MEETING AGENDA – AUGUST 25, 2015

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

1. Approval of Agenda

2. Approval of Minutes

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

3. 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.)

4. Regular Agenda

1. Lake Zumbro Restoration Project Contribution

   Resolution: Lake Zumbro Restoration Project Contribution

2. West Side Energy Station – Project Approval and Approval of Professional Services

   Resolution: West Side Energy Station – Project Approval and Approval of Professional Services

3. Issuance of Electric Utility Revenue Bonds

   Resolution: Issuance of Electric Utility Revenue Bonds

4. Water Utility Cost of Service Study & Rate Discussion

5. Consideration Of Bids

1. Consideration of Bids - Construction of Well House #41

   Resolution: Construction of Well House #41

6. General Managers Report

7. Division Reports & Metrics

8. Other Business

9. Adjourn

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

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MEETING MINUTES – JULY 28, 2015

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

1. 3:30 PM Closed Meeting

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 identifies 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 prusuant to Minnesota Statutes, Section 13D.05, subd.3 (b).

2. 4:00 PM Regular Meeting

Call to Order

President Williams called the meeting to order at 4:09 PM.

Attendee Name	Title	Status	Arrived
Michael Wojcik	Board Member	Present	
Jerry Williams	Board President	Present	
Dave Reichert	Board Member	Present	
Roger Stahl	Board Member	Absent	
Mark Browning	Board Member	Present	
Terry Adkins	City Attorney	Present	

3. Recognition- Mark Hill

Jerry Williams and Mark Kotschevar congratulated and thanked Mark Hill for his years of service since1983 at the Silver Lake Plant.

4. Approval of Agenda

Motion to: Approve the agenda as presented.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Dave Reichert, Board Member
SECONDER:	Michael Wojcik, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

5. Approval of Minutes

Public Utility Board - Regular Meeting - Jun 30, 2015 4:00 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Dave Reichert, Board Member
SECONDER:	Michael Wojcik, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

6. Approval of Accounts Payable

AP Board Listing

A comment was made about the purchase of vehicles locally. RPU uses the State contract when purchasing vehicles, this way the competitive bidding process has already been done. Local dealers are able to get on the State contract if they go through the process.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Dave Reichert, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

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 the meeting for comments from the public. No one came forward to speak.

7. Informational

Results of the recent Strategic Customer Survey by Great Blue Research

Michael Vigeant, CEO from GreatBlue Research, presented the results of the Customer Satisfaction & Perception Survey.

- *Jerry Williams wanted to know the difference between an advocate and a loyal customer. Mr. Vigeant replied; an advocate of RPU is a customer who provides high marks, and if given the choice of another utility company they would not switch. They speak highly of RPU whenever possible. A loyal customer is one who has had a positive experience and is unlikely to switch if given the opportunity.*
- *Dave Reichert asked a question about solar; do our customers want us to install and provide solar? And how does that compare to other utilities? Mr. Vigeant said he couldn't answer that question without some follow up questioning.*
- *Andrea Kiepe, Sierra Club, asked about the wording of the survey? Was the word "alternative" used in the question regarding renewables? Mr. Vigeant replied yes, it was only used in the question that asked if folks felt RPU should be a leader in alternative energy.*

- *Jerry Williams appreciated the statistical reliability of the results as opposed to opt in pieces. He also said we need to make data driven decisions and statistical reliability provides a great comfort level. Mr. Williams would also like us to come back in the future and ask our customers again how we are doing.*
- *Michael Wojcik agreed that the statistical analysis was the correct data, there is not 50/50 responses so there is not a whole lot of lack of clarity in these answers.*
- *Jerry Williams also said we get customer satisfaction data in our monthly reports and that is always great, this reinforces that data.*
- *Mark Kotschevar acknowledged and thanked the staff for the numbers. He also said we have established trust and good will with our customers as well as built a solid foundation.*
- *Michael Wojcik asked if the list of questions and the data will be put up on the RPU website. Mark Kotschevar said we will put the survey results that we are viewing now on the website. Mr. Vigeant did not suggest putting the raw data out there on the website because of the risk of using data out of context.*
- *Jerry Williams said the data will be used for strategic planning.*
- *Mr. Williams also asked the question, where does RPU land compared to other utilities? Mr. Vigeant replied with the following points:*
  - *RPU is higher than average on advocacy and loyalty.*
  - *RPU is 2-5% higher in both customer and field service.*
  - *Most municipals are having a hard time adjusting to new technology and social media but, to have someone say "I like your Twitter voice", I have never heard that before.*
  - *Your trust levels are very high.*
  - *Your very satisfied ratings are 3/4 of the total numbers and that is extraordinary.*
  - *There is still work that can be done, and the real work comes in the next 10-15 years. You have the team and culture piece fit, now you are off and running with the data.*

8. Regular Agenda

1. Approval for Preliminary Engineering associated with West Side Energy Station Project

Wally Schlink, Director of Power Resources, presented the necessary preliminary Engineering work for the West Side Energy Station Project.

- *Mark Browning brought up the recent article in the Post Bulletin regarding RPU's portfolio. He also said we need the fuel diversification to regulate prices.*
- *Peter Hogan said the additional cost for solar would be approximately $45-50K annually for 500KW.*
- *Wally Schlink asked the Board for the following action:*

- *consensus on moving forward with the project*
- *approval to proceed on the pre engineering study (Burns and McDonnel), generator interconnection agreement (MISO), and permitting process (Wenck)*

- *Michael Wojcik asked about purchasing with the great exchange rates on big equipment. Wally said it's a unique opportunity with the current exchange rates.*

The Board gave consensus to move ahead with the project.

Resolution: Approval for preliminary Engineering associated with West Side Energy Station Project

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 resolution authorizing Burns & McDonnell to perform the preliminary work and Wenck Associates to perform the project permitting work, and MISO Generator Interconnection Agreement related costs and project support for development of the:

West Side Energy Station Project

The professional services amount is not to exceed TWO HUNDRED THOUSAND AND 00/100 DOLLARS ($200,000.00). Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of July, 2015.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Wojcik, Board Member
SECONDER:	Dave Reichert, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

2. Approve Reimbursement Authorization for West Side Energy Station

Resolution: Approve Reimbursement Authorization for West Side Energy Station

The Board approved the resolution reading as follows:

RESOLUTION RELATING TO THE FINANCING OF WEST SIDE POWER GENERATION STATION, SUBSTATION, DISTRIBUTION AND TRANSMISSION PROJECTS; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

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

1. Recitals.

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

(b) The Regulations generally require that the Utility make a declaration of its

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

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

2. Official Intent Declaration.

(a)The Utility proposes to research, design, construct and or acquire, commission and equip a power generation station, substations, distribution and transmission projects, including without limitation the West Side Energy Station project, and to make original expenditures with respect thereto prior to the issuance of reimbursement bonds, and reasonably expects to issue reimbursement bonds for the project up to the amount of $77,500,000 plus issuance costs.

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

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

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

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of July, 2015.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Wojcik, Mark Browning
SECONDER:	Dave Reichert, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

9. Consideration Of Bids

1. Service Center Concrete Pavement Project (2015-21)

Steve Monson, Supervisor of Facilities and Fleet said the bids were for cracked concrete at the Service Center.

Doyle Connor Co. was the low bidder for work area E which came in within budget.

Resolution: Service Center Concrete Pavement Project (2015-21)

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 purchase order with Doyle Connor Co. for:

Service Center Concrete Pavement Project (2015-21)

Work Area E

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

The amount of the agreement to be EIGHTY THOUSAND TWO HUNDRED TWENTY FIVE AND 00/100 DOLLARS ($80,225.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of July, 2015.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Wojcik, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

2. Approval of Solar Purchase Power Agreement

Dirk Bierbaum, Key Accounts Representative, said the Solar Purchase Power Agreement was a 25 year agreement with options for buy out at years 6-12 & 18. The pending language in section 2, Goodwill and Publicity, was agreed upon and any final edits to the agreement will be approved by the City Attorney and General Manager.

Resolution: Approval of Solar Purchase Power Agreement

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 Purchased Power Agreement with:

Solar City

For the term of 25 years at a non-escalating price of $0.1014 per kWh. And that the Common Council authorize the Mayor and the City Clerk to execute the agreement pending approval from the City Attorney and Rochester Public Utilities General Manager.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of July, 2015.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Dave Reichert, Board Member
SECONDER:	Michael Wojcik, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

10. General Managers Report

Mark Kotschevar gave his General Manager's report:

- The finance department is looking into possible refunding of bonds for a cost savings of about $3 million dollars.
- Water Cost of Service study results will be sent out to the Board. The Board can then decide if Mark Beachamp needs to come back for follow up study session in September. RPU Board approval will be requested in October and City Council approval in November.

11. Division Reports & Metrics

12. Other Business

Michael Wojcik brought up the topic of MMUA's Legislative positions. He would like to have MMUA come to a board meeting before the next legislative session. We could also discuss a resolution in support of MMUA.

