling	6,693.40
80	BADGER METER INC (P)	Meter, Bare 2" Badger Disc	6,512.41
81	VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 3.00	6,482.26
82	SCHWEITZER ENGINEERING LAB IN	SEL-3530 RTAC	6,430.00
83	CITY OF ROCHESTER	July-Sept City Attorney Services	6,250.00
84	PROCESS MEASUREMENT CO	Megger single phase, hand-cranked TTR	5,890.00
85	ARNOLDS SUPPLY & KLEENIT CO (	2016 SC Monthly Cleaning Services	5,887.74
86	STUART C IRBY CO INC	Cutout, 15KV, 100A, NLB, Poly	5,842.50
87	CITY OF ROCHESTER	Bit street parching frm water excavation	5,776.10
88	GALVANIZERS INC	Anchor bolts	5,776.00
89	ULTEIG ENGINEERS INC	Douglas Trail Substation Design EPIC	5,523.00
90	VALMONT INDUSTRIES INC	Steel Pole Q14002	5,332.00
91	VALMONT INDUSTRIES INC	Freight	5,330.00
92	PITNEY BOWES PURCHASE POWER	Postage	5,248.94
93	AFFILIATED GROUP INC	2016 Delinquent Acct Calling Services	5,000.00

**Price Range Total:** 1,129,087.15

**1,000 to 5,000 :**

99	PITNEY BOWES PURCHASE POWER	Postage due meter	4,771.34
100	BADGER METER INC (P)	Meter, Bare 5/8x3/4" Badger Disc	4,696.80
101	BARR ENGINEERING COMPANY (P)	Water Sustainability Study Phase 3B	4,660.50
102	UNITED RENTALS INC	Skid steer, 2.4-2.7K	4,657.09
103	MINNESOTA ENERGY RESOURCES CO	August Gas Cascade Creek	4,609.83
104	VERIZON WIRELESS	2016 Cell & Ipad Monthly Service	4,592.47

Attachment: AP Board CRMO (6328 : A/P Board listing)

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 09/15/2016 To 10/12/2016  
**Consolidated & Summarized Below 1,000**

105	D P C INDUSTRIES INC	2016 Carus 8500 Aqua Mag F35	4,212.10
106	RESCO	Bulb, 100W, HPS	4,161.07
107	WRIGHT TREE SERVICE INC	605C Line Clearance~	4,019.15
108	ULTEIG ENGINEERS INC	Q5 Under build clear review and mitigate	4,000.00
109	MINNESOTA ENERGY RESOURCES CO	August Gas SLP	3,997.17
110	BURNS & MCDONNELL INC (P)	Structure Replacements Q2	3,906.34
111	D P C INDUSTRIES INC	2016 Hydrofluorosilicic Acid - Delivered	3,819.72
112	VALMONT INDUSTRIES INC	Douglas Trail Substation	3,779.28
113	BADGER METER INC (P)	Meter, Bare 1-1/2" Badger Disc	3,742.76
114	ARNOLDS SUPPLY & KLEENIT CO (	2016 Mowing Services Substations	3,741.70
115	UNITED RENTALS INC	Forklift, 8K	3,703.25
116	CHS ROCHESTER	August fuel	3,698.63
117	CHS ROCHESTER	September Fuel	3,675.73
118	DAKOTA SUPPLY GROUP	Luminaire, 108W LED, PC 120-277V, Black	3,667.95
119	IHEART MEDIA dba	Service assured radio spots	3,618.00
120	BARR ENGINEERING COMPANY (P)	Services 8/6 through 9/2 2016 WHPP Amen	3,598.00
121	CONSOLIDATED COMM ENTERPRISE	Cisco Phones	3,532.49
122	DOYLE CONNER CO INC (P)	Concrete Street Repair Water	3,525.00
123	J & W INSTRUMENTS INC (P)	Chlorine sensor, 0-10ppm	3,514.00
124	GALVANIZERS INC	Steel spacers	3,508.96
125	ADVANTAGE DIST LLC (P)	Oil, Syn., Mobil Jet 254, (55 Gal Drum)	3,471.62
126	MASTEC NORTH AMERICA INC	Fdr 803 Recon-essex pkwy & 13 ave nw	3,468.75
127	BORDER STATES ELECTRIC SUPPLY	Bracket, Equip Mtg, 3ph, 48", 6 Mtgs	3,402.30
128	D P C INDUSTRIES INC	2016 Chlorine, 150 lb Cyl	3,356.50
129	GALVANIZERS INC	Structure N-Douglas Trail Sub	3,351.10
130	MIDWEST SAFETY COUNSELORS, IN	Safety Professional for Misc	3,305.02
131	CITY OF ROCHESTER	WC Ins Prem #4, WC Admin fees	3,273.83
132	GALVANIZERS INC	Structure M -Douglas Trail Sub	3,239.00
133	TWIN CITY SECURITY INC	Security Services Apr-Oct 2016	3,221.21
134	MN PIPE & EQUIPMENT	Fire Hydrant	3,015.32
135	GRAYBAR ELECTRIC COMPANY INC	Wire, AL, 600V, 1/0-#2 NEU YS Tri Urd	3,004.50
136	QUANTITATIVE MARKET INTELLIGE	Quarterly Custmer Surveys - Q3	3,000.00
137	SHERMAN & REILLY INC	CP50 compact puller	2,995.00
138	EXPRESS SERVICES INC	Seasonal staff grounds 2016	2,956.80
139	WENCK ASSOCIATES, INC	Westside Permitting Activities	2,933.10
140	MASTEC NORTH AMERICA INC	new service to signals - 16 st & Apache	2,850.00
141	SOLARWINDS INC	2017 Network Performance Renewal	2,832.00
142	BORDER STATES ELECTRIC SUPPLY	Junction, LB, 200A, 5 Pos, w/Strap	2,818.68
143	CITY OF ROCHESTER	W/C	2,727.53
144	SIDE EFFECTS INC	Advertising Mayo Scoreboard (3 yrs)	2,700.00
145	S L CONTRACTING INC	4917 Lionhart Dr NW-remove driveway panels & Curb	2,600.00
146	CANADIAN PACIFIC RAILWAY	Railroad Expenses	2,578.76
147	MOTOROLA INC	Radio, Vehicle, APX 4500	2,571.00
148	PREMIER SECURITY INC.	Security Services Douglas Trail Sub	2,565.00
149	UNITED RENTALS INC	Telescopic boom, 60'-64'	2,559.16
150	BOB THE BUG MAN LLC	Exterior spray of well	2,500.00
151	DAVIES PRINTING COMPANY INC	Cold weather rules brochures	2,470.95
152	VIKING ELECTRIC SUPPLY INC	Wire, AL, 600V, #2-#4 ACSR NEU Tri	2,404.69
153	PW POWER SYSTEMS INC	Filter, Prefilter	2,385.93
154	DAKOTA SUPPLY GROUP	Elbow, 15kV, 600A, NLB, 4/0 AL Compr Str	2,300.00
155	STUART C IRBY CO INC	SL Hand Hole Cover, 25' FG Pole (18876)	2,297.81
156	CONSOLIDATED COMM ENTERPRISE	2014-2017 Total Care Support	2,270.00

