



## MEETING AGENDA – FEBRUARY 28, 2017

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

4:00 PM

### Call to Order

1. **Approval of Agenda**
2. **Approval of Minutes**
  1. Public Utility Board - Regular Meeting - Jan 31, 2017 4:00 PM
3. **Approval of Accounts Payable**
  1. a/p board listing

### NEW BUSINESS

### Open Comment Period

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

4. **Consideration Of Bids**
  1. Ancor (Utilitec) Information Mgmt Agreement  
Resolution: Ancor (Utilitec) Information Mgmt. Bill Print and Mailing Services
5. **Regular Agenda**
  1. ESRI Enterprise License  
Resolution: ESRI Enterprise License
  2. Verizon Small Cell Attachment  
Resolution: Verizon Small Cell Attachment License
6. **Informational**
  1. Electric Utility Line Extension Policy
7. **Board Liaison Reports**
8. **General Managers Report**
9. **Division Reports & Metrics**
10. **Other Business**
11. **Adjourn**

*The agenda and board packet for Utility Board meetings are available on-line at [www.rpu.org](http://www.rpu.org) and <http://rochestercitymn.iqm2.com/Citizens/Default.aspx>*



## MEETING MINUTES – JANUARY 31, 2017

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

4:00 PM

**Call to Order**

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

**1. Election of Officers****A. Election of Board President**

- Motion to:** nominate Mark Browning as Board President.

*By unanimous vote, Board Member Mark Browning was elected Board President.*

**B. Appointment of Board Secretary**

- Motion to:** appoint Christina Bailey as Board Secretary.

*Executive Assistant Christina Bailey was appointed as Board Secretary.*

**C. Committee Appointments**

Board President Mark Browning recommended the following committee assignments as shown in the table below, which were accepted by all Board members.

Finance	Communications	Strategic Planning	Opns. and Admin.	Policy
Mark Browning	Melissa Graner Johnson	Tim Haskin (IT)	Tim Haskin	Mark Browning
Melissa Graner Johnson	Brian Morgan	Brian Morgan (Gen/Distr)	Melissa Graner Johnson	Brian Morgan

Mr. Browning noted that each committee will be assigned a corresponding Director to serve as a liaison to collaborate with the Board members; the Finance liaison will be Director Peter Hogan, the Communications liaison will be Director Steven Nyhus, the Strategic Planning liaisons will be Directors Walter Schlink and Peter Hogan; the Operations and Administration liaisons will be Directors Walter Schlink and Sidney Jackson, and the Policy liaison will be General Manager Mark Kotschevar. The Committees will meet regularly and report back to the Board with items for discussion as they arise.

**2. Approval of Agenda**

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

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Melissa Graner Johnson, Board Member
<b>SECONDER:</b>	Tim Haskin, Board Member
<b>AYES:</b>	Mark Browning, Brian Morgan, Melissa Graner Johnson, Tim Haskin

### 3. Approval of Minutes

1. Public Utility Board - Regular Meeting - Dec 13, 2016 4:00 PM
2. **Motion to:** approve the Minutes as presented.

<b>RESULT:</b>	<b>ADOPTED [3 TO 0]</b>
<b>MOVER:</b>	Melissa Graner Johnson, Board Member
<b>SECONDER:</b>	Tim Haskin, Board Member
<b>AYES:</b>	Mark Browning, Melissa Graner Johnson, Tim Haskin
<b>ABSTAIN:</b>	Brian Morgan

### 4. Approval of Accounts Payable

1. a/p board listing
2. **Motion to:** approve the Account Payables as presented.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Brian Morgan, Board Member
<b>SECONDER:</b>	Melissa Graner Johnson, Board Member
<b>AYES:</b>	Mark Browning, Brian Morgan, Melissa Graner Johnson, Tim Haskin

## 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.)*

Anna Richey, Vice Chair of the Rochester Energy Commission, spoke during the public comment period. Ms. Richey, on behalf of new Board Chair, Ray Schmitz, invited speakers to appear at upcoming meetings as part of the commission's new vision for 2017. The next meeting is scheduled for February 14, 2017, at 4:30 p.m. at the Government Center, and will feature speaker Jay McCleary, former Deputy Public Works Director for the City of Red Wing.

### 5. Consideration Of Bids

1. John Adams Water Storage Tank Repair/Repainting

*Senior Civil Engineer Doug Klamerus presented a request for approval to enter into a contract for the sandblasting and repainting of the exterior as well as the interior of the John Adams water tower, located at 3110 18th Avenue NW. Work will include grinding, interior seam and caulking. Sealed bids were opened on January 5, 2017, with Osseo Construction being the low bidder at \$295,000. Six bids were received. Osseo Construction is a new vendor for RPU, and their previous work history and qualifications were verified by staff.*

*Board Member Tim Haskin questioned how long the repairs and repainting will last. Mr. Klamerus indicated it is expected to last for 25-30 years, but will most likely need an overcoating in the next 15 years.*

*General Manager Mark Kotschevar asked if the tower will be painted brown or blue; Mr. Klamerus confirmed that the tower will be painted tan, consistent with the transition from blue to tan that began with the St. Bridget's water tower.*

Resolution: John Adams Water Storage Repair/Repaint

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with The Osseo Construction Co. LLC and authorize the Mayor and City Clerk to execute the agreement for:*

*John Adams Water Tower Repair/Repainting*

*and allow for increases to be managed by existing approval structure and authorization levels.*

*The amount of the contract to be TWO HUNDRED NINETY-FIVE THOUSAND AND 00/100 DOLLARS (\$295,000) plus applicable tax.*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of January, 2017.*

2. **Motion to:** approve an agreement with the Osseo Construction Co. LLC and authorize the Mayor and City Clerk to execute the agreement for John Adams Water Tower Repair/Repainting

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Brian Morgan, Board Member
<b>SECONDER:</b>	Melissa Graner Johnson, Board Member
<b>AYES:</b>	Mark Browning, Brian Morgan, Melissa Graner Johnson, Tim Haskin

## 6. Regular Agenda

1. Annual SAP Enterprise Support

*Director of Corporate Service Peter Hogan presented a request to the Board for the purchase of an annual maintenance and support agreement for business software from SAP Public Services for financial and management reporting, in the amount of \$123,869.90. Mr. Hogan indicated that this expenditure is included in the Utility's 2017 annual budget.*

Resolution: Annual SAP Enterprise Support

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with SAP Public Services Inc. for*

*Annual Maintenance and Support*

*The amount of the purchase order agreement to be ONE HUNDRED TWENTY THREE THOUSAND EIGHT HUNDRED SIXTY NINE AND 90/100 DOLLARS (\$123,869.90), plus applicable tax.*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of January, 2017.*

2. **Motion to:** to approve a purchase order agreement with SAP Public Services Inc. for annual maintenance and support

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Melissa Graner Johnson, Board Member
<b>SECONDER:</b>	Brian Morgan, Board Member
<b>AYES:</b>	Mark Browning, Brian Morgan, Melissa Graner Johnson, Tim Haskin

3. SAP Application Support

*A request for the approval to extend the term of an agreement with Sparta Consulting to provide on-site and offshore support services for the Utility's SAP applications was presented by Director of Corporate Services Peter Hogan. RPU had an existing three year contract with Sparta Consulting that is due to expire on January 31, 2017. The contract locks in the current rate for the two year term, at a cost of \$642,720. Funding for the first year is included in the approved 2017 budget; funding for the second year will be subject to the approval of the 2018 budget. Mr. Hogan explained that the Utility will have the capability to adjust the hours of the contract during the second year if needed.*

Resolution: SAP Application Support Amendment

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a two year Amendment with Sparta Consulting, Inc. D/b/a KPIT for*

#### *SAP Application Support*

*The amount of the Amendment not to exceed SIX HUNDRED FORTY-TWO THOUSAND SEVEN HUNDRED TWENTY AND 00/100 DOLLARS (\$642,720). and authorize the Mayor and City Clerk to execute the Amendment*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of January, 2017.*

4. **Motion to:** to approve a two year Amendment with Sparta Consulting Inc. d/b/a/ KPIT for SAP Applicaton Support

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Brian Morgan, Board Member
<b>SECONDER:</b>	Melissa Graner Johnson, Board Member
<b>AYES:</b>	Mark Browning, Brian Morgan, Melissa Graner Johnson, Tim Haskin

## 7. Informational

1. Westside Energy Station Project Status Report

*Director of Power Resources Walter Schlink presented a status update report on the construction of the West Side Energy Station, for informational purposes only. Mr. Schlink shared engineering renderings of the plant layout which is located on 50 acres along 19th Street NW. Engineering and construction services are being provided by Boldt Construction, with an anticipated completion date of May 2018.*

*Some of the recent notable accomplishments of the project include successful Factory Acceptance Tests (FAT) of the engines, the issuance of Delivery Acceptance and Taking Over Certificates, the scheduling of FAT for controls, MV switchgear and LV switchgear, the successful interconnection with the substation, natural gas supply and City water, procurement of the equipment and project subcontractors, and a clean safety report with no recordable incidents to date.*

*Mr. Schlink shared the planned milestones with the Board, including the start of construction on February 20, 2017, completion of the design detail on April 21, 2017, delivery of the engines from Finnish manufacturer Wartsila to Rochester on June 26, 2017, delivery of the generator set-up (GSU) transformers on August 8, 2017, completion of construction on December 1, 2017, with ongoing start ups and commissioning activities until the planned completion of commercial operations on May 1, 2018.*

*Board Member Brian Morgan asked if the project is currently on schedule. Mr. Schlink verified that it is.*

*Board President Mark Browning questioned whether the project will utilize solar panels. Mr. Schlink replied that the 60 kilowatt solar array was not in the drawing, but indicated its approximate location and that it was sized to supply the auxiliary load .*

*Board Member Tim Haskin wanted to know if there were any problems with the foundation pilings going in. Mr. Schlink shared that installation of the pilings went very well with no issues.*



*The Board thanked Mr. Schlink for his report.*

2. Board Liaison Updates

*Board President Mark Browning requested, as part of the new committee assignments, that Board members contact the appropriate RPU director who will serve as their committee liaisons, to engage initial activity.*

*Mr. Browning also reminded the Board that a study session will be held in April 2017, and asked Board members and staff to submit topics to the Board Secretary for planning purposes.*

*Mr. Browning noted that many of the Board Policies are decades old and obsolete with some needing to be deleted or updated. The members of the Policy committee, General Manager Mark Kotschevar, Board Member Brian Morgan and Mr. Browning, will meet to discuss strategies for updating the Policies based on current practice.*

## 8. General Managers Report

General Manager Mark Kotschevar shared acknowledgements and gratitude to Director of Corporate Services Peter Hogan, and Accounting Manager Bryan Blom, for their efforts in the successful completion of the Utility's bond sales on January 10, 2017, including their work to create the presentations given to the rating agencies. Mr. Kotschevar also extended accolades to the environmental and marketing staff recently recognized by Olmsted County for their work with the Environmental Achievement Awards; Marketing Manager Patty Hanson, Residential Account Representative Stephanie Humphrey and Environmental and Regulatory Affairs Manager Todd Osweiler. Communications Coordinator Tony Benson was also acknowledged for his media relations work associated with the awards.

Mr. Kotschevar will present the first draft of the Utility's Line Extension Policy to the Board at the February 2017 meeting. The effort will begin with the creation of the Board Policy, to be followed by the creation of an electric rate tariff sheet. The intent is that the policy and the rates will be effective beginning January 1, 2018. Mr. Kotschevar is tasked with follow-ups to the realtors association group.

A scheduled shut down of Sherco, unit 3, a coal fired electric generating facility located in Sherburne County, Minnesota, is planned for February 28 - March 29, 2017, Mr. Kotschevar announced. Southeastern Minnesota Municipal Power Association (SMMPA), a part owner, will be arranging for tours of the Sherco 3 plant while it will be out of service, providing a unique opportunity to observe this state of the art facility. Buses will be available to the public tentatively in March, and Mr. Kotschevar invited those interested in taking a tour to contact him directly.

In other news, City Attorney Terry Adkins updated the Board on the activities that took place the week of January 23, 2017 at the Federal Energy Regulatory Commission (FERC) hearing in Washington, D.C.