13. Adjourn

Motion to: Adjourn

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Mark Browning, Board Member
SECONDER:	Michael Wojcik, Board Member
AYES:	Michael Wojcik, Jerry Williams, Dave Reichert, Mark Browning
ABSENT:	Roger Stahl

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Submitted by:

_____

Secretary

Approved by the Board

_____

Board President

_____

Date

ACCOUNTS PAYABLE

Meeting Date: 8/25/2015

SUBJECT: A/P Board listing

PREPARED BY: Terri Engle

Please approve

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

Greater than 50,000 :

SOUTHERN MN MUNICIPAL POWER A	July Billing	8,540,692.79
XCEL ENERGY CORP	CapX - LaCrosse Project CMA	937,626.39
CONSTELLATION NEWENERGY-GAS D	Gas at Cascade Creek - 6/2015 & 7/2015	496,968.16
CONSTELLATION NEWENERGY-GAS D	SLP Pilot and Boiler Gas	180,864.34
STUART C IRBY CO INC	Wire in Duct, AL 15kV 1/0 Solid, 1/C	177,977.28
OSI-OPEN SYSTEMS INTERNATIONA	SCADA Replacement - Electric	89,967.38
STUART C IRBY CO INC	Wire, AL, 15kV, 1/0 Solid, 1/C, Jacketed	85,361.36
NORTH STAR INTL TRUCKS INC	2016 International Chassis V555	57,750.00
CITY OF ROCHESTER	Street Opening Repairs	50,487.17
FRANKLIN ENERGY SERVICES LLC	DSM / CIP Services 2015	50,291.67
	Price Range Total:	10,667,986.54

5,000 to 50,000 :

CENTURYLINK	2015 Monthly Telecommunications	44,786.45
WRIGHT TREE SERVICE INC	2015 Hourly Tree Contract	44,615.60
ENGINEERED PUMP SERVICES	Pump Inspection & Repair	43,048.68
BORDER STATES ELECTRIC SUPPLY	Conduit, HDPE, 4.00, Empty, SDR 13.5	42,215.64
BILLTRUST dba	Credit card/billing/mailing/IVR services	41,614.95
JENNINGS, STROUSS & SALMON PL	2015 Legal Fees	40,601.02
WESCO DISTRIBUTION INC	Trans, PM, 3ph, 500kVA, 13.8/8, 208/120	40,385.19
PEOPLES ENERGY COOPERATIVE (P	Compensable to PCPA, 7/1/2015-7/31/2015	40,316.15
MASTEC NORTH AMERICA INC	2015 Directional Boring/Misc Excavation	38,490.11
HOMETOWN CONNECTIONS	Customer Satisfaction Proposal	34,841.25
MINNESOTA ENERGY RESOURCES CO	Gas at Cascade Creek - 6/2015 & 7/2015	33,265.79
MINNESOTA ENERGY RESOURCES CO	SLP Pilot and Boiler Gas - 6/2015 & 7/2015	31,984.02
CONSOLIDATED COMMUNICATIONS d	Cisco ISE EndPoint Advanced License	31,099.21
THE ENERGY AUTHORITY INC	TEA MSIO Transmission and Resource Fee,	30,193.71
SPARTA CONSULTING INC	2015 SAP Application Support	29,120.00
ELCOR CONSTRUCTION INC	Contract Retention	27,056.00
BURNS & MCDONNELL INC	Infrastructure Plan Review & Upgrade	25,340.86
OPOWER INC	2015-2016 Home Energy Reports	24,000.00
INSTITUTE FOR ENVIRONMENTAL	Asbestos Project Management	20,790.00
BLUESPIRE STRATEGIC MARKETING	2015 RPU Plugged In Contract	19,987.34
BOB BRAATEN CONSTRUCTION INC	Chester Substation Grading & Excavating	18,673.00
USIC LOCATING SERVICES INC	2014-2015 Locating Services	17,474.00
BOB BRAATEN CONSTRUCTION INC	Chester Substation Security Fence & Landscaping	15,573.50
U S ALLIANCE GROUP	Credit Card Processing Fees, July 2015	15,030.59
MN MUNICIPAL UTILITIES ASSN C	Legal and Legislative Contribution	15,000.00

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

44	VISION COMPANIES LLC (P)	Org. Strategy	13,575.00
45	OILFIELD SOLUTIONS LIMITED	2015 Annual Audit of GT 2	13,534.48
46	WESCO DISTRIBUTION INC	Trans, PM, 3ph, 45kVA,13.8/8,208/120 Std	12,871.96
47	RESCO	Three Phase VT Pack Ratio 2.5:1	12,688.20
48	STUART C IRBY CO INC	Wire, ACSR, 336.4, 18/1, Merlin	12,599.12
49	NORTHWESTERN POWER EQUIPMENT	Isolation valve, 6" DI	12,500.00
50	SHERMCO INDUSTRIES INC	Arc Flash Study and PPE Guide Developmen	12,381.40
51	CORPORATE RISK SOLUTIONS INC	NERC CIP 5 Compliance Mgmt Prgm -Phase 2	12,306.70
52	BARR ENGINEERING COMPANY (P)	Lake Zumbro Improvement Service	11,945.07
53	A B M EQUIPMENT & SUPPLY INC	Utility Body for V558	11,877.00
54	A B M EQUIPMENT & SUPPLY INC	Utility Body for V567	11,522.00
55	ST MARYS UNIV MN CASCADE MEAD	2015 Annual Lease at Cascade Meadows	11,000.00
56	ARNOLDS SUPPLY & KLEENIT CO (	2015 Mowing Services Well Houses	10,702.00
57	CHS ROCHESTER	Monthly Fuel Charges	10,227.88
58	WIESER CONCRETE PRODUCTS INC	Type 8337B precast concrete barrier	9,957.00
59	WESCO DISTRIBUTION INC	Trans, PM, 3ph, 300kVA, 13.8/8, 480/277	9,942.21
60	T E C INDUSTRIAL INC	PIES Refinancing, Kerry Ingredients	9,591.30
61	BARR ENGINEERING COMPANY (P)	Water Sustainability Study Services	9,366.79
62	WERNER ELECTRIC SUPPLY	PIES Refinancing fro Kerry Ingredients	9,336.43
63	BARR ENGINEERING COMPANY (P)	Silver Lake Dam Rehabilitation Design	9,227.75
64	BAKER TILLY VIRCHOW KRAUSE LL	2015 Audit Fees	8,633.00
65	RESCO	Three Phase VT Pack Ratio 2.5:1	8,458.80
66	NALCO COMPANY	DI Vessels, Anion, CC	8,079.76
67	WELLS FARGO BANK ACCT ANALYSI	2015 Banking Services	7,728.06
68	XYLO TECHNOLOGIES INC	David McCollister - Field Svcs/GIS	7,680.00
69	MASTEC NORTH AMERICA INC	Fieldstone 4th Woodstone Dr SW - Subdivi	7,455.59
70	BORDER STATES ELECTRIC SUPPLY	Trilliant Module For Sentinel Meter	7,374.38
71	KERRY	CIP Conserve & Save Rebates	7,000.00
72	XYLO TECHNOLOGIES INC	2015 Dominic Avila - Corp Svcs/IS	6,894.00
73	GRAYBAR ELECTRIC COMPANY INC	Wire, Theft Deterrent, 0.334 in, #4 CU	6,686.78
74	D P C INDUSTRIES INC	2015 Hydrofluorosilicic Acid - Delivered	6,673.66
75	CASCON INC	Pump Repair	6,657.00
76	STUART C IRBY CO INC	Metal Sec. Encl, 3ph, 30" x 67" x 22"	6,166.69
77	BOB BRAATEN CONSTRUCTION INC	Contract Retention Release, Grading	6,070.85
78	BORDER STATES ELECTRIC SUPPLY	Meter, FM45S, 3 ERT KWH,KVAR,KW W/LP&KYZ	5,771.25
79	STUART C IRBY CO INC	Metal Sec. Encl, 3ph, 30" x 67" x 22"	5,770.00
80	SPECTRUM REACH	Service Assured TV spot	5,621.50
81	STUART C IRBY CO INC	Wire, ACSR, 4/0, 6/1, Penguin	5,595.07
82	ARNOLDS SUPPLY & KLEENIT CO (	2015 Mowing Services Substations - 6/2015 & 7/2015	5,069.08
83	PITNEY BOWES PURCHASE POWER	Postage meter refill	5,045.00
84	CRW ARCHITECTURE + DESIGN GRO	A/E Services- Zumbro Hydro Roof Repairs	5,037.56
85			
86		**Price Range Total:**	1,132,123.38
87			

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

1,000 to 5,000 :

WESCO DISTRIBUTION INC	Junction, LB, 200A, 4 Pos, w/Strap	4,857.47
POWER SYSTEMS ENGINEERING INC	2015 Core Downtown Electric Study Scope	4,830.00
D P C INDUSTRIES INC	2015 Carus 8500 Aqua Mag Kjell F35	4,686.60
CHS ROCHESTER	Monthly Fuel Charges	4,601.23
SHI INTERNATIONAL CORP (P)	2015 Enterprise Support & Maintenance	4,564.35
KATS COMPANY LLC	Water SA service repair - 725 Woodhaven	4,500.00
MEGGER (P)	EZ Restore Upgrade S/N 032-0708-001	4,425.00
STUART C IRBY CO INC	Grd Sleeve, 1ph Trans., 37 x 43 x 15	4,264.31
DELL MARKETING LP	Wyse zero client for VMware 5020-P25	4,206.60
KATS COMPANY LLC	Water SA service repair - 3926 jonafree	4,200.00
KERRY	CIP Conserve & Save Rebates	4,200.00
KATS COMPANY LLC	Water SA service repair - 2035 Fox Valle	4,000.00
TECHNOLOGY FOR ENERGY CORPORA	High voltage amp litewire probe	3,995.00
DAVITA INC	CIP Conserve & Save Rebates	3,900.00
BORDER STATES ELECTRIC SUPPLY	Grd Sleeve, 3ph Sect. Encl, 18 x 67 x 23	3,879.56
NORTH STAR INTL TRUCKS INC	Tax, License and Registration V555	3,843.75
EDWARDS - BROWN LLC	CIP Conserve & Save Rebates	3,735.00
CDW GOVERNMENT INC	Red Hat Enterprise - Premium Subscrp	3,711.51
WESCO DISTRIBUTION INC	Clamp, Hot Jumper, Clear Plastic Insul	3,546.11
TRANSMISSION ACCESS POLICY ST	2015 Membership Dues	3,500.00
ADVANTAGE DIST LLC (P)	Oil, Syn., Mobil Jet 254, (55 Gal Drum)	3,471.62
D P C INDUSTRIES INC	2015 Chlorine, 150 lb Cyl	3,425.00
VIKING ELECTRIC SUPPLY INC	Conduit, PVC Sch 40, 4.00	3,333.11
CUSTOM TRUCK BODY & EQ CO INC	Liftgate and install	3,227.63
BRAUER ROOFING INC	Re-roof well house building - 5023 15 st	3,170.00
BORDER STATES ELECTRIC SUPPLY	Elbow, 15kV, 200A, LB,1/0 Sol,175-220Mil	3,084.41
STUART C IRBY CO INC	Wire, ACSR, 1/0, 6/1, Raven	3,029.02
CANNON ELECTRIC MOTOR dba	Motor repair - replace bearings	3,014.00
PASSOW RYAN	CIP Conserve & Save Rebates	2,970.00
STUART C IRBY CO INC	Metal Sec. Encl, 1ph, 30" x 30" x 18"	2,958.30
ENGINEERED PUMP SERVICES	Shipping	2,957.94
CITY OF ROCHESTER	Berkley, Admin Serv 11/13-10/14	2,941.79
PAAPE ENERGY SERVICE INC	SC boiler repairs	2,910.00
NETWORKFLEET INC	2015 Monthly Charge - GPS Fleet Tracking	2,895.61
CITY OF ROCHESTER	Workers Comp	2,826.48
CITY OF ROCHESTER	MN Dept of Labor, 2015 Spec Comp Fund As	2,720.85
SUPERIOR COMPANIES OF MINNESO	Water bottle fountain installation	2,680.00
WESCO DISTRIBUTION INC	Junction, LB, 200A, 4 Pos, w/Strap	2,651.25
STUART C IRBY CO INC	Arrester, 10kV, Dist, Elbow MOV	2,650.50
PRAIRIE EQUIPMENT CO LLC	Truck Battery Charger	2,618.44
THE WATERS LLC	CIP Conserve & Save Rebates	2,464.00