Attachment: AP Board CRMO (6328 : A/P Board listing)

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 09/15/2016 To 10/12/2016  
**Consolidated & Summarized Below 1,000**

157	GRAYBAR ELECTRIC COMPANY INC	Lateral gas line tracer kit	2,237.84
158	CONSOLIDATED COMM ENTERPRISE	2016 Network Maintenance Services	2,209.12
159	OPTIV SECURITY INC	2016-2017 Blue Coat Web Gateway Renewal	2,190.94
160	MIDCONTINENT ISO INC	September charges	2,188.27
161	MASTEC NORTH AMERICA INC	815 Load Transfer & DB cable cleanup	2,160.00
162	NALCO COMPANY	DI Vessels, Mixed Bed, CC	2,019.94
163	NALCO COMPANY	DI Vessels, Cation, CC	2,019.94
164	GALVANIZERS INC	Structure NRS -Douglas Trail Sub	2,013.75
165	BADGER METER INC (P)	8" mag meter	2,013.00
166	GOPHER STATE ONE CALL	Completed Tickets-E-209, W-1299 - Electric	2,011.50
167	VISION COMPANIES LLC (P)	Security policy development & communicat	1,950.00
168	USA BLUE BOOK DBA	Hydrant backflow preventer, 2"	1,919.85
169	BORDER STATES ELECTRIC SUPPLY	Meter, FM45S 2-Way 3-Register W/KYZ	1,898.74
170	DOBLE ENGINEERING COMPANY	F6150 calibration	1,879.00
171	STUART C IRBY CO INC	Conn, Trans, 1/0-1000, 6-Tap, Bare	1,851.00
172	CLAREY'S SAFETY EQUIPMENT dba	2 new gas monitors	1,769.85
173	GALVANIZERS INC	Structure CVT	1,718.49
174	MASTEC NORTH AMERICA INC	Shopko Noth OH to UG conversion	1,710.00
175	BAIER GERALD	2015-2016 Sweeping Services Jan-December	1,676.00
176	PAYMENT REMITTANCE CENTER	3-GE 9F60FMH0115	1,665.56
177	UNITED RENTALS INC	Mini excavator, 6-7K	1,659.11
178	CRESCENT ELECTRIC SUPPLY CO	Conduit, PVC Sch 40, 2.00, 20' LENGTH	1,652.43
179	DAKOTA SUPPLY GROUP	Wire, Copper, 600V, #4 Str, XLP	1,581.75
180	BORDER STATES ELECTRIC SUPPLY	ID underground marker locator	1,577.98
181	VIKING ELECTRIC SUPPLY INC	Conduit, Flexible, Corrugated PVC, 3.00	1,564.95
182	STUART C IRBY CO INC	Pedestal Cover, Box Style, FG	1,560.00
183	SCHMIDT GOODMAN OFFICE PRODUC	Furn & Panels for Device Mgmt SC	1,527.49
184	VIKING ELECTRIC SUPPLY INC	Cable Pulling Lube	1,505.92
185	BORDER STATES ELECTRIC SUPPLY	Meter, FM2S CL320 240V 2-Way	1,478.59
186	CDW GOVERNMENT INC	SSD padlock	1,467.00
187	MERRICK INC	Paper, Copier, 8-1/2 x 11 White 20# Bond	1,453.50
188	TENG PHIL	Data science trng quantitative methods c	1,450.00
189	CONSOLIDATED COMMUNICATIONS d	2014-2017 Collocation Agreement	1,442.50
190	WRIGHT TREE SERVICE INC	803A Line Clearance~	1,398.18
191	CONSOLIDATED COMM ENTERPRISE	Phone software	1,395.20
192	CENTRAL STATES GROUP	Inlet Valve Packing Kit, Inst. Air-Dryer	1,393.65
193	AFFILIATED CREDIT SERVICES IN	2016 Third Party Collections	1,381.38
194	STUART C IRBY CO INC	Pedestal Base, Secondary, FG, w/o Cover	1,380.00
195	ONLINE INFORMATION SERVICES I	2016 Utility Exchange Report	1,368.30
196	NALCO COMPANY	DI Vessels, Anion, CC	1,346.63
197	NARDINI FIRE EQUIPMENT CO INC	Semi-annual Halon inspec at SC	1,300.14
198	INNER TITE CORP	Meter, Jiffy Lock Side Mount	1,289.99
199	BADGER METER INC (P)	Meter, Bare 3/4" Badger Disk	1,279.26
200	CITY OF ROCHESTER	USGS Stream Gaughing Station Q4	1,273.50
201	KRONEBUSCH JESSICA	Employee Advance-ITRON Conf-Orlando, FL	1,256.50
202	STURM DANNY K	Employee Advance-ITRON Conf-Orlando, FL	1,256.50
203	SCHEEL LAWRENCE	Employee Advance-ITRON Conf-Orlando, FL	1,256.50
204	FORBROOK LANDSCAPING SERVICES	Landscape maint at elec substations	1,250.44
205	CONSOLIDATED COMMUNICATIONS d	2014-2017 Monthly Data Services	1,222.75
206	WESCO DISTRIBUTION INC	Conn, Fire-On Stirrup, 336.4, ACSR	1,200.00
207	STEVE BENNING ELECTRIC	1206 W Northern Hgts Dr NE	1,200.00
208	PAYMENT REMITTANCE CENTER	Traning-Lawrence Scheel	1,195.00

Attachment: AP Board CRMO (6328 : A/P Board listing)