Board Member Melissa Graner Johnson asked Mr. Kotschevar about the Utility's backflow prevention program in relation to a letter addressed to the Board from owners of several 4-

plex residential properties. The owners are objecting to the installation of backflow prevention devices at their 4-plex apartment units, due to the added cost, and are asking to be exempt from the requirement as small business owners. Ms. Johnson remarked that the backflow prevention requirements apply to everyone, whether they be commercial, industrial or residential customers, with no exceptions. Mr. Kotschevar confirmed that all RPU customers must comply with the backflow prevention measures set forth in the policy. The Utility has no plans to exempt 4-plexes, and is responsible for upholding the current requirements for all customers due to the risk of cross contamination to the water supply. Mr. Kotschevar will write and send a summary response to the apartment owners.

Mr. Browning asked Mr. Kotschevar if the Utility will perform an electric cost of service study this summer. Mr. Kotschevar said that a cost of service study is planned.

**9. Division Reports & Metrics**

**10. Other Business**

**11. Adjourn**

*The agenda and board packet for Utility Board meetings are available on-line at [www.rpu.org](http://www.rpu.org) and <http://rochestercitymn.iqm2.com/Citizens/Default.aspx>*

Submitted by:

\_\_\_\_\_  
Secretary

Approved by the Board

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

\_\_\_\_\_  
Date

Minutes Acceptance: Minutes of Jan 31, 2017 4:00 PM (Approval of Minutes)



# ACCOUNTS PAYABLE

Meeting Date: 2/28/2017

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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 01/11/2017 To 02/08/2017  
**Consolidated & Summarized Below 1,000**

**Greater than 50,000 :**

1			
2			
3	WARTSILA NORTH AMERICA	Reciprocating Engines	4,072,217.10
4	CROWN TECHNICAL SYSTEMS	Switchgear~ Douglas Trail Substation	663,779.73
5	MN DEPT OF REVENUE	December Sales & Use Tax	525,495.80
6	BROWN C O INS AGENCY INC	2017 Ins Commercial & Anti Terrorism Pol	453,937.10
7	ORACLE AMERICA INC	2017 Home Energy Reports	305,950.00
8	BROWN C O INS AGENCY INC	2017 Excess Liability-Renewal	260,174.64
9	CONSTELLATION NEWENERGY-GAS D	December Gas-SLP	215,571.75
10	SAP PUBLIC SERVICES INC	2017 SAP Enterprise Support	125,573.11
11	CONSTELLATION NEWENERGY-GAS D	December Gas-CC	92,530.71
12	MN MUNICIPAL UTILITIES ASSN C	2017 MMUA Dues	65,205.00
13	KIDZIBITS LLC	Exhibit Relocation Costs	51,750.00
14	CITY OF ROCHESTER	CIP Conserve & Save Rebates	51,558.96
15			
16		<b>Price Range Total:</b>	<b>6,883,743.90</b>
17			

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

18			
19			
20	BILLTRUST dba	16-17 CC/Billing/Mailing/IVR Services	41,792.64
21	STENCIL GROUP THE PINES	CIP Conserve & Save Rebates	36,400.00
22	BROWN C O INS AGENCY INC	2017 Ins Commercial & Anti Terrorism Pol	35,196.46
23	PEOPLES ENERGY COOPERATIVE (P	January Compensable	32,168.06
24	BROWN C O INS AGENCY INC	2017 Excess Liability-Renewal	30,848.45
25	ELECTRICAL POWER PRODUCTS INC	Relay Panel 1~Douglas Trail Substation	27,980.67
26	ELECTRICAL POWER PRODUCTS INC	Relay Panel 2~ Douglas Trail Substation	27,503.00
27	CITY OF ROCHESTER	Share Pictometry Invoice 2017	26,058.25
28	ELECTRICAL POWER PRODUCTS INC	Relay Panel 3~ Douglas Trail Substation	25,434.67
29	WRIGHT TREE SERVICE INC	2017 Hourly Tree Trimming~	23,307.04
30	ELECTRICAL POWER PRODUCTS INC	Relay Panel 4~ Douglas Trail Substation	22,879.66
31	ELECTRICAL POWER PRODUCTS INC	Relay Panel 5~ Douglas Trail Substation	22,423.00
32	MAYO FOUNDATION	CIP Conserve & Save Rebates	21,116.30
33	BLUESPIRE STRATEGIC MARKETING	2016 - 2019 RPU Plugged In Contract	20,430.00
34	SOMINTEX LLC	CIP Conserve & Save Rebates	20,133.00
35	ALVIN E BENIKE INC (P)	Douglas Trail Substation Construction	18,925.50
36	DAKOTA SUPPLY GROUP	Meter, FM2S CL200 240V AMR	18,217.91
37	STATES MANUFACTURING CORP	48 Circuit DC Panel - Douglas Trail Substation	15,657.19
38	U S ALLIANCE GROUP	January Credit Card Processing Fees	15,431.36
39	STUART C IRBY CO INC	Trans, PM, 3ph, 75kVA, 13.8/8, 208/120	14,463.00
40	CORPORATE RISK SOLUTIONS INC	Low Impact Support Project Phase 2	13,574.96
41	CENTURYLINK	2017 Monthly Telecommunications	11,701.29
42	COMPUTER TASK GROUP INC	Project Coordinator for Cayenta Project	11,414.70
43	VERTEX US HOLDINGS INC	Consulting Services for Data Migration	11,378.40
44	BADGER METER INC (P)	Meter, Bare 3" Badger Compound Round Flg	11,031.30
45	RESCO	Switch, SUB3ph 1-600SW Solid Di vis open	9,433.00
46	CENTURYLINK	SCADA phone circuit install	8,917.01
47	STUART C IRBY CO INC	Trans, PM, 3ph, 300kVA, 13.8/8, 208/120	7,968.00
48	BADGER METER INC (P)	HRE Badger M-35 100W Itron ERT Integral	7,910.40
49	VIKING ELECTRIC SUPPLY INC	FR-EPR/CPE tray cable, 6/3+8G, 600V	7,592.49
50	ARNOLDS SUPPLY & KLEENIT CO (	2017 Monthly Cleaning Services	7,149.94
51	ELECTROCON INTERNATIONAL INC	2017 CAPE software maintenance	6,934.05
52	ROCH GOLF & COUNTRY CLUB	1/25/17-Comm Cust & Trade AllyMtg	6,357.75
53	ELCOR CONSTRUCTION INC	Epic property road surface improvement	6,128.10
54	POSITRON INC (P)	Single 8-card CCC Shelf Backboard	6,011.00

Attachment: AP Board CRMO (6915 : a/p board listing)

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 01/11/2017 To 02/08/2017  
**Consolidated & Summarized Below 1,000**

55	BADGER METER INC (P)	Meter, Bare 4" Badger Compound Round Flg	5,922.50
56	EATON/CANNON TECNOLOGIES INC	Cap Control, Pole Mt w/ethernet, 7pin	5,907.52
57	EXPRESS SERVICES INC	2017 Temp Staff Marketing (2)	5,736.19
58	ARISE INC	2017 Jurisdictional Insp SLP and SC	5,690.00
59	MITCHELL INSTRUMENT COMPANY	DC digital hi-pot tester	5,600.00
60	CITY OF ROCHESTER	W/C	5,568.08
61	ROCH GOLF & COUNTRY CLUB	1/19/17-Environmental Awards Dinner	5,460.78
62	TRIPWIRE INC	Compliance Training	5,400.00
63	SENECA FOODS CORP	CIP Conserve & Save Rebates	5,314.00
64	PITNEY BOWES RESERVE	Prepay Postage-Reserve Acct 10041747	5,000.00
65			
66		<b>Price Range Total:</b>	685,467.62
67			
68	<b><u>1,000 to 5,000 :</u></b>		
69			
70	INNER TITE CORP	Meter Locking Ring, Rhino	4,947.50
71	SUPERIOR COMPANIES OF MINNESO	2 drinking fountains w/bottle fillers at Graham Arena	4,820.00
72	MN MUNICIPAL UTILITIES ASSN C	Leadership Training	4,800.00
73	CANNON ELECTRIC MOTOR dba	Motor repair - replace bearings	4,800.00
74	PROW BUILDERS	CIP Conserve & Save Rebates	4,726.00
75	CRESCENT ELECTRIC SUPPLY CO	Conduit, PVC Sch 40, 5.00, 20' length	4,692.24
76	VERIZON WIRELESS	2017 Cell & iPad Monthly Service	4,677.11
77	MAYO CLINIC	CIP Conserve & Save Rebates	4,610.00
78	AFFILIATED GROUP INC	2017 Collections/Delinquent Services	4,545.00
79	INNER TITE CORP	Meter, Jiffy Lock Side Mount	4,514.97
80	CRESCENT ELECTRIC SUPPLY CO	Grnd Rod, .750" x 10', Sectional	4,369.33
81	STUART C IRBY CO INC	Trans, PM, 1ph, 25kVA, 13.8/8, 240/120	4,320.00
82	UTILITY SOLUTIONS INC	Load break and pickup tool	4,282.00
83	BORDER STATES ELECTRIC SUPPLY	Bulb, 100W, HPS	4,261.32
84	BORDER STATES ELECTRIC SUPPLY	Arrester, 106kV, Station, W/ Ring, Poly	4,141.83
85	BORDER STATES ELECTRIC SUPPLY	Surge arrester, station class	4,141.83
86	MINNESOTA ENERGY RESOURCES CO	December Gas-SLP	4,035.00
87	ASSOC OF METROPOLITAN WTR AGENCIE	2017 Dues	3,863.00
88	TRIPWIRE INC	Foundation Training	3,750.00
89	BADGER METER INC (P)	Meter, Bare 1-1/2" Badger Disc	3,742.76
90	MEYER BORGMAN & JOHNSON INC	Engineering electrical duct relocation	3,735.00
91	MITCHELL INSTRUMENT COMPANY	Insulation tester 5kV	3,580.50
92	HI LINE UTILITY SUPPLY CO (P)	Pull Tape, Printed, .750" x 3000'	3,558.40
93	RESCO	Mast Arm, Residential LED, Extension	3,545.58
94	BAIER GERALD	2016-17 Snow Removal (Oct	3,533.33
95	WIESER PRECAST STEPS INC (P)	1000 gallon pump tank	3,350.00
96	STUART C IRBY CO INC	Arrester, 10kV, Dist, Elbow MOV	3,197.50
97	WABASHA COUNTY ADMIN/TREASURE	Code RED Telephone Notification system	3,150.00
98	MINNESOTA ENERGY RESOURCES CO	Natural Gas-January	3,141.02
99	RESCO	Junction, LB, 200A, 4 Position, w/Brkt	3,139.20
100	CANNON ELECTRIC MOTOR dba	Motor repair - replace bearings	3,092.00
101	CANNON ELECTRIC MOTOR dba	Repaired 200 HP US Electrical Vertical Hollowshaft	2,912.00
102	PAYMENT REMITTANCE CENTER	300DB Vibrating finishing tank	2,884.00
103	BORDER STATES ELECTRIC SUPPLY	Grnd Crp Conn, #2-250 To .750" Rod	2,747.00
104	LIFELINE INCORPORATED	Zoll AED Plus	2,700.00
105	BORDER STATES ELECTRIC SUPPLY	Grnd Crp Conn, #2-250 To #2-250	2,692.80
106	EPLUS TECHNOLOGY INC	17-19 Network and Collocation Services	2,665.25
107	CITY OF ROCHESTER	W/C Fees-Berkely Risk	2,626.40
108	CDW GOVERNMENT INC	Rack power distribution unit	2,537.62

Attachment: AP Board CRMO (6915 : a/p board listing)

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 01/11/2017 To 02/08/2017  
**Consolidated & Summarized Below 1,000**