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

131	BORDER STATES ELECTRIC SUPPLY	Bracket, Equip Mtg, 3ph, 48", 6 Mtgs	2,424.14
132	CANON SOLUTIONS AMERICA INC	Canon Maintenance Contract, 2015	2,396.99
133	VISION COMPANIES LLC (P)	Consulting Services	2,325.00
134	STUART C IRBY CO INC	Battery powered cutter, ACSR	2,285.00
135	FAIRWAY OUTDOOR FUNDING LLC	2015 Digital Billboard Contract	2,200.00
136	ANDERSON, RICHARD	* Customer Refund - CCS 300000516395	2,165.17
137	PAYMENT REMITTANCE CENTER	Travel, APPA Key Accts Certificatio, Reg	2,100.00
138	ADVANCED DISPOSAL SVC SOLID W	2015 Waste Removal Services - SC	2,094.60
139	GOPHER STATE ONE CALL	One Call Tickets	2,070.80
140	TWIN CITY SECURITY INC	Security Services April-Oct 2015	2,063.22
141	KERRY BIOFUNCTIONAL INGREDIEN	Easement	2,000.00
142	WESCO DISTRIBUTION INC	CT, Bar Type, 600/5 600V High Accuracy	1,979.40
143	PROCHEM LLC	Esplanade 200 SC	1,979.10
144	MASTEC NORTH AMERICA INC	FDR 704 extension 7st nw	1,890.00
145	WIESER CONCRETE PRODUCTS INC	Pole Storage	1,859.63
146	PAYMENT REMITTANCE CENTER	Delta, FERC Settlement Flights x3, resch	1,856.10
147	GRAYBAR ELECTRIC COMPANY INC	Conn, CRP SL, #4-2/0 CU only	1,843.59
148	BARR ENGINEERING COMPANY (P)	2014 Annual Hydro Inspection	1,777.50
149	EASYPOWER LLC	EasySolv 1000 Upgrade	1,750.00
150	WENCK ASSOCIATES INC	Air Quality Consulting Services	1,655.40
151	PAYMENT REMITTANCE CENTER	Tenable Network Security, Nessus Pro Sub	1,560.38
152	GRAYBAR ELECTRIC COMPANY INC	Wire, Theft Deterrent, 0.334 in, #4 CU	1,543.10
153	ONLINE INFORMATION SERVICES I	2015 Utility Exchange Report	1,520.60
154	VIKING ELECTRIC SUPPLY INC	Elbow, Steel, 36.0 R, 4.00	1,510.14
155	FORBROOK LANDSCAPING SERVICES	Water site landscaping restoration	1,508.00
156	SPARTA CONSULTING INC	2015 SAP Application Support Travel Exp	1,468.60
157	MEYERHOFER STEEL & CONSTRUCTI	Maintenance Wind Turbine Cascade Meadow	1,452.43
158	ULTEIG ENGINEERS INC	Baihly Handrail Design	1,452.00
159	BAIER GERALD	2015-2016 Sweeping Services Jan-December	1,442.81
160	WESCO DISTRIBUTION INC	Rubber Cover Up	1,384.20
161	BURNS & MCDONNELL INC	Engineering Services Q5 Modifications	1,358.31
162	MN PIPE & EQUIPMENT	WB67 Breakoff Flange Kit, K528	1,350.00
163	CONSOLIDATED COMMUNICATIONS d	2014-2017 Monthly Data Services	1,341.66
164	RESCO	Arrester, 10kV, Dist, Riser MOV	1,318.84
165	BRAUER ROOFING INC	Re-roof well house building - 1800 badge	1,300.00
166	CITY OF ROCHESTER	Berkley WC Admin Fees, June	1,282.00
167	K A A L TV LLC	Advertising spots	1,260.00
168	MASTEC NORTH AMERICA INC	backhoe & opeator / Vly high fiber lower	1,258.77
169	CITY OF ROCHESTER	RPU's portion for USGS 37th ST gaging st	1,248.50
170	WESCO DISTRIBUTION INC	Vest, FR, Lime, XL	1,230.24
171	PAYMENT REMITTANCE CENTER	Spacer Bracket, Mid Span, 3-Wire	1,221.26
172	CONSOLIDATED COMMUNICATIONS d	2014-2017 Collocation Agreement	1,169.07
173	BORDER STATES ELECTRIC SUPPLY	Clamp, Hot Tap, 2/0 - #8	1,162.50
174	CRESCENT ELECTRIC SUPPLY CO	Tagging, Yellow UG Cable	1,161.96

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

175	GRAINGER INC	Centrifugal pump, 1-1/2hp	1,149.30
176	BORDER STATES ELECTRIC SUPPLY	Label, Trans. Safety, Outside	1,147.84
177	BORDER STATES ELECTRIC SUPPLY	Postage And Shipping	1,122.19
178	STUART C IRBY CO INC	Wire, AL, 600V, #2-#4 ACSR NEU Tri	1,116.00
179	IHEART MEDIA dba	radio spots	1,062.00
180	SCANLEN TIMOTHY	CIP Conserve & Save Rebates	1,051.94
181	PAYMENT REMITTANCE CENTER	Pro Plus 36	1,050.00
182	MINNESOTA-WISCONSIN BAPTIST C	CIP Conserve & Save Rebates	1,045.00
183	ROCHESTER ARMORED CAR CO INC	2015/16 Pick Up Services May-April	1,041.89
184	ARNOLDS SUPPLY & KLEENIT CO (	2014-2015 SC Alternates	1,026.00
185	MASTEC NORTH AMERICA INC	New service - Eastwood plaza	1,020.00
186	STUART C IRBY CO INC	Wire, Copper, #2 Str, Bare	1,015.31
187	MIDCONTINENT ISO INC	July Billing	1,014.70
188	STUART C IRBY CO INC	Glove, Leather Work, Hvy Duty, Medium	1,001.31
189			
190		**Price Range Total:**	233,530.93
191			
192	**0 to 1,000 :**		
193			
194	REBATES	Summarized transactions: 177	29,213.84
195	EXPRESS SERVICES INC	Summarized transactions: 26	17,351.17
196	Customer Refunds (CIS)	Summarized transactions: 90	12,376.45
197	PAYMENT REMITTANCE CENTER	Summarized transactions: 52	9,940.38
198	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 51	5,513.77
199	WESCO DISTRIBUTION INC	Summarized transactions: 31	4,577.72
200	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 40	4,487.38
201	CINTAS CORP	Summarized transactions: 111	3,887.80
202	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 17	3,090.05
203	DAKOTA SUPPLY GROUP	Summarized transactions: 8	2,846.43
204	MN PIPE & EQUIPMENT	Summarized transactions: 15	2,607.88
205	STUART C IRBY CO INC	Summarized transactions: 43	2,546.95
206	CENTURYLINK	Summarized transactions: 5	2,476.11
207	NAPA AUTO PARTS (P)	Summarized transactions: 49	2,284.73
208	METRO SALES INC	Summarized transactions: 5	2,194.44
209	CITY OF ROCHESTER	Summarized transactions: 8	2,152.48
210	GRAINGER INC	Summarized transactions: 18	2,095.10
211	CITY OF ROCHESTER	Summarized transactions: 5	2,063.93
212	RESCO	Summarized transactions: 6	1,924.47
213	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 20	1,922.85
214	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 4	1,796.42
215	REBATES	Summarized transactions: 38	1,768.00
216	MED CITY COLLISION INC	Summarized transactions: 3	1,715.23
217	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 10	1,572.44

