



MEETING AGENDA – JUNE 30, 2015

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

1. 3:30 PM Closed Meeting- Mille Lacs

A closed meeting to receive a communication from, and to have a discussion with, the City Attorney regarding the status of and to discuss potential litigation strategies for the pending administrative legal proceedings involving the City and the U.S. Federal Energy Regulatory Commission ("FERC"). These two administrative cases involve the City's request for FERC approval to allow Rochester Public Utilities' transmission costs to be shared with other regional utility companies resulting in lower costs to the City and RPU. The administrative cases are identified as Midcontinent Independent System Operator, Inc., FERC Docket No. ER14-2154-000 and Midcontinent Independent System Operator, Inc., FERC Docket No. ER15-277-000. The closed meeting will occur pursuant to Minnesota Statutes, Section 13D.05, subd.3 (b).

2. 4:00 PM Regular Meeting

Call to Order

3. Approval of Agenda

4. Approval of Minutes

Public Utility Board - Regular Meeting - May 26, 2015 4:00 PM

5. Approval of Accounts Payable

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.)

Recognition of MMUA Scholarship Winner

6. Regular Agenda

1. 2015 Infrastructure Update to Electric Utility Baseline Strategy for 2005 – 2030 Electric Infrastructure
Resolution: 2015 Infrastructure Update- Accept and Place on File
2. T-Mobile Central LLC Lease Agreement - Viola and Baihly Heights
Resolution: T-Mobile Central LLC Lease Agreement - Viola and Baihly High Level #92
3. SE Tower - New Cingular Wireless (AT&T) Lease Amendment
Resolution: SE Tower - New Cingular Wireless (AT&T) Lease Amendment

Consideration Of Bids

4. Electric Distribution Transformers
Resolution: Electric Distribution Transformers
5. Silver Lake Dam Repairs
Resolution: Silver Lake Dam Repairs
6. Professional Services Agreement- Substation Engineering
Resolution-Professional Services Agreement- Substation Engineering
7. NERC CIP V5 Security Compliance and Management Program
Resolution: NERC CIP V5 Security Compliance and Management Program
- 7. General Managers Report**
- 8. Division Reports & Metrics**
- 9. Adjourn**
- 10. Board Study Session immediately following the board meeting**

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



MEETING MINUTES – MAY 26, 2015

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

1. Approval of Agenda

Motion to: approve the agenda as presented.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Dave Reichert, Board Member
SECONDER:	Roger Stahl, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

2. Approval of Minutes

Public Utility Board - Regular Meeting - Apr 28, 2015 4:00 PM

Jerry Williams, Board President, appreciated the work Wally Schlink, Wenk and RPU staff did on the Energy Action Plan proposal.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Roger Stahl, Board Member
SECONDER:	Michael Wojcik, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

3. Approval of Accounts Payable

Motion to approve the Accounts Payable as presented.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Dave Reichert, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

NEW BUSINESS

Open Comment Period

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

President Williams opened up the meeting for public comment. No one from the public came forward to speak.

4. Consideration Of Bids

1. St. Bridget's Intermediate Level Water Tower

Doug Klamerus, Senior Civil Engineer, presented the information on the St Bridget's water tower which came in under budget with the low bidder CB&I Inc.

Resolution: St. Bridget's Intermediate Level Water Tower

The board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract with CB&I, Inc. and authorize the Mayor and the City Clerk to execute the contract for:

*St. Bridget's Intermediate Level
Water Tower*

and allow for change orders to be managed by internal authorization procedures.

The amount of the agreement to be ONE MILLION, ONE HUNDRED THIRTY NINE THOUSAND AND 00/100 DOLLARS (\$1,139,000).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of May, 2015.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

2. System Operations Control Room Consoles

Mona Hoeft, Buyer, said the bidding came in under the expected cost exceeding \$100,000 which required competitive bidding. Staff asked to reject all bids allowing greater flexibility to negotiate a purchase that better meets the needs of staff. The competitive bidding law and the solicitation documents reserve the right to reject any and all bids considered in the best interest of the City. Terry Adkins, City Attorney said it is our right to reject all bids.

Resolution: System Operations Control Room Consoles

The board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject all bids for the purchase of:

System Operations Control Room Consoles

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of May, 2015.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Dave Reichert, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

5. Regular Agenda

Minutes Acceptance: Minutes of May 26, 2015 4:00 PM (Approval of Minutes)

1. 2015 Electric Service Rules & Regulations

Randy Anderton, Senior Electrical Engineer, presented the 2015 Rules and Regulations which is a completely different, format this year. The format was based on a standard language format, that other utilities are using.

- *Steven Cook, Senior Electrical Engineer said the Rules and Regulations are used as a guide for builders and developers dealing with things such as meter placement and pre approvals for multi story buildings.*
- *Jerry Williams asked about the 2 day notice. Steven Cook said it is just so we can work with contractors to the best of our ability within the time and staff limitations we have to work with.*
- *The question was asked about Section 202. This deals with de-minimus use and is state statute.*
- *Dave Reichert asked if we had a policy on this before? Mark Kotschevar replied that we have been following this set of Rules and Regulations since the 80's. Contractors know our policies.*
- *Terry Adkins said its good for us to have these policies for when our customers call and ask about our policies.*
- *Jerry Williams said that approval of policy then falls back to the board to back them. It forces us to look at it them on an annual basis.*
- *Roger Stahl asked if staff has gone through an appropriate process in order for us to approve the Rules and Regulations?*
- *Michael Wojcik stated that the resolution is approving the work of staff.*
- *Terry said this is an advantage for staff to deal with both contractors and staff using a Board approved policy. If a customer has a problem they have an opportunity to go in front of the board to resolve it if necessary, and RPU staff and the Board will work together to work through any issues.*

The board approved the Rules and Regulations based on staff recommendations.

Resolution: 2015 Electric Service Rules & Regulations

The board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the proposed Electric Service Rules and Regulations to become effective June 1, 2015.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of May, 2015.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Roger Stahl, Board Member
SECONDER:	Dave Reichert, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

2. Solar Request for Proposal

Jeremy Sutton, Manager of Portfolio Optimization, presented the request for proposal results for a Purchase Power Agreement from a 300-500 kW solar array

Minutes Acceptance: Minutes of May 26, 2015 4:00 PM (Approval of Minutes)

located at 4000 East River Rd, NE Rochester, MN.

- The proposed kWh price is \$.1014/kWh.
- The question was asked, How much do we charge the customer? This will be done through SMMPA.
- This will meet our 1 1/2 percent by 2030- we can buy out the project after 2030. If we continue with PPA after 2030 nothing changes.
- The benefits are gaining solar experience and this meets our percent and a half goal through 2025.

The Board was asked for consensus to negotiate the contract with Ideal Energy for a 25 year PPA at the price \$0.1014 per kWh. The contract will be negotiated with the help of the City Attorney.

- President Williams was concerned with our 25 year obligation and asked about a buy-out option. Jeremy Sutton replied that there will be a buy- out option in the contract that will be available after 6 years. We may need the space for expansion or other reasons before our 25 year contract is up. This would all be in the contract.
- Dave Reichert commented that this is a pilot project and we need to get going on it.
- Can we use the management software for marketing purposes? We would have at least a link to the data on the RPU webpage. This would be a good tool for schools as a learning opportunity.

The Board was asked for consensus to move ahead with the negotiations and a contract will be brought to the June 30th board meeting. Specific terms and conditions will have to be approved by Terry Adkins before coming back to the board.

There was unanimous consensus.

RESULT:	NO ACTION
----------------	------------------

6. Informational

1. 2014 Electric Engineering & Operations Report

Randy Anderton, Senior Electrical Engineer, gave an informational presentation of the 2014 Electric Engineering and Operations Report.

RESULT:	NO ACTION
----------------	------------------

2. 2014 Renewable Energy Objective

Jeremy Sutton, Manager of Portfolio Optimization, gave an informational presentation of the 2014 Renewable Energy Objectives.

The Board made commitment to follow the state statute and our RPU Annual Report demonstrates our compliance.

It was asked that the documentation be placed on file. No action was required.

7. General Managers Report

Mark Kotschevar, RPU General Manager gave his report:

- Saint Mary's University has taken over Cascade Meadows which might change the

hours, but otherwise nothing else will change at this point.

- IT City group will present an update at the June 22 Committee of the Whole meeting.
- Mark Beauchamp will lead the study session for the Water Cost of Service Study immediately following the June 30th board meeting.
- The Great Blue Customer Survey will take place June 1-15 and will include both commercial and residential customers. They will bring the results back to the board at a later date.
- We received a Fitch bond rating of AA. Fitch said RPU is vibrant and continues to grow. Our bond rating will always be one step lower than the City of Rochester, because we fall under the City’s umbrella. Our Cash Reserve Policy and our three year rate track were a couple of the positives that were highlighted.
- On June 22 Mark Kotchevar will present an RPU update to the council at the Committee of the Whole.
- Our FERC filing through April has given us \$435K of additional revenue. The contested dollars from the filing are being held with MISO.
- The Minnesota Municipal Utility Association (MMUA) summer meeting will be held August 17-19, 2015.
- RPU is working with a new customer, EPIC, for the new Mayo Data Center. A cost sharing agreement is being negotiated and an MOU will be coming to the board for the new substation.

8. Division Reports & Metrics

- Jerry Williams commented about the format of the Division reports. He said he really likes the format and information in these reports.
- June 1 TEA will take over the market activities. Silver Lake Plant will be out of the generation business they have been in since 1949.
- June 12 tour of the hydro at Lake Zumbro.
- The City of Rochester is looking into a PR position like we have here at RPU.

1. Division Reports & Metrics

9. Other Business

10. Adjourn

Motion to: Adjourn

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Dave Reichert, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Wojcik, Williams, Reichert, Stahl, Browning

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

Submitted by:

Secretary

Minutes Acceptance: Minutes of May 26, 2015 4:00 PM (Approval of Minutes)

Approved by the Board

Board President

Date

Minutes Acceptance: Minutes of May 26, 2015 4:00 PM (Approval of Minutes)

ACCOUNTS PAYABLE

Meeting Date: 6/30/2015

SUBJECT: A/P Board Listing

PREPARED BY: Terri Engle

Please approved

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

Greater than 50,000 :

1			
2			
3	SOUTHERN MN MUNICIPAL POWER A	Monthly Billing	6,723,273.10
4	XCEL ENERGY CORP	CapX - LaCrosse Project CMA	931,078.81
5	MN DEPT OF REVENUE	April Sales and Use Tax	446,466.67
6	CONSTELLATION NEWENERGY-GAS D	SLP Pilot and Boiler Gas	174,322.11
7	MN DEPT OF HEALTH	Community Water Supply Fee, April - June	59,828.00
8	STUART C IRBY CO INC	Wire, AL, 15kV, 1/0 Solid, 1/C, Jacketed	59,176.57
9	SPARTA CONSULTING INC	2015 SAP Application Support	58,240.00
10			
11		Price Range Total:	8,452,385.26
12			

5,000 to 50,000 :

13			
14			
15	BILLTRUST dba	Credit Card/Billing/Mailing/IVR Services	41,397.08
16	LIFELINE INCORPORATED	Zoll AED Plus	37,513.12
17	NELSON AUTO CENTER	2015 GMC Sierra 2500 Dsl TK25953 (V550)	34,969.40
18	USIC LOCATING SERVICES INC	2014-2015 Locating Services	32,418.00
19	WRIGHT TREE SERVICE INC	2015 Hourly Tree Contract~	31,126.36
20	PEOPLES ENERGY COOPERATIVE (P	Services Compensable to PCPA 5/1/2015-5/	29,720.57
21	CORPORATE RISK SOLUTIONS INC	NERC CIP 5 Gap Analysis	29,622.63
22	BURNS & MCDONNELL INC	Infrastructure Plan Review & Upgrade	28,382.35
23	NELSON AUTO CENTER	2015 GMC Sierra 2500 TK25953 (V566)	27,910.15
24	NELSON AUTO CENTER	2015 GMC Sierra 2500 TK25953 (V567)	27,910.15
25	NELSON AUTO CENTER	2015 GMC Sierra 2500 TK25953 (V557)	27,910.15
26	NELSON AUTO CENTER	2015 GMC Sierra 2500 TK25953 (V556)	27,910.15
27	NELSON AUTO CENTER	2015 GMC Sierra 1500 TK15753 (V560)	26,853.12
28	NELSON AUTO CENTER	2015 GMC Sierra 1500 TK15753 (V551)	26,853.12
29	NELSON AUTO CENTER	2015 GMC Sierra 1500 TK15753 (V552)	26,853.12
30	NELSON AUTO CENTER	2015 GMC Sierra 1500 TK15753 (V561)	26,853.12
31	MASTEC NORTH AMERICA INC	2015 Directional Boring/Misc Excavation	24,592.37
32	OPOWER INC	2015-2016 Home Energy Reports	24,000.00
33	WATERS ON MAYOWOOD	CIP Conserve & Save Rebates	23,925.00
34	SURE POWER CONSULTING LLC	CRM Consulting Services	22,050.00
35	THE ENERGY AUTHORITY INC	TEA Monthly Fee	20,500.00
36	WESCO DISTRIBUTION INC	Trans, PM, 1ph, 37.5kVA, 13.8/8, 240/120	19,802.98
37	BLUESPIRE STRATEGIC MARKETING	2015 RPU Plugged In Contract	19,737.39
38	FURNITURE SUPERSTORE LLC	CIP Conserve & Save Rebates	19,305.00
39	WESCO DISTRIBUTION INC	Trans, PM, 1ph, 25kVA, 13.8/8, 240/120	18,287.49
40	SPARTA CONSULTING INC	Flex G/L Consulting	17,444.00
41	BADGER METER INC (P)	HRE Badger M-25 100W Itron ERT Integral	17,400.00
42	ROCHESTER PUBLIC SCHOOLS	CIP Conserve & Save Rebates	17,187.50
43	SCHWEITZER ENGINEERING LAB IN	Relay, SEL 311C, 125v DC, Rack	16,249.28
44	MINNESOTA ENERGY RESOURCES CO	SLP Pilot and Boiler Gas	16,012.91
45	WHKS & CO	New Water Tower Design	16,002.06
34	BAKER TILLY VIRCHOW KRAUSE LL	2014 FERC Audit	14,642.00
35	ACTION BATTERY WHOLESALERS IN	Battery, 58 cells, 2V, 5 OPzS	13,980.32

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

36	U S ALLIANCE GROUP	Credit Card Processing Fees, May 2015	13,814.67
37	CENTURYLINK	2015 Monthly Telecommunications	11,477.42
38	BORDER STATES ELECTRIC SUPPLY	Conduit, HDPE, 4.00, Empty, SDR 13.5	10,553.91
39	IBM CORPORATION	2015 Cognos Enterprise Planning	10,220.69
40	BORDER STATES ELECTRIC SUPPLY	Conduit, HDPE, 5.00, Empty, SDR 13.5	10,169.16
41	SOVRAN INC	Equallogic Maint Two 6010 San Arrays	9,565.32
42	WESCO DISTRIBUTION INC	Trans, OH, 1ph, 100kVA, 13.8/8, 120/240	9,469.24
43	BARR ENGINEERING COMPANY (P)	Silver Lake Dam Rehabilitation Design	8,029.86
44	CHS ROCHESTER	Monthly Fuel Purchases, April	7,754.94
45	BADGER METER INC (P)	Meter, Bare 3" Badger Compound Round Flg	7,630.88
46	WELLS FARGO BANK ACCT ANALYSI	2015 Banking Services	7,343.72
47	MAYO CLINIC	CIP Conserve & Save Rebates	6,634.00
48	D P C INDUSTRIES INC	2015 Hydrofluorosilicic Acid - Delivered	6,568.55
49	XYLO TECHNOLOGIES INC	David McCollister - Field Svcs/GIS	6,400.00
50	ARNOLDS SUPPLY & KLEENIT CO (2014-2015 SC Alternates	6,134.63
51	BORDER STATES ELECTRIC SUPPLY	Clamp, DE, U-Bolt,2-2/0 ACSR,1-3/0	6,013.86
52	CONSTELLATION NEWENERGY-GAS D	Gas at Cascade Creek	5,995.71
53	ARNOLDS SUPPLY & KLEENIT CO (2014-2015 SC Monthly Cleaning Services	5,887.74
54	BARR ENGINEERING COMPANY (P)	Water Sustainability Study Services	5,885.50
55	WESCO DISTRIBUTION INC	Trans, OH, 1ph, 15kVA, 13.8/8, 120/240	5,878.55
56	MOORHEAD MACHINERY & BOILER I	U3 Boiler Leak Repair	5,867.78
57	BADGER METER INC (P)	Meter, Bare 2" Badger Compound Round Flg	5,700.00
58	A & A ELECT & UNDERGROUND CON	Installation of 2-2" Conduits	5,520.00
59	EXPRESS SERVICES INC	2015 Fred Rahn - Field Svcs	5,454.75
60	SCHWEITZER ENGINEERING LAB IN	Relay, SEL 311C, 48v DC, Rack	5,416.43
61			
62		Price Range Total:	994,708.20
63			
64	<u>1,000 to 5,000 :</u>		
65			
66	SARGENTS LANDSCAPE NURSERY IN	New landscaping at Apache Mall site	4,996.94
67	BURNS & MCDONNELL INC	Zumbro River Cable Trench Crossing	4,924.60
68	BADGER METER INC (P)	Meter, Bare 5/8x3/4" Badger Disc	4,873.50
69	SHORT ELLIOTT HENDRICKSON INC	Verizon CCM Standpipe ROC012 Site Rev~	4,763.79
70	WENCK ASSOCIATES INC	Air Quality Consulting Services	4,738.06
71	BELL LUMBER & POLE COMPANY	Pole, 50ft, WRC, CL H1	4,702.50
72	XYLO TECHNOLOGIES INC	2015 Dominic Avila - Corp Svcs/IS	4,608.00
73	DAKOTA SUPPLY GROUP	Meter, FM16S CL200 MRV DEMAND AMR	4,552.00
74	MN DEPT OF NATURAL RESOURCES	MN DNR Contract 64964 stream gauging	4,300.00
75	D P C INDUSTRIES INC	2015 Carus 8500 Aqua Mag Kjell F35	4,263.20
76	PAYMENT REMITTANCE CENTER	CROW Outage Certificates	4,200.00
77	BADGER METER INC (P)	Meter, Bare 2" Badger T-200 Round Flange	4,155.30
78	ADVANCED DISPOSAL SVC SOLID W	2015 Waste Removal Services - SC	4,119.78
79	CDW GOVERNMENT INC	LaserJet multifunction printer	3,992.33
80	AFFILIATED CREDIT SERVICES IN	2015 Third Party Collections	3,932.81
81	ENVENTIS	2014-2017 Monthly Data Services	3,852.39
82	BOB THE BUG MAN LLC	Spray water sites for insect control	3,840.00

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

83	CHS ROCHESTER	Monthly Fuel Purchases, April	3,832.43
84	SURE POWER CONSULTING LLC	Travel Expenses for CRM Consulting	3,811.52
85	MASTEC NORTH AMERICA INC	Valley high rd project	3,806.00
86	INSTITUTE FOR ENVIRONMENTAL	Asbestos Project Management	3,780.00
87	ULTEIG ENGINEERS INC	Q6 Relocation for 55 St Ext @ Broadway	3,726.00
88	NARDINI FIRE EQUIPMENT CO INC	GT2 fire system maintenance	3,696.80
89	BADGER METER INC (P)	Meter, Bare 5/8x1/2" Badger Disk	3,648.00
90	BADGER METER INC (P)	Meter, Bare 1-1/2" Badger Disc	3,633.75
91	D P C INDUSTRIES INC	2015 Chlorine, 150 lb Cyl	3,630.50
92	NETWORKFLEET INC	2015 Monthly Charge - GPS Fleet Tracking	3,579.42
93	WRIGHT TREE SERVICE INC	Hourly Tree Removal~	3,518.93
94	NARDINI FIRE EQUIPMENT CO INC	GT 2 inspection	3,473.44
95	VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 4.00	3,333.11
96	BADGER METER INC (P)	Meter, Bare 3" Badger T-450 Round Flange	3,291.75
97	DELL MARKETING LP	Latitude E7450 laptop, 8GB memory	3,228.24
98	TWIN CITY SECURITY INC	Security Services April-Oct 2015	3,140.68
99	BAIER GERALD	2015-2016 Sweeping Services Jan-December	3,072.66
100	ROWLES DONALD PATRICK	National Drinking Water Week Videos for	2,978.07
101	VALHALLA CONDOMINIUMS	CIP Conserve & Save Rebates	2,875.20
102	EASYPower LLC	2015-18 Arc Flash SoftwareMaint	2,791.20
103	PRATT & WHITNEY POWER SYSTEMS	O-Ring, MGB Oil Pressure Line	2,477.80
104	BADGER METER INC (P)	Meter, Bare 3" Badger T-450 Round Flange	2,468.81
105	GRAYBAR ELECTRIC COMPANY INC	Wire, 18 ga, 600V 7/C Control CB TC CPE	2,443.03
106	WESCO DISTRIBUTION INC	Junction, LB, 200A, 4 Pos, w/Strap	2,428.73
107	UNITED RENTALS INC	Boom Telescopic - 50 Ave SE	2,411.58
108	BADGER METER INC (P)	Strainer, Bronze Plate. 3" Round Flange	2,404.69
109	MASTEC NORTH AMERICA INC	Potholes along valleyhigh dr nw - 9 loc	2,397.00
110	NELSON AUTO CENTER	License, Tax & Registration (V550)	2,383.76
111	INNER TITE CORP	Access Lock Box, Meer Room Keys	2,166.57
112	BADGER METER INC (P)	Meter, Bare 2" Badger Disc	2,107.58
113	TECH SAFETY LINES	Self Rescue Kit, w/ 65' Line	2,086.20
114	GALVANIZERS INC	Chester Sub change order design error correction	2,083.34
115	BORDER STATES ELECTRIC SUPPLY	Terminator Cover, For CS Terminators	2,037.57
116	MASTEC NORTH AMERICA INC	Valleyhigh rd project	1,988.00
117	WESCO DISTRIBUTION INC	CT, Bar Type, 600/5 600V High Accuracy	1,979.40
118	NELSON AUTO CENTER	License, Tax & Registration (V566)	1,924.91
119	NELSON AUTO CENTER	License, Tax & Registration (V567)	1,924.91
120	NELSON AUTO CENTER	License, Tax & Registration (V557)	1,924.91
121	NELSON AUTO CENTER	License, Tax & Registration (V556)	1,924.91
122	HIRE INVESTMENTS	CIP Conserve & Save Rebates	1,887.00
123	NELSON AUTO CENTER	License, Tax & Registration (V560)	1,856.20
124	NELSON AUTO CENTER	License, Tax & Registration (V552)	1,856.20
125	NELSON AUTO CENTER	License, Tax & Registration (V561)	1,856.20
126	NELSON AUTO CENTER	License, Tax & Registration (V551)	1,856.20
127	SOMA CONSTRUCTION INC	Rock for break excavation backfill	1,855.59
128	ACTION BATTERY WHOLESALERS IN	Spill containment tray & neutral pillows	1,798.71
129	MOST, MONIQUE	* Customer Refund - CCS 300000590703	1,779.03