109	ELECTRICAL POWER PRODUCTS INC	Relay Synchroscope Panel~	2,527.00
110	SUPERIOR COMPANIES OF MINNESO	Install Water fountain Childrens Museum	2,410.00
111	VIKING ELECTRIC SUPPLY INC	Wire, AL, 600V, #2-#4 ACSR NEU Tri	2,404.69
112	CITY OF ROCHESTER	W/C Admin-11/2015-10/2016	2,373.71
113	BADGER METER INC (P)	Meter, Bare 5/8x3/4" Badger Disc	2,348.40
114	ULTEIG ENGINEERS INC	Q5 Under build clear review and mitigate	2,245.00
115	MIDWEST RENEWABLE ENERGY TRAC	MRETS Sub Fees & Retirement Fees	2,202.80
116	BADGER METER INC (P)	HRE Badger M-120 100W Itron ERT Integral	2,163.00
117	NETWORKFLEET INC	2017 Monthly Charge - GPS Fleet Tracking	2,101.95
118	CITY OF ROCHESTER	Bonds Cont Disc Fees	2,100.00
119	STUART C IRBY CO INC	Metal Sec. Encl, 1ph, 30" x 30" x 18"	2,076.00
120	RESCO	Junction, LB, 200A, 4 Pos, w/Strap	2,068.20
121	STUART C IRBY CO INC	Fuselink, 100E, SMU-20	2,058.75
122	PAYMENT REMITTANCE CENTER	124-603 Src of Sply-Oper-Misc Exp	2,028.00
123	PITNEY BOWES PURCHASE POWER	December Postage	2,015.00
124	IBM	CIP Conserve & Save Rebates	2,000.00
125	MITCHELL INSTRUMENT COMPANY	112 pc insulated tool set	1,999.00
126	RANFRANZ & VINE FUNERAL HOME	CIP Conserve & Save Rebates	1,980.00
127	WESCO DISTRIBUTION INC	CT, Bar Type, 600/5 600V High Accuracy	1,979.40
128	ROCHESTER MN SOUTH LODGING LL	CIP Conserve & Save Rebates	1,836.00
129	VIKING ELECTRIC SUPPLY INC	Mat for BTS	1,789.08
130	VIKING ELECTRIC SUPPLY INC	Transformer Control Conduits	1,743.66
131	CRESCENT ELECTRIC SUPPLY CO	Conduit, PVC Sch 40, 2.00, 20' LENGTH	1,707.32
132	BADGER METER INC (P)	Meter, Bare 3/4" Badger Disk	1,705.68
133	MN PIPE & EQUIPMENT	WB67 Breakoff Flange Kit, K528	1,698.75
134	CRESCENT ELECTRIC SUPPLY CO	Conduit, PVC Sch 40, 5.00, 10' length	1,675.80
135	MED CITY COLLISION INC	Rep Rt Side Damage-Labor	1,656.45
136	WESCO DISTRIBUTION INC	CT, Bar Type, 600/5 600V High Accuracy	1,649.50
137	BORDER STATES ELECTRIC SUPPLY	Meter, FM16S CL200 MRV 2-Way	1,642.24
138	KUTZKY MARKET LLC	CIP Conserve & Save Rebates	1,636.00
139	VIKING ELECTRIC SUPPLY INC	FR-EPR/CPE tray cable, 6/4+8G, 600V	1,604.68
140	PUGLEASA COMPANY INC	Semi annual inspection/3 amp fuse	1,535.26
141	UNIVERSAL MARINE & RV	CIP Conserve & Save Rebates	1,530.00
142	VIKING ELECTRIC SUPPLY INC	Cable Pulling Lube	1,505.92
143	SCHEELS	CIP Conserve & Save Rebates	1,500.00
144	CORPORATE WEB SERVICES INC	2017 Website Services	1,500.00
145	PAYMENT REMITTANCE CENTER	Travel, D.Toft, Florida,Registration	1,495.00
146	MINNESOTA ENERGY RESOURCES CO	December Gas-CC	1,457.28
147	D P C INDUSTRIES INC	2017 Chlorine, 150 lb Cyl	1,438.50
148	D P C INDUSTRIES INC	2017 Carus 8500 Aqua Mag F35	1,430.80
149	BAIER GERALD	2017 Sweeping Services Jan-December	1,417.16
150	STUART C IRBY CO INC	Gloves, Leather Work, Hvy Duty, Medium	1,415.88
151	VIKING ELECTRIC SUPPLY INC	Mat for DTS	1,415.80
152	VIKING ELECTRIC SUPPLY INC	Conduit, Flexible, Corrugated PVC, 3.00	1,408.45
153	BADGER METER INC (P)	Strainer, Bronze Plate. 3" Round Flange	1,390.50
154	POSITRON INC (P)	4-wire AC Data Plug-in Card	1,366.00
155	CITY OF ROCHESTER	USGS 37th Gauging Cost Share	1,298.87
156	DAVIES PRINTING COMPANY INC	13-2017 NESCU Update & App Sets	1,293.72
157	MED CITY COLLISION INC	Rep Rt Side Damage-Parts	1,266.07
158	SILVER LAKE CENTER LLC	Overpayment	1,256.82
159	STEVE BENNING ELECTRIC	Misc Elec Repair work at SC-Labor	1,240.00
160	PAYMENT REMITTANCE CENTER	NEC books-14	1,226.68
161	GRAYBAR ELECTRIC COMPANY INC	Strut base	1,223.29
162	STEVE BENNING ELECTRIC	Misc Elec Repair work at SC-Materials	1,212.07

Attachment: AP Board CRMO (6915 : a/p board listing)

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 01/11/2017 To 02/08/2017  
**Consolidated & Summarized Below 1,000**

163	PAYMENT REMITTANCE CENTER	MMUA Registration-MMeixner, MBoone	1,200.00
164	STEVE BENNING ELECTRIC	Inst new NEMA Boxes Fiber cable-labor	1,197.00
165	CITY OF ROCHESTER	MN Dept of Lab-2nd 1/2 spec comp assess	1,178.73
166	TWIN CITY SECURITY INC	2017 Security Services	1,143.67
167	EPLUS TECHNOLOGY INC	2014-2017 Total Care Support	1,135.00
168	FRANCHISE ASSOCIATES INC	CIP Conserve & Save Rebates	1,134.00
169	MASTEC NORTH AMERICA INC	hydro jack work	1,125.00
170	VIKING ELECTRIC SUPPLY INC	Building Wiring	1,108.72
171	ROCHESTER ARMORED CAR CO INC	2017 Pick Up Services	1,104.40
172	LANIER PARKING SOLUTIONS	CIP Conserve & Save Rebates	1,100.00
173	STEVE BENNING ELECTRIC	Inst new NEMA Boxes Fiber cable-matl	1,096.54
174	PAYMENT REMITTANCE CENTER	APPA Reg, M Kotschevar	1,095.00
175	PAYMENT REMITTANCE CENTER	Volunteer Recognition for Outgoing Board	1,088.06
176	LANE BRYANT	CIP Conserve & Save Rebates	1,073.84
177	PAYMENT REMITTANCE CENTER	Travel,RCooke, APPA, Reg	1,070.00
178	GRAYBAR ELECTRIC COMPANY INC	Cable tray, 36" x 144"	1,058.12
179	VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 4.00	1,039.57
180	GRAYBAR ELECTRIC COMPANY INC	Cable tray, 36" x 144"	1,027.60
181	U S BANK	RPU Pension Plan Admin Annual Fees	1,017.53
182	TWIN CITY SECURITY INC	2016 Security Services Apr-Oct 2016	1,016.60
183			
184		<b>Price Range Total:</b>	262,087.00
185			
186	<b><u>0 to 1,000 :</u></b>		
187			
188	REBATES	Summarized transactions: 237	41,324.36
189	PAYMENT REMITTANCE CENTER	Summarized transactions: 93	23,149.34
190	EXPRESS SERVICES INC	Summarized transactions: 14	8,669.02
191	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 29	8,289.25
192	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 60	7,908.76
193	STUART C IRBY CO INC	Summarized transactions: 31	6,005.63
194	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 30	5,963.89
195	CINTAS CORP	Summarized transactions: 102	4,512.78
196	ARNOLDS SUPPLY & KLEENIT CO (	Summarized transactions: 14	4,293.48
197	Customer Refunds (CIS)	Summarized transactions: 23	3,701.79
198	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 30	3,633.17
199	CITY OF ROCHESTER	Summarized transactions: 32	3,168.89
200	MITCHELL INSTRUMENT COMPANY	Summarized transactions: 20	2,956.41
201	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 23	2,692.24
202	BADGER METER INC (P)	Summarized transactions: 7	2,585.12
203	DAKOTA SUPPLY GROUP	Summarized transactions: 10	1,934.07
204	JACKSON SIDNEY	Summarized transactions: 9	1,897.65
205	WESCO DISTRIBUTION INC	Summarized transactions: 12	1,844.93
206	U S A SAFETY SUPPLY	Summarized transactions: 11	1,814.72
207	GRAINGER INC	Summarized transactions: 19	1,759.19
208	POSITRON INC (P)	Summarized transactions: 6	1,577.17
209	HIMEC INC (P)	Summarized transactions: 3	1,536.93
210	LAWSON PRODUCTS INC (P)	Summarized transactions: 13	1,525.42
211	TOFT DAN	Summarized transactions: 6	1,425.44
212	STEVE BENNING ELECTRIC	Summarized transactions: 5	1,266.00
213	SCHWEITZER ENGINEERING LAB IN	Summarized transactions: 7	1,263.22
214	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 3	1,247.40
215	OLLENDIECK PHIL	Summarized transactions: 6	1,193.14
216	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 6	1,139.15

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For 01/11/2017 To 02/08/2017  
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217	DAVIES PRINTING COMPANY INC	Summarized transactions: 3	1,111.23
218	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 2	1,090.73
219	D P C INDUSTRIES INC	Summarized transactions: 1	986.96
220	MN SUPPLY COMPANY INC	Summarized transactions: 2	975.43
221	GUNDERSON BRADLEY	Summarized transactions: 4	974.29
222	ON SITE SANITATION INC	Summarized transactions: 2	954.63
223	NAPA AUTO PARTS (P)	Summarized transactions: 21	942.54
224	OPEN ACCESS TECHNOLOGY	Summarized transactions: 1	933.23
225	REBATES	Summarized transactions: 30	920.00
226	TWIN CITY SECURITY INC	Summarized transactions: 1	914.94
227	REGIONAL CONCRETE CUTTING INC	Summarized transactions: 1	856.00
228	HACH COMPANY	Summarized transactions: 4	839.60
229	MN PIPE & EQUIPMENT	Summarized transactions: 4	830.16
230	ROCH FORD TOYOTA	Summarized transactions: 2	825.20
231	HOUGHTON CHEMICAL CORPORATION	Summarized transactions: 1	823.37
232	SEEME PRODUCTIONS LLC	Summarized transactions: 1	820.00
233	JOHNSON PRINTING CO INC	Summarized transactions: 13	795.19
234	MASTEC NORTH AMERICA INC	Summarized transactions: 1	768.00
235	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 3	766.17
236	KELLER TOM A JR	Summarized transactions: 3	765.84
237	POMPS TIRE SERVICE INC	Summarized transactions: 2	756.71
238	ENVIRONMENTAL INITIATIVE	Summarized transactions: 1	750.00
239	DAKOTA SUPPLY GROUP	Summarized transactions: 5	749.92
240	THOMAS TOOL & SUPPLY INC	Summarized transactions: 6	749.61
241	AUTHORIZE.NET	Summarized transactions: 1	749.15
242	SCHLINK WALTER	Summarized transactions: 5	740.85
243	ADKINS TERRY L	Summarized transactions: 4	736.60
244	FASTENAL COMPANY	Summarized transactions: 22	716.76
245	PAYMENT REMITTANCE CENTER	Summarized transactions: 2	704.11
246	NALCO COMPANY	Summarized transactions: 8	695.72
247	CENTURYLINK	Summarized transactions: 2	682.34
248	POWER SYSTEMS ENGINEERING INC	Summarized transactions: 1	664.00
249	EATON/CANNON TECHNOLOGIES INC	Summarized transactions: 1	626.02
250	T E C INDUSTRIAL INC	Summarized transactions: 3	622.35
251	NICKELS SCOTT	Summarized transactions: 5	606.03
252	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 1	600.00
253	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 4	597.96
254	PW POWER SYSTEMS INC	Summarized transactions: 10	594.50
255	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 10	592.26
256	CONNEY SAFETY PRODUCTS LLC	Summarized transactions: 5	585.83
257	RONCO ENGINEERING SALES INC	Summarized transactions: 4	576.65
258	UTILITY SOLUTIONS INC	Summarized transactions: 6	570.55
259	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 3	567.15
260	NETWORK SERVICES COMPANY	Summarized transactions: 4	558.89
261	THOMPSON GARAGE DOOR CO INC	Summarized transactions: 4	557.06
262	LITTLE DAVID	Summarized transactions: 4	555.24
263	SUTTON JEREMY	Summarized transactions: 4	554.60
264	REINDERS INC	Summarized transactions: 1	549.35
265	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	546.11
266	STILLER NEIL	Summarized transactions: 4	543.00
267	ALTEC INDUSTRIES INC	Summarized transactions: 10	536.89
268	VERIFIED CREDENTIALS INC	Summarized transactions: 1	518.00
269	STATES MANUFACTURING CORP	Summarized transactions: 1	513.00
270	ROCH SAND & GRAVEL INC	Summarized transactions: 1	507.50