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

218	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 25	1,561.01
219	ARNOLDS SUPPLY & KLEENIT CO (	Summarized transactions: 12	1,389.30
220	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 8	1,245.72
221	LAWSON PRODUCTS INC (P)	Summarized transactions: 9	1,097.60
222	WIESER CONCRETE PRODUCTS INC	Summarized transactions: 3	1,069.30
223	MEGGER (P)	Summarized transactions: 4	1,054.22
224	INSTITUTE FOR ENVIRONMENTAL	Summarized transactions: 1	989.67
225	GREAT RIVER ENERGY	Summarized transactions: 1	966.84
226	FREDRICKSON & BYRON PA	Summarized transactions: 1	900.16
227	OPEN ACCESS TECHNOLOGY	Summarized transactions: 1	881.70
228	HEINRICH ENVELOPE CORPORATION	Summarized transactions: 2	880.38
229	ULTEIG ENGINEERS INC	Summarized transactions: 1	866.50
230	MENARDS ROCHESTER NORTH	Summarized transactions: 10	862.95
231	BADGER METER INC (P)	Summarized transactions: 3	860.30
232	VERTICAL LIMIT CONSTRUCTION L	Summarized transactions: 1	855.00
233	CONCAST INC	Summarized transactions: 2	844.31
234	TWIN CITY SECURITY INC	Summarized transactions: 1	825.29
235	HEWLETT PACKARD CO INC	Summarized transactions: 1	810.65
236	CINTAS CORP	Summarized transactions: 5	805.30
237	REINDERS INC	Summarized transactions: 9	799.09
238	NALCO COMPANY	Summarized transactions: 9	794.44
239	FASTENAL COMPANY	Summarized transactions: 23	781.90
240	MEYERHOFER STEEL & CONSTRUCTI	Summarized transactions: 1	780.00
241	CONSOLIDATED COMMUNICATIONS d	Summarized transactions: 1	765.00
242	A B M EQUIPMENT & SUPPLY INC	Summarized transactions: 1	760.00
243	VANGUARD INSTRUMENTS COMPANY	Summarized transactions: 2	758.63
244	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 4	713.31
245	CONNEY SAFETY PRODUCTS LLC	Summarized transactions: 9	705.08
246	ON SITE SANITATION INC	Summarized transactions: 4	702.85
247	AUTHORIZE.NET	Summarized transactions: 1	684.80
248	TRENWA INC	Summarized transactions: 2	682.93
249	ADVANCED DISPOSAL SVC SOLID W	Summarized transactions: 1	671.64
250	ROOT RIVER HARDWOODS INC	Summarized transactions: 2	662.63
251	MENARDS ROCHESTER NORTH	Summarized transactions: 4	659.83
252	HAWKINS INC	Summarized transactions: 4	652.96
253	SOMA CONSTRUCTION INC	Summarized transactions: 1	638.62
254	CANON SOLUTIONS AMERICA INC	Summarized transactions: 1	620.94
255	CUSTOM COMMUNICATIONS INC	Summarized transactions: 1	603.84
256	WARNING LITES OF MN INC	Summarized transactions: 3	600.00
257	TSP INC	Summarized transactions: 3	599.54
258	HACH COMPANY	Summarized transactions: 3	596.07
259	SCHMIDT GOODMAN OFFICE PRODUC	Summarized transactions: 4	579.27
260	FIEK STEVEN	Summarized transactions: 1	574.20
261	CLARK CONCRETE INC	Summarized transactions: 1	565.00

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

262	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 3	555.06
263	MENARDS ROCHESTER SOUTH	Summarized transactions: 3	519.79
264	KOTSCHEVAR MARK	Summarized transactions: 1	515.00
265	COMPRESSED AIR CONCEPTS	Summarized transactions: 3	514.92
266	DELL MARKETING LP	Summarized transactions: 3	513.63
267	OLM COUNTY PROPERTY RECORDS	Summarized transactions: 8	506.00
268	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 13	497.00
269	CDW GOVERNMENT INC	Summarized transactions: 7	492.54
270	FLUKE ELECTRONICS INC	Summarized transactions: 4	491.63
271	T S E INTERNATIONAL INC	Summarized transactions: 2	473.53
272	PITNEY BOWES INC	Summarized transactions: 1	473.33
273	KEEPRS INC	Summarized transactions: 3	470.63
274	MCLOONE METAL GRAPHICS INC	Summarized transactions: 4	464.04
275	CASCON INC	Summarized transactions: 3	457.67
276	KLOCKE DAVID P	Summarized transactions: 1	450.00
277	PROCHEM LLC	Summarized transactions: 7	434.99
278	SHERWIN WILLIAMS CO	Summarized transactions: 3	430.11
279	JETTER CLEAN INC	Summarized transactions: 1	425.00
280	A T & T	Summarized transactions: 1	420.44
281	BENNETT PETER	Summarized transactions: 1	414.20
282	REICHERT DAVE	Summarized transactions: 4	411.40
283	CANNON ELECTRIC MOTOR dba	Summarized transactions: 1	410.00
284	OLSON JEFF	Summarized transactions: 3	395.13
285	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 8	393.63
286	HALO BRANDED SOLUTIONS	Summarized transactions: 2	390.61
287	FRONTIER	Summarized transactions: 1	388.08
288	MASTEC NORTH AMERICA INC	Summarized transactions: 1	382.50
289	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	368.00
290	HEPPELMANN MIKE	Summarized transactions: 1	355.00
291	BLOM BRYAN	Summarized transactions: 1	355.00
292	BLUESPIRE STRATEGIC MARKETING	Summarized transactions: 1	347.28
293	POMPS TIRE SERVICE INC	Summarized transactions: 1	331.00
294	NAPA AUTO PARTS (P)	Summarized transactions: 10	330.97
295	CENTURYLINK	Summarized transactions: 1	325.95
296	FEDEX	Summarized transactions: 11	319.74
297	TOTAL RESTAURANT SUPPLY	Summarized transactions: 2	313.91
298	GILLUND ENTERPRISES	Summarized transactions: 2	311.26
299	SARGENTS LANDSCAPE NURSERY IN	Summarized transactions: 4	311.09
300	GARCIA GRAPHICS INC	Summarized transactions: 4	308.88
301	SCHEEL LAWRENCE	Summarized transactions: 1	308.20
302	STURM DANNY K	Summarized transactions: 1	308.20
303	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 1	307.67
304	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 3	305.92
305	APDA WINNIPEG	Summarized transactions: 1	300.00

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

306	HIMEC INC (P)	Summarized transactions: 1	298.40
307	PRATT & WHITNEY POWER SYSTEMS	Summarized transactions: 3	292.83
308	TECHNOLOGY FOR ENERGY CORPORA	Summarized transactions: 2	292.44
309	AFFILIATED GROUP INC	Summarized transactions: 1	285.00
310	THE FENCE PROS LLC (P)	Summarized transactions: 1	275.00
311	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	271.02
312	FORBROOK LANDSCAPING SERVICES	Summarized transactions: 1	265.10
313	BEST BUY BUSINESS ADVANTAGE d	Summarized transactions: 3	258.21
314	G A ERNST & ASSOCIATES INC	Summarized transactions: 1	258.00
315	WIDSETH SMITH NOTLING & ASSOC	Summarized transactions: 1	256.00
316	EMEDCO INC	Summarized transactions: 2	252.92
317	STEVE BENNING ELECTRIC	Summarized transactions: 1	252.30
318	TOTAL TOOL SUPPLY INC (P)	Summarized transactions: 2	241.98
319	CUSTOM TRUCK BODY & EQ CO INC	Summarized transactions: 2	241.75
320	J J KELLER & ASSOCIATES INC	Summarized transactions: 1	240.47
321	IRON MOUNTAIN DBA	Summarized transactions: 1	233.51
322	MERIT CONTRACTING INC (P)	Summarized transactions: 1	229.51
323	C & N UPHOLSTERY	Summarized transactions: 2	220.00
324	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 2	218.72
325	CORPORATE WEB SERVICES INC	Summarized transactions: 1	210.00
326	GOODIN COMPANY	Summarized transactions: 2	207.77
327	FEDEX FREIGHT INC	Summarized transactions: 1	206.77
328	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 8	203.82
329	PAYMENT REMITTANCE CENTER	Summarized transactions: 5	202.91
330	ELECTRICAL CONSULTANTS INC (P	Summarized transactions: 1	201.00
331	KVITTEM EARL	Summarized transactions: 2	200.88
332	U S A SAFETY SUPPLY	Summarized transactions: 10	199.12
333	FLEETPRIDE INC	Summarized transactions: 2	191.90
334	CULLIGAN OF ROCHESTER INC	Summarized transactions: 2	190.70
335	WINTER TANNER	Summarized transactions: 1	190.00
336	THOMAS TOOL & SUPPLY INC	Summarized transactions: 4	187.01
337	AMER WATER WORKS ASSN	Summarized transactions: 1	187.00
338	RENTAL DEPOT INC	Summarized transactions: 3	183.70
339	DAKOTA SUPPLY GROUP	Summarized transactions: 2	180.45
340	ADVANTAGE DIST LLC (P)	Summarized transactions: 3	171.84
341	CHARTER COMMUNICATIONS HOLDIN	Summarized transactions: 1	167.70
342	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 2	165.71
343	FRONTIER PRECISION INC	Summarized transactions: 2	165.66
344	P F C EQUIPMENT INC (P)	Summarized transactions: 3	163.34
345	BOWMANS SAFE & LOCK SHOP LTD	Summarized transactions: 2	162.72
346	GARCIA GRAPHICS INC	Summarized transactions: 1	160.00
347	SOMA CONSTRUCTION INC	Summarized transactions: 2	157.04
348	DAVE SYVERSON TRUCK CENTER IN	Summarized transactions: 1	155.39
349	AIRGAS SAFETY INC	Summarized transactions: 3	154.09