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

130	GRAYBAR ELECTRIC COMPANY INC	Bulb, Florescent, F32T8/SPP50/ECO, 4'	1,777.55
131	MASTEC NORTH AMERICA INC	New Service - greenview dr sw Natural gr	1,760.50
132	BADGER METER INC (P)	HRE Badger M-120 100W Itron ERT Integral	1,750.00
133	SORENSEN & SORENSEN PAINTING	Painting Power poles Chester CAPX	1,747.27
134	CARLO LACHMANSINGH SALES	SL Base, Brkaway, Steel (Use w/2693)	1,731.38
135	DAVEY TREE EXPERT CO	stump grinding Apache Mall Water Tower	1,708.11
136	GRAINGER INC	paint flammables cabinet	1,702.31
137	VIKING ELECTRIC SUPPLY INC	Wire, 10 ga, 600V 2/C Cntrl CB EPR TC	1,652.29
138	WESCO DISTRIBUTION INC	Junction, LB, 200A, 4 Pos, w/Strap	1,619.16
139	MAYO FOUNDATION	CIP Conserve & Save Rebates	1,614.00
140	ALL SYSTEMS INSTALLATION INC	Card Access System Upgrade	1,605.26
141	VIKING ELECTRIC SUPPLY INC	Tape, Plastic, .750" x 66', 3M Super +33	1,603.13
142	ZADEOS PIZZA	CIP Conserve & Save Rebates	1,515.00
143	WESCO DISTRIBUTION INC	CT, Bar Type, 600/5 600V High Accuracy	1,484.55
144	TRUCKIN' AMERICA	Weatherguard side mount & side bar	1,481.37
145	DAVEY TREE EXPERT CO	Xcel stump grinding	1,442.58
146	ALL SYSTEMS INSTALLATION INC	Camera replacement	1,418.23
147	MED CITY COLLISION INC	Labor for V480 Right Side Box damage	1,416.00
148	JACKSON SIDNEY	APPA E & O Conf/Rodeo, hotel	1,391.68
149	BADGER METER INC (P)	Strainer, Bronze Plate. 2" Round Flange	1,389.38
150	MCR PERFORMANCE SOLUTIONS INC	Economic Analysis Badger Coulee Project	1,384.08
151	LIFELINE INCORPORATED	Zoll AED Plus	1,350.00
152	NARDINI FIRE EQUIPMENT CO INC	Labor for GT2 Inspection	1,339.00
153	STUART C IRBY CO INC	Glove, Leather Work, Hvy Duty, Large	1,335.08
154	RESCO	Arrester, 10kV, Dist, Riser MOV	1,318.84
155	ONLINE INFORMATION SERVICES I	2015 Utility Exchange Report	1,307.30
156	WILLIAMS JERRY	Travel, APPA Nat'l Conf, hotel	1,299.84
157	BADGER METER INC (P)	HRE Badger 3"T450 100W Itron ERT 5' Lead	1,290.00
158	CITY OF ROCHESTER	Berkley Risk, April	1,282.00
159	L & L SUBSTATIONS INC	Insulator station posts	1,271.13
160	DAKOTA SUPPLY GROUP	Meter, FM2S CL320 240V AMR	1,250.44
161	DAVIES PRINTING COMPANY INC	Water Quality Report	1,245.09
162	ELECTRICAL CONSULTANTS INC (P	Engineering analysis of Q3 for fiber UB	1,243.00
163	HEPPELMANN MIKE	Travel, Utility Finance and Acct Conf, h	1,201.95
164	GOPHER STATE ONE CALL	Electric locations	1,197.03
165	GOPHER STATE ONE CALL	Water locations	1,197.02
166	CITY OF ROCHESTER	W/C	1,177.84
167	ENVENTIS	2014-2017 Collocation Agreement	1,169.07
168	VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 3.00	1,154.66
169	ENVENTIS dba	2014-2017 Total Care Support	1,135.00
170	METRO SALES INC	Maintenance per Copy Costs	1,103.13
171	WRIGHT DOUG	CIP Conserve & Save Rebates	1,080.00
172	PAYMENT REMITTANCE CENTER	Travel, ESRI User Conf, R Moore, hotel	1,079.99
173	THE WATERS ON MAYOWOOD	CIP Conserve & Save Rebates	1,075.00
174	SHORT ELLIOTT HENDRICKSON INC	Sprint 2.5 North Park Ant Site Review~	1,070.57
175	MED CITY COLLISION INC	Labor for V480 Right Side Box damage	1,058.16
176	FEDEX FREIGHT INC	Shipping, return for rework due to Spec change	1,057.03

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

177	BORDER STATES ELECTRIC SUPPLY	Deadend Recept, 15kV, 200A, LB	1,052.51
178	VISION COMPANIES LLC (P)	Consulting Services	1,050.00
179	STUART C IRBY CO INC	Leather Glove Protector 10.0	1,031.13
180	JACKSON SIDNEY	APPA E & O Conf/Rodeo, Air, car, parking	1,029.34
181	DR TERRY J KLAMPE	CIP Conserve & Save Rebates	1,028.00
182	MAGERA MARK	CIP Conserve & Save Rebates	1,025.00
183	PAYMENT REMITTANCE CENTER	Travel, APPA Nat'l Convention, J William	1,020.00
184	SCHLINK WALTER	Travel, APPA Nat'l Conf/BOD Meeting, hotel	1,014.95
185	TODD USTBY	CIP Conserve & Save Rebates	1,007.00
186			
187		Price Range Total:	273,711.66
188			
189	<u>0 to 1,000 :</u>		
190			
191	REBATES	Summarized transactions: 127	23,830.56
192	EXPRESS SERVICES INC	Summarized transactions: 27	16,631.43
193	PAYMENT REMITTANCE CENTER	Summarized transactions: 75	13,215.21
194	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 55	13,104.21
195	Customer Refunds (CIS)	Summarized transactions: 91	9,245.36
196	STUART C IRBY CO INC	Summarized transactions: 22	7,519.47
197	MN PIPE & EQUIPMENT	Summarized transactions: 29	7,391.25
198	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 46	5,182.54
199	WESCO DISTRIBUTION INC	Summarized transactions: 22	4,988.58
200	CINTAS CORP	Summarized transactions: 107	4,349.87
201	GRAINGER INC	Summarized transactions: 36	3,538.43
202	SHORT ELLIOTT HENDRICKSON INC	Summarized transactions: 9	3,320.24
203	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 34	2,879.53
204	DAKOTA SUPPLY GROUP	Summarized transactions: 16	2,702.55
205	ACTION BATTERY WHOLESALERS IN	Summarized transactions: 5	2,585.30
206	CENTURYLINK	Summarized transactions: 6	2,154.37
207	U S A SAFETY SUPPLY	Summarized transactions: 17	2,077.89
208	SPECIALTY TURF & AG INC	Summarized transactions: 9	2,061.36
209	CONCAST INC	Summarized transactions: 6	1,962.92
210	ENVENTIS dba	Summarized transactions: 6	1,933.03
211	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 9	1,861.24
212	CITY OF ROCHESTER	Summarized transactions: 9	1,827.21
213	SPARTA CONSULTING INC	Summarized transactions: 3	1,714.25
214	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 22	1,672.04
215	CDW GOVERNMENT INC	Summarized transactions: 15	1,659.53
216	METRO SALES INC	Summarized transactions: 3	1,596.70
217	ALL SYSTEMS INSTALLATION INC	Summarized transactions: 2	1,576.34
218	FCX PERFORMANCE INC	Summarized transactions: 6	1,575.04
219	REINDERS INC	Summarized transactions: 9	1,539.54
220	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 16	1,495.65
221	MED CITY COLLISION INC	Summarized transactions: 4	1,417.82
222	NAPA AUTO PARTS (P)	Summarized transactions: 28	1,401.25
223	CUSTOM COMMUNICATIONS INC	Summarized transactions: 6	1,381.54

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

224	ANDERSON JUDITH	Summarized transactions: 3	1,342.26
225	BADGER METER INC (P)	Summarized transactions: 23	1,305.72
226	TRUCKIN' AMERICA	Summarized transactions: 3	1,245.67
227	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 3	1,186.34
228	FIRST SUPPLY (P)	Summarized transactions: 36	1,168.86
229	T E C INDUSTRIAL INC	Summarized transactions: 10	1,123.78
230	MN SUPPLY COMPANY INC	Summarized transactions: 2	1,109.69
231	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 9	1,078.82
232	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 43	1,044.17
233	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 6	1,003.41
234	JACKSON SIDNEY	Summarized transactions: 5	986.95
235	BOB GANDER PLUMBING & HEATING	Summarized transactions: 3	982.44
236	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 10	930.82
237	ALDEN POOL & MUNICIPAL SUPPLY	Summarized transactions: 4	911.83
238	HUSKIE TOOLS INC	Summarized transactions: 3	896.93
239	HACH COMPANY	Summarized transactions: 9	889.50
240	DAKOTA SUPPLY GROUP	Summarized transactions: 9	884.63
241	OPEN ACCESS TECHNOLOGY	Summarized transactions: 1	881.70
242	USA BLUE BOOK DBA	Summarized transactions: 10	861.54
243	PRATT & WHITNEY POWER SYSTEMS	Summarized transactions: 11	851.41
244	HALO BRANDED SOLUTIONS	Summarized transactions: 2	842.46
245	NARDINI FIRE EQUIPMENT CO INC	Summarized transactions: 1	838.17
246	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 6	832.53
247	TWIN CITY SECURITY INC	Summarized transactions: 1	825.29
248	G A ERNST & ASSOCIATES INC	Summarized transactions: 1	825.00
249	SCHWEITZER ENGINEERING LAB IN	Summarized transactions: 13	821.28
250	HEWLETT PACKARD CO INC	Summarized transactions: 1	810.65
251	BAIER GERALD	Summarized transactions: 3	800.00
252	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	771.25
253	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 4	747.18
254	OLM COUNTY AUDITOR/TREASURER	Summarized transactions: 2	747.12
255	EASYPower LLC	Summarized transactions: 1	745.77
256	PAAPE ENERGY SERVICE INC	Summarized transactions: 1	737.54
257	FERGUSON WATERWORKS	Summarized transactions: 3	711.62
258	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 3	706.72
259	SOUND AND MEDIA SOLUTIONS	Summarized transactions: 2	700.03
260	NALCO COMPANY	Summarized transactions: 4	697.67
261	SCHLINK WALTER	Summarized transactions: 3	697.30
262	KELLER TOM A JR	Summarized transactions: 3	683.95
263	HEPPELMANN MIKE	Summarized transactions: 2	683.45
264	COOK WILLIAM	Summarized transactions: 3	665.24
265	AUTHORIZE.NET	Summarized transactions: 1	665.10
266	KOTSCHAVAR MARK	Summarized transactions: 4	657.62
267	LAWSON PRODUCTS INC (P)	Summarized transactions: 4	655.49
268	CINTAS CORP	Summarized transactions: 4	641.84
269	TRUCKIN' AMERICA	Summarized transactions: 3	637.47
270	REBATES	Summarized transactions: 15	625.00

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

271	ON SITE SANITATION INC	Summarized transactions: 5	612.78
272	MIDCONTINENT ISO INC	Summarized transactions: 1	610.29
273	A & A ELECT & UNDERGROUND CON	Summarized transactions: 1	600.00
274	RESCO	Summarized transactions: 6	596.35
275	ROCH FORD TOYOTA	Summarized transactions: 3	593.23
276	RONCO ENGINEERING SALES INC	Summarized transactions: 3	590.03
277	LIFELINE INCORPORATED	Summarized transactions: 5	588.34
278	SPECIALTY TURF & AG INC	Summarized transactions: 2	551.74
279	CP SOLUTIONS INC	Summarized transactions: 1	550.00
280	DAVIES PRINTING COMPANY INC	Summarized transactions: 2	546.67
281	SOUTH ST PAUL STEEL SUPPLY CO	Summarized transactions: 3	540.79
282	CULLIGAN OF ROCHESTER INC	Summarized transactions: 5	507.27
283	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 3	505.51
284	INGERSOLL RAND COMPANY	Summarized transactions: 2	484.96
285	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 5	478.28
286	WENCK ASSOCIATES INC	Summarized transactions: 2	454.10
287	JOHN HENRY FOSTER MN INC	Summarized transactions: 5	453.17
288	MENARDS ROCHESTER SOUTH	Summarized transactions: 7	449.82
289	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 4	433.39
290	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 3	426.89
291	GARCIA GRAPHICS INC	Summarized transactions: 11	426.23
292	FLUITEK CORP	Summarized transactions: 4	413.67
293	ADVANCED DISPOSAL SVC SOLID W	Summarized transactions: 2	409.85
294	BLOM BRYAN	Summarized transactions: 3	407.25
295	HOGAN PETER	Summarized transactions: 3	403.86
296	SKYWATCH SERVICES dba	Summarized transactions: 1	400.00
297	ROCH LANDSCAPING SERVICES INC	Summarized transactions: 1	397.95
298	FRONTIER	Summarized transactions: 1	388.08
299	WRIGHTS SMALL ENGINE SERVICE	Summarized transactions: 2	387.63
300	WHITEWATER WIRELESS INC	Summarized transactions: 1	379.19
301	FIRST STUDENT INC	Summarized transactions: 1	375.93
302	FEDEX FREIGHT INC	Summarized transactions: 2	368.70
303	FASTENAL COMPANY	Summarized transactions: 12	360.75
304	CORPORATE WEB SERVICES INC	Summarized transactions: 1	360.00
305	WIDSETH SMITH NOTLING & ASSOC	Summarized transactions: 1	352.00
306	BEST BUY BUSINESS ADVANTAGE d	Summarized transactions: 8	344.32
307	POST BULLETIN CO	Summarized transactions: 3	341.48
308	A T & T	Summarized transactions: 1	340.24
309	PAPER & GRAPHICS INC	Summarized transactions: 2	336.43
310	WILLIAMS JERRY	Summarized transactions: 3	335.65
311	DZUBAY TONY	Summarized transactions: 3	326.70
312	CENTURYLINK	Summarized transactions: 1	325.95
313	MN PIPE & EQUIPMENT	Summarized transactions: 1	325.50
314	ST JOSEPH EQUIPMENT INC	Summarized transactions: 1	315.28
315	OLM COUNTY PROPERTY RECORDS	Summarized transactions: 6	302.00
316	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 1	300.00
317	EMEDCO INC	Summarized transactions: 5	299.57

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

318	PAULS LOCK & KEY SHOP INC	Summarized transactions: 3	299.26
319	MENARDS ROCHESTER NORTH	Summarized transactions: 3	288.89
320	CENTER FOR ENERGY AND ENVIRON	Summarized transactions: 1	278.94
321	R D O - POWERPLAN OIB	Summarized transactions: 4	271.38
322	FEDEX	Summarized transactions: 11	262.76
323	GARCIA GRAPHICS INC	Summarized transactions: 1	257.50
324	TARCO INDUSTRIES INC	Summarized transactions: 2	250.03
325	POWERMATION DIVISON	Summarized transactions: 3	249.91
326	STELLMAKER LISA	Summarized transactions: 3	249.44
327	REMIS BATTERY SYSTEMS INC	Summarized transactions: 1	249.15
328	CONSTELLATION NEWENERGY-GAS D	Summarized transactions: 1	246.92
329	UNITED RENTALS INC	Summarized transactions: 2	244.98
330	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 1	241.86
331	KEACH TODD	Summarized transactions: 4	239.00
332	CITY OF ROCHESTER	Summarized transactions: 1	238.00
333	OLSEN CHAIN & CABLE CO INC	Summarized transactions: 3	235.46
334	CULVER COMPANY INC	Summarized transactions: 2	235.13
335	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 2	234.25
336	IRON MOUNTAIN DBA	Summarized transactions: 1	233.51
337	CANADIAN HONKER RESTAURANT &	Summarized transactions: 3	229.73
338	GLOBAL EQUIPMENT COMPANY	Summarized transactions: 3	228.76
339	DELL MARKETING LP	Summarized transactions: 1	221.94
340	TOP PERFORMANCE SALES	Summarized transactions: 2	216.06
341	DENBOER MITCH	Summarized transactions: 3	209.62
342	NU-TELECOM dba	Summarized transactions: 1	208.09
343	RIESS CHAD	Summarized transactions: 3	205.44
344	SNAP ON INDUSTRIAL	Summarized transactions: 2	203.79
345	SIEMENS INDUSTRY INC.	Summarized transactions: 3	196.74
346	L & L SUBSTATIONS INC	Summarized transactions: 2	191.22
347	TENG PHIL	Summarized transactions: 1	182.00
348	THOMPSON GARAGE DOOR CO INC	Summarized transactions: 1	170.00
349	ALTEC INDUSTRIES INC	Summarized transactions: 3	169.42
350	AFFILIATED CREDIT SERVICES IN	Summarized transactions: 2	167.92
351	GREAT RIVER ENERGY	Summarized transactions: 1	167.90
352	ASTORINOS TREE SERVICE LLC	Summarized transactions: 1	160.31
353	STEVE BENNING ELECTRIC	Summarized transactions: 1	160.00
354	HUDSON WORKWEAR CO INC	Summarized transactions: 1	155.00
355	GOVERNMENT FINANCE OFFICERS A	Summarized transactions: 1	150.00
356	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	144.00
357	GALVANIZERS INC	Summarized transactions: 1	143.23
358	DIAMOND POWER INTERNATIONAL	Summarized transactions: 2	142.57
359	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 2	132.10
360	ASHRAE	Summarized transactions: 1	125.00
361	IHEART MEDIA dba	Summarized transactions: 1	120.00
362	SHERWIN WILLIAMS CO	Summarized transactions: 1	119.09
363	TOWNSQUARE MEDIA - ROCHESTER	Summarized transactions: 1	118.00
364	AFFILIATED GROUP INC	Summarized transactions: 1	117.31

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

365	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 4	117.22
366	INTERSTATE POWER SYSTEMS INC	Summarized transactions: 2	115.24
367	FASTENAL COMPANY	Summarized transactions: 4	114.05
368	GILLUND ENTERPRISES	Summarized transactions: 2	110.59
369	TAILGATER INC	Summarized transactions: 2	101.44
370	C & N UPHOLSTERY	Summarized transactions: 2	101.00
371	DEX MEDIA	Summarized transactions: 1	99.00
372	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 3	97.91
373	PIONEER RIM & WHEEL	Summarized transactions: 2	89.85
374	QUANDT CHAD	Summarized transactions: 1	88.00
375	AMOS BRADLEY	Summarized transactions: 1	88.00
376	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
377	LYLES SALES & SERVICE	Summarized transactions: 1	83.04
378	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 2	78.50
379	BOBCAT OF ROCHESTER	Summarized transactions: 1	75.69
380	HATHAWAY TREE SERVICE INC	Summarized transactions: 1	75.00
381	37TH STREET TIRE & AUTO SVC I	Summarized transactions: 1	74.12
382	A T & T	Summarized transactions: 2	73.93
383	FRANZ REPROGRAPHICS INC	Summarized transactions: 2	73.85
384	TSP INC	Summarized transactions: 1	72.60
385	VANCO SERVICES LLC	Summarized transactions: 1	70.30
386	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 1	65.00
387	AGRICULTURAL WEATHER INFO SER	Summarized transactions: 1	65.00
388	COOK STEVEN J	Summarized transactions: 1	64.54
389	NORTH AMERICAN ELECTRIC RELIA	Summarized transactions: 1	60.48
390	LOGANS TREE SERVICE & RECYCLI	Summarized transactions: 1	60.00
391	ALLIED PRODUCTS CORPORATION	Summarized transactions: 1	47.03
392	POMPS TIRE SERVICE INC	Summarized transactions: 1	45.00
393	BATTERIES PLUS	Summarized transactions: 1	42.74
394	DOUBLETREE HOTEL - BGDS HOTEL	Summarized transactions: 1	40.00
395	D P C INDUSTRIES INC	Summarized transactions: 2	36.90
396	NETWORK SERVICES COMPANY	Summarized transactions: 2	34.88
397	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 3	34.16
398	BOWMANS SAFE & LOCK SHOP LTD	Summarized transactions: 3	33.68
399	NEWARK	Summarized transactions: 3	32.82
400	OLM COUNTY CENTRAL FINANCE	Summarized transactions: 1	28.80
401	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	27.86
402	THOMAS TOOL & SUPPLY INC	Summarized transactions: 2	25.61
403	OSWEILER TODD	Summarized transactions: 1	24.90
404	BLACKHAWK INC	Summarized transactions: 3	24.47
405	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	23.79
406	HEIMER MICHAEL	Summarized transactions: 1	23.00
407	INNER TITE CORP	Summarized transactions: 1	21.89
408	CASTILLO ROB	Summarized transactions: 1	19.00
409	TECH SAFETY LINES	Summarized transactions: 1	18.49
410	CARQUEST AUTO PARTS	Summarized transactions: 4	16.10
411	STRUVES PAINT & DECORATING (P	Summarized transactions: 2	15.75

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 05/14/2015 To 06/14/2015

Consolidated & Summarized Below 1,000

412	CHS ROCHESTER	Summarized transactions: 2	14.11
413	NAPA AUTO PARTS (P)	Summarized transactions: 1	14.00
414	BOLDT JILL	Summarized transactions: 1	13.98
415	BATTERIES PLUS	Summarized transactions: 1	13.98
416	ANDERTON RANDY	Summarized transactions: 1	12.00
417	ROCH AREA BUILDERS INC	Summarized transactions: 1	10.00
418	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 2	7.07
419	FEDEX	Summarized transactions: 1	4.15
420			
421		Price Range Total:	224,616.16
422			
423		Grand Total:	9,945,421.28

Attachment: AP Board List Current Month (4043 : A/P Board Listing)

FOR BOARD ACTION

Agenda Item # (ID # 4062)

Meeting Date: 6/30/2015

SUBJECT: 2015 Infrastructure Update to Electric Utility Baseline Strategy for 2005 – 2030 Electric Infrastruc

PREPARED BY: Wally Schlink

ITEM DESCRIPTION:

Since the RPU Utility Board decision to become a contract rate of delivery (CROD) member of Southern Minnesota Municipal Power Agency (SMMPA), the utility has had in place a Board approved power supply plan to meet the demand and energy needs of our customers. That plan led to the installation of Cascade Creek Unit 2, conversion to gas of Cascade Creek Unit 1, the Mayo steam supply project and increased activities in renewable energy.

In June, 2005 Burns & McDonnell developed the Electric Utility Baseline Strategy for 2005 - 2030 Electric Infrastructure Plan (commonly referred to as the Infrastructure Plan) which provided the strategic guidance plan for future infrastructure development. The plan was recognized to be a guideline document that would require updating as industry, economic, legislative, regulatory and other conditions change or emerge. The study period was focused on the power needs above CROD and through the 2030 termination date of the SMMPA Power Sales Agreement.

In July, 2009 Burns & McDonnell presented the 2009 Update to Infrastructure Plan to the Board. The focus of the update was the time period of 2025 - 2044 which include the impacts of the decision of whether to extend the SMMPA contract and what were the infrastructure options if RPU chose to become self-sufficient effective in 2030. The analysis indicated a future that takes advantage of technology to move away from carbon fuels, is primarily natural gas based, has a higher emphasis on renewables and aggressive conservation programs and incorporated market opportunities.

In August 2012 the Update to the Infrastructure Plan was presented to the Board and accepted and placed on file. The emphasis was on decommissioning the Silver Lake Power Plant, taking advantage of current market conditions, benefit of the CAPx transmission project and developing units in the future as replacements for SLP and to position RPU for its post 2030 operation.

Mike Borgstadt, Manager of Business Consulting for Burns and McDonnell, will present the

FOR BOARD ACTION

Agenda Item # (ID # 4062)

Meeting Date: 6/30/2015

results of the 2015 Update to the Infrastructure Plan and be available to answer any questions. The current update was compelled by four significant events; the retirement of coal plants is impacting the availability of market capacity, the status of RPU aging resources, the potential of significant community growth and the overall impact of less carbon intensive resources. The study is based on the results of the economic analysis of the future power supply options for RPU.

UTILITY BOARD ACTION REQUESTED:

Request Board action to receive and place on file the 2015 Update to Infrastructure Plan.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to accept the 2015 Infrastructure Plan Update to Electric Utility Baseline Strategy for 2015-2030 and place it on file.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4037)

Meeting Date: 6/30/2015

SUBJECT: T-Mobile Central LLC Lease Agreement - Viola and Baihly Heights

PREPARED BY: Mona Hoeft

ITEM DESCRIPTION:

Staff has negotiated a new lease with T-Mobile Central LLC and is proposing an annual rent of \$30,000 with a 3% annual adjustment factor for Viola Tower #98 and Baihly Heights #92 to be retroactive to April 1, 2015.

On December 13, 2013, RPU advised T-Mobile of RPU's intent not to renew their March 1, 2000 lease that was set to expire February 28, 2015 due to failure on T-Mobile's part to amend the existing lease to the satisfaction of the City. Extensions pursued in order to allow both parties to negotiate new leasing terms which resulted in the use of the new wireless communication lease template that provides for updated and consistent language and notification requirements.

The City Attorney has reviewed the lease.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution authorizing the Mayor and City Clerk to execute the leases with T-Mobile Central LLC in addition to authorizing the General Manager and City Attorney to approve any minor changes.

LEASE AGREEMENT

This Lease Agreement (“Lease”) is entered into this ___ day of _____, 2015 between the **CITY OF ROCHESTER**, a Minnesota municipal corporation, acting through its Public Utility Board (“Landlord”), and T-Mobile Central LLC, a Delaware limited liability company (“Tenant”).

Recitals

WHEREAS, the Landlord is the owner of the real property (the “Property”) located at 3180 Viola Rd NE, Rochester, Minnesota 55906, and the water tower located thereon (the “Structure”), commonly known as the Viola Water Tower #98, and the Property is legally described in Exhibit “A”, *Legal Description*, attached hereto and incorporated herein (“Property”); and

WHEREAS, Landlord and Tenant entered into a Site Agreement dated March 1, 2000 (“Original Lease”), which was set to expire on December 31, 2014;

WHEREAS, Landlord and Tenant entered into two Agreements, dated February 2, 2015 and March 30, 2015, which extended the Original Lease through May 31, 2015; and

WHEREAS, in lieu of extending the Original Lease, Landlord and Tenant agree to enter into a new Lease Agreement for the continued use of the Leased Premises (as defined below). Landlord and Tenant hereby agree that the Original Lease shall terminate effective as of 11:59 p.m. on May 31, 2015 without further documentation or action by the parties and that this new Lease Agreement shall take effect on midnight, July 1, 2015.

NOW, THEREFORE, the parties agree as follows:

1. Leased Premises.

- (a) Landlord hereby leases to Tenant certain space located on the Property and the Structure (collectively, the “Leased Premises”) consisting of the following:
 - (1) ground space comprised of approximately 96 square feet, subject to any and all existing easements;
 - (2) Structure exterior space for attachment of antennas at alpha, beta & gamma sectors at 118’ AGL.
 - (3) space required for cable runs to connect equipment and antennas;
 - (4) non-exclusive easements required to run utility lines and cables (the “Utility Easement”); and
 - (5) a non-exclusive easement across the Property for reasonable access (the “Access Easement”).

- (b) No other space or property interests are being leased to Tenant except as described above and as described on Exhibit "A", *Legal Description*.