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**ROCHESTER PUBLIC UTILITIES**  
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271	GATEWAY	Summarized transactions: 1	500.00
272	PITNEY BOWES PURCHASE POWER	Summarized transactions: 1	500.00
273	WRIGHTS SMALL ENGINE SERVICE	Summarized transactions: 6	489.02
274	JOHNSON CARY	Summarized transactions: 3	479.55
275	KLUG JERROD	Summarized transactions: 3	469.74
276	R D O - POWERPLAN OIB	Summarized transactions: 2	461.37
277	CANNON ELECTRIC MOTOR dba	Summarized transactions: 2	456.18
278	JOHN HENRY FOSTER MN INC	Summarized transactions: 2	452.56
279	K A A L TV LLC	Summarized transactions: 1	450.00
280	SCHWAB VOLLHABER LUBRATT CORP	Summarized transactions: 4	440.42
281	TABORDA SOLUTIONS INC	Summarized transactions: 2	427.96
282	KOTSCHEVAR MARK	Summarized transactions: 5	419.00
283	FERGUSON ENTERPRISES INC #165	Summarized transactions: 1	418.84
284	BLOM BRYAN	Summarized transactions: 3	404.00
285	TOTAL RESTAURANT SUPPLY	Summarized transactions: 1	401.29
286	MAPLE LEAF CUSTOM CABINETS L	Summarized transactions: 1	400.00
287	SMS SYSTEMS MAINTENANCE SERVI	Summarized transactions: 1	398.64
288	ANDERTON RANDY	Summarized transactions: 3	373.00
289	CARQUEST AUTO PARTS	Summarized transactions: 22	370.74
290	ACTON MOBILE dba	Summarized transactions: 1	369.05
291	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 2	346.54
292	CENTURYLINK	Summarized transactions: 1	325.95
293	CINTAS CORP	Summarized transactions: 2	320.92
294	CITY OF ROCHESTER	Summarized transactions: 3	313.88
295	ULINE	Summarized transactions: 6	312.20
296	MENARDS ROCHESTER NORTH	Summarized transactions: 3	311.54
297	SCHONSTEDT INSTRUMENT COMPANY	Summarized transactions: 2	303.71
298	FAST PHONE REPAIR	Summarized transactions: 5	300.00
299	WUMS APDA	Summarized transactions: 1	300.00
300	ADVANCED BUSINESS SYSTEMS INC	Summarized transactions: 1	300.00
301	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 4	298.41
302	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 8	295.28
303	HALO BRANDED SOLUTIONS	Summarized transactions: 2	291.93
304	FEDEX SHIPPING	Summarized transactions: 4	285.26
305	KAUTZ TRAILER SALES dba	Summarized transactions: 1	267.19
306	METRO SALES INC	Summarized transactions: 1	265.61
307	COOKE ROBERT	Summarized transactions: 1	256.50
308	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 1	252.59
309	TEREX SERVICES (P)	Summarized transactions: 2	246.18
310	WIESER PRECAST STEPS INC (P)	Summarized transactions: 1	230.31
311	PAAPE ENERGY SERVICE INC	Summarized transactions: 2	229.25
312	LIFELINE INCORPORATED	Summarized transactions: 2	227.84
313	STEVE BENNING ELECTRIC	Summarized transactions: 2	224.44
314	MATCO TOOLS	Summarized transactions: 2	213.54
315	ERC WIPING PRODUCTS INC	Summarized transactions: 2	210.03
316	SEWN PRODUCTS	Summarized transactions: 2	206.02
317	KEACH TODD	Summarized transactions: 2	193.38
318	BOBCAT OF ROCHESTER	Summarized transactions: 1	189.30
319	CDW GOVERNMENT INC	Summarized transactions: 1	174.46
320	AMARIL UNIFORM COMPANY	Summarized transactions: 4	170.62
321	RONCO ENGINEERING SALES INC	Summarized transactions: 4	158.76
322	AFFILIATED GROUP INC	Summarized transactions: 1	158.12
323	TEREX UTILITIES INC	Summarized transactions: 4	156.06
324	MN DEPT OF HEALTH - ENVIRO HE	Summarized transactions: 1	150.00

Attachment: AP Board CRMO (6915 : a/p board listing)



**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 01/11/2017 To 02/08/2017  
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325	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 6	147.18
326	BATTERIES PLUS	Summarized transactions: 1	144.92
327	T E C INDUSTRIAL INC	Summarized transactions: 2	142.39
328	DZUBAY TONY	Summarized transactions: 2	140.22
329	NEWARK	Summarized transactions: 7	139.14
330	CORPORATE WEB SERVICES INC	Summarized transactions: 1	135.00
331	FRANZ REPROGRAPHICS INC	Summarized transactions: 4	132.10
332	FLEETPRIDE INC	Summarized transactions: 2	131.15
333	ROCH AREA BUILDERS INC	Summarized transactions: 1	125.00
334	ASSOC OF ENERGY SERV PROFESSI	Summarized transactions: 3	120.00
335	TRUCKIN' AMERICA	Summarized transactions: 1	117.55
336	BAUER BUILT INC (P)	Summarized transactions: 4	115.25
337	VANCO SERVICES LLC	Summarized transactions: 1	112.60
338	CHS ROCHESTER	Summarized transactions: 1	103.28
339	DIEKVOSS CRAIG	Summarized transactions: 2	102.81
340	KAMAN INDUSTRIAL TECHNOLOGIES	Summarized transactions: 3	97.79
341	OSWEILER TODD	Summarized transactions: 1	96.30
342	PROPERTY TAXES OLMSTED COUNTY	Summarized transactions: 2	96.00
343	UNIVERSAL MARINE & RV	Summarized transactions: 1	95.97
344	INNER TITE CORP	Summarized transactions: 2	95.58
345	EO JOHNSON CO INC	Summarized transactions: 1	95.00
346	HEIMER WILLIAM T	Summarized transactions: 1	88.00
347	WILDE MIKE	Summarized transactions: 1	85.50
348	NU-TELECOM dba	Summarized transactions: 1	84.76
349	QUALITY OVERHEAD DOOR INC	Summarized transactions: 1	80.00
350	ZIEGLER INC	Summarized transactions: 2	75.00
351	LOWER PHOTOGRAPHY & STUDIO db	Summarized transactions: 2	64.73
352	TOWNE MELANI	Summarized transactions: 1	60.00
353	MONSON STEVE	Summarized transactions: 1	50.29
354	GOPHER STATE ONE CALL	Summarized transactions: 1	50.00
355	GOPHER STATE ONE CALL	Summarized transactions: 1	50.00
356	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 1	46.00
357	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 1	37.83
358	MENARDS ROCHESTER NORTH	Summarized transactions: 2	31.82
359	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	25.46
360	TOKAY SOFTWARE	Summarized transactions: 1	22.00
361	BLEVINS JAN	Summarized transactions: 2	22.00
362	BREKKE MATTHEW	Summarized transactions: 1	19.00
363	MENARDS ROCHESTER SOUTH	Summarized transactions: 1	17.70
364	FASTENAL COMPANY	Summarized transactions: 1	17.65
365	LUHMANN ABE	Summarized transactions: 1	15.00
366	LARSON DRU	Summarized transactions: 1	15.00
367	BIERBAUM DIRK	Summarized transactions: 1	15.00
368	HANSON PATRICIA S	Summarized transactions: 1	15.00
369	FEDEX SHIPPING	Summarized transactions: 1	13.12
370	FIEK STEVEN	Summarized transactions: 1	9.00
371	FIRST CALL	Summarized transactions: 1	3.76
372			
373		<b>Price Range Total:</b>	210,012.81
374			
375		<b>Grand Total:</b>	8,041,311.33

Attachment: AP Board CRMO (6915 : a/p board listing)

## FOR BOARD ACTION

Agenda Item # (ID # 6875)

Meeting Date: 2/28/2017

**SUBJECT: Ancor (Utilitec) Information Mgmt Agreement**

**PREPARED BY: Melissa Meixner**

**ITEM DESCRIPTION:**

Request for Proposal's were solicited for bill print and mailing services which aligned with the Cayenta ERP system expected to go live in November. Seven proposals were received and evaluated and four were interviewed. Evaluations were based on qualifications, performance and price. After evaluation, review, and discussion, Ancor Information Management DBA Utilitec, was selected. Below is a summary of the evaluation process.

Firm	Evaluated Total
Utilitec	4.7
Wells Fargo	4.6
Apex	4.4
Impact	3.7
Metro Presort	3.7
InfoSend	3.4
Pinnacle Data Systems	3.4

The term of the initial agreement is five years, beginning when RPU begins service (~November, 2017), with automatic annual renewals after the initial term. The 2017 budget currently includes the cost of these services and this action just changes the service provider. The estimated annual spend of this new contract is expected to be \$276,080 which compares to \$337,132 resulting in a 22% savings. RPU is also expecting additional savings over time as customers move toward electronic billing. The annual costs for bill print services are subject to the annual approval of the budget. The five year value of the agreement is estimated to be \$1,380,400 subject to price escalation de-escalation of postage and paper costs, and growth in the number of customers.

The City Attorney has reviewed the agreement.

**UTILITY BOARD ACTION REQUESTED:**

## FOR BOARD ACTION

**Agenda Item # (ID # 6875)**

**Meeting Date: 2/28/2017**

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Staff recommends the Utility Board approve a multi-year agreement with Ancor Information Management, DBA Utilitec, for \$1,380,400 and authorize the Mayor and City Clerk to execute the agreement with future funding subject to Board and Common Council approval of the annual budget.



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement for bill print and mailing services with Ancor Information Management DBA Utilitec, in the amount of \$1,380,400 funded through the annual approval of the budget, and authorize the Mayor and the City Clerk to execute the agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of February, 2017.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # (ID # 6831)

Meeting Date: 2/28/2017

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**SUBJECT: ESRI Enterprise License**

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**PREPARED BY: Ryan Moore**

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**ITEM DESCRIPTION:**

Environmental Systems Research Institute, Inc. (ESRI) has provided a city-wide enterprise license agreement for most GIS software products since 2008. The software is used on desktop PC's, laptops for field personnel, and ESRI server technology is used to serve GIS web applications that can be consumed on mobile devices. RPU also uses ESRI technology as a prerequisite for all of its Schneider Electric GIS products such as ArcFM, Designer and Responder. These products serve our outage management system, provide infrastructure improvement estimates, and track our infrastructure assets for accounting purposes.

The current license expired on February 8th and ESRI provided an extension until the Board has a chance to consider this new three year Agreement. In addition this license agreement is shared with Public Works and the yearly cost of \$75,000 will be split with Public Works resulting in a three year out of pocket cost to RPU of \$112,500, subject to the annual approval of the budget.

The City Attorney has reviewed the Agreement.

**UTILITY BOARD ACTION REQUESTED:**

Staff recommends the Board approve the Agreement with Environmental Systems Research Institute, Inc. in the amount of \$225,000 and authorize the Mayor and City Clerk to execute the Agreement with future funding subject to Board and Common Council approval of the annual budget.