**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 09/15/2016 To 10/12/2016  
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209	PAYMENT REMITTANCE CENTER	Training-Jessica Kronebusch	1,195.00
210	UTILITY TRUCK SUPPLY	Fleet Parts	1,164.94
211	UTILITY TRUCK SUPPLY	Removabale Wire Holder	1,164.94
212	VIKING ELECTRIC SUPPLY INC	FDR 901 EXIT, Bamber Valley SE Duct Run_	1,156.92
213	SOUTH CENTRAL COLLEGE	R. Cooke Skid Steer Trng	1,150.40
214	CDW GOVERNMENT INC	Laserjet printer, M426fdn	1,145.16
215	VISION COMPANIES LLC (P)	IT SEcurity Policy dev & facilitation	1,125.00
216	INNOVATIVE OFFICE SOLUTIONS L	HP laserjet printer, CP4025dn	1,123.20
217	OPTIV SECURITY INC	2016-2017 Juniper Care NextDay Renewal	1,119.17
218	OLSON MANUFACTURING & DISTRIB	Spacer Bracket, Mid Span, 3-Wire	1,094.75
219	MIDLAND PLASTICS INC	Spacer Bracket, Mid Span, 3-Wire	1,094.75
220	BADGER METER INC (P)	HRE Badger M-170 100W Itron ERT Integral	1,081.50
221	DAKOTA SUPPLY GROUP	Insulated Protective Cap w/Grd, 200A	1,072.00
222	STUART C IRBY CO INC	Item prev paid. CMS009770217.004 45-5250	1,070.00
223	PAYMENT REMITTANCE CENTER	Hydraulic Chain Cutter	1,056.99
224	ADAMSON MOTORS INC	Replaced Valve Cover Gasket, EGR Clean S	1,041.91
225	ROCHESTER ARMORED CAR CO INC	2016 Pick Up Services	1,041.89
226	BLACK BOX CORPORATION (P)	Compact media converter	1,025.85
227	MN PIPE & EQUIPMENT	Dismantling joint, 8"	1,008.00
228	MASTEC NORTH AMERICA INC	New Subdivision - 5615 Harvest Lake Dr N	1,000.00
229			
230	<b>Price Range Total:</b>		300,435.19
231			
232	<b><u>0 to 1,000 :</u></b>		
233			
234	EXPRESS SERVICES INC	Summarized transactions: 18	11,763.40
235	PAYMENT REMITTANCE CENTER	Summarized transactions: 42	9,456.91
236	REBATES	Summarized transactions: 45	7,028.82
237	STUART C IRBY CO INC	Summarized transactions: 21	6,745.75
238	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 21	6,243.38
239	ALL SYSTEMS INSTALLATION dba	Summarized transactions: 37	5,794.45
240	MN PIPE & EQUIPMENT	Summarized transactions: 16	4,538.41
241	CINTAS CORP	Summarized transactions: 87	4,452.12
242	Customer Refunds (CIS)	Summarized transactions: 55	4,399.21
243	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 42	4,240.43
244	WESCO DISTRIBUTION INC	Summarized transactions: 10	3,358.93
245	ARNOLDS SUPPLY & KLEENIT CO (	Summarized transactions: 22	3,355.70
246	DZUBAY TONY	Summarized transactions: 13	2,537.55
247	GRAINGER INC	Summarized transactions: 12	2,467.80
248	REINDERS INC	Summarized transactions: 8	2,409.72
249	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 8	2,284.86
250	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 14	2,227.10
251	CITY OF ROCHESTER	Summarized transactions: 11	2,135.67
252	RESCO	Summarized transactions: 10	2,103.77
253	METRO SALES INC	Summarized transactions: 5	2,098.04
254	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 5	2,056.36
255	MIDWEST SAFETY COUNSELORS, IN	Summarized transactions: 2	1,734.94
256	STEVE BENNING ELECTRIC	Summarized transactions: 4	1,669.03
257	PAYMENT REMITTANCE CENTER	Summarized transactions: 4	1,640.81
258	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 3	1,629.85
259	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 33	1,577.51
260	CENTURYLINK	Summarized transactions: 7	1,569.35

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**ROCHESTER PUBLIC UTILITIES**  
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261	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 3	1,504.89
262	ESS BROTHERS AND SONS INC	Summarized transactions: 5	1,421.44
263	NAPA AUTO PARTS (P)	Summarized transactions: 20	1,318.66
264	CDW GOVERNMENT INC	Summarized transactions: 13	1,270.07
265	MARK BOONE	Summarized transactions: 7	1,247.06
266	U S A SAFETY SUPPLY	Summarized transactions: 20	1,211.06
267	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 2	1,200.00
268	LARSON DRU	Summarized transactions: 4	1,179.50
269	GALVANIZERS INC	Summarized transactions: 3	1,177.00
270	LAWSON PRODUCTS INC (P)	Summarized transactions: 5	1,107.30
271	SCHLINK WALTER	Summarized transactions: 9	1,022.10
272	TRUCK UTILITIES INC	Summarized transactions: 4	1,020.67
273	ON SITE SANITATION INC	Summarized transactions: 3	1,001.47
274	SUTTON JEREMY	Summarized transactions: 5	996.14
275	UNITED RENTALS INC	Summarized transactions: 6	992.58
276	MEGGER (P)	Summarized transactions: 5	978.26
277	CULVER COMPANY INC	Summarized transactions: 4	970.20
278	SHERMAN & REILLY INC	Summarized transactions: 5	951.82
279	CPMI INC	Summarized transactions: 2	950.80
280	VERIZON WIRELESS	Summarized transactions: 2	925.18
281	DELL MARKETING LP	Summarized transactions: 5	913.74
282	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 6	907.23
283	HALO BRANDED SOLUTIONS	Summarized transactions: 4	900.76
284	CUSTOM COMMUNICATIONS INC	Summarized transactions: 1	881.72
285	ROCH COMMUNITY & TECHNICAL CO	Summarized transactions: 1	880.00
286	BREKKE MATTHEW	Summarized transactions: 3	854.28
287	HEIMER MICHAEL	Summarized transactions: 3	847.80
288	TWIN CITY SECURITY INC	Summarized transactions: 1	846.45
289	CINTAS CORP	Summarized transactions: 5	839.00
290	AFFILIATED CREDIT SERVICES IN	Summarized transactions: 3	832.21
291	BOLTON AND MENK (P)	Summarized transactions: 3	810.00
292	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 5	804.37
293	MN DEPT OF HEALTH - WELL MGMT	Summarized transactions: 1	800.00
294	SOLARWINDS INC	Summarized transactions: 1	756.68
295	HAWKINS INC	Summarized transactions: 4	750.17
296	OPERATION TECHNOLOGY INC	Summarized transactions: 2	749.16
297	KLAMERUS DOUG	Summarized transactions: 4	748.18
298	SAFETY SIGNS LLC	Summarized transactions: 2	737.44
299	AUTHORIZE.NET	Summarized transactions: 1	727.65
300	J & W INSTRUMENTS INC (P)	Summarized transactions: 6	721.87
301	OLSON JEFF	Summarized transactions: 3	716.83
302	TUPPER MATTHEW	Summarized transactions: 3	716.80
303	FEDEX	Summarized transactions: 11	704.88
304	KEACH TODD	Summarized transactions: 3	677.58
305	MASTEC NORTH AMERICA INC	Summarized transactions: 1	675.00
306	OSWEILER TODD	Summarized transactions: 3	663.08
307	SNAP ON INDUSTRIAL	Summarized transactions: 2	653.98
308	FASTENAL COMPANY	Summarized transactions: 11	652.39
309	DOBLE ENGINEERING COMPANY	Summarized transactions: 2	651.72
310	POWERMATION DIVISON	Summarized transactions: 4	649.60
311	GLEASON HUNTER	Summarized transactions: 3	629.77
312	HACH COMPANY	Summarized transactions: 2	628.71