2. Terms/Renewals.

- (a) The initial term of this Lease shall commence on July 1, 2015 (the "Commencement Date"), and shall expire on December 31, 2020 ("Initial Term").
- (b) Tenant shall have the right to extend this Lease for three (3) additional five (5) year terms (each a "Renewal Term") subject to (c) below.
- (c) This Lease shall automatically renew for each successive Renewal Term unless Tenant is in default beyond applicable notice and cure periods of any of the terms or conditions of this Lease, or unless Tenant provides Landlord with written notice of its intention not to renew at least ninety (90) days before the expiration of the Initial Term or any Renewal Term.

3. Rent.

- (a) Tenant shall make all payments of rent to Landlord to the address as listed on the invoice.
- (b) Tenant shall pay rent annually in advance, as indicated in the payment schedule below:
- (1) Tenant shall pay Landlord, as rent, the sum of thirty thousand and 00/100 (\$30,000) dollars per year based upon the approved antenna facilities (the "Antenna Facilities") identified in Exhibit "B," *Antenna Site Application*, attached hereto and incorporated herein.
 - (2) The first year's rent shall be pro-rated from April 1, 2015 through December 31, 2015, and shall be paid within thirty (30) days following full execution of the Lease. Thereafter, the rent due hereunder shall be paid on or before the fifth (5th) day of January of each succeeding year.
 - (3) Late fees shall be assessed as determined by Landlord's Board approved policy at the time of the delinquency, provided that such policy is provided to Tenant in writing, in advance.
 - (4) Tenant shall not install, and/or operate any additional antennas or related equipment beyond those Antenna Facilities identified in Exhibit "B," *Antenna Site Application*, without the prior written consent of Landlord, such consent not to be withheld, conditioned or delayed without cause. Such additional equipment may require an amendment to the Lease and increase in rent, as may be reasonably determined by Landlord. Notwithstanding, Tenant has the right to perform routine maintenance and repairs upon notice to Landlord as indicated by Exhibit "C," *Site Access Procedure*, attached hereto and incorporated herein.

Notwithstanding anything to the contrary in this Lease, Landlord hereby agrees to allow the following future upgrades and additions to Tenant's Antenna Facilities,

without an increase in rent, subject to approval and review as outlined in this Lease, provided the upgrades and additions are completed no later than March 31, 2020:

- Installation of up to three (3) 1-5/8" hybrid fiber cables
- Installation of up to three (3) COVP's
- Installation of up to nine (9) remote radio units
- Installation of up to three (3) panel antennas of similar size and capacity as existing antennas.

(5) Commencing January 1, 2016, and on January 1st of each subsequent year, the rent shall be increased annually by three percent (3%). The rent shall never be decreased.

4. Use of Leased Premises.

(a) Primary Use of Property

The primary use and purpose of the Property, including the Leased Premises, is for a water storage structure and appurtenances to provide water service to customers of the Landlord ("Primary Use"). Landlord's operations in connection with pursuit of the Primary Use ("Landlord's Operations") take priority over Tenant's operations.

(b) User priority

Tenant agrees that the following priorities of use, in descending order, shall apply in the event of communication interference, emergency public safety needs, Structure repair or reconditioning, or other conflict while this Lease is in effect, and Tenant's use shall be subordinate accordingly:

- (1) Landlord's Operations;
- (2) Public safety agencies, including law enforcement, fire, and ambulance services, that are not related to Landlord;
- (3) Other governmental agencies where use is not related to public safety;
- (4) Pre-existing Tenants (a "Pre-existing Tenant" is defined as a tenant that installed its equipment prior to the installation of Tenant's equipment under the Original Lease);
- (5) Tenant.

(c) Jeopardy of Primary Use

- (1) In the event that the Landlord's Primary Use of the Structure is put at risk solely because of Tenant's operations ("Jeopardy"), it shall become the immediate and affirmative duty of the Tenant to diligently pursue a cure of the occurrence that causes the Jeopardy.
- (2) The parties agree that such an occurrence caused by Tenant's use or operation of Tenant's Antenna Facilities warrants an emergency response whereby the Landlord shall provide notice verbally by telephone, by facsimile or by e-mail, whichever is determined by the Landlord to be the most immediate method of notification. Notice

of Jeopardy of Primary Use caused by Tenant's operations shall be phone or e-mailed to the following:

Tenant's Emergency Responder: Network Operations Center
 Telephone Number: 877-611-5686
 Email: Propertymanagement@T-Mobile.com

- (3) Tenant shall send a qualified technician or representative to the Leased Premises within twenty-four (24) hours from the time that the notice of Jeopardy is provided by Landlord. The required twenty-four (24) hour emergency response time under these circumstances is applicable 24 hours a day, 7 days a week. The qualified technician or representative shall be capable of assessing the situation and eliciting the necessary response, including any repairs, alterations or modifications to Tenant's antennas, towers or ground equipment.
- (4) If such Jeopardy cannot be cured within twenty-four (24) hours after the notice was received, the Tenant shall immediately cease operation of the Antenna Facilities or the use of the specific equipment causing such Jeopardy until such Jeopardy is cured to the reasonable satisfaction of Landlord.
- (5) In the event of Jeopardy that poses an immediate threat of substantial harm or damage to the water supply, to persons, and/or property on the Property, as solely determined by Landlord ("Severe Jeopardy"), Landlord may enter the Leased Premises and take actions it determines are required to protect the water, individuals or personal property from such Severe Jeopardy; provided that promptly after such emergency entry onto the Leased Premises, and in no event later than twenty-four (24) hours after such entry, Landlord shall give written notice to Tenant of Landlord's emergency entrance and the specific action taken by the Landlord at the Leased Premises.

(d) Tenant's Use of Leased Premises

- (1) Tenant shall have the exclusive right, at its sole cost and expense, to use the Leased Premises for the transmission and reception of communications signals ("Approved Use").
- (2) In accordance with this Approved Use, the Tenant has the right, with Landlord's approval, to install, operate, maintain, repair, replace and remove its Antenna Facilities as shown in Exhibit "B", *Antenna Site Application*.
- (3) Tenant shall be responsible for all reasonable expenses incurred by the Landlord resulting from the use and/or occupancy of the Leased Premises by Tenant. Landlord shall submit an itemized invoice of such expenses together with reasonable supporting documentation evidencing such expenses to Tenant and Tenant shall make payment to Landlord within thirty (30) days of receipt.

(e) Laws Governing Use

Tenant shall use the Leased Premises in compliance with all applicable Federal Communications Commission ("FCC"), federal, state, and local rules, laws and

regulations.

5. **Installation of Equipment and Modifications.**

- (a) For the initial installation of all Antenna Facilities and for any and all subsequent revisions and/or modifications thereof, or additions thereto, Tenant shall complete an application (Exhibit B) which shall include any information reasonably requested by Landlord of such requested update or replacement, including but not limited to construction drawings, engineering studies and specifications as may be required, carried out at Tenant's expense. The application and subsequent drawings, studies and specifications must be approved by Landlord, which will not be unreasonably withheld, conditioned or delayed.
- (b) When requested, Tenant agrees to provide the following:

Construction Plans

- (1) line or CAD drawings showing location of all planned installations plus materials and construction methods;
- (2) specifications for all planned installations;
- (3) diagrams of proposed Antenna Facilities for initial installation, and subsequently, diagrams of proposed Antenna Facilities for any and all approved revisions, modifications, or additions;
- (4) a complete and detailed inventory of all equipment and personal property of Tenant actually placed on the Leased Premises. Landlord retains the right, at its sole cost and expense, to survey the installed equipment.

Engineering Studies

1) Structural Study

A structural study, performed by a qualified engineer, must show that the Structure, including handrail and other appurtenances permanently attached, is able to support the existing Antenna Facilities and the proposed additional Antenna Facilities. If the study finds that the Structure is inadequate to support the proposed additional loads, Tenant may provide reasonable modification plans to accommodate Tenant's proposed loading for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

2) Interference Study

Tenant shall provide at least thirty (30) days written notice to Landlord before modifying frequencies on the Leased Premises. Said notice shall describe all equipment and frequencies proposed to be added or modified and shall be subject to review and approval by the RF Engineer, which shall not be withheld, conditioned or delayed without cause. Said review, performed by an independent professional radio frequency engineer ("RF Engineer"), shall consist of an interference study to ensure that the modified or additional frequencies will not cause harmful radio interference

to Landlord's Operations or the operations of Landlord's existing tenants and shall be submitted to Landlord no later than thirty (30) days after frequencies are provided by Tenant.

Tenant may perform the interference studies and submit the results to the Landlord for review and approval. However, Landlord shall, in its sole discretion, retain the right provided herein to submit the study results to the RF Engineer for review at Tenant's sole expense.

In connection with its Approved Use, Tenant shall have the right to use any frequencies licensed to Tenant or its affiliates by the FCC.

- (c) Landlord reserves the right to contract with a third party for construction related services.
- (d) Landlord may utilize an escrow account as indicated on the application to facilitate the reimbursement process. The Landlord and their designated party will discontinue all review under this Paragraph if the amount of the original escrow account is insufficient to cover its costs, until the escrow account is adequately funded by Tenant such that Landlord is able to cover its costs of review. Landlord shall provide Tenant with reasonable supporting documentation describing such insufficiency and the proposed amounts required by Landlord to cover its costs of review.
- (e) Contractor Approval
Any contractor chosen by Tenant to carry out construction, installation, maintenance or any other work on the Structure must be pre-approved by the Landlord prior to the pre-construction meeting, which approval shall not be unreasonably withheld, conditioned or delayed. If Landlord rejects all contractors that Tenant proposes, Landlord shall provide the name of at least two (2) contractors that will be acceptable to Landlord.
- (f) Construction Inspection.
All construction activity shall be subject to inspection and approval by the Landlord, such approval not to be unreasonably withheld, conditioned or delayed, to ensure compliance with the approved Construction Plans and the terms of this Lease. Inspection will be performed beginning with the pre-construction meeting and continuing through installation/construction/punch-list and verification of as-built drawings at project completion as determined by Landlord. The anticipated cost of said inspections is included in the escrow fee when the application is submitted.

Landlord will not arbitrarily require more inspection than is reasonably necessary to ensure the continued delivery of service and security of Landlord's property.

If deemed necessary by the Landlord, construction work performed without approval will not be accepted and shall be removed or uninstalled at Tenant's sole expense, provided Landlord notifies Tenant of such non-compliance within thirty (30) days of submission of as-built drawings to Landlord.

- (g) 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 Tenant. , if available

(h) Damage by Tenant

Any damage to the Property, Leased Premises, Landlord's equipment or any other tenant's equipment or utilities thereon caused by Tenant's installation or operations shall be repaired or replaced at Tenant's expense and to Landlord's reasonable satisfaction within thirty (30) days following receipt of written notice.

(i) As-built drawings

Within thirty (30) days after Tenant activates or completes approved modifications on the Antenna Facilities, Tenant shall provide Landlord with a site plan in electronic file format compatible with Landlord's record file system consisting of as-built drawings of the Antenna Facilities and the 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, personal property, and Antenna Facilities.

6. Maintenance and Repairs.

(a) Property

Landlord 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 Landlord's Operations.

(b) Leased Premises

Tenant 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 applicable to Tenant's Approved Use of the Leased Premises.

(c) Structure Reconditioning and Repairs

- (1) From time to time, Landlord paints, reconditions, or otherwise improves or repairs the Structure in a substantial way ("Reconditioning Work"). Landlord shall reasonably cooperate with Tenant to carry out Reconditioning Work activities in a timely manner and in a manner that minimizes interference with Tenant's Approved Use.
- (2) Prior to commencing Reconditioning Work, Landlord shall provide Tenant with at least ninety (90) days prior written notice thereof. Upon receiving such notice, it shall be the sole responsibility of Tenant to provide adequate measures to cover or otherwise protect Tenant's Antenna Facilities from the consequences of such activities, including but not limited to paint and debris fallout. Landlord reserves the right to require Tenant to temporarily remove all Antenna Facilities from the Structure and Leased Premises during Reconditioning Work.
- (3) During Landlord's Reconditioning Work, Tenant may, with Landlord's approval, maintain a mobile site, install a temporary pole on the Property or, on any land owned or controlled by Landlord in the immediate area of the Property. If Property will not accommodate mobile equipment, it shall be Tenant's responsibility to locate auxiliary sites. Landlord agrees to abate rent during any period that Tenant is unable to operate at the Property due to the Reconditioning Work.

- (4) For minor repairs or maintenance affecting the Leased Premises, Landlord agrees to provide Tenant with at least fourteen (14) days advance written notice of any such activities and to reasonably cooperate with Tenant to carry out such activities in a manner that minimizes interference with Tenant's Approved Use. Minor repairs or maintenance items under this provision are defined as any repair or maintenance by Landlord that does not require Tenant to remove its Antenna Facilities from the Structure, and are 10 days or less in duration. All other repairs and maintenance that impact Tenants operations shall be subject to the notice requirements of 6(c).

7. Property Access.

Access to the Property, including the Leased Premises, by outside persons, including Tenant's employees, agents and assigns, shall at all times be governed by Landlord's Site Access Procedure, attached hereto and incorporated herein as Exhibit "C". Tenant agrees it shall conduct its operations on the Property and the Leased Premises in accordance with all requirements and conditions of said exhibit. Subject to said requirements and conditions Tenant and Landlord agree to the following:

- (a) Landlord shall, at all times provide Tenant ingress, egress, and access to the Premises over the Access Easement, subject to (i) the terms of this Lease; (ii) the Landlord's hours of operation and prevailing wages that are due for such department employees to provide access, and (iii) twenty-four hours advance notice by Tenant to Landlord.
- (b) Landlord will not allow any mechanics' or materialmen's' liens to be placed against the Property as a result of Tenant's work on the Property.
- (c) Access to antenna equipment on the Structure shall be with prior notice, Tenant's employee's identification and in the presence of Landlord's employee.
- (d) Both Landlord and Tenant shall maintain a written record of all site visits, including the name of all personnel.
- (e) In the event it is necessary for Tenant to have access to the Structure at some time other than the normal working hours of Landlord, Landlord may charge Tenant for reasonable expenses, including employees' wages that Landlord may incur in providing such access to Tenant.
- (f) Tenant shall have access to the ground-based Leased Premises at all times, in accordance with the requirements of this section.
- (g) Landlord retains the right to examine and inspect the Leased Premises for safety reasons and to ensure Tenant's compliance with the terms of this Lease. Landlord shall be liable for, and hold harmless Tenant from, any damage to the Leased Premises or to Tenant's equipment and Antenna Facilities caused by Landlord in exercising its right to examine and inspect the Leased Premises.

8. Utilities.

- (a) Landlord makes no representations that utilities adequate for Tenant's use of the Leased Premises are available. Tenant shall separately meter charges for the consumption of electricity and other utilities associated with its use of the Leased Premises and shall be responsible to promptly pay all costs associated therewith. Landlord will cooperate with Tenant in Tenant's efforts to obtain utilities from any location provided by the servicing utility.

- (b) All of Tenant's electrical wire, telephone cables, optical fiber and related equipment ("Utilities") and Tenant's communication lines on the Property and/or the Leased Premises shall be located underground, except for the utility pedestal or h-frame, if any, hybrid cables on the Structure, and within the Utility Easement, according to the Landlord's applicable code, rules and regulations and all state codes, rules and regulations. Tenant shall, within thirty (30) days following receipt of written request from Landlord, provide Landlord with an as-built plan showing the exact location of all Tenant's Utilities and hybrid cables installed on the Leased Premises and the Property. Tenant shall furnish Landlord with pertinent information as to the exact type of AC power used by the Tenant. The Tenant agrees that, within ten (10) days following the receipt of written request of the Landlord, it will field locate all Utilities and hybrid cables at Tenant's expense.
- (c) It shall be the responsibility of Tenant, its agents, contractors and/or subcontractors at Tenant's sole cost and expense to contact Gopher One Call and/or all other parties including, but not limited to, Landlord and all of Landlord's other tenants occupying the Property for locate requests prior to any construction or installation of the Tenant's antennas, tower equipment, ground equipment, Utilities or hybrid cables and other equipment described in this Lease, on the Property. If any of the Landlord's other tenants decline to locate their utilities, it shall be the responsibility of Tenant to locate said Tenant's Utilities at Tenant's sole cost and expense. Landlord agrees that it will assist with contact information for the other tenants upon the written request of the Tenant. Tenant agrees that Tenant will, upon the reasonable request of the Landlord or another tenant of the Landlord, locate all of its cables, conduit and utilities.
- (d) As partial consideration for rent paid under this Lease, Landlord hereby grants to the Tenant an appurtenant non-exclusive easement for Tenant's Utilities and hybrid cable over the Utility Easement and an appurtenant non-exclusive easement for ingress, egress, and access to the Premises over the Access Easement to service Tenant's Antenna Facilities and Utilities at all times during the term of this Lease. Upon notice, Landlord shall have the right, at Landlord's sole expense, to relocate the Access Easement, provided such new location shall not materially interfere with Tenant's operations. The Utility and Access Easements provided hereunder shall have the same term as this Lease.

9. Personal Property and Real Estate Taxes.

If any of Tenant's improvements constructed on the Leased Premises should cause the Property, or any portion of it, to be taxed for real estate purposes, it shall be the liability of Tenant to pay that portion of such property taxes directly attributable to Tenant's equipment, provided Landlord shall give Tenant prior written notification of such taxes so that Tenant will have the opportunity to appear before the taxing authority to contest such taxes. Notwithstanding Tenant's right to contest such taxes, Tenant shall pay its share of such taxes within ninety (90) days of receiving notice of the same.

10. Compliance and Statutes, Regulations, and Approvals.

- (a) Tenant's use of the Leased Premises herein is contingent upon its obtaining all certificates, permits, zoning, and other approvals that may be required by any federal, state or local authority, including but not limited to an engineering study and a radio

frequency interference study. Tenant shall, at its sole cost and expense, obtain all such necessary permits, licenses and other approvals and Landlord agrees to cooperate with Tenant in Tenant's pursuit of all such necessary permits, licenses or approvals, and Tenant shall reimburse Landlord its reasonable costs to provide such cooperation.

- (b) Tenant's Antenna Facilities and any other facilities shall be installed, maintained, and operated in accordance with all state or federal or local or municipal statutes, ordinances, rules, or regulations now in effect, or that hereafter may be issued by the FCC or any other governing bodies which apply to Tenant's Approved Use of the Leased Premises.

11. Interference.

- (a) In the performance of its Approved Use, Tenant shall not damage or interfere with Landlord's Operations, including its radio frequency transmissions, or approved operations of Pre-Existing Tenants, provided that the equipment used by Landlord or Pre-Existing Tenants is operating within the technical parameters specified by its manufacturer and/or as defined by the FCC. In the event of any such interference, Tenant shall immediately cease such interference, except for brief tests necessary for the elimination of the interference, and until Tenant is able to resolve the problem. In the event Tenant cannot correct the interference, Tenant shall have the option to terminate this Lease, pursuant to *Section 12. Termination*. Tenant shall not be responsible for interference that results from a change in the operations of other tenants after the Commencement Date of this Lease.
- (b) Tenant acknowledges that Landlord may lease the Property, or any part of it, to other parties in close proximity to the Leased Premises, and Tenant agrees to work cooperatively with any such other parties, using accepted technical standards in accordance with FCC standards, to ensure that such other parties' use and Tenant's use will be compatible and will not cause interference with each other.
- (c) Landlord in no way guarantees to Tenant noninterference with Tenant's transmission operations provided, however, that in the event that any other party requests permission to place any type of additional antenna or transmission facility on the Property, the procedures of this Section shall govern to determine whether such antenna or transmission facility will interfere with Tenant's transmission operations.
- (d) In the event that Tenant or other tenants on the Property experience interference of their approved frequencies and they cannot reach agreement as to the cause and remedy of such interference, the RF Engineer shall determine such cause and remedy and Tenant shall abide by the RF Engineer's determination, subject to Tenant's right to terminate this Lease.

12. Termination.

- (a) Except as provided herein, this Lease may be terminated upon sixty (60) days written notice to the other party without penalty or further liability, as follows:
- (1) By either party, upon a material default of any other covenant or term hereof by the other party; which default is not cured within thirty (30) days of receipt of written notice of default to the other party (without, however, limiting any other rights of the

- parties at law, in equity, or pursuant to any other provisions hereof), or if such cure cannot be completed within thirty (30) days, within such reasonable time as may be required, provided the defaulting party commences the cure within thirty (30) days of receipt of written notice of default and diligently pursues such cure to completion;
- (2) By Tenant, in the event that:
- a. Tenant is unable to obtain or maintain any license, permit, or other governmental approval necessary for the construction and/or operation of the Antenna Facilities;
 - b. The Leased Premises are or become unusable under Tenant's design or engineering specifications for its Antenna Facilities, or the communications system to which the Antenna Facilities belong; or
 - c. Tenant's transmission is interfered with by Landlord or its other tenants' equipment. Such right to terminate shall become void if Landlord cures such interference within thirty (30) days of receipt of written notice.
- (3) By Landlord, in the event that:
- a. Landlord reasonably determines, after review by an independent structural engineer, that the Property is structurally unsound, including but not limited to consideration of age of the Structure, damage or destruction of all or part of the Property from any source, or factors relating to condition of the Property;
 - b. Tenant fails to pay rent provided for in *Section 3. Rent* within thirty (30) days of Tenant's receipt of written notice from Landlord of a rent payment being overdue;
 - c. Upon 180 days prior written notice by the Landlord to Tenant if Landlord decides, for any reason, to redevelop and/or discontinue use of the Property and Structure in a manner inconsistent with Landlord's Primary Use.
- (b) If this Lease is terminated pursuant to subparagraph 12(a)(1), 12(a)(2)(a) or 12(a)(2)(c), rent shall be pro-rated to the termination date or the date on which all of Tenant's equipment is removed from the Leased Premises, whichever is later. The parties shall give notice of termination in accordance with Section 16 of this Lease. All rent paid by Tenant prior to said termination date shall be retained by Landlord.
- (c) The parties agree that the Landlord will incur damages should Tenant terminate this Lease pursuant to subparagraph 12(a)(2)(b). However, the amount of damages incurred by the Landlord following Tenant's termination of this Lease pursuant to subparagraph 12(a)(2)(b) cannot be determined or measured by ordinary rules. For the purpose of liquidating the amount of damages, and not as a penalty, it is agreed that in case of the Tenant's early termination of this Lease, as permitted by subparagraph 12(a)(2)(b), the damages caused shall be and are hereby fixed, liquidated, and determined in the sum of 150% of the annual applicable rent for the year in which Tenant terminates.
- (d) In the event Tenant becomes aware of any hazardous materials on the Property, or any environmental, health or safety conditions or matter relating to the Property, that, in Tenant's sole determination, renders the condition of the Leased Premises or Property unsuitable for Tenant's use, or if Tenant believes that the leasing or continued leasing of the Leased Premises would expose Tenant to undue risks of liability to a government agency or third party, Tenant will have the right, in addition to any other rights it may

have at law or in equity, to terminate this Lease upon written notice to Landlord specifically identifying all such materials, conditions or matters relating to the Property.

13. Insurance.

Tenant and all subcontractors shall obtain, as a minimum, the types and limits of insurance coverage as set forth in Exhibit "D". All policies called for herein shall become effective before Tenant undertakes any work under this Lease and shall remain in full force and effect as indicated by the Exhibit. Tenant shall furnish Landlord with an insurance certificate evidencing such insurance coverage prior to work commencing on said project.

14. Indemnity.

Tenant agrees to defend, indemnify and hold harmless Landlord and its elected officials, officers, employees, agents, and representatives, from and against any and all claims, costs, losses, expenses, demands, actions, or causes of action, including reasonable attorneys' fees and other costs and expenses of litigation, which may be asserted against or incurred by Landlord or for which the Landlord may be liable in the performance of this Lease, except to the extent those which arise from the negligence, or willful misconduct of Landlord, or its employees, agents or contractors. Tenant shall further defend and indemnify all claims arising out of the installation, operation, use, maintenance, repair, removal, or presence of the Tenant's Antenna Facilities on the Leased Premises, except to the extent such claims arise out of the negligence or willful misconduct of Landlord, its agents, employees, contractors and tenants.

Landlord agrees to defend, indemnify and hold harmless Tenant and its officers, employees, agents, and representatives, from and against any and all claims, costs, losses, expenses, demands, actions, or causes of action, including reasonable attorneys' fees and other costs and expenses of litigation, which may be asserted against or incurred by Tenant or for which the Tenant may be liable in the performance of this Lease, except to the extent those which arise from the negligence, or willful misconduct of Tenant, or its employees, agents or contractors.

15. Damage or Destruction.

If the Leased Premises or any portion thereof is destroyed or damaged so as to materially hinder the effective use of the Leased Premises by Tenant through no fault or negligence of Tenant, Tenant may elect to terminate this Lease upon thirty (30) days' written notice to Landlord. In such event, all rights and obligations of the parties shall cease (except as to the Tenant's obligations under this Lease to remove Tenant's equipment and Antenna Facilities) as of the date of the notice to Landlord and Tenant shall be entitled to the reimbursement of any rent prepaid by Tenant. If Tenant elects to continue this Lease, then the rent shall abate for a period of one hundred eighty (180) days or until Tenant's equipment and Antenna Facilities are restored to the condition existing prior to the damage or destruction, whichever is earlier.