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a three year Agreement with Environmental Systems Research Institute, Inc. for

### ESRI Enterprise License

The amount of the Amendment not to exceed TWO HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$225,000) and authorize the Mayor and City Clerk to execute the Agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of February, 2017.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # (ID # 6907)

Meeting Date: 2/28/2017

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**SUBJECT: Verizon Small Cell Attachment License**

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**PREPARED BY: Steve Cook**

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ITEM DESCRIPTION:

Verizon Wireless is seeking to install multiple "small" cellular antenna sites on the public right-of-way within the City of Rochester. In order to reduce the need for Verizon to install their own poles within the public right-of-way; the City of Rochester has negotiated a Master License Agreement that allows for the installation of Verizon's "small" cellular infrastructure on City of Rochester Traffic Poles (controlled and managed by RPW) and Streetlight Poles (controlled and managed by RPU).

A separate site specific supplement will be submitted by Verizon Wireless, and administered by staff, for each site they request to attach to. Verizon Wireless will be responsible for the costs associated with make ready work under the Master License Agreement. In addition, for each site Verizon will pay an annual base rent and an electric service fee. The annual base rent per premise will start at \$825.00 per year in 2017 and increase at 2.25% starting January 1, 2018. The per site annual electric service fee will be \$1,500.00 with the City having the right to request an adjustment in the future. The City Attorney has been involved in the negotiations and has reviewed the agreement.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the Board approve a resolution requesting the City Council authorize the Mayor and City Clerk to execute a Master License Agreement with Verizon Wireless for installation of small cellular antenna on City owned traffic and streetlight poles.



## MASTER LICENSE AGREEMENT

This Master License Agreement (the "Agreement") made this \_\_\_\_day of \_\_\_\_\_ 20\_\_, between the City of Rochester, Minnesota, a Minnesota municipal corporation, with its principal offices located at 201 4th Street SE, Rochester, Minnesota 55904, acting by and through its Common Council, and the City of Rochester, a Minnesota municipal corporation with its principal offices located at 4000 East River Road N.E., Rochester, MN, 55906, acting by and through its Public Utility Board, hereinafter designated "LICENSOR" or "City" and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless with its principal offices at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 (telephone number 866-862-4404), hereinafter designated LICENSEE. LICENSOR/City and LICENSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

### WITNESSETH

WHEREAS, LICENSOR is the owner, grantee or licensee of certain light poles, traffic signal poles, public rights-of-way ("ROW") and/or real property, which are located within the City of Rochester, Minnesota and has agreed to provide this license to provide wireless services licensed by the Federal Communications Commission ("FCC") to LICENSEE; and

WHEREAS, LICENSEE desires to install, maintain and operate communications equipment ("Equipment") in and/or upon certain of LICENSOR's light poles, traffic control poles, and certain public ROW and/or real property; and

WHEREAS, LICENSOR and LICENSEE desire to enter into this Agreement to define the general terms and conditions which would govern their relationship with respect to particular sites at which LICENSOR may wish to permit LICENSEE to install, maintain and operate communications equipment as hereinafter set forth; and

WHEREAS, LICENSOR and LICENSEE acknowledge that they will enter into a License Supplement ("Supplement"), a copy of which is attached hereto as Exhibit A, with respect to any particular location or site which the Parties agree to license.

NOW, THEREFORE, in consideration of the grant of permits to use the City's ROW, and the mutual covenants contained herein, the adequacy and sufficiency of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, do hereby covenant and agree as follows:

### **I. LICENSEE'S REQUEST TO USE PREMISES**

a. Before the LICENSEE shall make use certain space on of any of the LICENSOR'S light poles, traffic signal poles, conduits, conductor pull boxes, appurtenances, public ROW and/or real property as shall be more fully described in each Supplement to be executed by the Parties, hereinafter referred to as the "Premises" under this Agreement,

City of Rochester Master License Agreement

LICENSEE shall request permission in writing, which writing shall include a draft Supplement, and shall comply with the procedures set forth in this section. Approval of this Agreement by the LICENSOR shall be in the form of an approved City Council Resolution of this Agreement. Following said approval of this Agreement, each individual Supplement may be approved by the City Engineer. LICENSEE acknowledges and agrees it must obtain a Right of Way Permit for each site that is located in a City right-of-way. The City's current Right of Way Permit application form is attached hereto as Exhibit B.

b. LICENSEE shall have a non-exclusive, terminable/revocable license, but not a leasehold interest at its sole cost and expense, to use the Premises, as identified in each individual supplement, as a wireless communications antenna facility ("Approved Use"). A supplement is only terminable/revocable pursuant to the terms and conditions provided herein. LICENSEE's equipment must be mounted on the top of the poles. No pedestrian level light poles are to be used.

c. In accordance with this Approved Use, the LICENSEE has a non-exclusive, terminable/revocable license, but not a leasehold interest, to install, operate, maintain, repair, replace, store or remove its antennas, equipment, and appurtenances (collectively, "Antenna Facilities"), which shall be shown on an Exhibit to each Supplement. Upon written approval of LICENSOR, LICENSEE may replace the aforementioned Antenna Facilities with similar and comparable equipment, provided said replacement does not increase structural loading of LICENSOR's pole on any Premises.

d. Regarding each individual Supplement, within thirty (30) days after the receipt of such application the LICENSOR shall notify the LICENSEE in writing whether the application is approved or rejected. LICENSEE shall use the Premises only in accordance with good engineering practices and in compliance with all applicable Federal Communications Commission ("FCC"), National Electrical Code ("NEC"), National Electrical Safety Code ("NESC"), federal, state, and local rules, laws and regulations.

e. After receipt of notice from the LICENSOR regarding the approved application, the LICENSEE shall furnish the LICENSOR detailed construction plans and drawings for each individual Premises, together with necessary maps, indicating specifically the poles of the LICENSOR to be used, the number and character of the attachments to be placed on such Poles, equipment necessary for LICENSEE'S use, replacements of existing pole(s), any additional pole(s) which may be required, and any new installations for transmission conduit, pull boxes, and appurtenances. The LICENSOR shall, on the basis of the City Engineer's issuance of a Permit for each individual Supplement, such detailed construction plans and drawings, submit to the LICENSEE permission to proceed with attachment work ("Work.") The Parties shall execute a Supplement for each Premises. Upon completion of the executed Supplement and Work, the LICENSEE shall have the right to use the Premises and to make attachments in accordance with the terms of the application and of this Agreement. The LICENSEE shall perform all Work at its own expense and make attachments in such manner as to not interfere with the service of the LICENSOR.

f. If LICENSEE's installation requires a new pole to be constructed or an existing

pole to be replaced by LICENSEE (the “New Pole”) then, any such New Pole, shall be deemed to be a fixture on the Property and the New Pole shall be and remain the property of the LICENSOR, without further consideration to or from LICENSOR. The design of the New Pole shall be approved by the LICENSOR. Upon completion of LICENSEE’s installation, LICENSOR shall be solely responsible for any and all costs relating to the operation, maintenance, repair and disposal of the New Pole. If the New Pole replaces an existing pole, then also as part of LICENSEE’s installation, LICENSEE shall remove, dispose, salvage and or discard such newly replaced pole at a location designated by LICENSOR. All Poles used by LICENSEE under this Agreement shall remain the property of the LICENSOR, and any payments made by the LICENSEE for changes to existing lighting or signal poles, conduits, conductor pull boxes, facilities, and appurtenances, or installation of any new Poles, conduits, conductor pull boxes, facilities, or appurtenances, under this Agreement shall not entitle the LICENSEE to ownership of any of said infrastructure.

g. The LICENSOR reserves the right to exclude any of LICENSOR’s light poles, electric distribution poles, electric transmission poles, traffic signal poles, towers, conduits, conductor pull boxes, appurtenances, public ROW and/or real property from use by LICENSEE.

h. Neither this Master License Agreement nor any Supplement creates a lease, possessory interest, easement, franchise, or any other real property interest in any part of the Premises. In the absence of an executed Supplement, LICENSEE has no right to use the Premises for any purpose.

## II. PREMISES.

Pursuant to all of the terms and conditions of this Agreement, and the applicable Supplement, LICENSOR agrees to license to LICENSEE Premises, for the installation, operation and maintenance of communications equipment; together with the non-exclusive right of ingress and egress from a public ROW, seven (7) days a week, twenty four (24) hours a day, over the Property (as defined below) and to and from the Premises for the purpose of installation, operation and maintenance of LICENSEE's communications facility.

The LICENSOR's light poles, traffic control poles, and other poles and towers are hereinafter referred to as "Pole" or “Poles”.

The entirety of the LICENSOR's ROW and real property is hereinafter referred to as "Property".

The primary use and purpose of the Property, inclusive of the Premises, is to provide for traffic control and street lighting for the customers of the LICENSOR (“Primary Use”). LICENSOR’S operations in connection with pursuit of the Primary Use (“LICENSOR’S Operations”) take priority over LICENSEE’S operations.

LICENSEE agrees that the following priorities of use, in descending order, shall apply in the event of communication interference, emergency public safety needs, Premises repair or reconditioning, or other conflict while this Agreement is in effect, and LICENSEE’S use shall be

subordinate accordingly:

- (1) LICENSOR;
- (2) Public safety agencies, including law enforcement, fire, and ambulance services, that are not related to LICENSOR;
- (3) Other governmental agencies where use is not related to public safety;
- (4) Pre-existing LICENSEES (if any);
- (5) LICENSEE referenced in this Agreement.

In the event of Jeopardy that poses an immediate threat of substantial harm or damage to the health, safety and welfare of the public and/or Property/Premises, as solely determined by LICENSOR (“Jeopardy”), the LICENSOR may take actions the LICENSOR determines are required to protect, the health, safety and welfare of the Public, or personal property of the Public, from such Jeopardy provided that promptly after such emergency access onto the Premises, and in no event later than twenty-four (24) hours after such access, LICENSOR gives written notice to LICENSEE of LICENSOR’S emergency access.

If the LICENSOR determines that the conditions of a Jeopardy would be benefited by cessation of LICENSEE’S operations, LICENSEE shall immediately cease its operations on the Premises upon notice from LICENSOR to do so, and the Term (as defined herein) of the applicable Supplement shall terminate.

In the event there are not sufficient electric and telephone, cable or fiber utility sources located at the Premises or on the Property, LICENSOR agrees to grant LICENSEE or the local utility provider the right to install such utilities on, over and/or under the Property and to the Premises as necessary for LICENSEE to operate its communications facility, provided the location of such utilities shall be as reasonably designated by LICENSOR.

LICENSEE must obtain and submit to the LICENSOR a structural engineering study carried out by a qualified structural engineer, showing that the Pole(s) is (are) able to support the Antenna Facilities. Said study must be signed by an engineer licensed in Minnesota per State Rule 1800.4200 and Minnesota Statute 326. If the study finds that any proposed structure is inadequate to support the proposed antenna loads, LICENSOR may decline to permit installation.

### III. INSTALLATION OF EQUIPMENT

#### a. Construction Plans (“Construction Plans” or “Plans”)

For the initial installation of all Antenna Facilities and for any and all subsequent revisions and/or modifications thereof, or additions thereto, LICENSEE shall provide LICENSOR and LICENSOR’S City Engineer (“Construction Engineer”) or designee as set forth in Section I. a., each with two (2) sets of construction plans (“Construction Plans”) consisting of the following:

CAD drawings showing the location and materials of all planned installations plus an Engineer’s Estimate of all materials and construction methods;

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Construction Specifications and Product Specifications for all planned installations;

Diagrams and Shop Drawings of proposed Antenna Facilities;

A complete and detailed inventory of all equipment and personal property of LICENSEE actually placed on the Leased Premises. LICENSOR retains the right to survey the installed equipment.