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313	CORPORATE WEB SERVICES INC	Summarized transactions: 1	614.40
314	JOHNSON CARY	Summarized transactions: 2	597.24
315	GRINHAUG CHAD	Summarized transactions: 3	596.07
316	PUTZIER KRISTOPHER	Summarized transactions: 2	592.38
317	COLLINS FEED & SEED CENTER	Summarized transactions: 1	587.81
318	McGRANN SHEA CARNIVAL STRAUGH	Summarized transactions: 1	536.00
319	KAUTZ TRAILER SALES dba	Summarized transactions: 2	534.38
320	ADVANTAGE DIST LLC (P)	Summarized transactions: 5	507.09
321	USA BLUE BOOK DBA	Summarized transactions: 4	497.93
322	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 2	482.00
323	HEPELMANN MIKE	Summarized transactions: 2	481.30
324	DAVE SYVERSON TRUCK CENTER IN	Summarized transactions: 3	461.48
325	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 4	454.03
326	BOWMANS SAFE & LOCK SHOP LTD	Summarized transactions: 1	451.43
327	HIMEC INC (P)	Summarized transactions: 1	450.00
328	PROCESS MEASUREMENT CO	Summarized transactions: 2	448.86
329	SCHWEITZER ENGINEERING LAB IN	Summarized transactions: 1	442.06
330	OLM COUNTY PROPERTY RECORDS	Summarized transactions: 5	434.00
331	POMPS TIRE SERVICE INC	Summarized transactions: 2	421.09
332	SOMA CONSTRUCTION INC	Summarized transactions: 1	414.64
333	AMERICAN PAYMENT CENTER	Summarized transactions: 1	413.00
334	ACTON MOBILE dba	Summarized transactions: 2	407.83
335	LAFFLAM JIM	Summarized transactions: 3	398.76
336	R D O - POWERPLAN OIB	Summarized transactions: 5	398.14
337	CHEMSEARCH	Summarized transactions: 1	387.49
338	LIVINGSTON TINA	Summarized transactions: 2	384.54
339	ANDERSON JUDITH	Summarized transactions: 1	375.00
340	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 2	363.54
341	BREMER PATRICIA	Summarized transactions: 3	362.88
342	A T & T	Summarized transactions: 1	352.24
343	CULLIGAN OF ROCHESTER INC	Summarized transactions: 5	346.08
344	INGERSOLL RAND COMPANY	Summarized transactions: 2	341.47
345	GARCIA GRAPHICS INC	Summarized transactions: 4	335.41
346	CENTURYLINK	Summarized transactions: 1	325.95
347	WRIGHTS SMALL ENGINE SERVICE	Summarized transactions: 3	320.59
348	MN PIPE & EQUIPMENT	Summarized transactions: 1	304.56
349	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 7	303.43
350	READY MIX CONCRETE COMPANY LL	Summarized transactions: 1	282.15
351	PHENOVA INC	Summarized transactions: 2	279.49
352	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 3	259.84
353	LORTON DATA INC	Summarized transactions: 3	253.56
354	VIKING AUTOMATIC SPRINKLER IN	Summarized transactions: 1	250.00
355	GOPHER SEPTIC SERVICE INC	Summarized transactions: 1	250.00
356	REBATES	Summarized transactions: 5	250.00
357	MENARDS ROCHESTER NORTH	Summarized transactions: 7	247.99
358	DAVIES PRINTING COMPANY INC	Summarized transactions: 1	247.68
359	BATTERIES PLUS	Summarized transactions: 1	239.67
360	STURM DANNY K	Summarized transactions: 2	236.04
361	HERCULES INDUSTRIES INC	Summarized transactions: 2	229.33
362	STEVE BENNING ELECTRIC	Summarized transactions: 2	224.95
363	CENTRAL STATES GROUP	Summarized transactions: 3	224.94
364	TARCO INDUSTRIES INC	Summarized transactions: 2	218.51

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365	CONSOLIDATED COMM ENTERPRISE	Summarized transactions: 2	212.01
366	NU-TELECOM dba	Summarized transactions: 1	209.52
367	POST BULLETIN CO	Summarized transactions: 1	205.40
368	CANADIAN PACIFIC RAILWAY	Summarized transactions: 1	200.00
369	ALL SEASONS POWER & SPORT INC	Summarized transactions: 2	199.57
370	DAKOTA SUPPLY GROUP	Summarized transactions: 2	198.17
371	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 8	195.62
372	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 6	195.06
373	THOMPSON GARAGE DOOR CO INC	Summarized transactions: 1	192.38
374	CITY OF ROCHESTER	Summarized transactions: 1	185.00
375	KYLLO TODD	Summarized transactions: 1	178.49
376	FEDEX FREIGHT INC	Summarized transactions: 1	171.03
377	T S E INTERNATIONAL INC	Summarized transactions: 2	170.32
378	BARRY SCREEN PRINT CO dba	Summarized transactions: 7	166.73
379	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 3	163.90
380	SEEME PRODUCTIONS LLC	Summarized transactions: 1	160.31
381	TMS JOHNSON INC	Summarized transactions: 1	160.00
382	LANGUAGE LINE SERVICES INC	Summarized transactions: 1	154.30
383	BLUESPIRE STRATEGIC MARKETING	Summarized transactions: 1	153.98
384	BOB GANDER PLUMBING & HEATING	Summarized transactions: 1	152.60
385	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 1	150.00
386	HATHAWAY TREE SERVICE INC	Summarized transactions: 1	150.00
387	BAIER GERALD	Summarized transactions: 1	150.00
388	JETTER CLEAN INC	Summarized transactions: 1	150.00
389	KANO LABORATORIES INC (P)	Summarized transactions: 1	147.65
390	C & N UPHOLSTERY	Summarized transactions: 2	140.00
391	AMAZON.COM	Summarized transactions: 4	122.51
392	VANCO SERVICES LLC	Summarized transactions: 1	117.36
393	FIRST SUPPLY (P)	Summarized transactions: 1	116.83
394	PETTIS JAMES	Summarized transactions: 2	110.67
395	U S PLASTIC CORP	Summarized transactions: 2	106.77
396	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 1	106.60
397	TRUCKIN' AMERICA	Summarized transactions: 1	102.00
398	COOK STEVEN J	Summarized transactions: 1	99.00
399	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 4	95.89
400	MENARDS ROCHESTER SOUTH	Summarized transactions: 5	93.62
401	TOP PERFORMANCE SALES	Summarized transactions: 1	91.85
402	KOTSCHEVAR MARK	Summarized transactions: 1	85.50
403	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
404	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 4	78.50
405	MINNESOTA PUMP WORKS dba	Summarized transactions: 1	72.00
406	CARQUEST AUTO PARTS	Summarized transactions: 2	70.78
407	BLACK BOX CORPORATION (P)	Summarized transactions: 1	70.53
408	TEREX UTILITIES INC	Summarized transactions: 3	70.42
409	SOUTHERN MN AUTO SUPPLY INC	Summarized transactions: 2	60.39
410	KRUSE LUMBER	Summarized transactions: 1	59.88
411	DAKOTA SUPPLY GROUP	Summarized transactions: 1	55.98
412	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	52.87
413	GREAT RIVER ENERGY	Summarized transactions: 1	50.11
414	STAR TRIBUNE	Summarized transactions: 1	49.27
415	MIDLAND PLASTICS INC	Summarized transactions: 1	42.64
416	THOMAS TOOL & SUPPLY INC	Summarized transactions: 2	42.25