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

350	POSSABILITIES OF SOUTHERN MN	Summarized transactions: 1	152.00
351	STILLER NEIL	Summarized transactions: 1	147.15
352	MN SUPPLY COMPANY INC	Summarized transactions: 2	146.95
353	VANCO SERVICES LLC	Summarized transactions: 2	146.70
354	PROTECTIVE PRODUCTS CORP	Summarized transactions: 2	146.25
355	MENARDS ROCHESTER SOUTH	Summarized transactions: 3	131.85
356	NIGHTHAWK dba	Summarized transactions: 2	126.82
357	MN PIPE & EQUIPMENT	Summarized transactions: 1	125.04
358	CARQUEST AUTO PARTS	Summarized transactions: 6	121.84
359	EASYPOWER LLC	Summarized transactions: 1	120.31
360	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 1	120.00
361	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 3	111.69
362	JACKSON SIDNEY	Summarized transactions: 2	108.95
363	EDGEWOOD LUMBER	Summarized transactions: 1	102.60
364	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 2	99.34
365	DEX MEDIA	Summarized transactions: 1	99.00
366	ANDERSON JUDITH	Summarized transactions: 1	94.50
367	BLACKBURN MANUFACTURING CO	Summarized transactions: 1	91.06
368	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
369	CON-WAY TRANSPORTATION SERV I	Summarized transactions: 1	83.21
370	TENG PHIL	Summarized transactions: 1	78.00
371	T E C INDUSTRIAL INC	Summarized transactions: 1	76.89
372	HAASE MITCH	Summarized transactions: 1	75.00
373	MN SUPPLY COMPANY INC	Summarized transactions: 6	71.44
374	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 1	69.42
375	POST BULLETIN CO	Summarized transactions: 1	69.12
376	U S BANK	Summarized transactions: 1	65.22
377	AGRICULTURAL WEATHER INFO SER	Summarized transactions: 1	65.00
378	OLM COUNTY AUDITOR/TREASURER	Summarized transactions: 1	59.70
379	VERIFIED CREDENTIALS INC	Summarized transactions: 1	57.00
380	PRAIRIE EQUIPMENT CO LLC	Summarized transactions: 2	54.44
381	INGRAM PRODUCTS INC	Summarized transactions: 3	53.53
382	PAULS LOCK & KEY SHOP INC	Summarized transactions: 1	48.00
383	MILESTONE MATERIALS	Summarized transactions: 1	45.21
384	A T & T	Summarized transactions: 1	40.18
385	LANGUAGE LINE SERVICES INC	Summarized transactions: 1	35.00
386	ZIEGLER INC	Summarized transactions: 1	33.14
387	HATHAWAY TREE SERVICE INC	Summarized transactions: 1	30.00
388	OLM COUNTY CENTRAL FINANCE	Summarized transactions: 1	28.80
389	FCX PERFORMANCE INC	Summarized transactions: 1	27.66
390	FASTENAL COMPANY	Summarized transactions: 1	24.55
391	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	24.23
392	CLEMENTS CHEV-CAD-GEO-SUB	Summarized transactions: 1	22.13
393	CDW GOVERNMENT INC	Summarized transactions: 1	20.98

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 07/15/2015 To 08/12/2015

Consolidated & Summarized Below 1,000

394	NASH BRIAN	Summarized transactions: 1	19.00
395	CHS ROCHESTER	Summarized transactions: 1	18.81
396	D P C INDUSTRIES INC	Summarized transactions: 1	18.45
397	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 1	16.99
398	ALDEN POOL & MUNICIPAL SUPPLY	Summarized transactions: 3	13.50
399	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 2	8.56
400	ANDERTON RANDY	Summarized transactions: 1	7.50
401			
402		**Price Range Total:**	189,010.87
403			
404		**Grand Total:**	12,222,651.72

FOR BOARD ACTION

Agenda Item # **(ID # 4297)** **Meeting Date: 8/25/2015**

SUBJECT: Lake Zumbro Restoration Project Contribution

PREPARED BY: Bill Cook

ITEM DESCRIPTION:

The Lake Zumbro dredging project continues to move forward with finalizing the financial commitments necessary to begin the project. On July 30th the Olmsted-Wabasha Lake Zumbro Joint Powers Board met to consider the draft Feasibility report. The report establishes the methodology for determining assessments within the Lake Improvement District (LID) and sets an estimated maximum assessment amount to be collected for the proposed improvement (dredging). Because the proposed funding for the local match remains short of the $3.5 million goal, the Joint Powers Board asked the LID and RPU to confirm their commitments to the project before they finalize the amount for assessments within the LID.

RPU's commitment is a result of Utility Board direction provided at the March 27, 2012 meeting and the State's commitment of $3.5 million. Given that direction staff included $1.167 million in the RPU budget which was based on one third of the required local match of $3.5 million. RPU's early commitment to the project was instrumental in Olmsted County ultimately receiving the $3.5 million State grant for the project.

UTILITY BOARD ACTION REQUESTED:

RPU Management recommends approval of a resolution confirming RPU's commitment of $1,167,000 to the project.

RESOLUTION

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

Lake Zumbro Restoration Project Contribution

WHEREAS, the State has committed up to $3.5 million to the project subject to a 50% local match. Rochester Public Utilities (RPU) commitment is a result of Utility Board direction provided at the March 27, 2012 meeting and the State's commitment of $3.5 million. Given that direction staff included $1.167 million in the RPU budget. RPU's early commitment to the project was instrumental in Olmsted County ultimately receiving the $3.5 million State grant for the project.

NOW, THEREFORE, BE IT RESOLVED, that Rochester Public Utilities will contribute funding not to exceed ONE MILLION, ONE HUNDRED SIXTY SEVEN THOUSAND AND 00/100 DOLLARS ($1,167,000.00) towards the local match needed to complete the Lake Zumbro Restoration Project. This contribution shall be subject to agreements, between the parties involved, to be developed and approved at a future date.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of August, 2015.

_____

President

_____

Secretary

FOR BOARD ACTION

Agenda Item # **(ID # 4314)** **Meeting Date: 8/25/2015**

SUBJECT: West Side Energy Station – Project Approval and Approval of Professional Services

PREPARED BY: Wally Schlink

ITEM DESCRIPTION:

At the June 30, 2015 meeting the RPU Board was presented the results of the 2015 Update to the RPU Infrastructure Plan which the Board accepted and placed on file.

The foundation of the Plan was to minimize market risk exposure to the RPU ratepayer and to transition RPU resources into a higher efficiency, lower emissions generation fleet. One of the key strategies of the plan was the installation of a new peaking resource with a commercial date of operation in 2018 / 2019.

On July 28th, at their regularly scheduled meeting, the RPU Board gave consensus to proceed with the preliminary work on the peaking resource project and approved expenditures for professional services including a Preliminary Engineering Study conducted by Burns & McDonnell to clearly define the resource type, cost, schedule and impacts of the West Side Energy Station project. The results of that study will be presented to the Board at the August 25, 2015 meeting.

The critical path schedule for this project continues to demand that the activities required to bring this project to fruition take place expeditiously to be able to maintain the project 2018/2019 commercial operation schedule. RPU staff stated at the July 28, 2015 Board meeting of their intent to return to the Board at the earliest possible date to request formal approval of the West Side Energy Project.

There will be a presentation on the results of the project preliminary study and Burns & McDonnell representatives along with RPU staff will be available to respond to questions.

UTILITY BOARD ACTION REQUESTED:

Staff requests; 1.) Acceptance by the Board of the results of the Preliminary Engineering Study and to approve and accept the concepts contained therein. 2.) The Board also grants approval to proceed on the development of the West Side Energy Station Project, and 3.) Approval for negotiation and execution of a Professional Services Agreement for procurement engineering services for the West Side Energy Station project generating resource in an amount not to exceed $60,000.

BURNS McDONNELL

August 19, 2015

Mr. Wally Schlink
Director, Power Resources & Customer Relations
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906

Re: Proposal for a Reciprocating Engine Bid Technical Specifications and Evaluation

Dear Mr. Schlink:

Rochester Public Utilities (RPU) requested that Burns & McDonnell Engineering Co. (BMcD) provide preliminary engineering services related to the procurement of new dual fuel reciprocating engines for a total capacity of 50 MW. The following provides a description of the proposed scope of work and budget for this effort.

PROJECT BACKGROUND

RPU recently completed an update to its Infrastructure Plan to identify attractive power supply paths for meeting RPU's long-term capacity and energy requirements. The Infrastructure Plan concluded that a new natural gas-fired peaking resource is an attractive option to meet those needs. BMcD has conducted preliminary engineering study evaluating proven natural gas-fired peaking technology resources capable of producing approximately 50 MW of capacity and energy. RPU has requested a proposal from BMcD to prepare technical specifications, provide technical bid evaluations, and ultimately a recommendation for one of the original equipment manufacturers (OEM) for those technologies.

SCOPE OF WORK

RPU wishes to competitively bid the engine generators and auxiliaries for a potential 50 MW peaking plant (Project). BMcD will assist RPU in that effort by performing the following associated tasks.

1. BMcD will customize BMcD's standard reciprocating engine technical specifications to the requirements of the Project for bidding the engines and auxiliaries.
2. BMcD will review the bids received from the OEMs, discuss and attempt to resolve with the OEMs any discrepancies and deficiencies in the bids, and provide technical bid evaluations, conclusions and a recommendation for further negotiations, based on the contract price after technical adjustments.
3. BMcD and RPU will conduct WebEx meetings as needed to kick-off the efforts and then to discuss preliminary deliverables and results. BMcD has included one face-to-face meeting for these efforts to present the results to the Board as requested by RPU.

9400 Ward Parkway \ Kansas City, MO 64114
O 816-333-9400 \ F 816-333-3690 \ burnsmcd.com

DELIVERABLES

BMcD will provide reciprocating engine Technical Specifications ("TS") generally consisting of the Sections shown in the attached Exhibit A, Technical Specifications – Table of Contents.

- The TS will be customized for the Project characteristics, site and location, including applicable federal, state and municipal codes and standards.
- BMcD will incorporate RPU's comments on performance testing and other provisions that may need to be coordinated with RPU's Commercial Terms and Conditions.
- The OEM scope of supply will encompass all equipment that will allow the OEM to provide gross performance and emissions guarantees.