Construction Plans shall be easily readable and subject to prior written approval by the LICENSOR'S Construction Engineer, which shall not be withheld, conditioned or delayed without cause. LICENSOR shall have thirty (30) business days to review and comment on the Construction Plans. Should the plans need to be revised based on the comments provided by the LICENSOR'S Construction Engineer, no construction shall commence until Final Approval is granted by the LICENSOR'S Construction Engineer. Final Plans shall have affixed to them the signature of the LICENSEE'S Construction Engineer who shall be licensed in the State of Minnesota per Minnesota Rule 1800.4200 and Minnesota State Statute 326.

b. Construction Scheduling

At least ten (10) business days prior to LICENSEE'S construction mobilization, LICENSEE shall conduct a meeting ("Pre-Construction Meeting" or "Pre-Con Meeting") on the Property or other location as agreed upon. Said meeting shall be attended by the Construction Engineer, LICENSOR'S representative(s) and all parties involved in the installation.

c. Construction Inspection

All construction activity shall be subject to inspection and approval by the Construction Engineer. Inspection will be performed beginning with the Pre-Con Meeting and continuing through installation/construction/punch-list and verification of as-built drawings at project completion as determined by LICENSOR, at LICENSEE'S expense. If deemed necessary by the LICENSOR'S Construction Engineer, construction work performed without approval of the Construction Engineer will not be accepted and shall be removed or uninstalled at LICENSEE'S sole expense. LICENSEE shall be solely responsible for all costs associated with said inspection and approval of construction work by Construction Engineer.

d. Exposed Antenna Facilities

All Antenna Facilities affixed to the Structure which have exterior exposure shall be as close to the color of the Structure as is commercially available to the LICENSEE. For exposed cables, wires or appurtenances, LICENSOR reserves the right to require LICENSEE to provide cables, wires or appurtenances in manufactured colors as commercially available, in lieu of painting.

e. Damage by LICENSEE

Any damage to the Property, Leased Premises, or LICENSOR'S equipment thereon caused by LICENSEE'S installation or operations shall be repaired or replaced at LICENSEE'S expense and to LICENSOR'S reasonable satisfaction.

f. As-Built Drawings ("As-Built" or "As-Built")

Within thirty (30) days after LICENSEE activates the Antenna Facilities, LICENSEE shall provide LICENSOR with an As-Built drawing in electronic file format compatible with LICENSOR'S record file system consisting of As-Built drawings of the Antenna Facilities installed at each Premises and any improvements installed on the Property, which shall show the actual location of all equipment and improvements. Said drawings shall be accompanied by a complete and detailed site survey of the Property, inventory of all equipment, and Antenna Facilities.

g. Permits

The LICENSEE may also be required to obtain from the LICENSOR, or the appropriate governing agency as applicable, any and all permits required for a complete installation. Said permits shall include, but not necessarily be limited to: Right-of-Way, Obstruction/Excavation, Meter Hooding, Storm Water, etc. No zoning permits, zoning review procedures, or other zoning approvals are required pursuant to City Code, including Chapters 60 through 65. Applicable fees for any permits shall be borne by the LICENSEE and the LICENSEE shall be bound by the requirements of said permits.

#### IV. MAINTENANCE and REPAIR of EQUIPMENT

(a) Property

LICENSOR reserves the right to take any action it deems necessary, in its sole and reasonable discretion, to repair, maintain, alter, or improve the Property in connection with LICENSOR'S Operations

(b) Structure Reconditioning and Repair

(1) From time to time, LICENSOR paints, reconditions, or otherwise improves or repairs the Structure in a substantial way ("Reconditioning Work"). LICENSOR shall reasonably cooperate with LICENSEE to carry out Reconditioning Work activities in a manner that minimizes interference with LICENSEE'S Approved Use.

(2) Except in cases of emergency, prior to commencing Reconditioning Work, LICENSOR shall provide LICENSEE with not less than thirty (30) days prior written notice thereof. Upon receiving such notice, it shall be the sole responsibility of LICENSEE to provide adequate measures to cover or otherwise protect LICENSEE'S Antenna Facilities from the consequences of such activities, including but not limited to



paint and debris fallout. LICENSOR reserves the right to require LICENSEE to remove all Antenna Facilities from the Structure and Leased Premises during Reconditioning work.

(3) During LICENSOR'S Reconditioning Work, LICENSEE may maintain a mobile site on the Property or, after approval by LICENSOR, on any land owned or controlled by LICENSOR in the immediate area of the Property. If site will not accommodate mobile equipment, it shall be LICENSEE'S responsibility to locate auxiliary sites.

(4) LICENSEE may request a modification of LICENSOR'S procedures for carrying out Reconditioning Work in order to reduce the interference with LICENSEE'S Approved Use. If LICENSOR agrees to the modification, LICENSEE shall be responsible for all incremental cost related to the modification.

(c) Licensed Premises

LICENSEE shall, at its own cost and expense, maintain the Antenna Facilities in good and safe condition, and in compliance with applicable fire, health, building, and other life safety codes. The LICENSEE shall obtain from the LICENSOR any and all permits required for the purposes of maintaining the installation. Applicable fees for any permits shall be borne by the LICENSEE and the LICENSEE shall be bound by the requirements of said permits.

## V. CONDITION OF PREMISES.

Where the Premises includes one or more Poles, LICENSOR will keep and maintain the Poles in good repair as required for their Primary Use and in the ordinary course of business as its budget permits. LICENSOR makes no representation, warranty, or guarantee as to the physical, structural, or environmental condition of any Premises with regard to LICENSEE'S intended use.

## VI. TERM; RENTAL; ELECTRICAL.

This Agreement shall be for a term of ten (10) years commencing upon the execution hereof by both Parties. Each Supplement shall be effective as of the date of execution by both Parties (the "Effective Date"). The initial term of each Supplement shall be for five (5) years, and shall commence on the first business day following the day that LICENSEE commences installation of the equipment on the Premises (the "Commencement Date"). On the Commencement Date, rental payments shall commence and be due at a total annual rental as set forth in this Agreement, to be paid in advance annually on or before January 1, to the payee designated by LICENSOR in the Supplement or to such other person, firm or place as LICENSOR may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date by notice given in accordance with Paragraph 16 below. LICENSOR and LICENSEE acknowledge and agree that the initial rental payment for each Supplement shall not actually be sent by LICENSEE until thirty (30) days after the Commencement Date. LICENSOR and LICENSEE agree that they shall acknowledge in writing the Commencement



Date of each Supplement.

To reimburse the City for its costs related to the management of the Premises, inclusive of Property Management, the LICENSEE shall pay to the LICENSOR a Base Rent (“Base Rent”) equal to Eight Hundred Twenty-five and NO/100 dollars (\$825.00) per year for each Premises (i.e., Pole, whether new or existing) upon which the LICENSEE has installed LICENSEE’S Equipment. This Base Rent shall not include the standard Right-of-Way fee that the City might otherwise impose for installations in the ROW. In addition, LICENSEE shall pay to LICENSOR a one-time, lump-sum administrative fee for each Supplement of One Thousand Five Hundred Fifty and 00/100 Dollars (\$1,550.00), which shall be paid within sixty (60) days after the execution of each Supplement by both Parties.

On all Supplements with a Commencement Date other than January 1, the first year’s rent shall be prorated to the end of the year of the Commencement Date on a monthly basis. Similarly, for all Supplements that expire or otherwise terminate on a date other than December 31, the rent shall be prorated from the beginning of the year to the end of the month in which the Supplement expires or otherwise terminates. In addition, LICENSEE shall pay to LICENSOR a one-time, lump-sum administrative fee for this Agreement of Five Thousand and 00/100 Dollars (\$5,000.00), which shall be paid within sixty (60) days after the execution of this Agreement by both Parties. Subsequent to the initial payment of prorated rents in the year of the Commencement Date, the Base Rent due hereunder for all subsequent years shall be paid prior to January first (1<sup>st</sup>) of each succeeding year.

Commencing January 1, 2018, and on January 1<sup>st</sup> of each subsequent year, the Base Rent shall be increased annually by two and ¼ percent (2.25%).

Upon agreement of the Parties, LICENSEE may pay rent by electronic funds transfer and in such event, LICENSOR agrees to provide to LICENSEE bank routing information for such purpose upon request of LICENSEE.

LICENSOR shall, at all times during the term of each Supplement, provide electrical service access within the Premises. In consideration for electrical service for each year, One Thousand Five Hundred and No/100 Dollars (\$1,500.00) shall be added to the Base Rent due under each Supplement. On all Supplements with a Commencement Date other than January 1, the first year’s reimbursement shall be prorated to the end of the year of the Commencement Date on a monthly basis. LICENSOR shall be permitted to request a prospective adjustment to the \$1,500.00 electrical reimbursement under the Supplement at any point during the term of the Supplement, as long as reasonable advance notice is provided to LICENSEE containing a breakdown of the added actual cost of electrical service (above the current amount paid) resulting from the electrical service that is being provided by LICENSOR. Unless the added actual cost is inaccurate, LICENSEE agrees to revise the amount of electrical reimbursement to be paid, and LICENSOR agrees to enter into an amendment to the applicable supplement to establish the revised amount, if requested by LICENSEE. Additionally, should it be necessary for the City to install new electrical facilities to a pole location in order to provide electrical service to the LICENSEE’S equipment, LICENSEE shall pay for the costs associated with that installation.

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## VII. EXTENSIONS.

This Agreement shall be reviewed at the end of the ten (10) year term by the LICENSOR and the LICENSEE. The Agreement may be extended an additional five (5) year term, not to exceed three (3) five year extensions, by mutual agreement between the LICENSOR and LICENSEE. Either the LICENSOR or the LICENSEE may terminate at the end of the then current term by giving written notice to the respective LICENSOR or LICENSEE of the intent by the other to terminate. Said notice shall be provided at least three (3) months prior to the end of the then current term. Each Supplement shall automatically be extended for one (1) additional five (5) year term, or until the expiration or termination of this Agreement, whichever is earlier, unless LICENSEE terminates it at the end of the then current term by giving LICENSOR written notice of the intent to terminate at least three (3) months prior to the end of the then current term. The initial term and all extensions under a Supplement shall be collectively referred to herein as the "Term." Notwithstanding anything herein, after the expiration of this Agreement, its terms and conditions shall survive and govern with respect to any remaining Supplements in effect until their expiration or termination.

## VIII. USE; GOVERNMENTAL APPROVALS.

LICENSEE shall use the Premises for the purpose of constructing, maintaining, repairing and operating a communications facility and uses incidental thereto, in a manner consistent with each License Supplement. It is understood and agreed that LICENSEE's ability to use the Premises is contingent upon its obtaining and maintaining all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or other governmental authorities as well as a satisfactory structural analysis, and a radio frequency analysis as stated in "ENVIRONMENTAL" below, which will permit LICENSEE use of the Premises as set forth above. LICENSOR shall cooperate with LICENSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LICENSEE. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to LICENSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; and (iii) LICENSEE determines that such Governmental Approvals may not be obtained in a timely manner, LICENSEE shall have the right to terminate the applicable Supplement. Notice of LICENSEE's exercise of its right to terminate shall be given to LICENSOR in accordance with the notice provisions set forth herein and shall be effective upon the mailing of such notice by LICENSEE, or upon such later date as designated by LICENSEE. All rentals paid to said termination date shall be retained by LICENSOR. Upon such termination, the applicable Supplement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other thereunder. Otherwise, the LICENSEE shall have no further obligations for the payment of rent to LICENSOR for the terminated Supplement.

## IX. INDEMNIFICATION.

LICENSEE shall, to the extent permitted by law, indemnify and hold LICENSOR harmless against any claim of liability or loss from personal injury or property damage resulting

from or arising out of the negligence or willful misconduct of the LICENSEE, its employees, contractors or agents, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of the LICENSOR, or its employees, contractors or agents.

## **X. INSURANCE.**

a. The Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

b. LICENSEE agrees that at its own cost and expense, it will maintain commercial general liability insurance with limits not less than \$2,000,000 for injury to or death of one or more persons in any one occurrence and \$2,000,000 for damage or destruction to property in any one occurrence. LICENSEE will provide Certificates of Insurance which specifically name LICENSOR as an additional insured.

## **XI. LIMITATION OF LIABILITY.**

LICENSOR shall be not be liable to the LICENSEE, or any of its respective agents, representatives, employees for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

## **XII. ANNUAL TERMINATION.**

Notwithstanding anything to the contrary contained herein, provided LICENSEE is not in default hereunder beyond applicable notice and cure periods, LICENSEE shall have the right to terminate each Supplement upon the annual anniversary of the Commencement Date provided that three (3) months prior notice is given to LICENSOR.