16. Notices.

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or delivered by a nationally recognized overnight courier service, to the following addresses or to any other address of Tenant or Landlord that is given from time to time to the other party pursuant to this provision, regarding written notice:

If to Landlord: Rochester Public Utilities
 Attn: Buyer
 4000 East River Road NE
 Rochester, Minnesota 55906

If to Tenant: T-Mobile Central LLC
 12920 SE 38th Street
 Bellevue, WA 98006
 Attn: Lease Compliance / Site #A1Q0421A

17. Representations and Warranties.

- (a) Landlord represents that (i) it has full right, power, and authority to execute this Lease; (ii) it has good and unencumbered title to the Property free and clear of any liens or mortgages, subject to such liens of record; and (iii) Tenant shall have quiet enjoyment of the Leased Premises during the term of this Lease in accordance with its terms.
- (b) The parties acknowledge that this is a nonexclusive lease. Nothing in this Lease shall preclude Landlord from leasing other space on the Property to any other person or entity which may be in competition with Tenant, or any other party, subject to the conditions set forth in *Section 11. Interference.*
- (c) Tenant warrants that the individual signing and executing this Lease on behalf of Tenant has the requisite corporate power and authority to enter into and perform this Lease on behalf of Tenant. Landlord warrants that the individuals signing and executing this Lease on behalf of Landlord have the requisite corporate power and authority to enter into and perform this Lease on behalf of Landlord.
- (d) Landlord represents that it has no knowledge of any substance, chemical or waste on the Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation, as defined in Section 17(e) of this Lease. Landlord will be solely liable for and will defend, indemnify and hold Tenant, its agents and employees harmless from and against any and all direct claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with the removal, cleanup or restoration of the Property with respect to hazardous, toxic or dangerous materials from any and all sources other than those hazardous, toxic or dangerous materials introduced to the Property by Tenant. Tenant represents and warrants that its use of the Leased Premises herein will not generate and it will not store or dispose on the Property nor transport to or over the Property any hazardous substance, chemical or waste contrary to any applicable law or regulation. Tenant further agrees to hold Landlord harmless from and indemnify Landlord against any release of any such hazardous substance, and any damage, loss, expense, or liability resulting from the breach of this representation or from the violation of any applicable state or federal law by such release associated with Tenant's use of hazardous substances, including payment of all reasonable attorneys' fees, costs, and penalties incurred as a result thereof, except for any release caused by the negligence or willful misconduct of Landlord, its employees, or agents.

- (e) “Hazardous substance” shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any federal, state, or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations, or rules may be amended from time to time. Landlord acknowledges Tenant’s use of batteries and diesel fuel needed for back-up power and deems them acceptable as long as such batteries and fuel are used and disposed of in accordance with all applicable laws.

18. No Liability on Landlord.

Except due to Landlord’s willful misconduct or negligence, Landlord shall not be liable for: (i) any damage to Tenant’s equipment or Antenna Facilities, including but not limited to vandalism or malicious mischief caused by third parties, known or unknown, to Tenant’s equipment or facilities, or (ii) for any lost revenue, business or profits of Tenant.

19. Assignment.

This Lease, or rights thereunder, may not be sold, assigned, or transferred in whole or in part, or subleased or sublicensed at any time by Tenant without the written consent of the Landlord, except to Tenant’s parent, affiliates or subsidiaries, or subsidiaries of its parent, or any party that merges or consolidates with Tenant or Tenant’s parent, or any party that purchases or otherwise acquires all or substantially all of Tenant’s ownership interest or assets in the FCC market in which the Property is located. Any written consent required in this Paragraph will not be unreasonably withheld, conditioned or delayed. Landlord hereby consents to the assignment by Tenant of its rights under this Lease as collateral to any entity which provides financing for the purchase of the Antenna Facilities to be installed at the Leased Premises subject to Landlord’s rights to retain the Tenant’s Antenna Facilities and other improvements if Tenant fails to remove them as provided in this Lease. Tenant shall provide Landlord written notice of such assignments within thirty (30) days of execution.

20. Condemnation.

Landlord shall provide to Tenant notice of any condemnation proceedings within thirty (30) business days of receipt. In the event the whole of the Leased Premises is taken by eminent domain, this Lease shall terminate as of the date title to the Leased Premises vests in the condemning authority. In event a portion of the Leased Premises is taken by eminent domain, either party shall have the right to terminate this Lease as of said date of title transfer, by giving thirty (30) days’ written notice to the other party. In the event of any taking under the power of eminent domain, Tenant shall not be entitled to any portion of the reward paid for the taking and the Landlord shall receive full amount of such award. Tenant hereby expressly waives any right or claim to any portion thereof. Although all damages, whether awarded as compensation for diminution in value of the leasehold or to the fee of the Leased Premises, shall belong to Landlord, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord (unless Landlord is the condemning authority), such compensation as may be separately awarded or recoverable by Tenant on account of any and all damage to Tenant’s business and any costs or expenses incurred by Tenant in moving/removing its equipment, personal property, Antenna Facilities, and leasehold improvements.

21. Successors and Assigns.

This Lease shall run with the Property. This Lease shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns.

22. Surrender of Leased Premises.

- (a) All portions of the Antenna Facilities brought onto the Leased Premises by Tenant will be and shall remain Tenant's personal property and, at Tenant's option, may be removed by Tenant at any time during or after the term or extension thereof. In the event that this Lease is terminated or not renewed, Tenant shall have sixty (60) days from the termination or expiration date to quit peacefully and surrender possession of the Leased Premises in as good condition as when it was delivered to Tenant, reasonable wear and tear and casualty loss excepted. Tenant shall remove its equipment, personal property, Antenna Facilities, and leasehold improvements from the Property, and shall repair any damage to the Property caused by such equipment, all at Tenant's own cost and expense.
- (b) In the event that Tenant's Antenna Facilities and related equipment are not removed to the reasonable satisfaction of the Landlord within sixty (60) days from the termination or expiration date, the Landlord shall have the option to fully decommission the Antenna Facilities, have the Antenna Facilities removed, and repair the site and restore the property, and Tenant shall be responsible for the cost of such actions.

23. Marking and Lighting Requirements.

- (a) Landlord acknowledges that it shall be responsible, at its sole cost and expense, for compliance with all building marking and lighting requirements that the Federal Aviation Administration ("FAA") may require with respect solely to the height of the Structure. The responsibility, however, is expressly limited to the requirements that would be required of an elevated water storage facility having no communications equipment installed on it, irrespective of Tenant's Antenna Facilities. Landlord shall indemnify and hold harmless Tenant from any fines or other liabilities caused by Landlord's failure to comply with such requirements for an elevated water storage facility Structure. Further, should the FAA cite Landlord, or in the event any claims are brought against Landlord because the Structure alone is not in compliance, as opposed to the Structure with Antenna Facilities, then Landlord shall indemnify Tenant for full costs, liabilities, damages and expenses, including reasonable attorney's fees. Further, if Landlord does not cure the conditions of noncompliance on the Structure within the time frame allowed by the citing agency, Tenant may terminate this Lease immediately without any further liability hereunder upon written notice to Landlord.
- (b) Tenant acknowledges that it shall be responsible at its sole cost and expense, for compliance with all building marking and lighting requirements that the FAA may require with respect to Tenant's Antenna Facilities. In the event the FAA determines that the Structure must be additionally marked, lighted, or in any way modified, due to the existence of Tenant's Antenna Facilities, Tenant shall have the option to mark, light or modify the Structure at its sole expense, or to terminate this Lease, pursuant to *Section 12. Termination*. Said marking, lighting and modifying shall be subject to prior written

approval by Landlord, such approval not to be withheld without cause. Landlord shall approve or object to such plans within a reasonable period of time to allow timely compliance with FAA regulations.

24. RF Radiation Compliance.

- (a) An RF Engineer chosen by the Landlord and agreed to by the Tenant shall perform a radiation survey of the Property following Tenant's initial RF transmissions on the Leased Premises. Tenant shall be responsible for all costs of such survey, to be paid within forty-five (45) days of receipt of a detailed invoice from Landlord.
- (b) Tenant shall implement all measures at the transmission site required by FCC regulations, including but not limited to posting signs and markings. Landlord shall cooperate with and permit Tenant to implement all reasonable measures in order for Tenant to fulfill its Radio Frequency exposure obligations. Landlord agrees that in the event any future party causes the entire site to exceed FCC Radio Frequency radiation limits, as measured on the Property, Landlord shall hold such future party liable for all such later-arising non-compliance.

25. Noise Restrictions.

Noise from Tenant's equipment shall not exceed the level allowed by the local jurisdiction ("Allowable Noise Level"), as measured at any location on neighboring property. Landlord will take noise level measurements from time to time to verify compliance. In the event it is found that Tenant's equipment exceeds the Allowable Noise Level, Landlord shall provide Tenant with written notice and Tenant shall take immediate steps to provide permanent reduction in the noise of its equipment to below Allowable Noise Level. If Tenant does not so reduce its measured sound level within sixty (60) days of receipt of written notice of event, said occurrence shall constitute an event of default as otherwise defined in *Section 12. Termination*.

26. Miscellaneous.

- (a) Each party agrees to furnish to the other, within thirty (30) days after notice of receipt of the request, such truthful estoppel information as the other party may reasonably request.
- (b) This Lease constitutes the entire agreement and understanding of the parties and supersedes any and all offers, negotiations, or other agreements of any kind with respect to its subject matter. There are no representations or understandings of any kind not set forth herein. Any modification of or amendment to this Lease must be in writing and executed by both parties. No provision of this Lease will be deemed waived by either party unless expressly waived in writing by the waiving party. No waiver shall be implied by delay or any other act or omission of either party. No waiver by either party of any provisions of this Lease shall be deemed a waiver of such provision with respect to any subsequent matter relating to such provision. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

- (c) This Lease shall be construed in accordance with the laws of the State of Minnesota. Any legal action may only be commenced and proceed in the relevant district court in Olmsted County, Rochester, Minnesota.
- (d) If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.
- (e) Upon request by Tenant, Landlord agrees to execute a recordable Memorandum of this Lease.
- (f) Any terms and conditions contained in this Lease that by their sense and context are intended to survive the termination or expiration of this Lease shall so survive.
- (g) The submission of this Lease to any party for examination or consideration does not constitute an offer, reservation of or option for the Leased Premises based on the terms set forth herein. This Lease will become effective and binding only upon the handwritten legal execution and delivery hereof by Landlord and Tenant.
- (h) The Recitals set forth above and the terms and definitions therein are hereby incorporated in this Lease as though they were set forth in the body of the Lease.
- (i) Any claim, controversy or dispute arising out of this Lease not resolved within sixty (60) days following notice of the dispute shall be submitted first and promptly to mediation. Each party shall bear its own cost of mediation. If mediation does not result in settlement within forty-five (45) days after the mediator declares an impasse, either party may file any legal proceeding to enforce this agreement. The legal proceeding must be venued in Olmsted County, Minnesota.
- (j) Exhibits “A” through “E” listed below are hereby incorporated into this Lease by reference.

Exhibit “A” *Legal Description*

Exhibit “B” *Antenna Site Application with Site Technical Information*

Exhibit “C” *Site Access Procedure*

Exhibit “D” *Insurance Requirements*

Exhibit “E” *Rent Reconciliation Statement*

IN WITNESS WHEREOF, the parties hereto have executed this Lease, the day and year first written above.

T-MOBILE CENTRAL LLC

By _____

Name: _____

Title: _____

CITY OF ROCHESTER

By _____

Ardell Brede, Mayor

By _____

Aaron Reeves, City Clerk

Approved as to form:

By _____

Terry Adkins, City Attorney

ROCHESTER PUBLIC UTILITIES

By _____

Mark Kotschevar, General Manager

Attachment: 1 Viola (A1Q0421A) Rochester New Lease RPU 6.12 Final (4037 : T-Mobile Central LLC Lease Agreement - Viola and Baihly

CITY OF ROCHESTER

STATE OF MINNESOTA)
) ss.
COUNTY OF OLMSTED)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Ardell Brede, Mayor, Aaron Reeves, City Clerk, Terry Adkins, City Attorney and Mark Kotschevar, Rochester Public Utilities General Manger, of the City of Rochester, a Minnesota municipal corporation, on behalf of said corporation.

Witness my hand and official seal.

Notary Public

T-MOBILE CENTRAL LLC

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____ of T-Mobile Central LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Witness my hand and official seal.

Notary Public

Attachment: 1 Viola (A1Q0421A) Rochester New Lease RPU 6.12 Final (4037 : T-Mobile Central LLC Lease Agreement - Viola and Bainly

LEASE AGREEMENT

This Lease Agreement (“Lease”) is entered into this ___ day of _____, 2015 between the **CITY OF ROCHESTER**, a Minnesota municipal corporation, acting through its Public Utility Board (“Landlord”), and T-Mobile Central LLC, a Delaware limited liability company (“Tenant”).

Recitals

WHEREAS, the Landlord is the owner of the real property (the “Property”) located at 2301 Baihly Hills Dr SW, Rochester, Minnesota 55906, and the water tower located thereon (the “Structure”), commonly known as the Baihly Water Tower #92, and the Property is legally described in Exhibit “A”, *Legal Description*, attached hereto and incorporated herein (“Property”); and

WHEREAS, Landlord and Tenant entered into a Site Agreement dated March 1, 2000 (“Original Lease”), which was set to expire on December 31, 2014;

WHEREAS, Landlord and Tenant entered into two Agreements dated February 2, 2015 and March 30, 2015 which extended the Original Lease through May 31, 2015; and

WHEREAS, in lieu of extending the Original Lease, Landlord and Tenant agree to enter into a new Lease Agreement for the continued use of the Leased Premises (as defined below). Landlord and Tenant hereby agree that the Original Lease shall terminate effective as of 11:59 p.m. on May 31, 2015 without further documentation or action by the parties and that this new Lease Agreement shall take effect on midnight, _____ 1, 2015.

NOW, THEREFORE, the parties agree as follows:

1. Leased Premises.

- (a) Landlord hereby leases to Tenant certain space located on the Property and the Structure (collectively, the “Leased Premises”) consisting of the following:
- (1) ground space comprised of approximately 96 square feet, subject to any and all existing easements;
 - (2) Structure exterior space for attachment of antennas at alpha, beta & gamma sectors at 113’ AGL. Such exterior space shall consist of seven and one-half linear feet (7.5’) per sector for the installation of LESSEE’s equipment;
 - (3) space required for cable runs to connect equipment and antennas;
 - (4) non-exclusive easements required to run utility lines and cables (the “Utility Easement”); and
 - (5) a non-exclusive easement across the Property for reasonable access (the “Access Easement”).

6/23/15

- (b) No other space or property interests are being leased to Tenant except as described above and as described on Exhibit “A”, *Legal Description*.

2. Terms/Renewals.

- (a) The initial term of this Lease shall commence on July 1, 2015 (the “Commencement Date”), and shall expire on December 31, 2020 (“Initial Term”).
- (b) Tenant shall have the right to extend this Lease for three (3) additional five (5) year terms (each a “Renewal Term”) subject to (c) below.
- (c) This Lease shall automatically renew for each successive Renewal Term unless Tenant is in default beyond applicable notice and cure periods of any of the terms or conditions of this Lease, or unless Tenant provides Landlord with written notice of its intention not to renew at least ninety (90) days before the expiration of the Initial Term or any Renewal Term.

3. Rent.

- (a) Tenant shall make all payments of rent to Landlord to the address as listed on the invoice.
- (b) Tenant shall pay rent annually in advance, as indicated in the payment schedule below:
- (1) Tenant shall pay Landlord, as rent, the sum of thirty thousand and 00/100 (\$30,000) dollars per year based upon the approved antenna facilities (the “Antenna Facilities”) identified in Exhibit “B,” *Antenna Site Application*, attached hereto and incorporated herein.
 - (2) The first year’s rent shall be pro-rated from April 1, 2015 through December 31, 2015, and shall be paid within thirty (30) days following full execution of the Lease. Thereafter, the rent due hereunder shall be paid on or before the fifth (5th) day of January of each succeeding year.
 - (3) Late fees shall be assessed as determined by Landlord’s Board approved policy at the time of the delinquency, provided that such policy is provided to Tenant in writing, in advance.
 - (4) Tenant shall not install, and/or operate any additional antennas or related equipment beyond those Antenna Facilities identified in Exhibit “B,” *Antenna Site Application*, without the prior written consent of Landlord, such consent not to be withheld, conditioned or delayed without cause. Such additional equipment may require an amendment to the Lease and increase in rent, as may be reasonably determined by Landlord. Notwithstanding, Tenant has the right to perform routine maintenance and repairs upon notice to Landlord as indicated by Exhibit “C,” *Site Access Procedure*, attached hereto and incorporated herein.
 - (5) Commencing January 1, 2016, and on January 1st of each subsequent year, the rent shall be increased annually by three percent (3%). The rent shall never be decreased.

4. Use of Leased Premises.

(a) Primary Use of Property

The primary use and purpose of the Property, including the Leased Premises, is for a water storage structure and appurtenances to provide water service to customers of the Landlord (“Primary Use”). Landlord’s operations in connection with pursuit of the Primary Use (“Landlord’s Operations”) take priority over Tenant’s operations.

(b) User priority

Tenant agrees that the following priorities of use, in descending order, shall apply in the event of communication interference, emergency public safety needs, Structure repair or reconditioning, or other conflict while this Lease is in effect, and Tenant’s use shall be subordinate accordingly:

- (1) Landlord’s Operations;
- (2) Public safety agencies, including law enforcement, fire, and ambulance services, that are not related to Landlord;
- (3) Other governmental agencies where use is not related to public safety;
- (4) Pre-existing Tenants (a “Pre-existing Tenant” is defined as a tenant that installed its equipment prior to the installation of Tenant’s equipment under the Original Lease);
- (5) Tenant.

(c) Jeopardy of Primary Use

- (1) In the event that the Landlord’s Primary Use of the Structure is put at risk solely because of Tenant’s operations (“Jeopardy”), it shall become the immediate and affirmative duty of the Tenant to diligently pursue a cure of the occurrence that causes the Jeopardy.
- (2) The parties agree that such an occurrence caused by Tenant’s use or operation of Tenant’s Antenna Facilities warrants an emergency response whereby the Landlord shall provide notice verbally by telephone, by facsimile or by e-mail, whichever is determined by the Landlord to be the most immediate method of notification. Notice of Jeopardy of Primary Use caused by Tenant’s operations shall be phone or e-mailed to the following:

Tenant’s Emergency Responder: Network Operations Center
Telephone Number: 877-611-5686
Email: Propertymanagement@T-Mobile.com

- (3) Tenant shall send a qualified technician or representative to the Leased Premises within twenty-four (24) hours from the time that the notice of Jeopardy is provided by Landlord. The required twenty-four (24) hour emergency response time under these circumstances is applicable 24 hours a day, 7 days a week. The qualified technician or representative shall be capable of assessing the situation and eliciting the necessary

response, including any repairs, alterations or modifications to Tenant's antennas, towers or ground equipment.

- (4) If such Jeopardy cannot be cured within twenty-four (24) hours after the notice was received, the Tenant shall immediately cease operation of the Antenna Facilities or the use of the specific equipment causing such Jeopardy until such Jeopardy is cured to the reasonable satisfaction of Landlord.
- (5) In the event of Jeopardy that poses an immediate threat of substantial harm or damage to the water supply, to persons, and/or property on the Property, as solely determined by Landlord ("Severe Jeopardy"), Landlord may enter the Leased Premises and take actions it determines are required to protect the water, individuals or personal property from such Severe Jeopardy; provided that promptly after such emergency entry onto the Leased Premises, and in no event later than twenty-four (24) hours after such entry, Landlord shall give written notice to Tenant of Landlord's emergency entrance and the specific action taken by the Landlord at the Leased Premises.

(d) Tenant's Use of Leased Premises

- (1) Tenant shall have the exclusive right, at its sole cost and expense, to use the Leased Premises for the transmission and reception of communications signals ("Approved Use").
- (2) In accordance with this Approved Use, the Tenant has the right, with Landlord's approval, to install, operate, maintain, repair, replace and remove its Antenna Facilities as shown in Exhibit "B", *Antenna Site Application*.
- (3) Tenant shall be responsible for all reasonable expenses incurred by the Landlord resulting from the use and/or occupancy of the Leased Premises by Tenant. Landlord shall submit an itemized invoice of such expenses together with reasonable supporting documentation evidencing such expenses to Tenant and Tenant shall make payment to Landlord within thirty (30) days of receipt.

(e) Laws Governing Use

Tenant shall use the Leased Premises in compliance with all applicable Federal Communications Commission ("FCC"), federal, state, and local rules, laws and regulations.

5. **Installation of Equipment and Modifications.**

- (a) For the initial installation of all Antenna Facilities and for any and all subsequent revisions and/or modifications thereof, or additions thereto, Tenant shall complete an application (Exhibit B) which shall include any information reasonably requested by Landlord of such requested update or replacement, including but not limited to construction drawings, engineering studies and specifications as may be required, carried out at Tenant's expense. The application and subsequent drawings, studies and specifications must be approved by Landlord, which will not be unreasonably withheld,

conditioned or delayed.

(b) When requested, Tenant agrees to provide the following:

Construction Plans

- (1) line or CAD drawings showing location of all planned installations plus materials and construction methods;
- (2) specifications for all planned installations;
- (3) diagrams of proposed Antenna Facilities for initial installation, and subsequently, diagrams of proposed Antenna Facilities for any and all approved revisions, modifications, or additions;
- (4) a complete and detailed inventory of all equipment and personal property of Tenant actually placed on the Leased Premises. Landlord retains the right, at its sole cost and expense, to survey the installed equipment.

Engineering Studies

1) Structural Study

A structural study, performed by a qualified engineer, must show that the Structure, including handrail and other appurtenances permanently attached, is able to support the existing Antenna Facilities and the proposed additional Antenna Facilities. If the study finds that the Structure is inadequate to support the proposed additional loads, Tenant may provide reasonable modification plans to accommodate Tenant's proposed loading for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

2) Interference Study

Tenant shall provide at least thirty (30) days written notice to Landlord before modifying frequencies on the Leased Premises. Said notice shall describe all equipment and frequencies proposed to be added or modified and shall be subject to review and approval by the RF Engineer, which shall not be withheld, conditioned or delayed without cause. Said review, performed by an independent professional radio frequency engineer ("RF Engineer"), shall consist of an interference study to ensure that the modified or additional frequencies will not cause harmful radio interference to Landlord's Operations or the operations of Landlord's existing tenants and shall be submitted to Landlord no later than thirty (30) days after frequencies are provided by Tenant.

Tenant may perform the interference studies and submit the results to the Landlord for review and approval. However, Landlord shall, in its sole discretion, retain the right provided herein to submit the study results to the RF Engineer for review at Tenant's sole expense.

In connection with its Approved Use, Tenant shall have the right to use any frequencies licensed to Tenant or its affiliates by the FCC.

- (c) Landlord reserves the right to contract with a third party for construction related services.
- (d) Landlord may utilize an escrow account as indicated on the application to facilitate the reimbursement process. The Landlord and their designated party will discontinue all review under this Paragraph if the amount of the original escrow account is insufficient to cover its costs, until the escrow account is adequately funded by Tenant such that Landlord is able to cover its costs of review. Landlord shall provide Tenant with reasonable supporting documentation describing such insufficiency and the proposed amounts required by Landlord to cover its costs of review.

(e) Contractor Approval

Any contractor chosen by Tenant to carry out construction, installation, maintenance or any other work on the Structure must be pre-approved by the Landlord prior to the pre-construction meeting, which approval shall not be unreasonably withheld, conditioned or delayed. If Landlord rejects all contractors that Tenant proposes, Landlord shall provide the name of at least two (2) contractors that will be acceptable to Landlord.

(f) Construction Inspection.

All construction activity shall be subject to inspection and approval by the Landlord, such approval not to be unreasonably withheld, conditioned or delayed, to ensure compliance with the approved Construction Plans and the terms of this Lease. Inspection will be performed beginning with the pre-construction meeting and continuing through installation/construction/punch-list and verification of as-built drawings at project completion as determined by Landlord. The anticipated cost of said inspections is included in the escrow fee when the application is submitted.

Landlord will not arbitrarily require more inspection than is reasonably necessary to ensure the continued delivery of service and security of Landlord's property.

If deemed necessary by the Landlord, construction work performed without approval will not be accepted and shall be removed or uninstalled at Tenant's sole expense, provided Landlord notifies Tenant of such non-compliance within thirty (30) days of submission of as-built drawings to Landlord.

(g) 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 Tenant, if available.

(h) Damage by Tenant

Any damage to the Property, Leased Premises, Landlord's equipment or any other tenant's equipment or utilities thereon caused by Tenant's installation or operations shall be repaired or replaced at Tenant's expense and to Landlord's reasonable satisfaction within thirty (30) days following receipt of written notice.

(i) As-built drawings

Within thirty (30) days after Tenant activates or completes approved modifications on the Antenna Facilities, Tenant shall provide Landlord with a site plan in electronic file format

compatible with Landlord's record file system consisting of as-built drawings of the Antenna Facilities and the 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, personal property, and Antenna Facilities.

6. Maintenance and Repairs.

(a) Property

Landlord 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 Landlord's Operations.

(b) Leased Premises

Tenant 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 applicable to Tenant's Approved Use of the Leased Premises.