BMcD will document its bid evaluations, conclusions and recommendation by means of a completed technical bid tab document, using BMcD's standard format shown in Exhibit B.

OWNER SCOPE

RPU will provide the following input to the TS:

- Location general design criteria (ambient conditions, interior design conditions)
- Full fuel gas and oil analyses, for determination of methane number and filtering/heating requirements. Gas analyses to include gas dewpoint and hydrocarbon dewpoint temperatures.
- Any special operations and maintenance conditions that will impact the specification of the engines.
- All commercial terms and conditions including definitions, delivery dates of the equipment; liquidated damages; insurance and bonding requirements, etc., for coordination with the TS.

RPU will also review and provide comments on draft deliverables. Commercial evaluation of the engine OEM bids will be by RPU.

SCHEDULE

BMcD will work with RPU to develop a mutually agreeable schedule for completing these efforts. BMcD can provide a draft TS for Owner review within 2 weeks of receiving the requested input to the TS from RPU, and can finalize the TS within 1 week of receiving RPU's comments. BMcD will also work with RPU to develop an overall procurement process schedule.

TERMS & CONDITIONS

BMcD proposes performing this effort under the existing Engineering Services Agreement between Burns & McDonnell Engineering Company, Inc. and City of Rochester, Minnesota, RPU Contract No. 2013-24-E, dated April 1, 2013 (attached).

COST

BMcD proposes to complete this effort on a time and materials basis with a budget of $47,600. BMcD will not exceed this amount without written authorization from RPU. BMcD proposes completing this scope of work under the Schedule of Hourly Professional Service Billing Rates under Contract No. 2013-24-E (attached).

We look forward to continuing our relationship assisting you with these efforts. If you have any questions regarding this proposal, please do not hesitate to contact Mike Borgstadt at 816-822-3459 or mborgstadt@burnsmcd.com. We look forward to working with you on this effort.

Sincerely,

Jeff Greig
Senior Vice President

Mike Borgstadt, PE
Manager, Business Consulting

MEB/meb

Accepted By Rochester Public Utilities

Name: _____

Title: _____

Signature: _____

Date: _____

EXHIBIT A
TECHNICAL SPECIFICATIONS

TABLE OF CONTENTS

(*) Section with project specific information

EXHIBIT B

SAMPLE BID TAB DOCUMENT

Bid Tabulation Base Information

Project Information

PROJECT NO.:		Package No.:	5.1210
Project Name:	[RPU Peaker]	Package Name:	Reciprocating Engine Generator Sets
		Budget:	

Price Breakdown Specified

Base Requirements Specified		Alternates Specified	
Base Item #	Base Item Description	Alternate	Alternate Description
1	Engine Generator Sets and Auxiliary Equipment	A	
2	Technical assistance	B	
3	Training	C	
4	Performance and Statutory Bonds	D	
5		E	
6		F	
7		G	
8		H	
9		T	

Bidder's List Information

Bidder's Name		Bidder's Contact Information		
		Name	Email Address	Phone
#1	Caterpillar			
#2	Wärtsilä			
#3	N/A			
#4	N/A			

BURNS McDONNELL

PRICE SUMMARY
PROJECT NO.:
[RPU Peaker]
5.1210-Reciprocating Engine Generator Sets

Budget: $ -	#1	#2	#3	#4
Bidder's Name-->	Caterpillar	Wärtsilä	N/A	N/A
Bidder's Contact Information-Name-->				
Bidder's Contact Information-Phone-->				
Quote/Proposal No.-->				
Date-->				
Price Breakdown Specified				
Base Requirements Specified				
1-Engine Generator Sets and Auxiliary Equipment				
2-Technical assistance				
3-Training				
4-Performance and Statutory Bonds				
5-				
6-				
7-				
8-				
9-				
Total Base Amount	$ -	$ -	$ -	$
Alternates Specified				
A-				
B-				
C-				
D-				
E-				
F-				
G-				
H-				
Total Alternates Selected (marked with an "X")	$ -	$ -	$ -	$
Supplier Provided Options				
SO1-				
SO2-				
SO3-				
SO4-				
SO5-				
SO6-				
SO7-				
SO8-				
SO9-				
SO10-				
Total Supplier Provided Options Selected (marked with an "X")	$ -	$ -	$ -	$
Technical Adjustments				
TA1-				
TA2-				
TA3-				
TA4-				
TA5-				
TA6-				
TA7-				
TA8-				
TA9-				
TA10-				
TA11-				
TA12-				
TA13-				
TA14-				
TA15-				
TA16-				
TA17-				
TA18-				
TA19-				
TA20-				
Total Technical Adjustments (Included if marked with "X") X	$ -	$ -	$ -	$
CONTRACT PRICING SUMMARY				
Total Contract Amount				
Over/Under Base Amount				
Over/Under Budgeted Amount				
Ranking				

RECOMMENDATION

Project No.:	0
Project Name:	[RPU Peaker]
Package No./Name:	5.1210 - Reciprocating Engine Generator Sets

BASIS OF RECOMMENDATION

Lowest Evaluated Cost:	■	
Single/Sole Source:	☐	
Lead Time/Delivery:	☐	
Only Technically Acceptable Supplier:	☐	
Other (Please Explain):	☐	
Recommended Supplier/Subcontractor:		

PRICE CONSIDERATION

[Statement as to the elimination from consideration of proposal(s) due to excessive proposal price.]

TECHNICAL EVALUATION

[Statements as to the non-compliance of the bids, if any.]

SUMMARY AND RECOMMENDATION

[Make recommendation for negotiation with a particular vendor.]

ACCEPTANCE AND APPROVAL

Procurement Approval:		
	Signature	Date
Engineering Approval:		
	Signature	Date
Project Manager Approval:		
	Signature	Date

EXHIBIT C

Reciprocating Engine Qualifications

BURNS McDONNELL

RECIPROCATING ENGINE POWER PLANT PROJECT EXPERIENCE

2015

RECIPROCATING ENGINE PROJECT EXPERIENCE

CUSTOM SOLUTION PROJECTS

Burns & McDonnell has extensive permitting, engineering, procurement, construction, and start-up and commissioning experience with reciprocating engine power plant projects of all sizes. **These custom-solution projects have been specifically designed to fit the specific needs of the plant stakeholders / owners** and range from simple black start retrofits to new power plants utilizing some of the largest medium-speed reciprocating engines serving the electric power generation market. Burns & McDonnell is the USA market leader in the implementation of these engine generators.

Several recent large reciprocating engine power plant projects have consisted of natural gas fired, Wärtsilä 20V34SG and 18V50SG reciprocating engines. The first generation of 20V34SG engine generators each produced 8.4MW of electrical power with excellent heat rates compared to most simple cycle gas turbine technologies. The more recent gas-fired Wärtsilä 20V34SG engine generators installed in the Lea County power plant each produce 9.3MW of electrical power with heat rates less than 8000 Btu/kWh (LHV). The gas-fired Wärtsilä 18V50SG engine generators to be installed in the STEC Red Gate power plant and the Stillwater Energy Center each produce 18 MW of electrical power with heat rates less than 7600 Btu/kWh (LHV).

attributes in common

- Modular design
- 25% power in two minutes
- Full plant output in less than five minutes (gas-fired); ten minutes (dual fuel)
- Black start capability
- SCR for NO_x reduction sutilizing urea or aqueous ammonia
- Air cooled radiators (no external water usage)

> **The Burns & McDonnell Team is very well managed. It's strength is the people. Everyone involved with the Wartsila recip project for MID was excellent...This team did an excellent job for MID and I would certainly hire them again if MID builds another reciprocating engine project!**
>
> *— Mr. Richard Smith, MID Generation Manager*

Despite sharing many of the same features, each of these plants is uniquely situated to fulfill the owner's strategic objectives. Many sought to take advantage of ancillary services and the unique rate structure of their generating environment. Others desired to provide grid-support services or round out a portfolio. In some cases, Burns & McDonnell has been tasked with designing the plant with a focus on ease of maintenance and plant operations. Other generators emphasized a more economical approach, focusing on matching the plant to the distinct requirements of the site.

The engine generator based power plant located **in Alaska** utilized Wärtsilä 18V50DF compression-ignited dual-fuel reciprocating engines. These engines require concurrent fuel oil operation due to the compression ignition design. This project required plant systems to support the light fuel oil (LFO) operation.

The engine generator based power plant located **in Ulysses, KS** utilized Caterpillar 20CM34 gas fired reciprocating engines. These engines exhibited the same quick start capability and emission control as the Wärtsilä gas fired engines. This project represented the largest CAT gas fired reciprocating engine project in the world.

BMcD's Experience with medium-speed natural gas fired and fuel oil fired reciprocating engines

Client	Plant Output (MW)	Engine Qty-Rating	Location	COD Date	Contract Type
City of Coffeyville	56	3 - 18	Coffeyville, KS	December 2016	EPCM
Basin Electric Power Cooperative	110	12 – 9.3	Williston, ND	June 2016	EPCM
Stillwater Utility Authority	56	3 - 18	Stillwater, OK	September 2016	EPCM
South Texas Electric Cooperative	220	12 - 18	Edinburg, TX	December 2015	EPC
Matanuska Electric Association, Inc.	171	10 – 17.1	Chugiak, AK	January 2015	EP
Mid-Kanas Electric	111	12 – 9.2	Ulysses, KS	June 2014	EPC
Modesto Irrigation District	49	6 - 8.4	Modesto, CA	September 2011	EP
Midwest Energy (phase II)	27	3 - 9.3	Hays, KS	February 2016	EPC
Midwest Energy	75	9 - 8.4	Hays, KS	September 2008	EPC
South Texas Electric Cooperative	202	24 - 8.4	Pearsall, TX	March 2010	EPCM
GEUS	25	3 - 8.4	Greenville, TX	July 2010	EPCM

Burns & McDonnell has the permitting, technical, procurement, construction and financial resources to execute these projects under all Contract Types as shown above.