## **XIII. INTERFERENCE.**

LICENSEE agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of LICENSOR or other licensees of the Property which existed on the Property prior to the date this Agreement is executed by the Parties. In the event any after-installed LICENSEE's equipment causes such interference, and after LICENSOR has notified LICENSEE in writing of such interference, LICENSEE will take all steps necessary to correct and eliminate the interference, including but not limited to, at LICENSOR's option, powering down such equipment and later powering up such equipment for intermittent testing.

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#### **XIV. REMOVAL AT END OF TERM.**

LICENSEE shall, upon expiration of the Term, or within ninety (90) days after any earlier termination of a Supplement, remove its equipment, conduits, fixtures and all personal property and restore the Premises to its original condition, reasonable wear and tear excepted. LICENSOR agrees and acknowledges that all of the equipment, conduits, fixtures and personal property of LICENSEE shall remain the personal property of LICENSEE and LICENSEE shall have the right to remove the same at any time during the Term. All poles, conduit and pole boxes are and shall remain property of the LICENSOR. If such time for removal causes LICENSEE to remain on the Premises after termination of the Supplement, LICENSEE shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the antenna structure, fixtures and all personal property are completed. If LICENSEE does not remove its equipment, conduits, fixtures, and all personal property within 90 days of the expiration of the Term or any earlier termination of a Supplement, LICENSOR, upon notice to LICENSEE, has the right to remove LICENSEE'S equipment, conduits, fixtures, or personal property from the Premises ("LICENSEE's Property"). LICENSOR shall store and care for LICENSEE's Property, and LICENSOR may recover its reasonable costs and expenses incurred in removing LICENSEE's Property and in storing and caring for the property.

#### **XV. QUIET ENJOYMENT AND REPRESENTATIONS.**

LICENSOR covenants that LICENSEE, on paying the rent and performing the covenants herein and in a Supplement, shall peaceably and quietly have, hold and enjoy the Premises. LICENSOR represents and warrants to LICENSEE as of the execution date of each Supplement, and covenants during the Term that LICENSOR is seized of good and sufficient title and interest to the Pole and Property and has full authority to enter into and execute the Supplement. LICENSOR further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting LICENSOR's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by LICENSEE as set forth above.

#### **XVI. ASSIGNMENT.**

This Agreement and each Supplement under it may be sold, assigned or transferred by the LICENSEE without any approval or consent of the LICENSOR to the LICENSEE's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of LICENSEE's assets in the market defined by the FCC in which the Property is located by reason of a merger, acquisition or other business reorganization. As to other parties, this Agreement and each Supplement may not be sold, assigned or transferred without approval or written consent of the LICENSOR, which such consent will not be unreasonably withheld, delayed or conditioned. LICENSEE shall provide written notice of all sales, assignments or transfers within 60 days thereof. No change of stock ownership, partnership interest or control of LICENSEE or transfer upon partnership or corporate dissolution of LICENSEE shall constitute an assignment hereunder. In the event of any sale, assignment or transfer, LICENSEE shall not be relieved of any of its obligations under this Agreement or any of the Supplements whose term

has not expired or otherwise terminated at the time of such sale, assignment or transfer.

**XVII. NOTICES.**

All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LICENSOR: City of Rochester, Minnesota  
City Engineer  
201 4th Street SE, Room 108  
Rochester, Minnesota 55904

LICENSEE: Verizon Wireless (VAW) LLC  
d/b/a Verizon Wireless  
180 Washington Valley Road  
Bedminster, New Jersey 07921  
Attention: Network Real Estate

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

**XVIII. RECORDING.**

LICENSOR agrees to execute a Memorandum of each Supplement which LICENSEE may record with the appropriate recording officer. The date set forth in the Memorandum of License is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

**XIX. DEFAULT.**

In the event there is a breach by a Party with respect to any of the provisions of this Agreement or its obligations under it, the non-breaching Party shall give the breaching Party written notice of such breach. After receipt of such written notice, the breaching Party shall have thirty (30) days in which to cure any breach, provided the breaching Party shall have such extended period as may be required beyond the thirty (30) days if the breaching Party commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion.

**XX. REMEDIES.**

In the event of a default by either Party with respect to a material provision of this Agreement, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non- defaulting Party  
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may terminate the applicable Supplement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located. Further, upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. If LICENSEE undertakes any such performance on LICENSOR's behalf and LICENSOR does not pay LICENSEE the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due, LICENSEE may offset the full undisputed amount due against all fees due and owing to LICENSOR under the applicable Supplement until the full undisputed amount is fully reimbursed to LICENSEE.

## **XXI. ENVIRONMENTAL.**

a. Upon Request of LICENSOR, LICENSEE must obtain a radio frequency interference study carried out by an independent professional radio frequency engineer (“RF Engineer”) showing that LICENSEE’S intended use will not interfere with any existing, licensed communications facilities, as well as LICENSOR’s licensed and unlicensed communications facilities, which are located on or near the structure. The RF Engineer shall provide said evaluation no later than thirty (30) days after frequencies are provided by LICENSOR. LICENSEE shall not transmit or receive radio waves at the Property until such evaluation has been satisfactorily completed.

b. LICENSEE shall hire an RF Engineer to conduct a radiation survey of the Property following LICENSEE’S initial RF transmissions on the Premises. LICENSEE shall be responsible for all costs of such survey.

c. LICENSEE shall implement all measures at the transmission site required by FCC regulations, including but not limited to posting signs and markings. LICENSOR shall cooperate with and permit LICENSEE to implement all reasonable measures in order for LICENSEE to fulfill its Radio Frequency exposure obligations. LICENSOR agrees that in the event any future party causes the entire site to exceed FCC Radio Frequency radiation limits, as measured on the Premises, LICENSOR shall hold such future party liable for all such later-arising non-compliance.

## **XXII. CASUALTY.**

In the event of damage by fire or other casualty to the Pole or Premises that cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Pole or Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt LICENSEE's operations at the Premises for more than forty- five (45) days, then LICENSEE may, at any time following such fire or other casualty, provided LICENSOR has not completed the restoration required to permit LICENSEE to resume its operation at the Premises, terminate the Supplement upon fifteen (15) days prior written notice to LICENSOR. Any such notice of termination shall cause the Supplement to expire with the same force and effect as

though the date set forth in such notice were the date originally set as the expiration date of the Supplement and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under the Supplement. Notwithstanding the foregoing, the rent shall abate during the period of repair following such fire or other casualty in proportion to the degree to which LICENSEE's use of the Premises is impaired.

### **XXIII. APPLICABLE LAWS.**

In general, the laws of Minnesota govern this Agreement. Specifically, LICENSEE shall, in respect to the condition of the Premises and at LICENSEE's sole cost and expense, comply with (a) all Laws relating solely to LICENSEE's specific and unique nature of use of the Premises; and (b) all building codes requiring modifications to the Premises due to the improvements being made by LICENSEE in the Premises. It shall be LICENSOR's obligation to comply with all Laws relating to the Pole in general, without regard to specific use (including, without limitation, modifications required to enable LICENSEE to obtain all necessary building permits).

### **XXIV. MISCELLANEOUS.**

This Agreement and the Supplements that may be executed from time to time hereunder contain all agreements, promises and understandings between the LICENSOR and the LICENSEE regarding this transaction, and no oral agreement, promises or understandings shall be binding upon either the LICENSOR or the LICENSEE in any dispute, controversy or proceeding. This Agreement may not be amended or varied except in a writing signed by all Parties. This Agreement shall extend to and bind the heirs, personal representatives, successors and assigns hereto. The failure of either party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights hereunder shall not waive such rights and such party shall have the right to enforce such rights at any time. No acceptance by LICENSOR or any of its agents of full or partial payment of any fees during the continuance of any breach of this Agreement will constitute a waiver of such breach or of the LICENSOR's right to demand strict compliance with such term, covenant, or condition, or operate as a waiver of any requirement of this Agreement. The performance of this Agreement via each Supplement shall be governed interpreted, construed and regulated by the laws of the state in which the Premises is located without reference to its choice of law rules.

By executing this Agreement, the parties acknowledge that they: (a) enter into and execute this Agreement knowingly, voluntarily and freely of their own volition with such consultation with legal counsel as they deem appropriate; (b) have had an opportunity to consult an attorney before signing this Agreement; (c) have read this Agreement, understand all of its terms and appreciate the significance of those terms; and (d) have not relied upon any representation or statement not set forth herein.

Licensee shall keep the Premises free from any liens arising out of any work performed, material furnished, or obligations incurred by or for LICENSEE. LICENSEE shall inform each and every contractor and material supplier that provides any work, service, equipment, or material to LICENSEE in any way connected with LICENSEE's use of the Premises that the Premises are



public property and is not subject to mechanics' liens or stop notices for equipment, other materials, or services provided to LICENSEE. If LICENSEE does not cause the release of lien of a mechanic's lien or stop notice by any contractor, service provider, or equipment or material supplier purporting to attach to the Premises within 30 days after notice or discovery of the lien, the LICENSOR will have the right, but not the obligation, to cause same to be released by any means it deems proper, including payment of the claim giving rise to such lien. LICENSEE must reimburse the LICENSOR for all expenses it incurs in connection with any such lien (including reasonable attorneys' fees) with ten days following receipt of the LICENSOR's demand together with proof of LICENSOR's expenses.

This Master License Agreement creates no right to LICENSEE to receive any relocation assistance under state or federal law.

Neither this Master License Agreement nor any Supplement creates a partnership or joint venture between the parties.

*[Remainder of Page Intentionally Blank-Signatures on Following Page]*

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

LICENSOR:

City of Rochester,  
a Minnesota municipal corporation

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: Mayor  
Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: City Clerk  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: City Engineer, Rochester Public Works  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: General Manager, Rochester Public Utilities  
Date: \_\_\_\_\_

Approved as to form: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: City Attorney  
Date: \_\_\_\_\_

LICENSEE:  
Verizon Wireless (VAW) LLC  
d/b/a Verizon Wireless

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

City of Rochester Master License Agreement

## EXHIBIT "A"

## LICENSE SUPPLEMENT

This License Supplement ("Supplement"), is made this \_\_\_ day of \_\_\_\_\_ between the City of Rochester, Minnesota, a Minnesota municipal corporation, with its principal offices located at 201 4th Street SE, Rochester, Minnesota 55904, ("LICENSOR"), and Verizon Wireless (VAW) LLC, a Delaware limited liability company, d/b/a Verizon Wireless, whose principal place of business is One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 ("LICENSEE").

1. Master License Agreement. This Supplement is a Supplement as referenced in that certain Master License Agreement between LICENSOR and LICENSEE dated \_\_\_\_\_, 201\_, (the "Agreement"). All of the terms and conditions of the Agreement are incorporated herein by reference and made a part hereof without the necessity of repeating or attaching the Agreement. In the event of a contradiction, modification or inconsistency between the terms of the Agreement and this Supplement, the terms of this Supplement shall govern. Capitalized terms used in this Supplement shall have the same meaning described for them in the Agreement unless otherwise indicated herein.

2. Premises. The Property owned by Licensor is located at \_\_\_\_\_ the Premises licensed by the LICENSOR to the LICENSEE hereunder is described on Exhibit "1" attached hereto and made a part hereof.

3. Term. The Commencement Date and the Term of this Supplement shall be as set forth in the Agreement.

4. Consideration. Base Rent during the first year of this Supplement shall be \_\_\_\_\_ per year, prorated on a monthly basis to the end of the year of the Commencement Date, and payable to the City of Rochester at 201 4<sup>th</sup> Street S.E., Room 104, Rochester, MN 55904. Base Rent shall increase by two and 1/4 percent (2.25%) on January 1 of each year of the Term and shall be due on January 1 of each year of the Term. Base Rent due for any partial year at the end of the Term shall be prorated on a monthly basis from January 1 to the end of the Term. In consideration for electrical service, \$1,500.00 shall be added to the Base Rent due under this Supplement, prorated on a monthly basis to the end of the year of the Commencement Date. In addition, LICENSEE shall pay to LICENSOR a one-time, lump-sum administrative fee of One Thousand Five Hundred Fifty and 00/100 Dollars (\$1,550.00), which shall be paid within sixty (60) days after the execution of this Supplement by both Parties.