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**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 09/15/2016 To 10/12/2016  
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417	HACH COMPANY	Summarized transactions: 2	41.35
418	CHS ROCHESTER	Summarized transactions: 2	38.21
419	OLM COUNTY CENTRAL FINANCE	Summarized transactions: 1	36.75
420	MENARDS ROCHESTER NORTH	Summarized transactions: 3	32.69
421	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	32.02
422	TOKAY SOFTWARE	Summarized transactions: 1	31.00
423	A T & T MOBILITY	Summarized transactions: 1	29.70
424	TOTAL RESTAURANT SUPPLY	Summarized transactions: 2	28.10
425	FEDEX	Summarized transactions: 1	25.08
426	KRUGER RONALD	Summarized transactions: 1	23.00
427	O'REILLY AUTO PARTS	Summarized transactions: 1	20.40
428	DOUBLETREE HOTEL - BGDS HOTEL	Summarized transactions: 1	20.00
429	RONCO ENGINEERING SALES INC	Summarized transactions: 1	19.83
430	D P C INDUSTRIES INC	Summarized transactions: 1	18.45
431	HANSON PATRICIA S	Summarized transactions: 1	17.00
432	INNER TITE CORP	Summarized transactions: 1	13.03
433	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 1	10.77
434	SAP PUBLIC SERVICES INC	Summarized transactions: 1	5.50
435	VALMONT INDUSTRIES INC	Summarized transactions: 1	1.00
436			
437		<b>Price Range Total:</b>	175,179.27
438			
439		<b>Grand Total:</b>	11,894,489.67

Attachment: AP Board CRMO (6328 : A/P Board listing)

## FOR BOARD ACTION

**Agenda Item # (ID # 6341)**

**Meeting Date: 10/25/2016**

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**SUBJECT: Water Utility Cash Reserve Policy**

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**PREPARED BY: Peter Hogan**

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**ITEM DESCRIPTION:**

The current financial liquidity policy for the Water Utility requires updating to conform to the utility basis cost of service study completed in 2015. The Electric Utility adopted a cash reserve policy that reflects the adoption of the utility basis in January, 2015. The attached redline copy shows the differences between this policy and the proposed policy for the Water Utility. The proposed reserve funds are similar to the funds we have had in the past, however some of the calculations have changed. The most significant changes are in the capital and major maintenance and contingency reserve. These funds will build over time to provide cash to replace assets in the future or to respond to an emergency. The Debt Service, Special Capital & Major Maintenance reserve calculations are unchanged.

The Working Capital Reserve is currently set at 45 days of operating expenses excluding depreciation. This reserve provides cash to allow for short term interruptions and cash flow needs of the water utility.

The Contingency Reserve is changing from an estimate of one significant event to being a percentage based on the average age of our assets (Currently 67% - Net Book Value/Historical Investment in Assets) between 1% and 3% of the historical investment in assets. Under this method, our current rate would be 1% or \$1.332 million, versus our prior estimate of the cool wet summer being about \$360 thousand.

The Capital & Major Maintenance Reserve is the one that will change the most, due to a change to the utility method which uses the average future assets purchases as the basis for the calculation. The calculation is 20% of the average of the next five years' capital improvement program less any improvements funded through the issuance of bonds or already included in the Special Capital & Major Maintenance Reserve. Below is a comparison of the old policy to the proposed policy as of December 31, 2015:

	Current Policy	Proposed Policy
Debt Service (As of December 31, 2015)	-	-
Working Capital Reserve	\$ 1,292,000	\$ 868,000
Special Capital & Major Maintenance Reserve	-	-
Contingency Reserve	360,000	1,332,000
Capital & Major Maintenance Reserve	1,244,000	2,812,000
Total	<u>\$ 2,896,000</u>	<u>\$ 5,012,000</u>

## FOR BOARD ACTION

Agenda Item # (ID # 6341)

Meeting Date: 10/25/2016

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The minimum cash reserve may be met with any combination of unrestricted cash, cash equivalents or unused credit facility with a maturity of more than one year.

When our cash balances do not allow for full funding of all the reserves, there will be priority to funding the various reserves. This is sometimes referred to as a waterfall funding. The priority will be:

1. Debt Service Reserve
2. Working Capital Reserve
3. Special Capital & Major Maintenance Reserve
4. Contingency Reserve
5. Capital & Major Maintenance Reserve

The policy calls for action to occur to restore reserve levels to the minimum over the subsequent five years. The cost of service has the minimum reserves being built over the next five years with the last reserve to be completely funded to the minimum being the Capital & Major Maintenance Reserve.

The reserves defined in the policy are Board restricted reserves. Legally restricted reserves are above and beyond these reserves. Typically, legally restricted reserves are construction funds from bond sale and the debt service reserve accounts created under a bond covenants.

Staff will be available to answer any questions.

UTILITY BOARD ACTION REQUESTED:

Informational item only.

The board will be asked to pass this resolution at the November 15, 2016 Board meeting.

ROCHESTER PUBLIC  
UTILITIES BOARD POLICY  
STATEMENT

POLICY SUBJECT: ~~Electric~~-Water Utility Cash Reserve Policy

POLICY OBJECTIVE:

The Board recognizes the need to develop access to liquid reserves, using financial targets as a guide to determining future revenue requirements. Funding levels may vary as circumstances dictate.

POLICY STATEMENT:

The Board intends to establish the types and levels of reserves needed to cover various risks and needs. These reserves, and their levels, are intended as guides only, and are meant to apply under normal circumstances. However, the Board intends to work with the General Manager to take the necessary steps to attain the reserve levels established in this board policy. The required reserves may be met by any combination of unrestricted cash, cash equivalents or external borrowing with a maturity of 12 months or more.-

To help ensure timely completion of capital improvements and enable the utility to meet requirements for large unexpected expenditures, a minimum cash reserve policy will be established. Minimum cash reserves attempt to quantify the minimum amount of cash the utility should keep in reserve. Actual cash reserves may vary above the minimum and are dependent on the life cycle of assets currently in service. The minimum cash reserve calculation considers the risk “in total” and not each individual category. For example: the amount that the utility is required to expend to respond to an unanticipated catastrophic event may far exceed the amount set aside under the Contingency Reserve. Other Board designated funds in the remaining categories, unrestricted funds and short term financing would be options that may be used to address the expenditures related to an unanticipated catastrophe.

When establishing or adjusting minimum cash reserves for each of the reserve accounts identified in this policy, due consideration will be given generally to the following: operation and maintenance expense, rate base, capital improvements, and debt service. Additionally, for each reserve account component specific assumptions and factors will influence the amount of the reserve, as described in each category below:

1. Annual debt service – Debt service payments do not occur evenly throughout the year and often occur at periodic times, typically every six months. It is the policy of the board that the utility maintains adequate cash reserves to fund the next occurring debt service payment when the payment is due. To ensure that adequate reserve levels are maintained, each month 1/12th of the debt service payment will be moved from working capital to the debt service reserve.