In addition to the services associated with the power plant proper, Burns & McDonnell has the expertise and experience to execute fuel interconnections and contracts, electrical interconnections, and site remediation and plant demolition.

The following pages provide more detailed descriptions of past reciprocating engine power plant design, procurement, and construction experience. Each of these projects was successful in fulfilling the owner's unique requirements and providing safe, economical power reliably to all their customers.

CITY OF COFFEYVILLE

Coffeyville, Kansas
Natural Gas Reciprocating Engine Project

Client
City of Coffeyville (COC)
Mike Shook, Deputy Director of Electric Utilities
620-252-6086

Completion Date
December 2016

Cost
Confidential

Project Manager
Brian Elwell

Engineering Manager
Marc Sarceda

Services Provided
- Permitting
- Gas Procurement
- Detailed design – plant
- Procurement support to the City
- Construction Management
- Start-Up and Commissioning Support
- SPP Interconnection Support

Project Summary
City of Coffeyville selected Burns & McDonnell to provide full engineering, procurement support, and construction management (EPCM), permitting, and gas services for the new reciprocating engine power plant. The power plant will provide 56 MW utilizing 3 natural gas-fired Wärtsilä 18.8MW reciprocating engine generators.

Project Features
- 56 MW;
- Natural gas fired; 3 Wärtsilä 18V50SG reciprocating engines
- Greenfield site
- Modular design
- 25% power in two minutes; full plant output in less than seven minutes
- Black start capability
- SCR/CO catalyst for NO_x / CO reduction
- New high-pressure gas pipeline to serve the power plant

Project Background and Description
Burns & McDonnell engineered the installation of 3 Wärtsilä 18V50SG natural gas-fired engines and the balance of plant equipment to interface with COC's 69kV transmission system. Each engine – chosen for its low heat rate, low emissions, and efficiency – provides 18.8 MW of power, allowing COC to meet its native load and contract commitments. BMcD's scope includes EPCM: gas procurement services; permitting services; procurement support to COC for all portions of the project; plant detailed design; and construction, start-up and commissioning services for COC.

Features include outstanding heat rates at all loads and high ambient temperatures while providing rapid response to varying grid conditions. This plant also employs a closed loop cooling system and therefore will not consume process water or require wastewater treatment or disposal.

STILLWATER ENERGY CENTER

Stillwater, Oklahoma
Natural Gas Reciprocating Engine Project

Client
Stillwater Utility Authority (SUA)
Loren Smith, Generation and Transmission Division Mgr
(405) 533-8411

Completion Date
September 2016

Cost
Confidential

Project Manager
Brian Elwell

Engineering Manager
Vic Ranalletta

Services Provided
- Permitting
- Gas Procurement
- Detailed design – plant
- Detailed design – T&D scope
- Procurement support to SUA
- Construction Management
- Start-Up and Commissioning Support
- SPP Interconnection Support

Project Summary
Stillwater Utility Authority selected Burns & McDonnell to provide full engineering, procurement support, and construction management (EPCM), permitting, and gas services for the Stillwater Energy Center. Phase I of the Stillwater Energy Center provides 56 MW utilizing 3 natural gas-fired Wärtsilä 18.8MW reciprocating engine generators.

Project Features
- 56 MW (Phase I);
- Natural gas fired; 3 Wärtsilä 18V50SG reciprocating engines (Phase I)
- Designed to add 2 future Wärtsilä 18V50SG reciprocating engines (Phase II)
- Greenfield site
- Modular design
- 25% power in two minutes; full plant output in less than seven minutes
- Black start capability
- SCR/CO catalyst for NO_x / CO reduction
- 12.47kV/69kV switchyards and substations
- New high-pressure gas pipeline to serve the Energy Center

Project Background and Description
Burns & McDonnell engineered the installation of 3 Wärtsilä 18V50SG natural gas-fired engines and the balance of plant equipment to interface with SUA's 69kV transmission system. Each engine – chosen for its low heat rate, low emissions, and efficiency – provides 18.8 MW of power, allowing SUA to meet its native load and contract commitments. BMcD's scope includes EPCM: gas procurement services; permitting services; procurement support to SUA for all portions of the project; plant detailed design; T&D detailed design; re-design of the existing distribution 12.47kV / 69kV substation to accept the new generation; and construction, start-up and commissioning services for SUA.

Features include outstanding heat rates at all loads and high ambient temperatures while providing rapid response to varying grid conditions. The plant will offer full grid black start capabilities. This plant also employs a closed loop cooling system and therefore will not consume process water or require wastewater treatment or disposal.

RED GATE POWER PLANT

Edinburg, Texas
Natural Gas Reciprocating Engine Project

Client
South Texas Electric Cooperative (STEC)
John Packard
Manager of Generation
(361) 485.6320

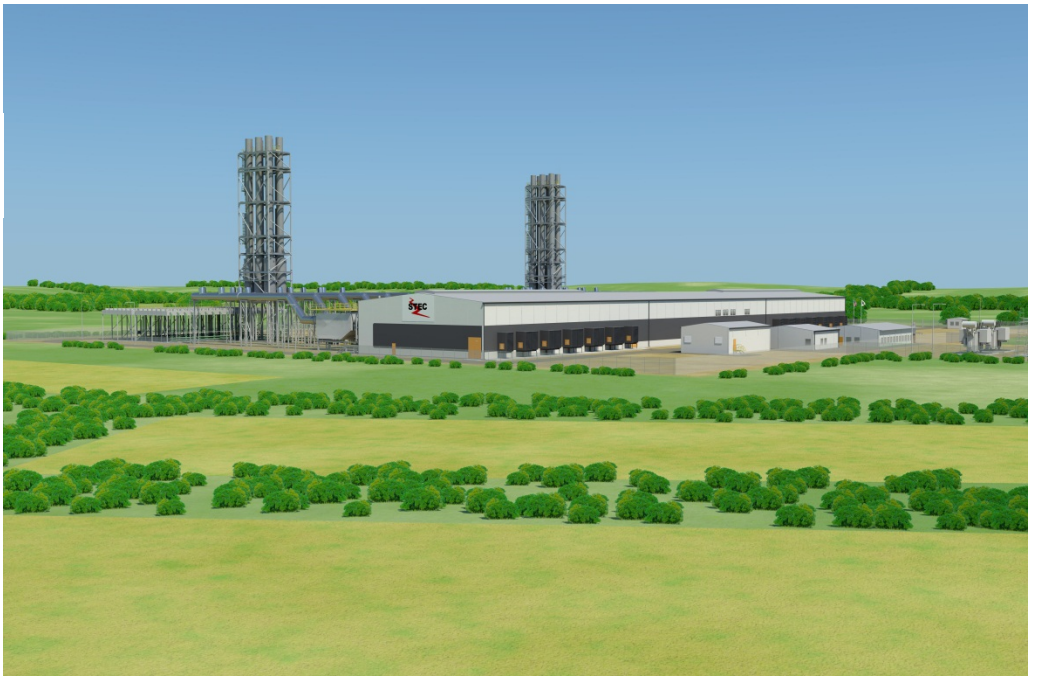
Completion Date
December 2015

Cost
Confidential

Project Manager
Brian Elwell

Engineering Manager
Chris Marks

Services Provided
- Detailed design
- Procurement
- Construction



Project Summary

South Texas Electric Cooperative selected Burns & McDonnell to provide full engineering, procurement, and construction (EPC) services for the Red Gate Power Plant. The Red Gate Power Plant expansion will provide 220 MW utilizing 12 natural gas-fired Wärtsilä 18.8MW reciprocating engine generators.

Project Features

- 225 MW
- Natural gas fired; 12 Wärtsilä 18V50SG reciprocating engines
- Greenfield site
- Modular design
- 25% power in two minutes; full plant output in less than seven minutes
- Black start capability
- SCR/CO catalyst for NO_x / CO reduction
- 138kV switchyard

Project Background and Description

Burns & McDonnell engineered the addition of 12 Wärtsilä 18V50SG natural gas-fired engines and the balance of plant equipment to interface with AEP's 138kV transmission system. Each engine – chosen for its low heat rate, low emissions, and efficiency – provides 18.8MW of power, allowing STEC to use only the engines needed to meet its demand, making the overall plant more energy efficient. BMcD's scope includes full EPC: equipment procurement; plant detailed design, modifications to the existing substation; and construction services for STEC.

The Red Gate Power Plant is Wartsila's single largest project in the United States. Other features include outstanding heat rates at all loads while providing rapid response to varying grid conditions. The plant will offer full grid black start capabilities. This plant also employs a closed loop cooling system and therefore will not consume process water or require wastewater treatment or disposal.

RUBART STATION PROJECT

Ulysses, KS
Natural Gas Reciprocating Engine Project

Client
Mid-Kansas Electric Company, LLC (MKE)
Derek Seacat,
Manager of Generation
(620) 338-4071

Completion Date
June 2014

Cost
Confidential

Project Manager
Brian Elwell

Engineering Manager
Chris Marks

Services Provided
- Permitting
- Detailed Design
- Procurement
- Construction Management
- Start-Up & Commissioning

Project Summary
Mid-Kansas Electric Company, LLC (MKE) selected Burns & McDonnell as the Balance of Plant EPC firm for the Rubart Generating Station. Rubart Station is designed to generate 111 MW of electricity utilizing twelve Caterpillar G20CM34 spark-ignited natural gas reciprocating engines, each rated for 9.215 MW.