5. Site Specific Terms. (Include any site-specific terms)

*[Remainder of Page Intentionally Blank- Signatures on Following Page]*

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seal the day and year first above written.

LICENSOR:

By: [EXHIBIT ONLY - NOT FOR EXECUTION]

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

LICENSEE:

Verizon Wireless (VAW) LLC  
d/b/a Verizon Wireless

By: [EXHIBIT ONLY - NOT FOR EXECUTION]

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Attachment: Master License Agreement (VzW 2-20-17) (6907 : Verizon Small Cell Attachment License)

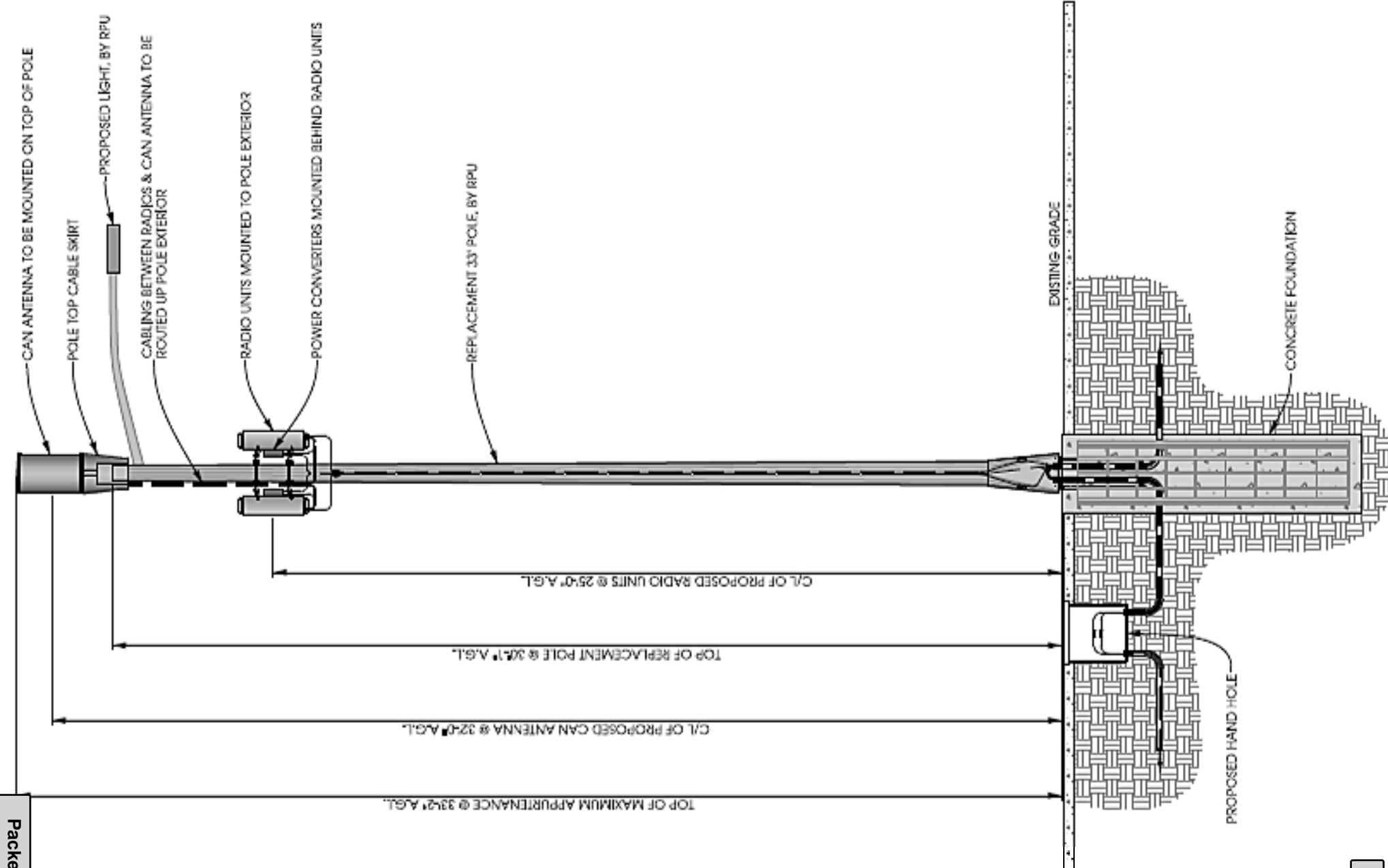
EXHIBIT 1

Premises (Include Map, Pole Diagram, Site Plan and Table Listing All Pole Locations)

Attachment: Master License Agreement (VzW 2-20-17) (6907 : Verizon Small Cell Attachment License)

Exhibit "B"  
See Attached City of Rochester Right of Permit Application Form

Attachment: Master License Agreement (VzW 2-20-17) (6907 : Verizon Small Cell Attachment License)





## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Master License Agreement with Verizon Wireless and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for the installation of "small" cellular antennas on City owned traffic control and streetlight poles

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of February, 2017.

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President

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Secretary



## FOR BOARD ACTION

Agenda Item # (ID # 6903)

Meeting Date: 2/28/2017

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**SUBJECT: Draft Line Extension Policy**

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**PREPARED BY: Mark Kotschevar**

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**ITEM DESCRIPTION:**

The Rochester Home Rule Charter Chapter 15.05 Subd 3 states in part: *“Rates shall be reasonable and compensatory so as to cover all of the costs of the respective public utility and shall be uniform for all consumers within the same class, but different rates may be established for different classifications by the board.”*

Based on the Charter the RPU Board has adopted a policy for determining rates which states its objective as: *“...to recover, through the application of rates and charges for utility services, revenues which are sufficient to meet the financial obligations of each independent utility enterprise. Further, the Board intends to apply rates and charges which are equitable among customer or classes of customers based on generally accepted industry rate-making principles.”*

With this guidance and at the direction of the Board, management engaged a rate consultant to evaluate the cost of providing new service or enhanced service to each of the current classes of customers and then evaluated the incremental financial contribution that an average customer in each of these classes contributes to the Utility through the payment of the rates. The goal is to ensure that existing customers are protected from growth that is not expected to be paid for by rates within a specified recovery period.

During a study session on May 12, 2016 management reviewed with the Board the approach and assumption to be used in developing the maximum contribution the Utility could make to a new or upgraded application for service by customer class.

During a study session on October 25<sup>th</sup>, 2016 management reviewed proposed maximum contributions by customer class based on the input from the May session. Costs in excess of the calculated maximum contribution by customer class would be paid as a contribution in aid-of-construction before work is started. This approach is designed to ensure that existing customers are not subsidizing new or upgraded service requests beyond the amount that an average customer in this class would contribute over the set recovery period.

On November 28, 2016 RPU presented the proposed line extension concept at the City Council, Committee of the Whole meeting to inform them of the direction the RPU Board is considering. A subsequent meeting was held with the Rochester Area Builders on December 13, 2016. We have indicated at the study sessions and meetings that if adopted, we would anticipate an implementation to start at the beginning of 2018 to give builders adequate time to incorporate these charges into future projects.

## FOR BOARD ACTION

Agenda Item # (ID # 6903)

Meeting Date: 2/28/2017

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Based on guidance from the City Attorney the implementation of such a practice will consist of two parts. The first is to have the Board adopt a policy that outlines the objective and methodology used in determining the contribution in aid-of-construction. This policy only needs to be approved by the Board based on the authority granted under the Charter. The second piece will be the actual fee schedule used to determine the contribution in aid-of-construction based on the policy for individual projects. This fee schedule will need both Board and Common Council approval. The preliminary cost of service work done to date shows an estimated contribution in aid of construction being \$900.00 per residential subdivision lot, a flat fee of \$1,100 to \$4,500 for small commercial depending on the size of service, and a credit of \$63.00 per kVA to the estimated installed construction cost for medium and large general service customers. Large industrial customer requests will be negotiated on an individual basis as has been past practice. The final fee schedule will be brought back to the Board at a future meeting based on the Board's input to the policy language.

Attached for your review and comment is a draft of the policy. Staff will be available for discussion and to answer any questions.

### UTILITY BOARD ACTION REQUESTED:

Staff requests Board review and give direction to management for future action.

ROCHESTER PUBLIC  
UTILITIES BOARD POLICY  
STATEMENT

POLICY SUBJECT: Electrical Utility Line Extension Policy - Draft

POLICY OBJECTIVE:

The Board's objective is to recover, through the application of rates and charges for new or modified electrical service connections, revenues which are sufficient to meet the financial obligations of the electric utility associated with these new or modified service connections. Further, the Board intends to apply charges which are equitable among customers, classes of customers, existing and new customers based on generally accepted industry rate-making principles.

POLICY STATEMENT:

1. In the event that upgrading, construction, or extension of facilities is required to provide service to an Applicant, RPU will furnish the facilities required at a cost not to exceed the allowable construction credit for the applicable service classification, unless the applicant makes a contribution in aid-of-construction before work on the service extension begins in an amount determined by RPU.
2. The estimated construction investment will include only the non-betterment costs to the RPU distribution system to provide service to the Applicant. The estimated construction cost shall include the average costs of materials, equipment, engineering, labor, including administration overheads, fringe benefits and the ownership costs of transformers and metering equipment needed to complete the applied for service and excludes the costs of replacement or addition of facilities solely for the benefit of and at the election of RPU.
3. Where the estimated construction cost exceeds the established allowable Construction Credit, RPU will receive from the Applicant a contribution in aid-of-construction. The contribution in aid-of-construction will be determined as the monetary difference of the non-betterment portion of the estimated construction cost less the allowable Construction Credit established by this policy.
4. Construction Credit will be evaluated periodically as part of a study and will be evaluated by class of customer and the expected additional marginal contribution of adding the new or enhanced service. Industrial customer applications will be addressed on an individual basis due to the range of variation within this customer class. The recovery periods used in determining the construction credit is the

present value of the estimated future marginal contribution over the recovery period as follows:

- Residential or Residential Developments 10 years
  - Small General Service 7 years
  - Medium or Large General Service 5 years
  - Industrial Negotiated
5. Revenues derived from charges for utility services will be applied only to the respective utility enterprise fund from which the cost of providing such service is paid.
  6. Charges will be based upon generally accepted industry principles to reflect an equitable distribution of costs to customers. No "free" service will be provided, including service to the municipality.
  7. Within the limitations imposed by the application of generally accepted industry principles, charges will be designed to encourage the end use of services in a way which will promotes efficiency and reduces the total cost of providing service.
  8. All charges for services will be set forth in writing on a schedule which specifies, where applicable, the type of service, its applicability, conditions of delivery, and terms of payment.
  9. Applicable schedule(s) of charges will be published annually on the RPU website or be available upon request, during regular business hours at the RPU offices.

#### RESPONSIBILITIES:

1. The adequacy of charges to produce the level of contribution to recover the cost of a new or expanded service within the period established by the Board will be reviewed by the General Manager and discussed with the Board. The review will normally be conducted concurrent with review of the annual budget; however, the General Manager will monitor conditions and recommend adjusts as needed to achieve the stated goals of this policy.
2. The General Manager will prepare and implement those management policies and procedures which are needed to carry out the administrative provisions of this policy statement.
3. The General Manager will keep the Board informed of significant developments on the subject of line extension charges and will recommend changes in policy, design, and application which may be in the best interests of RPU and its customers.

RELEVANT LEGAL AUTHORITY:

Rochester Home Rule Charter Sections: 15.05, Subd. 3. ....The Board shall, with the concurrence of the common council, fix the rates to be charged for the availability and use of the public utility commodities and services under its jurisdiction. Rates shall be reasonable and compensatory so as to cover all of the costs of the respective public utility and shall be uniform for all consumers within the same class, but different rates may be established for different classifications by the board. Rates within the city corporate limits may be less but shall be no greater than rates for the same classification outside the city limits.

EFFECTIVE DATE OF POLICY: January 1, 2018

DATE OF POLICY REVISION:

POLICY APPROVAL:

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

\_\_\_\_\_  
Date