- ~~2. Clean Air Rider Adjustment—Since the inception of the Clean Air Rider (“CAR”) the utility has collected a level CAR amount, even though the related debt service varied over time. This resulted in over collection at times. Nevertheless, the funds collected in excess of the debt service are restricted for future debt service payments, to be applied when the actual debt service payments will exceed the amounts collected through the rider. The amount of this reserve is calculated annually, based on actual collections and debt service.~~
- ~~32. Working Funds Reserve. Because there are timing differences between when expenses are incurred and revenues are received from customers, -a minimum working funds reserve helps ensure that the utility will have adequate liquidity (or working funds) to pay expenses in a timely manner. The working funds reserve will at all times be maintained at a minimum level equal to 12.3% (approximately 45 days) of annual operating expenses (excluding depreciation and power supply costs), plus 16% (approximately 60 days) of annual power supply costs.~~
- ~~43. Special Capital and Major Maintenance Reserve. The purpose of the special capital and major maintenance reserve is to defray all or a portion of a future capital and major maintenance project or external expenditure that is *not* externally financed. A separate sub reserve for each project will be established. Each reserve will be funded over the number of years, and up to a certain amount of the project's planned total expenditures, as determined by the Board and the General Manager for each project. These reserves will be set up and used only as needed.~~
- ~~54. Contingency Reserve. Catastrophic events such as ice storms, wind storms, floods, or tornadoes may occur that require a substantial financial outlay by the utility to replace damaged assets. The percentage used to calculate the minimum cash reserves is dependent on the age of the assets in service and the level of risk of a catastrophic type event. The age of the assets in service will be computed by dividing the Net Book Value by the cost of Capital Assets to arrive at the Percent of Assets Depreciated. The contingency reserve will have a minimum funding amount equal to the product obtained when the Reserve Percent (shown below) corresponding to the Percent of Assets Depreciated is multiplied by the cost of Capital Assets as recorded in the financial statements~~

Percent of Assets Depreciated	Reserve Percent
Greater than 55%	3.0%
45% to 55%	2.0%
Below 45%	1.0%

- ~~65. Capital and Major Maintenance Reserve. Because some capital improvements are funded through bond issuances and some are funded through cash reserves, the utility will maintain a capital and major maintenance project reserve to ensure timely replacement or construction of utility infrastructure. The capital and major maintenance reserve will include 4% of the cost of capital improvements anticipated during the following five years, less any improvements funded through~~

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the issuance of bonds, less any capital projects included in capital improvements specifically reserved in the Special Capital and Major Maintenance Reserve for the same period.

The General Manager will have the authority to move funds among all the reserves. When practical, the General Manager will consult with the Board before moving funds involving the *Contingency Reserve*. In that case he will report to the Board as soon as practical when such transactions are authorized without first informing the Board.

Ordinarily, the order of replenishment among these reserves is as follows:

1. Debt Service Reserve
- ~~2. Clean Air Rider Reserve~~
- ~~3. Working Funds Reserve~~
- ~~4. Special Capital and Major Maintenance Reserve~~
- ~~5. Contingency Reserve~~
- ~~6. Capital & Major Maintenance Reserve~~

Annually at budget time the General Manager will recommend funding levels for each reserve. If anything causes actual reserve amounts to fall below the minimum levels described in this policy, the Board shall take action to restore the cash reserves to the minimum levels over the subsequent five years or revise this policy to discontinue certain reserves or adjust the minimum levels of the existing reserves.

The reserve levels described in this policy are meant to be long-term average balances, and it is understood that achieving the recommended reserve level may not occur immediately, thus jeopardizing the overall financial wellbeing of the utility. There will be times when the reserve balances will fall below the established minimum levels. The General Manager will advise the Board on various matters related to the reserves, such as whether a current deviation from the established acceptable levels is expected to be short-term or whether any action needs to be taken.

EFFECTIVE DATE OF POLICY: April 27, 1999

DATE OF LAST POLICY REVISION: ~~January 27~~ October 25,  
2015-2016

POLICY APPROVAL:

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Date



## ROCHESTER PUBLIC UTILITIES BOARD POLICY STATEMENT

POLICY SUBJECT: Financial Liquidity Policy

POLICY OBJECTIVE:

The Board recognizes the need to develop access to liquid reserves, using financial targets as a guide to determining future revenue requirements. Funding levels may vary as circumstances dictate.

POLICY STATEMENT:

The Board intends to establish the types and levels of reserves needed to cover various risks and needs. These reserves, and their levels, are intended as guides only, and are meant to apply under normal circumstances. However, the Board intends to work with the General Manager to take the necessary steps to attain the reserve levels established in this board policy. The required reserves may be a combination of internally financed reserves and access to external liquid reserves.

1. Working Funds Reserve. Ordinarily, this reserve is used to handle the day-to-day cash flow activities of the utilities. The target amount for this reserve is forty-five days of the current year's budgeted annual operating expenses plus in lieu of tax payments. Transfers and replenishments between this and the other reserves occur as needed.
2. Contingency Reserve. This reserve is used for emergency circumstances as needed, and as determined by the Board and the General Manager. (Examples of emergency circumstances include: Loss of a large revenue customer; Significant increase in fuel prices; Loss of a generating unit for a long time at a critical time, etc.) The amount of this reserve is based on the estimated financial impacts of a single proxy emergency event.
3. Capital and Major Maintenance Reserve. This reserve is meant to pay for that portion of the current year's external expenditures for typical annual capital and major maintenance projects that is *not* externally financed and that the current year's revenues cannot finance. This reserve will equal fifty percent of the average of the external expenditures for typical annual capital and major maintenance projects that is not externally financed for the first two years in RPU's current five year capital and major maintenance plan.
4. Special Capital and Major Maintenance Reserve. This reserve is meant to pay for that portion of significant capital and major maintenance projects' external expenditures that is *not* externally financed. There will be one reserve for each significant project. Each reserve will be funded over the number of years, and up to a certain amount of the project's planned total expenditures, as determined by

the Board and the General Manager for each significant project. These reserves will be set up and used only as needed.

The General Manager will have the authority to move funds among all the reserves. When practical, the General Manager will consult with the Board before moving funds involving the *Contingency Reserve*. In that case he will report to the Board as soon as practical when he authorized such transactions without first informing the Board.

Ordinarily, the order of replenishment among these reserves is as follows:

1. Working Funds Reserve
2. Capital and Major Maintenance Reserves
3. Contingency Reserve
4. Special Capital and Major Maintenance Reserves

Annually at budget time the General Manager will recommend funding levels for each reserve, the percentage variation from the targets that should be considered acceptable, timeframes within which to expect to reach targeted levels, etc.