(c) Structure Reconditioning and Repairs

- (1) From time to time, Landlord paints, reconditions, or otherwise improves or repairs the Structure in a substantial way ("Reconditioning Work"). Landlord shall reasonably cooperate with Tenant to carry out Reconditioning Work activities in a timely manner and in a manner that minimizes interference with Tenant's Approved Use.
- (2) Prior to commencing Reconditioning Work, Landlord shall provide Tenant with at least ninety (90) days prior written notice thereof. Upon receiving such notice, it shall be the sole responsibility of Tenant to provide adequate measures to cover or otherwise protect Tenant's Antenna Facilities from the consequences of such activities, including but not limited to paint and debris fallout. Landlord reserves the right to require Tenant to temporarily remove all Antenna Facilities from the Structure and Leased Premises during Reconditioning Work.
- (3) During Landlord's Reconditioning Work, Tenant may, with Landlord's approval, maintain a mobile site, install a temporary pole on the Property or, on any land owned or controlled by Landlord in the immediate area of the Property. If Property will not accommodate mobile equipment, it shall be Tenant's responsibility to locate auxiliary sites. Landlord agrees to abate rent during any period that Tenant is unable to operate at the Property due to the Reconditioning Work.
- (4) For minor repairs or maintenance affecting the Leased Premises, Landlord agrees to provide Tenant with at least fourteen (14) days advance written notice of any such activities and to reasonably cooperate with Tenant to carry out such activities in a manner that minimizes interference with Tenant's Approved Use. Minor repairs or maintenance items under this provision are defined as any repair or maintenance by Landlord that does not require Tenant to remove its Antenna Facilities from the Structure, and are 10 days or less in duration. All other repairs and maintenance that impact Tenants operations shall be subject to the notice requirements of 6(c).

7. Property Access.

Access to the Property, including the Leased Premises, by outside persons, including Tenant's employees, agents and assigns, shall at all times be governed by Landlord's Site Access Procedure, attached hereto and incorporated herein as Exhibit "C". Tenant agrees it shall conduct its operations on the Property and the Leased Premises in accordance with all requirements and conditions of said exhibit. Subject to said requirements and conditions Tenant and Landlord agree to the following:

- (a) Landlord shall, at all times provide Tenant ingress, egress, and access to the Premises over the Access Easement, subject to (i) the terms of this Lease; (ii) the Landlord's hours of operation and prevailing wages that are due for such department employees to provide access, and (iii) twenty-four hours advance notice by Tenant to Landlord.
- (b) Landlord will not allow any mechanics' or materialmen's' liens to be placed against the Property as a result of Tenant's work on the Property.
- (c) Access to antenna equipment on the Structure shall be with prior notice, Tenant's employee's identification and in the presence of Landlord's employee.
- (d) Both Landlord and Tenant shall maintain a written record of all site visits, including the name of all personnel.
- (e) In the event it is necessary for Tenant to have access to the Structure at some time other than the normal working hours of Landlord, Landlord may charge Tenant for reasonable expenses, including employees' wages that Landlord may incur in providing such access to Tenant.
- (f) Tenant shall have access to the ground-based Leased Premises at all times, in accordance with the requirements of this section.
- (g) Landlord retains the right to examine and inspect the Leased Premises for safety reasons and to ensure Tenant's compliance with the terms of this Lease. Landlord shall be liable for, and hold harmless Tenant from, any damage to the Leased Premises or to Tenant's equipment and Antenna Facilities caused by Landlord in exercising its right to examine and inspect the Leased Premises.

8. Utilities.

- (a) Landlord makes no representations that utilities adequate for Tenant's use of the Leased Premises are available. Tenant shall separately meter charges for the consumption of electricity and other utilities associated with its use of the Leased Premises and shall be responsible to promptly pay all costs associated therewith. Landlord will cooperate with Tenant in Tenant's efforts to obtain utilities from any location provided by the servicing utility.
- (b) All of Tenant's electrical wire, telephone cables, optical fiber and related equipment ("Utilities") and Tenant's communication lines on the Property and/or the Leased Premises shall be located underground, except for the utility pedestal or h-frame, if any, hybrid cables on the Structure, and within the Utility Easement, according to the Landlord's applicable code, rules and regulations and all state codes, rules and regulations. Tenant shall, within thirty (30) days following receipt of written request from Landlord, provide Landlord with an as-built plan showing the exact location of all Tenant's Utilities and hybrid cables installed on the Leased Premises and the Property. Tenant shall furnish Landlord with pertinent information as to the exact type of AC

power used by the Tenant. The Tenant agrees that, within ten (10) days following the receipt of written request of the Landlord, it will field locate all Utilities and hybrid cables at Tenant's expense.

- (c) It shall be the responsibility of Tenant, its agents, contractors and/or subcontractors at Tenant's sole cost and expense to contact Gopher One Call and/or all other parties including, but not limited to, Landlord and all of Landlord's other tenants occupying the Property for locate requests prior to any construction or installation of the Tenant's antennas, tower equipment, ground equipment, Utilities or hybrid cables and other equipment described in this Lease, on the Property. If any of the Landlord's other tenants decline to locate their utilities, it shall be the responsibility of Tenant to locate said Tenant's Utilities at Tenant's sole cost and expense. Landlord agrees that it will assist with contact information for the other tenants upon the written request of the Tenant. Tenant agrees that Tenant will, upon the reasonable request of the Landlord or another tenant of the Landlord, locate all of its cables, conduit and utilities.
- (d) As partial consideration for rent paid under this Lease, Landlord hereby grants to the Tenant an appurtenant non-exclusive easement for Tenant's Utilities and hybrid cable over the Utility Easement and an appurtenant non-exclusive easement for ingress, egress, and access to the Premises over the Access Easement to service Tenant's Antenna Facilities and Utilities at all times during the term of this Lease. Upon notice, Landlord shall have the right, at Landlord's sole expense, to relocate the Access Easement, provided such new location shall not materially interfere with Tenant's operations. The Utility and Access Easements provided hereunder shall have the same term as this Lease.

9. Personal Property and Real Estate Taxes.

If any of Tenant's improvements constructed on the Leased Premises should cause the Property, or any portion of it, to be taxed for real estate purposes, it shall be the liability of Tenant to pay that portion of such property taxes directly attributable to Tenant's equipment, provided Landlord shall give Tenant prior written notification of such taxes so that Tenant will have the opportunity to appear before the taxing authority to contest such taxes. Notwithstanding Tenant's right to contest such taxes, Tenant shall pay its share of such taxes within ninety (90) days of receiving notice of the same.

10. Compliance and Statutes, Regulations, and Approvals.

- (a) Tenant's use of the Leased Premises herein is contingent upon its obtaining all certificates, permits, zoning, and other approvals that may be required by any federal, state or local authority, including but not limited to an engineering study and a radio frequency interference study. Tenant shall, at its sole cost and expense, obtain all such necessary permits, licenses and other approvals and Landlord agrees to cooperate with Tenant in Tenant's pursuit of all such necessary permits, licenses or approvals, and Tenant shall reimburse Landlord its reasonable costs to provide such cooperation.
- (b) Tenant's Antenna Facilities and any other facilities shall be installed, maintained, and operated in accordance with all state or federal or local or municipal statutes, ordinances, rules, or regulations now in effect, or that hereafter may be issued by the FCC or any other governing bodies which apply to Tenant's Approved Use of the Leased Premises.

11. Interference.

- (a) In the performance of its Approved Use, Tenant shall not damage or interfere with Landlord's Operations, including its radio frequency transmissions, or approved operations of Pre-Existing Tenants, provided that the equipment used by Landlord or Pre-Existing Tenants is operating within the technical parameters specified by its manufacturer and/or as defined by the FCC. In the event of any such interference, Tenant shall immediately cease such interference, except for brief tests necessary for the elimination of the interference, and until Tenant is able to resolve the problem. In the event Tenant cannot correct the interference, Tenant shall have the option to terminate this Lease, pursuant to *Section 12. Termination*. Tenant shall not be responsible for interference that results from a change in the operations of other tenants after the Commencement Date of this Lease.
- (b) Tenant acknowledges that Landlord may lease the Property, or any part of it, to other parties in close proximity to the Leased Premises, and Tenant agrees to work cooperatively with any such other parties, using accepted technical standards in accordance with FCC standards, to ensure that such other parties' use and Tenant's use will be compatible and will not cause interference with each other.
- (c) Landlord in no way guarantees to Tenant noninterference with Tenant's transmission operations provided, however, that in the event that any other party requests permission to place any type of additional antenna or transmission facility on the Property, the procedures of this Section shall govern to determine whether such antenna or transmission facility will interfere with Tenant's transmission operations.
- (d) In the event that Tenant or other tenants on the Property experience interference of their approved frequencies and they cannot reach agreement as to the cause and remedy of such interference, the RF Engineer shall determine such cause and remedy and Tenant shall abide by the RF Engineer's determination, subject to Tenant's right to terminate this Lease.

12. Termination.

- (a) Except as provided herein, this Lease may be terminated upon sixty (60) days written notice to the other party without penalty or further liability, as follows:
 - (1) By either party, upon a material default of any other covenant or term hereof by the other party; which default is not cured within thirty (30) days of receipt of written notice of default to the other party (without, however, limiting any other rights of the parties at law, in equity, or pursuant to any other provisions hereof), or if such cure cannot be completed within thirty (30) days, within such reasonable time as may be required, provided the defaulting party commences the cure within thirty (30) days of receipt of written notice of default and diligently pursues such cure to completion;
 - (2) By Tenant, in the event that:
 - a. Tenant is unable to obtain or maintain any license, permit, or other governmental approval necessary for the construction and/or operation of the Antenna Facilities;

- b. The Leased Premises are or become unusable under Tenant's design or engineering specifications for its Antenna Facilities, or the communications system to which the Antenna Facilities belong; or
 - c. Tenant's transmission is interfered with by Landlord or its other tenants' equipment. Such right to terminate shall become void if Landlord cures such interference within thirty (30) days of receipt of written notice.
- (3) By Landlord, in the event that:
- a. Landlord reasonably determines, after review by an independent structural engineer, that the Property is structurally unsound, including but not limited to consideration of age of the Structure, damage or destruction of all or part of the Property from any source, or factors relating to condition of the Property;
 - b. Tenant fails to pay rent provided for in *Section 3. Rent* within thirty (30) days of Tenant's receipt of written notice from Landlord of a rent payment being overdue;
 - c. Upon 180 days prior written notice by the Landlord to Tenant if Landlord decides, for any reason, to redevelop and/or discontinue use of the Property and Structure in a manner inconsistent with Landlord's Primary Use.
- (b) If this Lease is terminated pursuant to subparagraph 12(a)(1), 12(a)(2)(a) or 12(a)(2)(c), rent shall be pro-rated to the termination date or the date on which all of Tenant's equipment is removed from the Leased Premises, whichever is later. The parties shall give notice of termination in accordance with Section 16 of this Lease. All rent paid by Tenant prior to said termination date shall be retained by Landlord.
- (c) The parties agree that the Landlord will incur damages should Tenant terminate this Lease pursuant to subparagraph 12(a)(2)(b). However, the amount of damages incurred by the Landlord following Tenant's termination of this Lease pursuant to subparagraph 12(a)(2)(b) cannot be determined or measured by ordinary rules. For the purpose of liquidating the amount of damages, and not as a penalty, it is agreed that in case of the Tenant's early termination of this Lease, as permitted by subparagraph 12(a)(2)(b), the damages caused shall be and are hereby fixed, liquidated, and determined in the sum of 150% of the annual applicable rent for the year in which Tenant terminates.
- (d) In the event Tenant becomes aware of any hazardous materials on the Property, or any environmental, health or safety conditions or matter relating to the Property, that, in Tenant's sole determination, renders the condition of the Leased Premises or Property unsuitable for Tenant's use, or if Tenant believes that the leasing or continued leasing of the Leased Premises would expose Tenant to undue risks of liability to a government agency or third party, Tenant will have the right, in addition to any other rights it may have at law or in equity, to terminate this Lease upon written notice to Landlord specifically identifying all such materials, conditions or matters relating to the Property.

13. Insurance.

Tenant and all subcontractors shall obtain, as a minimum, the types and limits of insurance coverage as set forth in Exhibit "D". All policies called for herein shall become effective before Tenant undertakes any work under this Lease and shall remain in full force and effect as indicated by the Exhibit. Tenant shall furnish Landlord with an insurance certificate evidencing such insurance coverage prior to work commencing on said project.

14. Indemnity.

Tenant agrees to defend, indemnify and hold harmless Landlord and its elected officials, officers, employees, agents, and representatives, from and against any and all claims, costs, losses, expenses, demands, actions, or causes of action, including reasonable attorneys' fees and other costs and expenses of litigation, which may be asserted against or incurred by Landlord or for which the Landlord may be liable in the performance of this Lease, except to the extent those which arise from the negligence, or willful misconduct of Landlord, or its employees, agents or contractors. Tenant shall further defend and indemnify all claims arising out of the installation, operation, use, maintenance, repair, removal, or presence of the Tenant's Antenna Facilities on the Leased Premises, except to the extent such claims arise out of the negligence or willful misconduct of Landlord, its agents, employees, contractors and tenants.

Landlord agrees to defend, indemnify and hold harmless Tenant and its officers, employees, agents, and representatives, from and against any and all claims, costs, losses, expenses, demands, actions, or causes of action, including reasonable attorneys' fees and other costs and expenses of litigation, which may be asserted against or incurred by Tenant or for which the Tenant may be liable in the performance of this Lease, except to the extent those which arise from the negligence, or willful misconduct of Tenant, or its employees, agents or contractors.

15. Damage or Destruction.

If the Leased Premises or any portion thereof is destroyed or damaged so as to materially hinder the effective use of the Leased Premises by Tenant through no fault or negligence of Tenant, Tenant may elect to terminate this Lease upon thirty (30) days' written notice to Landlord. In such event, all rights and obligations of the parties shall cease (except as to the Tenant's obligations under this Lease to remove Tenant's equipment and Antenna Facilities) as of the date of the notice to Landlord and Tenant shall be entitled to the reimbursement of any rent prepaid by Tenant. If Tenant elects to continue this Lease, then the rent shall abate for a period of one hundred eighty (180) days or until Tenant's equipment and Antenna Facilities are restored to the condition existing prior to the damage or destruction, whichever is earlier.

16. Notices.

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or delivered by a nationally recognized overnight courier service, to the following addresses or to any other address of Tenant or Landlord that is given from time to time to the other party pursuant to this provision, regarding written notice:

If to Landlord: Rochester Public Utilities
Attn: Buyer
4000 East River Road NE
Rochester, Minnesota 55906

If to Tenant: T-Mobile Central LLC
12920 SE 38th Street
Bellevue, WA 98006

Attn: Lease Compliance / Site #A1Q0421A

17. Representations and Warranties.

- (a) Landlord represents that (i) it has full right, power, and authority to execute this Lease; (ii) it has good and unencumbered title to the Property free and clear of any liens or mortgages, subject to such liens of record; and (iii) Tenant shall have quiet enjoyment of the Leased Premises during the term of this Lease in accordance with its terms.
- (b) The parties acknowledge that this is a nonexclusive lease. Nothing in this Lease shall preclude Landlord from leasing other space on the Property to any other person or entity which may be in competition with Tenant, or any other party, subject to the conditions set forth in *Section 11. Interference*.
- (c) Tenant warrants that the individual signing and executing this Lease on behalf of Tenant has the requisite corporate power and authority to enter into and perform this Lease on behalf of Tenant. Landlord warrants that the individuals signing and executing this Lease on behalf of Landlord have the requisite corporate power and authority to enter into and perform this Lease on behalf of Landlord.
- (d) Landlord represents that it has no knowledge of any substance, chemical or waste on the Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation, as defined in Section 17(e) of this Lease. Landlord will be solely liable for and will defend, indemnify and hold Tenant, its agents and employees harmless from and against any and all direct claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with the removal, cleanup or restoration of the Property with respect to hazardous, toxic or dangerous materials from any and all sources other than those hazardous, toxic or dangerous materials introduced to the Property by Tenant. Tenant represents and warrants that its use of the Leased Premises herein will not generate and it will not store or dispose on the Property nor transport to or over the Property any hazardous substance, chemical or waste contrary to any applicable law or regulation. Tenant further agrees to hold Landlord harmless from and indemnify Landlord against any release of any such hazardous substance, and any damage, loss, expense, or liability resulting from the breach of this representation or from the violation of any applicable state or federal law by such release associated with Tenant's use of hazardous substances, including payment of all reasonable attorneys' fees, costs, and penalties incurred as a result thereof, except for any release caused by the negligence or willful misconduct of Landlord, its employees, or agents.
- (e) "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any federal, state, or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations, or rules may be amended from time to time. Landlord acknowledges Tenant's use of batteries and diesel fuel needed for back-up power and deems them acceptable as long as such batteries and fuel are used and disposed of in accordance with all applicable laws.

18. No Liability on Landlord.

Except due to Landlord's willful misconduct or negligence, Landlord shall not be liable for: (i) any damage to Tenant's equipment or Antenna Facilities, including but not limited to vandalism or malicious mischief caused by third parties, known or unknown, to Tenant's equipment or facilities, or (ii) for any lost revenue, business or profits of Tenant.

19. Assignment.

This Lease, or rights thereunder, may not be sold, assigned, or transferred in whole or in part, or subleased or sublicensed at any time by Tenant without the written consent of the Landlord, except to Tenant's parent, affiliates or subsidiaries, or subsidiaries of its parent, or any party that merges or consolidates with Tenant or Tenant's parent, or any party that purchases or otherwise acquires all or substantially all of Tenant's ownership interest or assets in the FCC market in which the Property is located. Any written consent required in this Paragraph will not be unreasonably withheld, conditioned or delayed. Landlord hereby consents to the assignment by Tenant of its rights under this Lease as collateral to any entity which provides financing for the purchase of the Antenna Facilities to be installed at the Leased Premises subject to Landlord's rights to retain the Tenant's Antenna Facilities and other improvements if Tenant fails to remove them as provided in this Lease. Tenant shall provide Landlord written notice of such assignments within thirty (30) days of execution.

20. Condemnation.

Landlord shall provide to Tenant notice of any condemnation proceedings within thirty (30) business days of receipt. In the event the whole of the Leased Premises is taken by eminent domain, this Lease shall terminate as of the date title to the Leased Premises vests in the condemning authority. In event a portion of the Leased Premises is taken by eminent domain, either party shall have the right to terminate this Lease as of said date of title transfer, by giving thirty (30) days' written notice to the other party. In the event of any taking under the power of eminent domain, Tenant shall not be entitled to any portion of the reward paid for the taking and the Landlord shall receive full amount of such award. Tenant hereby expressly waives any right or claim to any portion thereof. Although all damages, whether awarded as compensation for diminution in value of the leasehold or to the fee of the Leased Premises, shall belong to Landlord, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord (unless Landlord is the condemning authority), such compensation as may be separately awarded or recoverable by Tenant on account of any and all damage to Tenant's business and any costs or expenses incurred by Tenant in moving/removing its equipment, personal property, Antenna Facilities, and leasehold improvements.

21. Successors and Assigns.

This Lease shall run with the Property. This Lease shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns.

22. Surrender of Leased Premises.

- (a) All portions of the Antenna Facilities brought onto the Leased Premises by Tenant will be and shall remain Tenant's personal property and, at Tenant's option, may be removed by Tenant at any time during or after the term or extension thereof. In the event that this Lease is terminated or not renewed, Tenant shall have sixty (60) days from the termination or expiration date to quit peacefully and surrender possession of the Leased Premises in as good condition as when it was delivered to Tenant, reasonable wear and tear and casualty loss excepted. Tenant shall remove its equipment, personal property, Antenna Facilities, and leasehold improvements from the Property, and shall repair any damage to the Property caused by such equipment, all at Tenant's own cost and expense.
- (b) In the event that Tenant's Antenna Facilities and related equipment are not removed to the reasonable satisfaction of the Landlord within sixty (60) days from the termination or expiration date, the Landlord shall have the option to fully decommission the Antenna Facilities, have the Antenna Facilities removed, and repair the site and restore the property, and Tenant shall be responsible for the cost of such actions.

23. Marking and Lighting Requirements.

- (a) Landlord acknowledges that it shall be responsible, at its sole cost and expense, for compliance with all building marking and lighting requirements that the Federal Aviation Administration ("FAA") may require with respect solely to the height of the Structure. The responsibility, however, is expressly limited to the requirements that would be required of an elevated water storage facility having no communications equipment installed on it, irrespective of Tenant's Antenna Facilities. Landlord shall indemnify and hold harmless Tenant from any fines or other liabilities caused by Landlord's failure to comply with such requirements for an elevated water storage facility Structure. Further, should the FAA cite Landlord, or in the event any claims are brought against Landlord because the Structure alone is not in compliance, as opposed to the Structure with Antenna Facilities, then Landlord shall indemnify Tenant for full costs, liabilities, damages and expenses, including reasonable attorney's fees. Further, if Landlord does not cure the conditions of noncompliance on the Structure within the time frame allowed by the citing agency, Tenant may terminate this Lease immediately without any further liability hereunder upon written notice to Landlord.
- (b) Tenant acknowledges that it shall be responsible at its sole cost and expense, for compliance with all building marking and lighting requirements that the FAA may require with respect to Tenant's Antenna Facilities. In the event the FAA determines that the Structure must be additionally marked, lighted, or in any way modified, due to the existence of Tenant's Antenna Facilities, Tenant shall have the option to mark, light or modify the Structure at its sole expense, or to terminate this Lease, pursuant to *Section 12. Termination*. Said marking, lighting and modifying shall be subject to prior written approval by Landlord, such approval not to be withheld without cause. Landlord shall approve or object to such plans within a reasonable period of time to allow timely compliance with FAA regulations.

24. RF Radiation Compliance.

- (a) An RF Engineer chosen by the Landlord and agreed to by the Tenant shall perform a radiation survey of the Property following Tenant's initial RF transmissions on the Leased Premises. Tenant shall be responsible for all costs of such survey, to be paid within forty-five (45) days of receipt of a detailed invoice from Landlord.
- (b) Tenant shall implement all measures at the transmission site required by FCC regulations, including but not limited to posting signs and markings. Landlord shall cooperate with and permit Tenant to implement all reasonable measures in order for Tenant to fulfill its Radio Frequency exposure obligations. Landlord agrees that in the event any future party causes the entire site to exceed FCC Radio Frequency radiation limits, as measured on the Property, Landlord shall hold such future party liable for all such later-arising non-compliance.

25. Noise Restrictions.

Noise from Tenant's equipment shall not exceed the level allowed by the local jurisdiction ("Allowable Noise Level"), as measured at any location on neighboring property. Landlord will take noise level measurements from time to time to verify compliance. In the event it is found that Tenant's equipment exceeds the Allowable Noise Level, Landlord shall provide Tenant with written notice and Tenant shall take immediate steps to provide permanent reduction in the noise of its equipment to below Allowable Noise Level. If Tenant does not so reduce its measured sound level within sixty (60) days of receipt of written notice of event, said occurrence shall constitute an event of default as otherwise defined in *Section 12. Termination*.

26. Miscellaneous.

- (a) Each party agrees to furnish to the other, within thirty (30) days after notice of receipt of the request, such truthful estoppel information as the other party may reasonably request.
- (b) This Lease constitutes the entire agreement and understanding of the parties and supersedes any and all offers, negotiations, or other agreements of any kind with respect to its subject matter. There are no representations or understandings of any kind not set forth herein. Any modification of or amendment to this Lease must be in writing and executed by both parties. No provision of this Lease will be deemed waived by either party unless expressly waived in writing by the waiving party. No waiver shall be implied by delay or any other act or omission of either party. No waiver by either party of any provisions of this Lease shall be deemed a waiver of such provision with respect to any subsequent matter relating to such provision. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.
- (c) This Lease shall be construed in accordance with the laws of the State of Minnesota. Any legal action may only be commenced and proceed in the relevant district court in Olmsted County, Rochester, Minnesota.
- (d) If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.

- (e) Upon request by Tenant, Landlord agrees to execute a recordable Memorandum of this Lease.
- (f) Any terms and conditions contained in this Lease that by their sense and context are intended to survive the termination or expiration of this Lease shall so survive.
- (g) The submission of this Lease to any party for examination or consideration does not constitute an offer, reservation of or option for the Leased Premises based on the terms set forth herein. This Lease will become effective and binding only upon the handwritten legal execution and delivery hereof by Landlord and Tenant.
- (h) The Recitals set forth above and the terms and definitions therein are hereby incorporated in this Lease as though they were set forth in the body of the Lease.
- (i) Any claim, controversy or dispute arising out of this Lease not resolved within sixty (60) days following notice of the dispute shall be submitted first and promptly to mediation. Each party shall bear its own cost of mediation. If mediation does not result in settlement within forty-five (45) days after the mediator declares an impasse, either party may file any legal proceeding to enforce this agreement. The legal proceeding must be venued in Olmsted County, Minnesota.
- (j) Exhibits “A” through “E” listed below are hereby incorporated into this Lease by reference.

Exhibit “A” *Legal Description*

Exhibit “B” *Antenna Site Application with Site Technical Information*

Exhibit “C” *Site Access Procedure*

Exhibit “D” *Insurance Requirements*

Exhibit “E” *Rent Reconciliation Statement*

IN WITNESS WHEREOF, the parties hereto have executed this Lease, the day and year first written above.