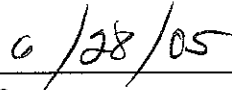
This policy is intended as a guide only. The reserve levels are meant to be long-term average balances. It will usually take several months to achieve the revised reserve levels this policy requires (based on annual recalculations due to updates to RPU's long term plans). There will be times when the reserve balances will fall outside the established acceptable levels. The General Manager will advise the Board on various matters related to the reserves, such as whether a current deviation from the established acceptable levels are expected to be short-term or whether any action needs to be taken, etc.

EFFECTIVE DATE OF POLICY: April 27, 1999

DATE OF LAST POLICY REVISION: June 28, 2005

POLICY APPROVAL:

  
Board President

  
Date

## FOR BOARD ACTION

**Agenda Item # (ID # 6326)**

**Meeting Date: 10/25/2016**

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**SUBJECT: A/E Services for Service Center Building Expansion Project**

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**PREPARED BY: Patricia Bremer**

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**ITEM DESCRIPTION:**

At the September 27, 2016 Board meeting, facility history and background information on the RPU Customer Service Center (CSC) property and building were presented to the Board. This presentation also included a summary of the current and future space needs, along with proposed solutions to meet RPU's growing needs through completion of a building expansion and renovation project.

Staff continued to develop this project by selecting a design consultant using a competitive Request for Proposal (RFP) process. Six proposal responses were received, and three were short listed for interviews. Evaluations were based on qualifications, relevant experience, work plan and approach, project understanding and proposed fees. After evaluation, review and discussion, RSP Architects was selected unanimously. Attached is a summary of the evaluation process.

	Score				
Firm	Evaluation	Fees	Total	Interview	Fee Base*
RSP Architects	59.00	27.50	86.50	91.75	6.0%
TSP, Inc.	60.25	25.38	85.63	87.00	6.5%
JLG Architects	62.00	30.00	92.00	82.75	5.5%
WSN & Associates	56.75	28.45	85.20		5.8%
HGA Architect & Engineers	55.25	27.50	82.75		6.0%
LHB, Inc.	57.50	23.95	81.45		6.9%
*excludes reimbursable					

Following Board approval, staff will finalize an agreement for execution, contingent on approval by the City Attorney and RPU General Manager. The proposed timeline for completion of the design phase is late 2017 with construction completed by the end of

## FOR BOARD ACTION

**Agenda Item #      (ID # 6326)**

**Meeting Date: 10/25/2016**

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2018.

UTILITY BOARD ACTION REQUESTED:

Staff requests approval to proceed with the execution of an agreement with RSP Architects for the architectural and engineering design services for the CSC Building Expansion and Renovation Project subject to final approval by the General Manager and City Attorney. Fees for these services total an amount not to exceed \$660,000, contingent on approval of the 2017 annual budget.



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with RSP Architects subject to final approval by the General Manager and City Attorney contingent on approval of the 2017 annual budget, and authorize the Mayor and the City Clerk to execute the agreement for:

Architect and Engineering Services  
Customer Service Center Building Expansion Project

The amount of the agreement not to exceed SIX HUNDRED SIXTY THOUSAND DOLLARS AND 00/100 DOLLARS (\$660,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of October, 2016.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # (ID # 6325)

Meeting Date: 10/25/2016

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**SUBJECT: Owner's Rep Services Building Expansion Project**

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**PREPARED BY: Patricia Bremer**

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**ITEM DESCRIPTION:**

Staff presented background information on the RPU Customer Service Center (CSC) Building Expansion and Renovation Project at the September 27, 2016 Board meeting. Following that meeting and presentation, staff continued efforts to further develop this project. Due to internal staff workloads and the complexity and size of this project, staff felt it is in RPU's best interest to partner with an owner's representative to assist with project management and oversight. After review of a current existing Master Services Agreement between RPU and Cost, Planning & Management International Inc. (CPMI), and a project specific proposal, we decided to partner with CPMI for these services.

Staff has negotiated fees and services with CPMI for all phases of the project not to exceed \$239,300. Of this amount, \$163,250 is included for services related to the construction phase, which will be re-negotiated prior to the start of construction when staff has a better understanding of the services that will be needed.

Following approval, staff will begin working with CPMI on the design phase, which is expected to be completed by late 2017, with construction wrapping up by the end of 2018.

**UTILITY BOARD ACTION REQUESTED:**

Staff is requesting approval to proceed with CPMI to provide owner's representative services not to exceed \$239,300 for all phases of this project, contingent on approval of the 2017 annual budget.



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with Cost, Planning & Management Intl, Inc. (CPMI) contingent on approval of the 2017 annual budget for:

Owner Representative Services  
Customer Service Center Building Expansion Project

The amount of the agreement not to exceed TWO HUNDRED THIRTY NINE THOUSAND THREE HUNDRED DOLLARS AND 00/100 DOLLARS (\$239,300.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of October, 2016.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # (ID # 6338)

Meeting Date: 10/25/2016

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**SUBJECT: Reimbursement Authorization for Service Center Expansion**

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**PREPARED BY: Peter Hogan**

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**ITEM DESCRIPTION:**

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

With the upcoming expansion of the Service Center, Lake Zumbro Hydro generation and other distribution and transmission projects, we are requesting to put in place a declaration of intent to reimburse for costs incurred prior to issuing the bonds. The maximum amount requested to be declared for the reimbursement under the IRS regulations in addition to the reimbursement resolution that are in place for CapX2020 and Westside Generation Station is \$25,000,000. This does not mean that the amount will be financed, it simply allows us to seek reimbursement in a future tax exempt financing. The debt issuance will come at a later date and will require Utility Board and City Council approval.

**UTILITY BOARD ACTION REQUESTED:**

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





## RESOLUTION

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

### 1. Recitals

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

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

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

### 2. Official Intent Declaration

(a) The Utility proposes to research, design, construct and or acquire, commission and equip an expansion to the current service center, an expansion of a hydro-power generation station, substations, distribution and transmission projects, including without limitation, the Service Center building project, Lake Zumbro Hydro project, and to make original expenditures with respect thereto prior to the issuance of reimbursement bonds, and reasonably expects to issue reimbursement bonds for the project up to the amount of \$25,000,000 plus issuance costs.

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

### 3. Budgetary Matters

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



#### 4. Reimbursement Allocations

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

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of October, 2016.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # (ID # 6327)

Meeting Date: 10/25/2016

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**SUBJECT: IBEW, Local 949, 2017-2019 Collective Bargaining Agreement**

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**PREPARED BY: Linda Hillenbrand**

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ITEM DESCRIPTION:

The attached document contains the recommended changes to the Collective Bargaining Agreement between the City of Rochester (Rochester Public Utilities) and the International Brotherhood of Electrical Workers (IBEW), Local 949 (Outside), for 2017-2019.

The Personnel Advisory Committee has reviewed and supports this recommendation.

UTILITY BOARD ACTION REQUESTED:

Recommend the Board approve the resolution and that the Common Council approve the resolution authorizing the Mayor and the City Clerk to execute the respective 2017-2019 Collective Bargaining Agreement between the City of Rochester (Rochester Public Utilities) and IBEW, Local 949, as presented.



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution and that the Common Council authorizing the Mayor and the City Clerk to execute the respective 2017-2019 Collective Bargaining Agreement with the IBEW, Local 949, (outside group), with the changes as noted on the attached document.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of October, 2016.

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President

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Secretary

# RCA ATTACHMENT 2017-2019 IBEW, LOCAL 949 (OUTSIDE) CBA

## NOVEMBER 7, 2016

- Article 1, Agreement, modify the date to reflect the new contract.
- Article 4, Employee Rights, Section B, update language as follows:

*The Union may accept as members all regular employees of the Employer within the bargaining unit thirty days (30) after commencement of initial employment~~who have served a six (6) month probationary period of employment.~~ and ~~the Union further~~ agrees not to discriminate against any employee on any basis prohibited by law and the Union further agrees that there will be no intimidation or coercion against employees not covered by this Agreement because of non-membership in the Union. New employees shall serve a six (6) month probationary period; employees may be dismissed at any time during this probationary period without recourse to the grievance procedure.*

- Article 8, Term of Agreement, modify to reflect a three-year agreement for 2017-19.
- Article 15, Pay, Section A, modify as follows to reflect general wage increase of 2.75% for 2017, 3.0% for 2018, and 2.75% for 2019:

*A schedule of hourly wages for all bargaining unit positions is found in Appendix A of this Agreement. Effective the first full pay period of 20175, 2018, and 2019, the prevailing schedule of hourly wages for all bargaining unit positions shall be increased by two and ~~three one~~ three quarters percent (~~2.275~~%) three percent (3.0%) and two and three-quarters percent (2.75%), respectively. ~~Effective the first full pay period of 2016, the prevailing schedule of hourly wages for all bargaining unit positions shall be increased by two and one half percent (2.5%).~~*

- Article 18, Meal Allowances, Section D, modify as follows:

*The meal allowance credit is established at ~~eighteen~~fifteen dollars (\$~~18~~15.00).*

- Article 24, update premium information for health insurance (remove reference to years in column title).

*For the term of this Agreement, the City will contribute the following percentage of the total premium as follows:*

	<u>City's Monthly Cost</u> <u>Effective January 1, 2015</u>	<u>City's Monthly Cost</u> <u>Effective January 1, 2016</u>
<u>Basic Medical Plan Tier</u>		
Employee Only	<del>93.0%</del>	92.0%
Employee + Spouse	<del>89.5%</del>	88.5%
Employee + Child(ren)	<del>89.5%</del>	88.5%
Family	<del>89.5%</del>	88.5%
<u>High-Deductible Medical Plan</u>		
Employee Only	<del>93.0%</del>	92.0%
Employee + Spouse	<del>89.5%</del>	88.5%
Employee + Child(ren)	<del>89.5%</del>	88.5%
Family		

7. Appendix A, Hourly Wage Rates, update to reflect general wage adjustments noted above for 2017-19; adjust the lead utility technician to reflect a wage rate equal to 108% of the utility technician wage rate (prior to application of 2017 general wage adjustment); eliminate the lead line work I and lead line worker II classifications from the Appendix and replace with a “lead line worker” classification with a pre-general wage adjustment equal to 109% of the 1<sup>st</sup> class line worker wage rate.
8. Continue with the MOU regarding the ten-hour water operator work schedule (executed in 2012, modify dates to reflect current contract duration).
9. Delete the SLP Decommission Plan/Health Care Savings Plan and Power Resource Division Employee Transfer MOUs as both expired in 2015.

## FOR BOARD ACTION

Agenda Item # (ID # 6336)

Meeting Date: 10/25/2016

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**SUBJECT: Preliminary 2017 Electric and Water Budgets**

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**PREPARED BY: Peter Hogan**

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**ITEM DESCRIPTION:**

Provided under separate cover is a copy of the preliminary 2017 electric and water capital and operating budgets. A separate presentation of these budgets was given to the Board's finance committee on October 20th. Comments from that meeting have been included in the full Board presentation.

Management will be reviewing one water utility budget and three electric budget scenarios that take into consideration starting construction of the West Side Energy Station in 2016 with an in-service date of 2018. The Board will be asked for final approval of the budgets, including Capital projects, and proposed rates at the November 15th meeting. Following the Board's approval, the budget and rates will be forwarded to the City Council for their approval at the November 21st meeting.

In the electric utility, management is presenting a baseline budget in keeping with the cost of service projections adopted by the Board in 2014. There is no adjustment in currently approved rates, and the impact on cash reserves of the additional debt service is shown. The second scenario shows delaying an adjustment in rates until 2018, 2019 and 2020. This scenario puts pressure on our debt coverage ratio and causes our cash reserves deficiency to widen until 2019. The third scenario, and the one we are recommending, anticipates making rate adjustment in 2017, 2018 and 2019. This scenario would increase the currently approved rate for 2017 by 2% to 3.7%, with 3.5% in 2018 and 1.5% in 2019. This scenario puts us in the best position to have a bond offering in 2017 as planned.

If the board chooses to change the currently approved electric utility rates for 2017, we will need to provide a public notice of our intent to change rates.

The significant business drivers are:

- Increased debt service payments for the West Side Energy Station, potential service center expansion and completing the CAPX 2020 project. Interest only in 2017, principal and interest in 2018 on the new debt. West Side Station timing considerations included:
  - o Interest rates are currently low
  - o Favorable euro to dollar exchange rates for purchase of engines
  - o Bi-lateral capacity market is increasing in cost
  - o Limit capacity risk exposure related to Cascade Creek 1

## FOR BOARD ACTION

**Agenda Item # (ID # 6336)**

**Meeting Date: 10/25/2016**

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- o Limit exposure to “emergency” capacity which is approximately \$90,000/MW/Year
  - o Improve energy hedge in MISO market
  - Electric rates have been approved for 2017 @ 1.7%.
  - Wholesale costs from SMMPA for 2017 anticipate an overall increase of 2%
  - Approved change in cash reserve policy based on the 3 year cost of service study recommendations
  - Internally funded capital projects for 2017 were cut by \$3.4M to \$10.9M to stay within the adopted rate track
  - Continuation of investments into our system for growth and reliability
  - Investments in IT systems
  - Need to meet financial targets:
    - o Change in net assets (net income)
    - o Debt service coverage ratio
    - o Equity percent
    - o Minimum cash reserves per Board policy

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

- Continued water conservation programs and education;
- Larger capital expenditures for water main replacements associated with City planned street reconstructions; and
- Water tower painting and cleaning

### UTILITY BOARD ACTION REQUESTED:

Authorize staff to give preliminary notice to the public of the intent to increase electric rates for 2017 by 3.7% on or about January 1, 2017.





## RESOLUTION

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

1. Authorize staff to give preliminary notice to the public of the intent to increase the overall general electric rates up to 3.7% for 2017 based on the individual rate class recommendations on or about January 1, 2017.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of October, 2016.

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President

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Secretary