T-MOBILE CENTRAL LLC

CITY OF ROCHESTER

By _____

By _____

Ardell Brede, Mayor

Name: _____

By _____

Aaron Reeves, City Clerk

Title: _____

Approved as to form:

By _____

Terry Adkins, City Attorney

ROCHESTER PUBLIC UTILITIES

By _____

Mark Kotschevar, General Manager

Attachment: Baihly (A1Q0512A) Rochester New Lease RPU 6.12 Board (4037 : T-Mobile Central LLC Lease Agreement - Viola and Baihly

CITY OF ROCHESTER

STATE OF MINNESOTA)
) ss.
COUNTY OF OLMSTED)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Ardell Brede, Mayor, Aaron Reeves, City Clerk, Terry Adkins, City Attorney and Mark Kotschevar, Rochester Public Utilities General Manger, of the City of Rochester, a Minnesota municipal corporation, on behalf of said corporation.

Witness my hand and official seal.

Notary Public

T-MOBILE CENTRAL LLC

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____ of T-Mobile Central LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Witness my hand and official seal.

Notary Public

Attachment: Baihly (A1Q0512A) Rochester New Lease RPU 6.12 Board (4037 : T-Mobile Central LLC Lease Agreement - Viola and Baihly



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a lease for the Viola Tower (#98) and Baihly High Level Tower (#92) with:

T-Mobile Central LLC

and authorize the General Manager and City Attorney to approve any minor changes prior to execution by the Mayor and City Clerk.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3758)

Meeting Date: 6/30/2015

SUBJECT: SE Tower - New Cingular Wireless (AT&T) Lease Amendment

PREPARED BY: Mona Hoeft

ITEM DESCRIPTION:

A proposed second amendment to the 2007 New Cingular Wireless PCS, LLC Site Agreement for the SE Tower is attached. This amendment reflects additional equipment, a rent increase and the removal of the annual CPI-U adjustment to a flat rate 4% annual adjustment factor in addition to updated language.

While the amendment has been agreed upon, there may be some minor technical changes upon final review of the subsequent construction documents.

The City Attorney has reviewed the amendment.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution to authorize the Mayor and City Clerk to execute the Amendment with New Cingular Wireless PCS, LLC, in addition to authorizing the General Manager and City Attorney to approve any final technical changes.

SECOND AMENDMENT TO SITE AGREEMENT

This SECOND AMENDMENT TO SITE AGREEMENT (“AMENDMENT”) is made and entered into by and between the CITY of Rochester, a Minnesota Municipal Corporation, (“CITY”) acting through its Rochester Public Utilities and New Cingular Wireless PCS, LLC, a Delaware limited liability company (hereinafter, “LESSEE”) effective this _____ day of _____, 2015.

Recitals

The parties hereto recite, declare and agree as follows:

A. CITY and LESSEE entered into the following Agreement:

Southeast Water Tower Site (AT&T Site MEADOW PARK): Site Agreement dated April 5, 2007, as amended by the First Amendment to Site Agreement dated June 12, 2013 with respect to Leased Premises located at 501 20th St SE, Rochester, Minnesota, 55904

B. CITY and LESSEE desire to enter into this Amendment in order to modify and amend certain provisions of the above Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CITY and LESSEE covenant and agree as follows:

Effective with the signing of this Amendment, Paragraph 1 “PROPERTY”, Paragraph 4 “RENT”, Paragraph 5 “USE”, and Paragraph 10 “INSURANCE” of the Agreement will be deleted in their entirety and replaced with the following:

1. **PROPERTY** CITY hereby leases to LESSEE certain space located at and on the Southeast Water Tower site, located at 501 20th St. SE, Rochester, MN 55904 and legally described in Exhibit “A”, *Legal Description*, attached hereto and incorporated herein. The water storage facility and its appurtenances (“Structure”), and the CITY’s land upon which the Structure is situated are collectively called (“the Property”). The property interest leased and granted by the CITY to LESSEE (collectively, the “Leased Premises”) consists of the following:
 - (a) ground space comprised of approximately 11.5’ x 20’ single story equipment enclosure, subject to any and all existing easements;
 - (b) exterior space at the tank walkway level for attachment of proposed equipment as described on Exhibit “B” *Antenna Site Application and Site Technical Information*;
 - (c) non-exclusive easements required to run utility lines and cables;
 - (d) non-exclusive easement across the Property for reasonable access.
 - (e) no other space or property interests are being leased to LESSEE except as described above and as described on Exhibit “A,” *Legal Description*.

2. RENT

- (a) LESSEE shall make all payments of rent to CITY to the address as listed on the invoice.
- (b) LESSEE shall pay rent annually in advance, as indicated in the payment schedule below:
 - (1) The 2015 annual base rent of \$19,421.93 will be increased by one thousand eight hundred and no/100 dollars (\$1,800.00). This rent increase shall be pro-rated for 2015 and shall have a Commencement Date of August 1, 2015. The pro-rated rent based on the Commencement Date shall be in the amount of seven hundred fifty and no/100 dollars (\$750.00) and shall be paid within sixty (60) days of the full execution of this Amendment. Thereafter, the annual rent due hereunder shall be paid on or before the fifth (5th) day of January of each succeeding year.
 - (2) Commencing January 1, 2016, and on January 1st of each subsequent year, the rent shall be increased annually by four percent (4%).
 - (3) Late fees shall be assessed as determined by CITY's Board approved policy at the time of the delinquency, provided that such policy is provided to LESSEE in writing, in advance.
 - (4) LESSEE shall not install, and/or operate any additional antennas or related equipment beyond those Antenna Facilities identified in Exhibit "B," *Antenna Site Application*, without the prior written consent of CITY, such consent not to be withheld, conditioned or delayed without cause. Such additional equipment may either require an amendment to the existing Lease or a new Lease and may result in a rent increase as may be reasonably determined by CITY. Notwithstanding, LESSEE has the right to perform routine maintenance and repairs upon notice to CITY as indicated by Exhibit "C," *Site Access Procedure*, attached hereto and incorporated herein.

3. USE LESSEE

- (a) Primary Use of Property
The primary use and purpose of the Property, including the Leased Premises, is for a water storage structure and appurtenances to provide water service to customers of the CITY ("Primary Use"). CITY's operations in connection with pursuit of the Primary Use ("CITY's Operations") take priority over LESSEE's operations.
- (b) User priority
LESSEE agrees that the following priorities of use, in descending order, shall apply in the event of communication interference, emergency public safety needs, Structure

repair or reconditioning, or other conflict while this Lease is in effect, and LESSEE's use shall be subordinate accordingly:

- (1) CITY's Operations;
- (2) Public safety agencies, including law enforcement, fire, and ambulance services, that are not related to CITY;
- (3) Other governmental agencies where use is not related to public safety;
- (4) Pre-existing LESSEEs (a "Pre-existing LESSEE" is defined as a LESSEE that installed its equipment prior to the installation of LESSEE's equipment under the Original Lease);
- (5) LESSEE.

(c) Jeopardy of Primary Use

- (1) In the event that the CITY's Primary Use of the Structure is put at risk solely because of LESSEE's operations ("Jeopardy"), it shall become the immediate and affirmative duty of the LESSEE to diligently pursue a cure of the occurrence that causes the Jeopardy.
- (2) The parties agree that such an occurrence caused by LESSEE's use or operation of LESSEE's Communication Facilities warrants an emergency response whereby the CITY shall provide notice verbally by telephone, by facsimile or by e-mail, whichever is determined by the CITY to be the most immediate method of notification. Notice of Jeopardy of Primary Use caused by LESSEE's operations shall be phone to the following:

LESSEE's Emergency Responder:
Telephone Number: 847.765.5300
- (3) LESSEE shall send a qualified technician or representative to the Leased Premises within twenty-four (24) hours from the time that the notice of Jeopardy is provided by CITY. The required twenty-four (24) hour emergency response time under these circumstances is applicable 24 hours a day, 7 days a week. The qualified technician or representative shall be capable of assessing the situation and eliciting the necessary response, including any repairs, alterations or modifications to LESSEE's antennas, towers or ground equipment.
- (4) If such Jeopardy cannot be cured within twenty-four (24) hours after the notice was received, the LESSEE shall immediately cease operation of the Antenna Facilities or the use of the specific equipment causing such Jeopardy until such Jeopardy is cured to the reasonable satisfaction of CITY.

(5) In the event of Jeopardy that poses an immediate threat of substantial harm or damage to the water supply, to persons, and/or property on the Property, as solely determined by CITY (“Severe Jeopardy”), CITY may enter the Leased Premises and take actions it determines are required to protect the water, individuals or personal property from such Severe Jeopardy; provided that promptly after such emergency entry onto the Leased Premises, and in no event later than twenty-four (24) hours after such entry, CITY shall give written notice to LESSEE of CITY’s emergency entrance and the specific action taken by the CITY at the Leased Premises.

(d) LESSEE’s Use of Leased Premises

(1) LESSEE shall have the exclusive right, at its sole cost and expense, to use the Leased Premises for the transmission and reception of communications signals (“Approved Use”).

(2) In accordance with this Approved Use, the LESSEE has the right, with CITY’s approval, to install, operate, maintain, repair, replace and remove its Antenna Facilities as shown in Exhibit “B”, *Antenna Site Application*. Any proposed modifications or alterations to the CITY’s structure that may affect its structural integrity shall be included in the documentation provided by the LESSEE and shall include plans and drawings signed by a professional structural engineer licensed in the State of Minnesota.

(3) LESSEE shall be responsible for all reasonable expenses incurred by the CITY resulting from the use and/or occupancy of the Leased Premises by LESSEE. CITY shall submit an itemized invoice of such expenses together with reasonable supporting documentation evidencing such expenses to LESSEE and LESSEE shall make payment to CITY within thirty (30) days of receipt.

(e) Laws Governing Use

LESSEE shall use the Leased Premises in compliance with all applicable Federal Communications Commission (“FCC”), federal, state, and local rules, laws and regulations.

(f) Access

Access to the Property, including the Leased Premises, by outside persons, including LESSEE’s employees, agents and assigns, shall at all times be governed by CITY’s Site Access Procedure, attached hereto and incorporated herein as Exhibit “C”. LESSEE agrees it shall conduct its operations on the Property and the Leased Premises in accordance with all requirements and conditions of said exhibit. Subject to said requirements and conditions LESSEE and CITY agree to the following:

1) CITY shall, at all times provide LESSEE ingress, egress, and access to the Premises over the Access Easement, subject to (i) the terms of this Lease; (ii) the CITY’s hours of operation and prevailing wages that are due for such department employees to provide access, and (iii) twenty-four hours advance notice by LESSEE to CITY.

- 2) CITY will not allow any mechanics' or materialmen's liens to be placed against the Property as a result of LESSEE's work on the Property.
- 3) Access to antenna equipment on the Structure shall be with prior notice, LESSEE's employee's identification and in the presence of CITY's employee.
- 4) Both CITY and LESSEE shall maintain a written record of all site visits, including the name of all personnel.
- 5) In the event it is necessary for LESSEE to have access to the Structure at some time other than the normal working hours of CITY, CITY may charge LESSEE for whatever reasonable expense, including employees' wages that CITY may incur in providing such access to LESSEE.
- 6) LESSEE shall have access to the ground-based Leased Premises at all times, in accordance with the requirements of this section.
- 7) CITY retains the right to examine and inspect the Leased Premises for safety reasons and to ensure LESSEE's compliance with the terms of this Lease. CITY shall be liable for, and hold harmless LESSEE from, any damage to the Leased Premises or to LESSEE's equipment and Antenna Facilities caused by CITY in exercising its right to examine and inspect the Leased Premises.

4. INSURANCE

LESSEE and all subcontractors shall obtain, as a minimum, the types and limits of insurance coverage as set forth in Exhibit "D", *Insurance*. All policies called for herein shall become effective before LESSEE undertakes any work under this Lease and shall remain in full force and effect as indicated by the Exhibit. LESSEE shall furnish CITY with an insurance certificate evidencing such insurance coverage prior to work commencing on said project. Notwithstanding the forgoing, Lessee may, in its sole discretion, self-insure any of the required insurance under the same terms as required by this Agreement provided that the LESSEE (i) provides Lessor with notice of its intent to self-insure; (ii) furnishes a Self-Insured Certificate of Insurance evidencing the types of coverage and limits required; (iii) uses a third party administrator to manage all self-insured claims; (iv) maintains sufficient capital reserves as audited annually by Ernst & Young, or any successor auditing company; and (v) issues self-insured waiver of subrogation and additional insured endorsements.

In the event Lessee elects to self-insure its obligation under this Agreement to include Lessor as an additional insured, the following conditions apply:

- (i) Lessor shall promptly and no later than thirty (30) days after notice thereof provide Lessee with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide Lessee with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like;
- (ii) Lessor shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of Lessee; and
- (iii) Lessor shall fully cooperate with Lessee in the defense of the claim, demand, lawsuit, or the like."

5. NOTICES

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or delivered by a nationally recognized overnight courier service, to the following addresses or to any other address of LESSEE or CITY that is given from time to time to the other party pursuant to this provision, regarding written notice:

If to CITY: Rochester Public Utilities
 Attn: Purchasing
 4000 East River Road NE
 Rochester, Minnesota 55906

If to LESSEE: New Cingular Wireless PCS, LLC
 Attn: Network Real Estate Administration
 Re: Cell Site #: MNL03403; Cell Site Name: Meadow Park
 FA No: 10114795
 575 Morosgo Drive NE
 Atlanta, GA 30324

With a copy to: New Cingular Wireless PCS, LLC
 Attn: Legal Department
 Re: Cell Site #:MNL03403; Cell Site Name: Meadow Park
 FA No: 10114795
 208 S. Akard Street
 Dallas, TX 75202-4206

Exhibits "A" through "D" listed below are hereby incorporated into this Lease Amendment by reference.

Exhibit "A" *Legal Description*

Exhibit "B" *Antenna Site Application with Site Technical Information*

Exhibit "C" *Site Access Procedure*

Exhibit "D" *Insurance Requirements*

IN WITNESS WHEREOF, the parties hereto have executed this Lease effective the day and year first written above.

NEW CINGULAR WIRELESS PCS, LLC
a Delaware limited liability company

CITY OF ROCHESTER

By _____

By _____

Ardell Brede, Mayor

Name: _____

By _____

Aaron Reeves, CITY Clerk

Title: _____

Approved as to form:

By _____

Terry Adkins, CITY Attorney

ROCHESTER PUBLIC UTILITIES

By _____

Mark Kotschevar, General Manager

Attachment: Board Attachment (3758 : SE Tower - New Cingular Wireless (AT&T) Lease Amendment)



RESOLUTION

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

New Cingular Wireless PCS, LLC (AT&T) for the SE Tower

and authorize the General Manager and City Attorney to approve any final technical changes prior to execution by the Mayor and City Clerk.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 3978)

Meeting Date: 6/30/2015

SUBJECT: Electric Distribution Transformers

PREPARED BY: Steve Cook

ITEM DESCRIPTION:

Sealed bids were opened on June 5th for a multi-year contract for the purchase of 48 types of electrical distribution transformers utilizing a five year contract with an option to extend for an additional five years. This is the third time RPU has solicited bids utilizing a multi-year contract for this type of purchase which has resulted in better turnover and a reduction in carrying cost of inventory.

Our existing contract, which expired in 2014, was extended due to new requirements from the Department of Energy that staff wanted to ensure all manufacturers could meet at the time of the solicitation.

This contract allows for transformer prices to be escalated and de-escalated based upon specified indices. Respondents provided the percentage of transformer costs which are affected by each of the seven indices and the escalation/de-escalation factor will be calculated based on the weighted shift in the indices value. Evaluations are based on both estimated purchase value and life cycle costs only for bids which are within five percent of the lowest evaluated life cycle cost bid.

A breakdown of the bids (pre-tax) is as follows:

Bidder	Evaluated Purchase Value	Evaluated LCC	% of Low Evaluated
Wesco (ABB)	\$756,269.39	\$1,588,386.45	100%
Stuart C. Irby Co. 7347 (Howard)	\$634,183.00	\$1,608,644.00	101%
Stuart C. Irby Co. 7346 (Howard)	\$700,441.00	\$1,668,368.77	105%

Bid documents required that all respondents manufacture all specified transformers. Resco (Ermco) and Border States (Cooper) submitted non-responsive bids because they were unable to bid one of the units.

Wesco's evaluated life cycle cost was \$20,257.55 less than Irby (7347) based on the 2016 estimated purchase quantities. Whereas the evaluated purchase value from Irby (7347) results

FOR BOARD ACTION

Agenda Item # (ID # 3978)

Meeting Date: 6/30/2015

in a savings of \$122,086.39 making them the recommended supplier.

These transformers are budgeted each year with the majority of the units being used for new service.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the Board reject the bids from Resco and Border States Industries, Inc. as non-responsive and authorize the Mayor and City Clerk to execute a multi-year contract with Stuart C. Irby Co.(7347), subject to the annual approval of the RPU budget.



Contract Name: Electric Distribution Transformer Purchases 2015-2020

THIS AGREEMENT is dated as of the ___ day of _____ in the year 2015 by and between the City of Rochester, Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board (hereinafter called City) and Stuart C. Irby Co. (hereinafter called Vendor).

City and Vendor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 - EQUIPMENT

- 1.01 Vendor shall furnish the equipment as specified in the Contract Documents as generally described as ELECTRIC DISTRIBUTION TRANSFORMERS.

ARTICLE 2 - POINT OF DELIVERY

- 2.01 The place where the equipment is to be delivered is defined in the General Conditions as the Point of Delivery and designated as Rochester Public Utilities Service Center.

ARTICLE 3 – TERM

- 3.01 The term of this Contract shall commence on _____, 2015 and shall continue until _____, 2020 with an option to extend for an additional five years upon mutual agreement of all parties.

ARTICLE 3 - CONTRACT TIME

3.01 SUBMITTALS:

All Submittals which require City's acceptance prior to the manufacture or fabrication of the equipment shall be submitted within 10 days following the Notice to Proceed.

3.02 DELIVERY OF EQUIPMENT:

Delivery of equipment necessary under this Contract will be completed per a mutually agreeable schedule based on the lead times provided in Section 16274. The City reserves the right to request emergency delivery outside of scheduled releases and the Vendor shall make a good faith effort to supply the emergency delivery requested. The Vendor shall be allowed to increase the cost of the emergency delivery units based on overtime labor and any special shipping charges.

ARTICLE 4 - FAILURE TO MEET GUARANTEED LOSSES:

- 4.01 In the event that any loss measured during the factory tests exceed the guaranteed loss stated in SECTION 16274 by more than ten percent, the transformer shall be considered rejected and shall not be delivered to Rochester Public Utilities unless City specifically accepts the unit with full knowledge of its deficiencies

ARTICLE 5- CONTRACT PRICE

- 5.01 City shall pay Vendor the equipment in accordance with the Contract Documents adjusted for escalation and de-escalation factors specified in bid #2015-08.

ARTICLE 6 - PAYMENT PROCEDURES

- 6.01 Vendor shall submit invoices and City shall make payments in accordance with the General Conditions.

ARTICLE 7 - OMITTEDARTICLE 8 - VENDOR'S REPRESENTATIONS

- 8.01 In order to induce City to enter into this Contract, Vendor makes the following representations:
- A. Vendor has familiarized himself with the nature and extent of the Contract Documents and has given City written notice of all conflicts, errors, or discrepancies that Vendor has discovered in the Contract Documents, and the written resolution thereof by City is acceptable to Vendor.
 - B. Vendor has familiarized himself with all local conditions and federal, state, and local laws and regulations that in any manner may affect the cost, production, and delivery of the equipment in connection therewith.
 - C. Vendor has correlated the results of all such examinations, investigations, and resolutions with the terms and conditions of the Contract Documents.

ARTICLE 9 - CONTRACT DOCUMENTS

- 9.01 The Contract Documents which comprise the entire agreement between City and Vendor and as defined in the General Conditions are attached to, or accompany this Contract, and are made a part hereof. The Contract Documents may only be altered, amended, or repealed by a modification as defined in the General Conditions.

ARTICLE 10 - MISCELLANEOUS10.01 TERMINOLOGY:

Terms used in this agreement which are defined in the general conditions shall have the meanings stated in the general conditions.

10.02 ASSIGNMENT OF CONTRACT:

No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically but without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 SUCCESSORS AND ASSIGNS:

City and Vendor each bind themselves, their partners, successors, assigns and legal representatives to the other party hereto, his partners, successors, assigns and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

NAME OF VENDOR

CITY OF ROCHESTER

By: _____
Chad Backes, District Sales Manager

By: _____
Mayor

By: _____
Its:

Attest: _____
City Clerk

Approved
as to Form: _____
City Attorney

ROCHESTER PUBLIC UTILITIES

By: _____
General Manager

OFFICIAL NOTIFICATION METHOD:

Chad Irby
laforge@irby.com
980 Lone Oak Road, Ste. 145
Eagan MN 55121

Steven Cook
scook@rpu.org
4000 East River Road NE
Rochester, MN 55906-2813

Attachment: Contract (3978 : Electric Distribution Transformers)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with Stuart C. Irby Co. and authorize the Mayor and the City Clerk to execute a multi-year agreement for:

Electric Distribution Transformers

The amount of the agreement to be determined by the number and type of transformers purchased over the life of the agreement. The Agreement shall be subject to extension and approval of the RPU annual budget.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4055)

Meeting Date: 6/30/2015

SUBJECT: Silver Lake Dam Repairs

PREPARED BY: Bill Cook

ITEM DESCRIPTION:

RPU has been responsible for the operation and maintenance of the Silver Lake Dam since 1951. This responsibility was reinforced by the City Council in 1991.

Major repairs were performed in 1955 and 1980. The current hinged leaf gate was installed as part of the flood control project in 1990-91. Costs for the 1980 repairs were approximately \$200,000. Routine maintenance costs total about \$150,000 since 2001.

Barr Engineering performed two periodic inspections in 2009 and 2014. Both inspections contained recommended repairs to keep the facility safe and functional. The condition had deteriorated between inspections. A project to make the repairs was approved as part of the 2015 budget.

Barr engineering began development of plans and specification in late 2014. Major components of the work include installation of a cofferdam (for dewatering the work area), concrete repairs, repair and painting of the tainter gates, riprap, gate seals, sill replacement and baffle wall replacement. Work is scheduled to begin in July of 2015 and conclude in October of 2015.

Three sealed bids were received on May 29, 2015 for Silver Lake Dam Repair Services.

The results are as follows:

Contractor	Bid Amount
JF Brennan Co, Inc.	\$747,750.00
Engineering and Construction Innovations, Inc	\$829,100.00
PCiRoads, LLC	\$972,150.00

Unit pricing of additional materials has been obtained through the bidding process should it be needed. Additional materials have the potential of increasing the contract amount which will be managed by internal authorization procedures.

JF Brennan Co, Inc. submitted the lowest responsible bid for \$747,750.00. Technical evaluation of bids was performed by Barr Engineering along with staff. JF Brennan Co, Inc.

FOR BOARD ACTION

Agenda Item # (ID # 4055)

Meeting Date: 6/30/2015

took no exceptions to the specifications.

The low bid is 41% higher than the engineer's estimate of \$530,000. Barr investigated the reasons for higher than expected costs and options for reducing costs. Their findings are provided in the attached letter.

The 2015 Budget included \$615,000 for this project. Contingency funds will cover the additional costs.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Utility Board approve a resolution for the purchase of Silver Lake Dam Repair Services with JF Brennan Co, Inc. in the amount of \$747,750.00 plus a 15% contingency of \$112,162.50 to address any unexpected conditions. Existing approval structure and authorization levels will apply to contingency. Total approval request is \$859,912.50.



June 23, 2015

Mr. Todd Osweiler
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906-2813

Re: Silver Lake Dam Repairs Bids

Dear Todd:

We have reviewed bids received for the Silver Lake Dam Repairs on Friday May 29, 2015. As shown on the attached Bid Tabulation, the lowest of the three bids was for \$747,750.00 from JF Brennan Co. Inc. (Brennan). Bids were also received from Engineering & Construction Innovations, Inc. (ECI) and PCI Roads, LLC (PCI). In summary, our review indicates Brennan has demonstrated its qualifications as a responsible bidder. Brennan's bid was found to be complete and responsive to all bidding requirements (although, we did not review the bond since it is a legal document and should be reviewed by RPU legal staff). It does not appear that significant value engineering or scope modifications would result in a better value to RPU and we do not believe that a significantly better bid would result from delaying or rebidding the project.

Following are additional comments regarding some of the individual bid items:

- Mobilization: Mobilization bids often have significant variability between the bidders, as was the case in this bid (\$127k). The two lowest bids had significantly lower mobilization costs than the highest bid. A lower mobilization cost indicates the costs are more proportionally distributed across the individual line items, whereas a high mobilization cost indicates the project may be "front-loaded."
- Cofferdam: the cofferdam bids had the widest variation amongst the three bids (\$190k). A high variation between bidders in this line item was somewhat expected since working in the water with divers can represent more uncertainty for different bidders relative to their experience with underwater construction.
- Riprap: typically the riprap bids (J-1, J-2, and J-3) would be expected to be fairly consistent between the bidders. However, Brennan's bid was more than double the other two bids for this item. After talking with Brennan (post-bid opening) we learned that their price would have been lower had limestone rock been a permitted material (they are providing granite as specified). By allowing limestone riprap in lieu of granite, there would be a potential for modest savings. Overall costs on these items may be controlled by ensuring the bid quantity is not exceeded.

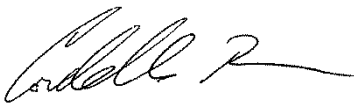
- Gate recoating: the gate recoating bids were relatively consistent between bidders.
- Other bid items (gate seals including field welding required for the bottom seal installation, sill replacement, concrete surface repair, baffle wall replacement, and control of water) have considerable variation between bidders, yet the sum of these items are relatively consistent between the bidders. The variation in these individual line items was also expected since a particular bidder's perception of the work and ability to perform it are subject to their previous experiences and capabilities even though the material costs for these items (concrete, rebar, seals, and fabricated steel) are consistent.
- Review indicates Brennan's bid had the highest percentage of "unit price" items relative to their overall bid price. Therefore, the price for the actual work (assuming Brennan is the selected contractor) has a greater chance of varying due to unit price work than the other two bidders. However, the unit price work is not significant relative to the lump sum work for this project.

We also have the following additional general comments regarding the bids received:

- In August of 2014 Barr recommended that RPU budget up to \$530k for construction and installation of the piezometer based on our 2011 conceptual/preliminary design. Brennan's bid was approximately 41% higher than our 2014 budget estimate. Discussion amongst Barr staff and clients, indicate local Contractors are busy, often resulting in bids about 30% to 50% higher than expected. Based on our review, it does not seem likely that rebidding this project would result in significantly lower bids.
- JF Brennan is a qualified contractor who has demonstrated the ability to perform similar projects. Brennan was also involved with the emergency repairs of the Lake Zumbro Dam several years ago for RPU.
- If RPU elects to move forward with this project, a construction contingency budget of 10-15% should also be considered for potential change orders due to unforeseen conditions.

Please do not hesitate to contact me (952-832-2976) or Jim Herbert (952-832-2784) if you have additional questions.

Sincerely,



Cordelle Thomasma, P.E.

Attached: Bid tabulation



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with JF Brennan Co. Inc. and authorize the Mayor and the City Clerk to execute the agreement for

Silver Lake Dam Repair Services with JF Brennan Co, Inc.

The amount of the contract agreement to be Seven Hundred Forty Seven Thousand, Seven Hundred Fifty and 00/100 dollars (\$747,750.00) plus a 15% contingency of \$112,162.50 to address any unexpected conditions. Existing approval structure and authorization levels will apply to contingency. Total approval request is Eight Hundred Fifty Nine Thousand, Nine Hundred Twelve and 50/100 DOLLARS (\$859,912.50).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4060)

Meeting Date: 6/30/2015

SUBJECT: Professional Services Agreement- Substation Engineering

PREPARED BY: Randy Anderton

A new electric substation is being planned at the request of a customer (Epic). The proposed substation, located at the intersection of the Douglas Trail and West Circle Drive, will provide dedicated redundant electric capacity of two transformers for Epic data center loads. A third transformer will support customary RPU electric loads in the surrounding neighborhoods and businesses.

Due to the recent request to build this substation, in support of the customer's electrical infrastructure, it was not part of the approved RPU 2015 Capital or O&M budget. RPU management is in the process of negotiating a Memo of Understanding (MOU) and/or Escrow Account agreement regarding the intended responsibilities of the parties and cost sharing of all project expenses, consistent with existing RPU rules and regulations. The MOU will be brought to the Board in the future for consideration and approval.

The customer has requested the substation be in service by 1st quarter of 2017. To meet this request, RPU wishes to expedite approval of initial engineering and project work to be started in 2015 (ahead of the 2016 capital budgeting processes). RPU requested proposals for the engineering services of an experienced substation design firm. Proposals were received from Uteig Engineers (UEI) and Burns & McDonnell (BMcD) that accurately reflected the requested scope of work. Both engineering firms are experienced, capable and willing to perform the work. RPU has a long work history with both.

	UEI	BMcD
Substation & Transmission design	\$511,100	\$499,500
Site Grading Plan design	\$24,600	\$33,000
Renderings of the proposed site	\$16,600	\$13,500
RPU Cascade Creek Substation Transformer Replace/Re-deploy	\$48,250	\$76,000
Total of requested engineering services	\$600,550	\$622,000

Outcomes of the engineering services will be used to complete the MOU/Escrow Account and facilitate other decisions of the project. Epic has offered to fund an escrow account to fully pay for these engineering services prior to the execution of the MOU agreement. Execution of the engineering services and other project work will be contingent upon the establishment and

FOR BOARD ACTION

Agenda Item # (ID # 4060)

Meeting Date: 6/30/2015

funding of the escrow agreement, pending review and approval by the RPU General Manager and City Attorney.

RPU management and staff requests the Board approve a purchase order with Ulteig Engineers Inc. in the amount of \$600,550. This approval is contingent upon the execution of an escrow agreement which will fund this purchase order.

UTILITY BOARD ACTION REQUESTED:

RPU management and staff requests the Board approve a purchase order with Ulteig Engineers Inc. In the amount of \$600,550, contingent upon final approval of an escrow agreement by the RPU General Manager and City Attorney.

June 10, 2015

Mr. Neil Stiller
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906-2813

Subject: Douglas Trail Substation 15.00530 – Revised Proposal for Engineering and Design

Mr. Stiller,

Ulteig is pleased to submit this revised proposal to provide engineering services for the Douglas Trail Substation and 161kV transmission line modifications. We have developed this revised proposal based on our project kick-off meeting held in your office on May 6th, 2015 and subsequent correspondence between RPU and Ulteig. Ulteig is excited to have the opportunity to present to you this proposal for your consideration.

Project Overview

We understand that Rochester Public Utilities (RPU) is proposing to construct a greenfield substation for EPIC in close proximity to an existing 161kV transmission line. The substation is being built to accommodate an existing data center plus the future expansion for a total load of around 12-15 MW. The substation will be configured as a 5-position ring bus with two (2) line terminals, three (3) transformer terminals, three (3) medium voltage metal clad switchgear line-ups, five (5) 161 kV relay panels, up to two (2) separate metal switchgear standalone buildings to house the switchgear and relay panels. The transmission component of the proposal is a line in, line out arrangement into the new substation. The proposal is to remove one tangent structure and introduce two angle structures for the termination at the Douglas Trail Substation.

Company Experience

During the development of this proposal and estimation of engineering fees, we relied on our past RPU project experience in addition to the project kick-off discussion. Ulteig is able to offer efficiencies in the project design lifecycle, as we are up-to-date on the most current design standards. We have made a concerted effort in our estimating process to define these areas based on significant past experience and feel very confident that we have a good understanding of the level of effort that this scope of work entails.

Our in-depth knowledge of RPU's physical and control design standards and preferences, combined with our experience on past projects, favors Ulteig to provide a high level of quality in a short amount of time. Our previous project experiences researching and modifying existing drawings, particularly those at IBM and Northern Hills, have allowed us to develop a detailed

understanding of what this proposal requires. We have used the knowledge we have gained through past RPU projects to help us accurately gauge the time we feel is necessary to successfully complete these projects on or ahead of schedule. This experience, and the relationships that we have developed, will lead to a successful project.

Project Management

Ulteig is dedicated to providing its clients with professional project management service. We ensure that the scope, schedule and cost of every project is closely managed and balanced so that our clients can realize the greatest value and efficiency found within the industry. Ulteig will provide the following project management activities throughout this project:

- a. Milestone schedule updates
- b. Deliverable status updates
- c. Request For Information logs
- d. Communications plan
- e. Technical meetings
- f. Project meetings

Quality Control

Ulteig implements a three-part strategy to control quality and quality assurance. The first part is to identify a project manager for every project. The project manager is responsible for overall project coordination and scheduling.

The second part utilizes Ulteig's diverse knowledge by assigning one engineer from each applicable discipline to oversee the work of their responsible portion of the project.

Finally, before any project deliverable is issued, a peer review is conducted to verify that pertinent client and industry standards were followed.

Proposal Work Plan

This proposal work plan identifies project deliverables along with specific assumptions and exclusions for each of the major areas of scope.

The engineering for this project is broken down into the following major areas of scope:

- (1) Transmission Line Design
- (2) Substation
- (3) Optional Services

Transmission

The scope of this work is to design a cost-effective solution for the required 161kV transmission line, confirm adequacy or determine modifications to the existing structures, if any, perform total station ground survey for the affected portion, construction staking and construction verification.

1. Transmission Design

Deliverables

- a. One (1) site visit
- b. Incorporate the proposed transmission line arrangement and supplemental site survey data into an existing PLS-CADD model that includes LiDAR survey data
- c. Design structures using RPU's Design Criteria Guidelines for 161 kV Transmission Lines, existing framing drawings and other RPU standards
- d. Prepare bill of materials for the new structures
- e. Prepare a bid package for new structures. Bid package will include load and design drawings for steel or laminated wood poles. Evaluate bids for poles and review vendor calculation and drawing packages for compliance to project specifications. Assume one (1) load and design drawings for this proposal that will depict both structures
- f. Design concrete pier foundations. Assume one (1) concrete foundation for this proposal
- g. Prepare construction drawings, including revised or new plan and profile drawings, structure framing drawings, and sag charts
- h. Submit Issued for Construction drawing package
- i. Provide up to 10 man-hours of support during construction. This support will be from our office
- j. Update PLS-CADD model for the transmission line including all as-built modifications
- k. Submit backup PLS-CADD files. Provide as-built plan and profile drawings in PDF and AutoCAD formats

Assumptions

- a. The new structures and clearances will meet current RPU and NESC requirements
- b. Plan and profile drawing for construction will be created in PLS-CADD
- c. Existing PLS-CADD backup files will be provided to Ulteig. The PLS-CADD model will be accurate and reflect the current conditions
- d. The existing AutoCAD plan and profile drawing for the affected region and current structure framing drawings will be provided to Ulteig
- e. New structures will be either steel or laminated wood
- f. The preliminary design will be based on the 90% substation project drawings
- g. The location of proposed substation takeoff structure will be provided to Ulteig to start the design
- h. Geotechnical work, including soil borings, will be provided by others and the data forwarded to Ulteig
- i. Additional ground survey data required will be provided to Ulteig

Exclusions

- a. All other deliverables not specifically listed above

Substation

1. Conceptual Design

Deliverables

- a. General Arrangement (GA) & Site Plan

b. Metering and Relaying (M&R) One-Line Diagram

Assumptions

- a. Two (2) iterations each of the general arrangement and M&R one-line diagram are provided
- b. The M&R One-Line Diagram and General Arrangement will be based on a three-transformer and two-line configuration in a five-position ring
- c. Two (2) options of the general arrangement will be provided with different site access options and control enclosure locations
- d. The substation will be an open air design for the 161kV and switchgear for the 13.8kV system
- e. It is assumed no design activities will proceed until this submittal is completed. An Owner approved General Arrangement and M&R One-Line Diagram will complete this submittal
- f. Drawings will be developed in AutoCad and per RPU standards
- g. Truck turning radius will be analyzed by Ulteig to allow for proper maintenance space

Exclusions

- a. All other deliverables not specifically noted above

2. Specifications

Deliverables

- a. Equipment Specifications for 161 CVT's, 161kV breakers 161kV group operated switches, main power transformers, circuit switchers, control enclosure/switchgear/relay panels, structural steel, concrete and precast wall (fence)
- b. Construction Specification
- c. Review vendor bid documents
- d. Review vendor submittals for major equipment as follows
 - i. CVT's
 - ii. Main power transformers
 - iii. Breakers
 - iv. Circuit Switchers
 - v. Manually Operated Switches
 - vi. Control Enclosure/Switchgear
 - vii. Control Panels
 - viii. Precast Wall (fence)
- e. A construction cost estimate of material and labor will be provided by Ulteig at the issued for bid drawing stage. This estimate will include total engineering, construction and contingency

Assumptions

- a. "Go-by" specifications will be provided by RPU. Specifications will be reviewed and project specific information will be added or modified as necessary. One iteration of the specifications is included in the proposal

- b. One (1) proposal review and recommendation for up to two separate bidders have been included in this proposal. If additional reviews are required, they can be provided for an additional negotiated fee
- c. One (1) review of vendor approval drawings is included in this proposal. It is assumed only one review is necessary for all vendor equipment. If additional reviews are required, they can be provided for an additional negotiated fee. Additional reviews required due to quality of vendor submittals may affect schedule
- d. Two (2) reviews of switchgear and transformer vendor approval drawings is included in this proposal. It is assumed only two reviews are necessary for the switchgear and transformer vendor equipment. If additional reviews are required, they can be provided for an additional negotiated fee. Additional reviews required due to quality of vendor submittals may affect schedule

Exclusions

- a. Safety or lockout-tag out procedures for testing and checkout of the equipment
 - b. Copies of equipment manuals, drawings and instructions are provided by the supplier
 - c. Energization plan (created by others)
 - d. All other deliverables not specifically noted above
3. Metal Switchgear Building, Relay Panels and Switchgear Arrangement

Deliverables

- a. Switchgear Building top plan and section cuts
- b. Relay and Control Panel Front Elevations for 161 kV panels
- c. Metal Clad Switchgear Front Elevations
- d. Associated Nameplate list & Bills of Material
- e. Allocated space provisions for a SCADA panel
- f. AC/DC Auxiliary Service Study

Assumptions

- a. Approval of the general arrangement and M&R one-line must occur before the metalclad switchgear building layout, relay panel, switchgear front elevations nameplate list and bills of material can be completed
- b. The purpose of the AC and DC auxiliary service study is to size the substation battery, charger, DC panels, AC panels, and auxiliary transformers. Recommendations will be provided as to the outcome of the studies
- c. It has been assumed that each switchgear line-up will consist of four (4) units. A total of three (3) standalone switchgear line-up for a total of twelve (12) units are included in this proposal
- d. We have assumed the development and design of five (5) 161 kV relay panels and one (1) SCADA panel

Exclusions

- a. All other deliverables not specifically noted above.

4. Electrical Physical Design

Deliverables

- a. General Arrangement
- b. Sections, Elevations and Details
- c. Material List and Equipment List
- d. Substation General Lighting
- e. Lightning Protection Plan

Assumptions

- a. General arrangement must be approved before Sections, Elevations and Details can be completed.
- b. The lightning protection plan will be created using the fixed angle method as described in IEEE Std. 998
- c. Final vendor drawings must be received before the design can be finalized
- d. Fence will be precast concrete along with additional level of aesthetics to shade the substation from public view. The precast fence will be specified and provided by others

Exclusions

- a. Illumination study
- b. All other deliverables not specifically noted above

5. Site Grading

Deliverables

- a. Substation Grading Plan

Assumptions

- a. A plan detailing rough grade will be provided to Ulteig for use in preparing the substation yard grading plan
- b. Grade of 1-2% maximum slope will be provided in the rough grading plan
- c. The site does not have any wetlands
- d. Drain tile will be utilized throughout the substation site

Exclusions

- a. Overall site grading/civil design
- b. Erosion and Sedimentation Control Plan
- c. Interface between RPU and geo-tech firm to obtain design level soil boring information
- d. SWPPP
- e. Landscape Plan
- f. Storm water calculations

6. Conduit Routing Plan

Deliverables

- a. Conduit plan and details

- b. Design and detail duct banks and hand holes as required for power and control cabling from field equipment (power transformers, breakers, disconnects, etc.) to the switchgear buildings

Assumptions

- a. Design will be provide with conduits to equipment from the control enclosure(s) and a manhole located at the control enclosure(s)
- b. No pedestrian rated or drive trench is assumed
- c. Design and detail a duct bank as required for the power cables from the existing power transformer to the switchgear building
- d. Cut sheets of preferred cable will be provided
- e. Thermal resistivity values will be provided to complete the duct bank design. Thermal resistivity dryout curves will be provided at 95% standard proctor density. In lieu of site specific data, assumptions will be provided by RPU for the in-situ soil and the concrete thermal resistivity values
- f. Required duct bank ampacity will be provided

Exclusions

- a. None
- b. All other deliverables not specifically noted above

7. Structural Steel

Deliverables

- a. Structural steel design and detailing of any equipment stands (Dead End, Switch, bus supports, shield pole)

Assumptions

- a. Steel structures will be rolled shapes (e.g. wide flange, channel, HSS, etc.) in the substation.
- b. Lightning masts and deadend structure will be fabricated using tapered tubular steel
- c. Electrical Physical Sections, Elevations, and Details must be approved before the structural steel design can be completed
- d. Final vendor drawings for equipment mounted to steel must be received before the design can be finalized

Exclusions

- a. Review of vendor fabrication drawings (Ulteig will provide fabrication quality drawings for the steel fabricator; Ulteig has not included time in this proposal to verify vendor drawings should the steel fabricator choose to create their own drawings)

8. Foundations

Deliverables

- a. Foundation Plan
- b. Foundation Plan Details

Assumptions

- a. Ulteig must receive the geotechnical report, topographic survey, and have vendor drawings before the foundation plan can be finalized
- b. Steel structures and the control enclosure will be supported by concrete drilled piers
- c. Equipment such as circuit breakers and transformer will be supported by slabs-on-grade
- a. A portion of the Precast concrete fence will double as a retaining wall

Exclusions

- b. Spill prevention control countermeasures (SPCC) plan
- c. All other deliverables not specifically noted above.

9. Grounding

Deliverables

- a. Grounding Study and Report
- b. Grounding Design
- c. Grounding Details

Assumptions

- a. The substation ground grid will be designed in accordance with IEEE Std. 80-2000 and applicable Owner supplied standards
- b. Ulteig must receive the soil resistivity values and future ground fault current value and have the General Arrangement drawing approved before the grounding study and design can be completed
- c. The minimum ground grid spacing will be 20 feet and standard 10 foot CCS ground rods will be sufficient for the grounding design and no chemical grounding means are required.
- d. The grounding study will be performed with CDEGS software and resulting information will be included in a grounding drawing

Exclusions

- a. All other deliverables not specifically noted above.

10. AC/DC Schematics

Deliverables

- a. AC/DC Schematics for all 161 kV and 13.8 kV metering and relaying

Assumptions

- a. The panel elevations must be approved before the preliminary AC and DC schematics can be completed
- b. The vendor schematics must be supplied for major equipment (Transformer, Breaker, CT, CVT, etc.) before the final AC and DC schematics can be completed

Exclusions

- a. None

11. Wiring Diagrams

Deliverables

- a. External Connection Design will be completed by Ulteig
- b. Point to point wiring diagram reviews for the switchgear and relay/SCADA panels will be completed by Ulteig and have been included in the estimate
- c. Wiring diagrams for metering panels, AC/DC panels and all field equipment will be completed by Ulteig

Assumptions

- a. Switchgear and Relay/SCADA panel internal wiring diagrams will be prepared by a vendor based on the Ulteig developed and RPU approved AC & DC schematics
- b. Ulteig will integrate external panel wiring diagrams into the vendor asbuilt wiring diagrams

Exclusions

- a. All other deliverables not specifically noted above

12. Power and Control Cables

Deliverables

- a. Power, control and alarm indication cable tabulation

Assumptions

- a. The M&R one-line diagram must be approved prior to starting the cable tabulation

Exclusions

- a. All other deliverables not specifically noted above

13. Communications

Deliverables

- a. Communication diagram
- b. Fiber connections at the Douglas Trail substation

Assumptions

- a. None

Exclusions

- a. All other deliverables not specifically noted above

14. Relay settings

Deliverables

- a. Programming for the required SEL 3530 relays (RTAC)

- b. Site support for up to 50 man-hours including travel

Assumptions

- a. One (1) site trip for onsite support has been estimated for this proposal

Exclusions

- a. All other deliverables not specifically noted above.

15. Scheduled Trips

Deliverables

- a. One half day site visit to review substation physical design for this project is included in the base estimate

Assumptions

- a. Additional construction site visits and other meetings requiring travel will be charged on a T&M basis
- b. Design conferences will be via teleconference.
- c. Travel and construction coordination will be on an as requested basis

Exclusions

- a. All other deliverables not specifically noted above.

16. Record Drawings

Deliverables

- a. Record Drawings

Assumptions

- a. Ulteig will be provided field marked copies of the construction prints and the most current CAD drawings from RPU. Ulteig will make the changes and return the revised CAD files, as well as the original field marks, within 40 days

Exclusions

- a. All other deliverables not specifically noted above

The following are a list of *general assumptions* to the work scope:

- a. Ulteig will participate in project meeting kick-off meeting at RPU's office
- b. All final drawings will be stamped "For Construction" and certified by an Engineer licensed in the state of Minnesota
- c. Ulteig project schedule assumes a two-week client review period on all deliverables
- d. Filing or procurement of any permit applications will be done by others
- e. Procurement of any geotechnical services and reports will be done by others
- f. Procurement of any materials will be done by others

- g. Delays caused by others due to lack of detailed information, lack of easement information, untimely review durations, delay or lack of permits etc., will result in a schedule and/or cost change order
- h. On-site project management or supervision will be done by others
- i. Upon award, Ulteig will develop and manage an engineering and construction schedule for the project
- j. Upon commencement of the project, Ulteig will provide bi-weekly status reports (up to 26 reports) detailing both progress to date and plans for the next two weeks.
- k. 30 minute bi-weekly conference calls (up to 26) with 2 engineers are included in the proposal and estimate

Estimated Fee for Douglas Trail Substation & Transmission Line Design \$ 511,100.00

Optional Additional Services

1. Substation Grading Additional Services

Deliverables

- a. Erosion and Sedimentation Control Plan
- b. Interface between RPU and geo-tech firm to obtain design level soil boring information.
- c. SWPPP
- d. Landscape Plan

Assumptions

- a. A geotechnical report will be provided to Ulteig for use in preparing the grading plan
- b. A topographic, legal and boundary survey of the substation parcel will be provided by Ulteig
- c. Ulteig must receive the topographic survey and geotechnical report and have the general arrangement approved before the substation grading plan can be completed
- d. The site does not have any wetlands

Exclusions

- a. Any permits required to comply with federal, state or local requirements
- b. Surveying and preparation of any necessary wetland replacement or mitigation exhibits

Estimated Fee for Overall Site Grading Additional Services \$ 24,600.00

2. 3D substation renderings

Deliverables

- a. Substation 3D renderings

Assumptions

- a. A 3D substation rendering will be provided for three (3) separate views with one iteration. The substation general arrangement must be approved and finalized prior to the commencement of the rendering.

Exclusions

- a. All other deliverables not specifically noted above.

Estimated Fee for 3D Substation Renderings **\$ 16,600.00**

3. Cascade Creek Substation Transformer Replacement

Deliverables

- a. Design for isolation and demolition of the existing transformer. This will include both high and low voltage physical connections along with protective functions, schematics and wiring
- b. Transformer specification, bid approval and recommendation
- c. Replacement of the existing transformer relaying with a SEL 387 and SEL 351. This includes development of required panel elevations, mounting plate details, schematics and wiring diagrams
- d. RTU schematics and wiring diagrams

Assumptions

- a. The existing transformer foundation will be evaluated for adequacy and for the purpose of this proposal we are assuming that it will not need to be replaced

Exclusions

- a. Oil containment
- b. Transformer foundation design

Estimated Fee for Cascade Creek Substation Transformer Replacement **\$ 48,250.00**

Summary of Professional Fees

Upon award of the project a milestone schedule will be developed by Ulteig that shows planned due dates for major deliverable packages. Invoicing will be monthly based on project progress. Our lump sum fee is based on engineering services with an anticipated completion date of 12/31/2016; the client recognizes that Ulteig reserves the right to negotiate fee in the event that project delays move engineering services into calendar year 2017 and beyond.

Additional services will be performed for an additional negotiated fee.

The professional fee for our service is based on lump sum pricing as follows:

- Substation & Transmission	\$ 511,100.00
- Overall site grading and landscaping plan	\$ 24,600.00
- Substation 3D renderings	\$ 16,600.00
<u>Total Services For EPIC's Request</u>	<u>\$552,300.00</u>
- Cascade Creek Substation Transformer Replacement	\$ 48,250.00
<u>Total for All Services</u>	<u>\$600,550.00</u>

* This fee is valid for 60 days.

Thank you for the opportunity to present this proposal. If you have any questions, please contact me at 701-280-8641 or by email at Jeff.Heinemann@Ulteig.com.

Sincerely,



Hossein Tabrizi
Technical Director – Substation



Jeff Heinemann
Technical Manager – Substation



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Professional Services Agreement with Ulteig Engineers Inc. And that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Substation Engineering

RPU management and staff requests the Board approve a purchase order with Ulteig Engineers Inc. In the amount of Six Hundred Thousand, Five Hundred Fifty 00/100 dollars (\$600,550.00), contingent upon final approval of an escrow agreement by the RPU General Manager and City Attorney.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4057)

Meeting Date: 6/30/2015

SUBJECT: NERC CIP V5 Security Compliance and Management Program

PREPARED BY: Scott Nickels

ITEM DESCRIPTION:

NERC CIP Version 5 is the latest Critical Infrastructure Protection Reliability Standards enforceable by NERC. The NERC CIP standards outline requirements for electronic and physical security of critical Bulk Electric System facilities. RPU's is required to implement a NERC CIP Version 5 compliant cyber security program as we maintain a Primary Electric Control Center and a Back-up Electric Control Center.

As a result of a request for proposal, RPU awarded a contract to Corporate Risk Solutions, Inc. (CRSI) in February to conduct a Gap Analysis regarding NERC CIP V5 Security Compliance (Phase 1). Based on the results of the gap analysis, RPU will need to develop and implement a CIP V5 compliant cyber and physical security program. Phase 2 of the CRSI's proposal is to assist in the policy development, procedure development and documentation required to comply with CIP V5. The scope of work proposal for Phase 2 is attached for you review. Staff has determined the need for only phase 2.a and 2.b totaling \$264,092. The remaining sub phases will be handled by RPU staff. The terms and conditions of the Phase 2 proposal are governed by the Master Professional Services Agreement #15-15-E dated February 26, 2015. This agreement was reviewed by the City Attorney.

An additional side benefit of Phase 2 will be the ability to use these new policies and procedures as part of the overall Citywide IT security program.

This project was included in the 2015 operating budget with the understanding that Phase 2 costs would be contingent on the results of Phase 1. Now that we have a firm cost for Phase 2 we intend to transfer un-used funds from other projects in the operating budget to cover the costs of Phase 2.

As with other NERC Compliance Standards, RPU is subject to penalties for non-compliance that can amount to as much as \$1,000,000 per day, per incident. NERC CIP Version 5 is enforceable on April 1, 2016.

FOR BOARD ACTION

Agenda Item # (ID # 4057)

Meeting Date: 6/30/2015

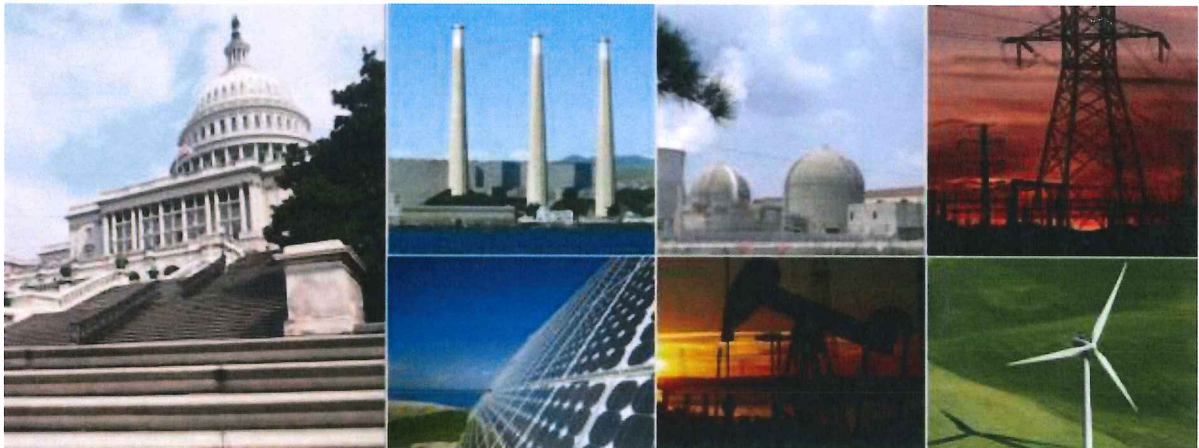
UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board approve a resolution to enter into an agreement with Corporate Risk Solutions, Inc, for NERC CIP Consulting Services in the amount of \$264,092 and authorize the Mayor and City Clerk to execute the Agreement.

**Rochester Public Utilities (RPU)
&
Corporate Risk Solutions Inc. (CRSI)**

**Proposal
For
NERC CIP V5 Security Compliance and Management
Program –Phase 2**

May 21, 2015



Contact Information

Nicole McFarlane – Account Executive

Corporate Risk Solutions, Inc. (CRSI)

11900 W 87th St. Pkwy., Suite 120

Lenexa, Kansas 66215

Direct: (913) 322-5406

Toll Free: (866) 492-7072

www.corprisk.net



Contents

TECHNICAL PROPOSAL 3

PROPOSED PROJECT SCHEDULE 6

APPENDIX A - Project Plan 14

APPENDIX B - Company Information 18

TECHNICAL PROPOSAL

This proposal is a follow-up to the work completed for RPU by CRSI in Phase 1 and documented in the Phase 1 final report. This completed work includes the following Service items identified by RPU and discussed in CRSI's Proposal dated February 12, 2015.

- Service 1 – Inventory Assessment
- Service 3 – Physical Security Review
- Service 4 – Electronic Security & Network Design Review
- Service 5 – Information Protection Review
- Service 6 – NERC CIP Compliance Gap Analysis

Phase 2 will include Service 2 (Policy & Procedure Development) from RPU's original RFP and the additional items identified by CRSI and documented on Slide 8 of CRSI's Phase 1 "RPU Gap Analysis NERC CIP-002 thru -011 Reliability Standards Out-Briefing" dated May 7, 2015, as noted below. CRSI provides fix price for this work of **\$356,772.00**. This reflects CRSI and RPU subject matter experts working closely together to minimize cycle time and rework.

	<u>Fixed Price Per Phase</u>
Phase 2.a – Policy Procedure Development	\$121,996
Phase 2.b – Technical Support For Implementation	\$142,096
Phase 2.c – Staffing/Program Organizational Study	\$16,820
Phase 2.d – Training Materials Development	\$23,420
Phase 2.e – Implementation Project Management	<u>\$54,424</u>
	\$358,756

Phase 2.a - Policy & Procedure Development

The cost for the scope of work in this phase is based the following assumptions:

- Project startup
 - Project management (CRSI internal)
 - Procedure development activities over an eight week period including:
 - 480 hours
 - Two site visits by three CRSI personnel
- 1) CRSI will develop all policies, processes, plans and procedural documentation required to meet CIP V5 compliance with CIP-003 through CIP-011.
 - 2) CRSI will provide document templates and technical assistance to complete documentation. These documents will be customized to RPU's specific needs in

order to ensure the methodologies contained within are compliant with current CIP version 5 criteria.

- 3) CRSI will review policy accessibility requirements with RPU to ensure policies and procedures are available or will be available as required to those persons needing access to them. If documents are not available to all persons needing access to them, make specific recommendations on how to correct these deficiencies.
- 4) CRSI will review current delegation policies with RPU, and make recommendations for improvements to management delegations, or to institute delegations to meet compliance with CIP version 5.
- 5) CRSI will review other policies of RPU as appropriate, e.g., physical security and human resources policies (e.g., background checks and disciplinary action, etc.) related to NERC CIP version 5.
- 6) CRSI will make recommendations for RPU such that existing or newly developed policies/processes and/or procedures follow cyber security best practices, for utilities, such as (CIP-003 through CIP-011 V5 business practice recommendations to comply with CIP V5), NIST SP800-82, NISTIR 7628 and/or other similar guidelines.
 - a) RPU may choose to have existing policies and procedures updated, or in the event these may need to be completely overhauled, a new version shall be provided.
 - b) These documents will be developed Microsoft Word, Visio and Excel format.

Phase 2.b -Technical Support for Implementation

The cost for the scope of work in this phase is based on the following assumptions:

- Project Management (CRSI internal)
- Twelve weeks of technical support including:
 - Four three-day site visits by three CRSI CIP experts
 - Eight weeks of additional technical support based on nine hours of blended support per week.

This includes CRSI CIP experts working with the RPU compliance staff and subject matter experts on the creation of internal controls, processes, job aides, table top exercises, and other implementation assistance to educate and train RPU personnel on operating effectively within the new CIP compliance environment. The pace and magnitude of this effort will be a function of the RPU staff's need and desire for CRSI support.

Phase 2.c - Staffing/Program Organization Study

The cost for the scope of work in this phase is based on the following assumptions:

- Project Management (CRSI internal)
- A total of 104 blended hours of CRSI effort over a four week period to develop and document the staffing study, including RPU review/comment and CRSI comment resolution.

This includes reviewing the RPU organizational structure with respect to compliance with NERC's Version 5 Critical Infrastructure Protection (CIP) standards. Responsibilities required to ensure compliance to the CIP standards will be detailed and aligned with RPU current organizational structure, where possible. Where gaps may be identified, CRSI will recommend the addition of specific additional resources, including specific organizational responsibilities necessary to implement required compliance functions.

Phase 2.d - Training Materials Development

The cost for the scope of work in this phase is based on the following assumptions:

- Project Management (CRSI internal)
- A total of 114 blended hours of CRSI effort over a six week period to develop the required training courses, including RPU review/comment and CRSI comment resolution.

This includes the development of two training courses for RPU, customized to reflect specific RPU information. The first course will be a broad course for all RPU employees explaining the NERC Critical Infrastructure Protection Standards, why they are important to RPU and the new requirements that come with these CIP standards. The second training course will be the Cyber Security Training specifically required by CIP-004-6, Requirement 2, for all individuals requiring authorized unescorted physical or authorized electronic access to RPU assets and equipment which require special access controls per the CIP standards.

Phase 2.e – Project Management for RPU CIP V5 Implementation

The cost for the scope of work in this phase is based on the following assumptions:

- CRSI will provide project management expertise to drive the RPU CIP V5 implementation effort after the Phase 2.b 12 week Technical Support for Implementation period is completed, continuing until April 30, 2016. This includes:

- Bi-weekly status reviews to ensure various CIP V5 implementation activities remain on schedule. These reviews will primarily be conducted via telephone meetings.
- Technical support to RPU SMEs to address implementation questions that may arise during this period.
- CIP leadership and governance guidance to RPU's CIP compliance team leadership.
- Spot checks of areas of potential implementation weakness identified in the course of this project management support.
- Includes one three-day site visit by the CRSI Manager Consulting Services
- Proposed fixed price for Phase 2.e is based on four consulting hours/week during the period November 2015 thru April 2016 (six months).

NOTE: Phase 3 – Mock Audit and Vulnerability Assessment is not included in this proposal. At a future date identified by RPU, CRSI will provide a separate proposal for Phase 3 work. For planning purposes, a rough estimate for a CRSI mock audit and Cyber Vulnerability Assessment is \$85,000.

PROPOSED PROJECT SCHEDULE

Upon contract award, the CRSI Project Manager will develop a detailed project plan to be approved by RPU. The following is a basic outline of major milestones.

*Project Tasks	Project Timeline
Phase 2.a Policy & Procedure Development	
1. RPU and CRSI finalize contract for Phase 2.	TBD
2. CRSI conducts project kickoff meeting with RPU staff.	TBD
3. CRSI works with RPU to develop required procedures.	TBD (8 week duration)
Phase 2.b Technical Support for Implementation	
4. CRSI provides technical support to RPU for CIP V5 implementation.	TBD (12 week duration)
*Phase 2.c Staffing/Program Organizational Study	
5. CRSI conducts the staffing study.	TBD (4 week duration)
*Phase 2.d Training Materials Development	
6. CRSI develops two CIP V5 related training courses for RPU.	TBD (4 week duration)

Phase 2.e Project Management for RPU CIP V5 Implementation	
7. PRU CIP V5 implementation project management provided by CRSI.	November 1, 2016 – April 30, 2016

Important Note: *Phases 2.a and 2.b must be worked in series. Phases 2.c and 2.d can be worked in parallel with Phase 2.b.* CRSI will work with RPU on specific dates for the above tasks after RPU notifies CRSI of RPU's intent to award this project to CRSI. CRSI does have multiple dates available between June and December and will work with RPU to establish a mutually agreeable project schedule. CRSI assigns dates on a first-come, first-served basis which is determined by a signed contract.

Quality Assurance

CRSI maintains an exceptional level of satisfaction for all consulting services that we provide. In serving more than 100 electric utilities, we have never lost a client, nor have we ever been sued or involved in any legal disputes over our services.

CRSI is fully committed to continual enhancements in both our company and in our projects. CRSI regularly updates our project approach, methodology and deliverables to reflect ongoing changes in the CIP Standards as well as to address any comments provided by our clients and consultants at the conclusion of a project.

CRSI takes great pride in our work and we will ensure that we meet this same level of satisfaction for RPU for this project. In demonstration of this, we will utilize a quality assurance process that will include a client satisfaction follow-up call and survey at the conclusion of this project to ensure that we met RPU's expectations. This program is led by Nicole McFarlane, Account Executive. We invite you to contact Ms. McFarlane at any time to discuss concerns or to share any feedback. Ms. McFarlane can be reached as follows:

Nicole McFarlane
Account Executive
(913) 322-5406
nmcfarlane@corprisk.net

Additionally, Mr. Robert Hoopes will be the project manager for this project and will serve as the primary point of contact to RPU to discuss any questions specific to the project work. Mr. Hoopes can be reached as follows:

Robert Hoopes
Director of Consulting Services
(610) 295-4963
rhoopes@corprisk.net



APPENDIX A - Project Plan

RPU PHASE 2 PROJECT PLAN

Week Starting	Budget Start	Actual Start	Budget Finish	Milestone	Deliverable	Task: RPU CIP V5 Phase 2	Invoicing Period	Location	Task/ID	Resource Title	Work Type	Resource Names	Hourly Rate	Budgeted Hours	Budget Cost	Actual Cost
						PHASE 2.a Policy & Procedure Development										
					Project Plan Creation	Project Setup	Invoicing Period 1	Off-Site	PLA	PLA	Work	Stephanie Roe	110.00	2.0	220.00	
6/21/2015	22-Jun	22-Jun	26-Jun	PLA Activities	Project Management	Project Management	Invoicing Period 1	Off-Site	3.00	Director	Work	Robert Hoopes	330.00	2.0	660.00	0.00
6/21/2015	22-Jun	22-Jun	26-Jun	Project Management	Project Planning & Tracking	Status Reports and PM	Invoicing Period 1	Off-Site	3.05	PC	Work	Luke Mahoney	150.00	2.0	300.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Internal Project Kick-off		Off-Site	4.00	PC	Work	Luke Mahoney	150.00	1.0	150.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Internal Project Kick-off		Off-Site	4.01	Director	Work	Robert Hoopes	330.00	1.0	330.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Internal Project Kick-off		Off-Site	4.01	Manager	Work	Boyd Nation	275.00	1.0	275.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Internal Project Kick-off		Off-Site	4.02	Consultant	Work	Steve Ostrov	190.00	1.0	190.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Internal Project Kick-off		Off-Site	4.03	Analyst 1	Work	Kyle Wachs	150.00	1.0	150.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Internal Project Kick-off		Off-Site	4.03	PC	Work	Luke Mahoney	150.00	1.0	150.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Internal Project Kick-off		Off-Site	4.04	PLA	Work	Stephanie Roe	110.00	1.0	110.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Create client questionnaire		Off-Site	5.01	Analyst 1	Work	Kyle Wachs	150.00	1.0	150.00	0.00
6/21/2015	26-Jun	26-Jun	26-Jun	Project Initiation PH	Internal Project Kick-off	Submit client questionnaire		Off-Site	5.01	Analyst 1	Work	Kyle Wachs	150.00	0.2	30.00	0.00
6/28/2015	30-Jun	30-Jun	30-Jun	Project Initiation PH	External Project Kick-off	External Project Kick-off		Off-Site	4.08	Director	Work	Robert Hoopes	330.00	1.0	330.00	0.00
6/28/2015	30-Jun	30-Jun	30-Jun	Project Initiation PH	External Project Kick-off	External Project Kick-off		Off-Site	4.09	Manager	Work	Boyd Nation	275.00	1.0	275.00	0.00
6/28/2015	30-Jun	30-Jun	30-Jun	Project Initiation PH	External Project Kick-off	External Project Kick-off		Off-Site	4.10	Analyst 1	Work	Steve Ostrov	190.00	1.0	190.00	0.00
6/28/2015	30-Jun	30-Jun	30-Jun	Project Initiation PH	External Project Kick-off	External Project Kick-off		Off-Site	4.11	PC	Work	Kyle Wachs	150.00	1.5	225.00	0.00
6/28/2015	30-Jun	30-Jun	30-Jun	Project Initiation PH	External Project Kick-off	External Project Kick-off		Off-Site	4.12	Account E	Work	Luke Mahoney	150.00	1.5	225.00	0.00
6/28/2015	30-Jun	30-Jun	30-Jun	Project Initiation PH	External Project Kick-off	External Project Kick-off		Off-Site	4.14	QA 1	Work	Nicole McFarn	0.00	-	-	0.00
6/28/2015	30-Jun	30-Jun	30-Jun	Project Management	External Project Kick-off	External Project Kick-off		Off-Site	4.14	QA 1	Work	Bree Wheeler	150.00	1.0	150.00	0.00
6/28/2015	30-Jun	30-Jun	30-Jun	Project Management	External Project Kick-off	External Project Kick-off		Off-Site		PC	Work	Luke Mahoney	150.00	1.0	150.00	0.00
						Procedure Development (8 weeks x 10 hr/wk) - 40 onsite		Off-Site		Manager	Work	Boyd Nation	275.00	40.0	11,000.00	
						Procedure Development (8 weeks x 20 hr/wk) - 40 onsite		Off-Site		Consultant	Work	Steve Ostrov	190.00	120.0	22,800.00	
						Procedure Development (8 weeks x 20 hr/wk) - 40 onsite		Off-Site		Analyst 1	Work	Kyle Wachs	150.00	120.0	18,000.00	
						Procedure Development (8 weeks x 10 hr/wk)		Off-Site		QA 1	Work	Bree Wheeler	150.00	80.0	12,000.00	
						1 trip, 24 hours onsite/trip		On-Site		Manager	Work	Boyd Nation	275.00	24.0	6,600.00	
						1 trip, 24 hours onsite/trip		On-Site		Consultant	Work	Steve Ostrov	190.00	24.0	4,560.00	
						1 trip, 24 hours onsite/trip		On-Site		Analyst 1	Work	Kyle Wachs	150.00	24.0	3,600.00	
						1 trip, 16 hours onsite/trip (deliver procedures)		On-Site		Manager	Work	Boyd Nation	275.00	16.0	4,400.00	
						1 trip, 16 hours onsite/trip (deliver procedures)		On-Site		Consultant	Work	Steve Ostrov	190.00	16.0	3,040.00	
						1 trip, 16 hours onsite/trip (deliver procedures)		On-Site		Analyst 1	Work	Kyle Wachs	150.00	16.0	2,400.00	
						2 Trips, 16 hrs travel/trip		Travel		Manager	Travel	Boyd Nation	110.00	32.0	3,520.00	
						2 Trips, 16 hrs travel/trip		Travel		Consultant	Travel	Steve Ostrov	76.00	32.0	2,432.00	
						2 Trips, 16 hrs travel/trip		Travel		Analyst 1	Travel	Kyle Wachs	60.00	32.0	1,920.00	
						Invoicing (8 weeks x 0.5)		Off-Site		PLA	Expenses	Stephanie Roe	110.00	4.0	440.00	
						Document Fee (8 weeks, Communications Fee (8 wks, Project Management (8 weeks scheduling (8 weeks x 2					Expenses		90.00	4.0	360.00	107,372.00
7/5/2015	7-Jul	10-Jul	10-Jul	Project Management	Project Management	Status Reports and PM scheduling (8 weeks x 2		Off-Site	3.07	Director	Work	Robert Hoopes	250.00	4.0	1,000.00	14,624.00
7/5/2015	7-Jul	10-Jul	10-Jul	Project Management	Project Management	PHASE 2.b Technical Support for Implementation (12 weeks x 4 trips, 28 hours onsite/trip (3.5 eight-hour days)		Off-Site	3.08	PC	Work	Luke Mahoney	150.00	8.0	2,640.00	0.00
						PHASE 2.b Technical Support for Implementation (12 weeks x 4 trips, 28 hours onsite/trip (3.5 eight-hour days)		Off-Site		Manager	Work	Boyd Nation	275.00	24.0	6,600.00	
						Technical Support: 8 weeks x 4 trips, 28 hours onsite/trip		Off-Site		Consultant	Work	Steve Ostrov	190.00	24.0	4,560.00	
						Technical Support: 8 weeks x 4 trips, 28 hours onsite/trip		Off-Site		Analyst 1	Work	Kyle Wachs	150.00	24.0	3,600.00	
						4 trips, 28 hours onsite/trip (3.5 eight-hour days)		On-Site		Manager	Work	Boyd Nation	275.00	112.0	30,800.00	
						4 trips, 28 hours onsite/trip (3.5 eight-hour days)		On-Site		Consultant	Work	Steve Ostrov	190.00	112.0	21,280.00	
						4 trips, 28 hours onsite/trip (3.5 eight-hour days)		On-Site		Analyst 1	Work	Kyle Wachs	150.00	112.0	16,800.00	
Total Project Cost 358,756.00																

RPU PHASE 2 PROJECT PLAN

											64.0	7,040.00				
				4 Trips, 16 hrs travel/trip	Travel				Manager	Expenses	110.00	7,040.00				
				4 Trips, 16 hrs travel/trip	Travel				Consultant	Expenses	76.00	4,864.00				
				4 Trips, 16 hrs travel/trip	Travel				Analyst 1	Expenses	60.00	3,840.00				
				Invoicing (12 weeks, invoice)	Off-Site				PLA	Expenses	110.00	660.00				Total Phase 2.b Cost
				Document Fee (12 weeks,						Expenses	90.00	540.00				Labor
				Communications Fee (12 wks,						Expenses	250.00	1,500.00				Expenses
				Manage the project (12 weeks	Off-Site				Director	Work	330.00	7,920.00				142,096.00
8/30/2015	31-Aug	Project Management		Status Reports and PM	Off-Site				PC	Work	150.00	3,600.00				
8/30/2015	31-Aug	Project Management		scheduling (12 weeks x 2	Off-Site				PC	Work	150.00	3,600.00				
				PHASE 2.c Staffing/Program												
				Organization Study												
				Staffing Study	Off-Site				Manager	Work	275.00	5,500.00				
				Staffing Study	Off-Site				Consultant	Work	190.00	7,600.00				
				Staffing Study	Off-Site				Analyst 1	Work	150.00	6,000.00				
				Staffing Study	Off-Site				QA 1	Work	150.00	600.00				
				Invoicing (4 weeks, invoice)	Off-Site				PLA	Expenses	110.00	220.00				Total Phase 2.c Cost
				Document Fee (4 weeks,						Expenses	90.00	180.00				Labor
				Communications Fee (4 wks,						Expenses	250.00	500.00				Expenses
9/13/2015	14-Sep	Project Management		Manage the project (4 wks)	Off-Site				Director	Work	330.00	1,320.00				0.00
9/13/2015	14-Sep	Project Management		Project Coordination (4 wks)	Off-Site				PC	Work	100.00	400.00				16,820.00
				Phase 2.d Training Materials												
				Development												
				Develop Training Materials	Off-Site				Manager	Work	275.00	2,200.00				
				Develop Training Materials -	Off-Site				Consultant	Work	190.00	1,140.00				
				Technical Review (3					nt 1							
				Develop Training Materials (2	Off-Site				Analyst 2	Work	150.00	14,400.00				
				courses x 48 hours/ave.												
				course): 1) General CIP												
				Develop Training Materials	Off-Site				QA 1	Work	150.00	600.00				Total Phase 2.d Cost
				Develop Training Materials					PLA	Work	110.00	330.00				Labor
				Invoicing (6 weeks, invoice)						Expenses	90.00	270.00				Expenses
				Document Fee (6 weeks,						Expenses	250.00	750.00				0.00
				Communications Fee (6 wks,						Expenses	330.00	1,980.00				0.00
9/13/2015	14-Sep	Project Management		Manage the project (6 weeks)	Off-Site				Director	Work	150.00	900.00				
9/13/2015	14-Sep	Project Management		Project Coordination (6 weeks)	Off-Site				PC	Work	150.00	900.00				
				Project Closeout	Off-Site				PLA	Expenses	110.00	220.00				
9/20/2015	21-Sep	Project Management		Project Closeout	Off-Site				PC	Work	150.00	300.00				
9/20/2015	21-Sep	Project Management		Project Closeout	Off-Site				Director	Work	330.00	330.00				0.00
				Phase 2.e CIP V5												
				Implementation Project												
				Site Visit (3 days)	On-Site				Manager	Work	275.00	6,600.00				
				Travel	Travel				Manager	Expenses	110.00	1,760.00				
				Consulting Project	Off-Site				Manager	Work	275.00	27,500.00				
				Management (25 wks x 4												
				Invoicing (6 months x 2	Off-Site				PLA	Expenses	110.00	1,320.00				Total Phase 2.e Cost
				Document Fee (6 months x 2						Expenses	90.00	1,080.00				Labor
				Communications Fee (6						Expenses	250.00	3,000.00				Expenses
9/13/2015	14-Sep	Project Management		Manage the project (26 weeks	Off-Site				Director	Work	330.00	8,580.00				0.00
9/13/2015	14-Sep	Project Management		Project Coordination (26	Off-Site				PC	Work	100.00	2,600.00				0.00
				Phase 2.a												
				Airfare, perround trip ticket						Expenses	750.00	4,500.00				
				Baggage Fees, per roundtrip						Expenses	70.00	420.00				
				Lodging, per night						Expenses	175.00	3,675.00				
				meals/day/person						Expenses	50.00	63.00				
				Rental Car, per day						Expenses	100.00	2,100.00				
				Fuel per trip						Expenses	40.00	80.00				
				Mileage per person per trip						Expenses	35.00	210.00				
				Travel Agent Fees per trip						Expenses	25.00	174.00				
				person						Expenses	15.00	315.00				



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Professional Services Agreement with Corporate Risk Solutions, Inc, and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

NERC CIP Consulting Services

The amount of the Professional Services Agreement to be Two Hundred Sixty Four Thousand Nine Hundred Two and 00/100 dollars (\$264,092.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of June, 2015.

President

Secretary