Project Features
- 111 MW
- Designed for expansion to 221 MW
- Natural gas fired
- 12 Caterpillar G20CM34 reciprocating engines
- Modular Design
- Full plant output in less than ten minutes
- Black start capability
- SCR for NO_x reduction utilizing urea

Project Background and Description
Burns & McDonnell performed Balance of Plant EPC services for the installation of 12 Caterpillar G20CM34 natural gas fired engines and balance of plant equipment to interface with the local 115kV transmission system. The Caterpillar engine generators and auxiliaries were procured separately by Mid-Kansas. Rubart Station is the first facility to utilize these engines in North America. The plant has been designed with a unique layout to meet air permit requirements and allow for installation of twelve more engines in the future. The plant has been designed so that installation of the second phase will have a limited impact on the operation of the first twelve engines.

Other features include outstanding heat rates at all loads, the ability to provide full plant output in less than ten minutes and rapid response to varying grid conditions associated with the large wind generation capacity on the local system. The plant offers full black start capabilities and is equipped with emission control equipment, including Selective Catalytic Reducers (SCRs) and CO catalyst to comply with emissions permit requirements. The plant also employs a closed loop cooling system eliminating process water consumption and wastewater treatment or disposal.

EKLUNTA GENERATION STATION PROJECT

Chugiak, Alaska
Dual-Fuel Reciprocating Engine Project

Client
Matanuska Electric Association, Inc. (MEA)
Gary Kuhn
Director of Engineering
(907) 761-9280

Completion Date
January 2015

Cost
Confidential

Project Manager
Vic Ranalletta, PE

Services Provided
- Detailed Design
- Field Construction Support
- Contract Administration
  - Procurement
  - Construction

Project Summary

Matanuska Electric Authority (MEA) selected Burns & McDonnell to provide detailed design and contract administration services for the Eklutna Generation Station (EGS) Project. EGS will provide 171 MW utilizing ten Wärtsilä 18V50DF compression-ignited dual-fuel reciprocating engines. This facility will be capable of running on either a mixture of No. 2 diesel fuel oil (LFO) and natural gas or LFO only.

Since EGS will be one of the largest generating installations on the local grid, reliability is paramount for this facility.

Project Features

- 171 MW
- Natural gas or diesel fuel fired
- 10 Wärtsilä 18V50DF dual-fuel reciprocating engines
- Black start capability
- SCR for NO_x reduction utilizing ammonia
- Engine waste heat utilized to heat buildings and tanks

Project Background and Description

The project consists of the main power block building having two engine halls and a two-story core area with electrical, mechanical, control room and offices. One engine hall houses four engine generators. The second engine hall house six engine generators. Separate administration and warehouse / maintenance buildings are included in the Balance of Plant. The plant mechanical and electrical systems are designed and sized for the addition of two future engine generators. Other unique project characteristics are the seismic design Category D requirements and the Risk Category IV (Essential Facility) classification of the power building.

EKLUNTA GENERATION STATION PROJECT (CONTINUED)

Chugiak, Alaska
Dual-Fuel Reciprocating Engine Project

Truck unloading and storage are installed for ammonia, lube oil, and LFO. One truck unloading bay, pumps and truck shelter/containment is dedicated to ammonia and lube oil. A second truck unloading bay, pumps and truck shelter/containment is dedicated to fuel oil. Potable and service water are sourced from on- site wells. Two (2), 500,000 gallon, LFO storage tanks provide standby fuel storage for the plant. The main power block building and ancillary buildings are heated utilizing heat from the engines and auxiliary, dual fuel low temperature water boilers. Two black start diesel engine generators are provided to start-up the facility if needed on loss of backfeed to the plant. The plant design includes the heating, filtration, and pressure regulation of high pressure natural fuel gas for utilization by the engines.

Burns & McDonnell performed detailed design for the above described facility and provided procurement support for long-lead equipment procurement and general construction contracts for EGS. Detail design included: civil, architectural, structural, mechanical, and electrical. Burns & McDonnell also provided engineering field support during construction, start-up and commissioning. Matanuska Electric Association bid, awarded, and served as contract administrator for all equipment and installation contracts, as well as manage all project construction management, start-up and testing in the field. MEA separately contracted for a new 115kV substation that serves the facility.

The engines, chosen for their reliability and heat rate, employ a closed loop cooling system and will not consume process water or require wastewater treatment or disposal.

GOODMAN ENERGY CENTER

Hays, Kansas
Natural Gas Reciprocating Engine Project

Client
Midwest Energy
Bill Dowling
Vice President Engineering and Energy Supply (785) 625-1432

Completion Date
September 2008 (Phase I)
February 2016 (Phase II)

Cost
Confidential

Project Manager
Brian Elwell (Phase I & II)

Engineering Manager
Vic Ranalletta (Phase I)
Chris Marks (Phase II)

Services Provided
- Detailed design
- Procurement
- Construction

Project Summary
Burns & McDonnell performed engineering, procurement and construction services to add a peaking facility utilizing Wärtsilä reciprocating engines at Goodman Energy Center located in Hays, Kansas. Burns & McDonnell's scope included detailed design, procurement, and construction of the plant.

Project Features
- 75 MW
- Natural gas fired
- 9 Wärtsilä 20V34SG reciprocating engines (Phase I)
- 3 additional Wartsila 20V34SG reciprocating engines (Phase II expansion)
- Greenfield site
- Modular design
- 25% power in two minutes
- Full plant output in less than ten minutes
- Black Start Capability
- SCR for NO_x reduction utilizing urea

Project Background and Description
Burns & McDonnell served as the project's engineering, procurement and construction contractor for the Goodman Energy Center. Wärtsilä furnished nine Wärtsilä 20V34SG natural gas-fired engines. The engines are equipped with Selective Catalytic Reduction (SCR) technology to reduce flue gas emissions, thereby meeting today's increasingly stringent air quality requirements. The plant provides capacity, energy and black start capabilities to help support Midwest Energy's total system demand.

Wärtsilä's natural gas fueled technology has the capability to operate efficiently at low loads. This feature increases the number of megawatts of "spinning reserve" available to the customer, thereby increasing the value of the plant. Other features include outstanding heat rates at all loads, the ability to provide 25% power in two minutes and reach full plant output in less than ten minutes, and rapid response to varying grid conditions. The plant offers full grid black start capabilities. This plant also employs a closed loop cooling system and therefore does not consume

PEARSALL POWER PLANT

Pearsall, Texas
Natural Gas Reciprocating Engine Project

Client
South Texas Electric Cooperative (STEC)
John Packard, Manager of Generation
(361) 485-6320

Completion Date
March 2010

Cost
Confidential

Project Manager
Chris Marks

Engineering Manager
Vic Ranalletta

Services Provided
- Permitting
- Detailed design
- Procurement
- Construction Management

Project Summary
South Texas Electric Cooperative selected Burns & McDonnell to provide permitting, engineering, procurement, and construction management services for the expansion of Pearsall Power Plant. The Pearsall Power Plant expansion will provide 202 MW utilizing the addition of 24 of natural gas Wärtsilä 8.4 MW reciprocating engines.

Project Features
- 202 MW
- Natural gas fired
- 24 Wärtsilä 20V34SG reciprocating engines
- Brownfield site
- Modular design
- 25% power in two minutes
- Full plant output in less than ten minutes
- Black start capability
- SCR for NO_x reduction utilizing urea

Project Background and Description
Burns & McDonnell engineered the addition of 24 Wärtsilä 20V34SG natural gas-fired engines and the balance of plant equipment to interface with 138kV transmission system. Each engine – chosen for its low heat rate, low emissions, and efficiency – provides 8.4 MW of power, allowing STEC to use only the engines needed to meet its demand, making the overall plant more energy efficient. BMcD's scope included: equipment procurement; plant detailed design, multiple installation subcontracts; modifications to the existing substation; and site construction management services for STEC. Burns & McDonnell also completed the permitting efforts for the project.

The Pearsall Power Plant was the first to use Wärtsilä natural gas reciprocating engines in Texas, and the expansion is Wartsila's single largest project in the United States. Other features include outstanding heat rates at all loads, the ability to provide 25% power in two minutes, reach full plant output in less than ten minutes, and rapid response to varying grid conditions associated with wind generation. The plant will offer full grid black start capabilities. This plant also employs a closed loop cooling system and therefore will not consume process water or require wastewater treatment or disposal.

TOM DARTE ENERGY CENTER

Greenville, Texas
Natural Gas Reciprocating Engine Project

Client
GEUS (formerly Greenville Electric Utility System)
Kevin Warren
Power Plant Manager
(903) 457-2858

Completion Date
July 2010

Cost
Confidential

Project Manager
Brian Elwell

Engineering Manager
Vic Ranalletta

Services Provided
- Permitting Support
- Detailed Design
- Procurement
- Construction Management

Project Summary
GEUS selected Burns & McDonnell to perform engineering, procurement and construction management services for building a new generation facility for intermediate and peaking generation resources. The Tom Darte Energy Center will provide 25.2 MW utilizing the addition of 3 Wärtsilä 8.4 MW natural gas reciprocating engines. The Tom Darte Energy Center is adjacent to an existing gas fired steam power plant.

Project Features
- 25.2 MW
- Natural gas fired
- 3 Wärtsilä 20V34SG reciprocating engines
- Brownfield site
- Modular design
- Full plant output in less than ten minutes
- Black start capability
- SCR for NO_x reduction utilizing urea

Project Background and Description
Burns & McDonnell engineered the addition of 3 Wärtsilä 20V34SG natural gas-fired engines and the balance of plant equipment to interface with existing steam plant and switchyard. BMcD's scope includes: plant detailed design, procurement, construction management, site management and permitting support services for GEUS. Unique design features in this plant were: placing the generator step-up transformer in the expanded switchyard; modification of the existing utilities supporting the steam plant to incorporate the new Tom Darte Energy Center; remote monitoring and control of the Tom Darte Energy Center from the steam plant control room; NERC CIP cyber and physical security.

Other features include outstanding heat rates at all loads, the ability to provide 25% power in two minutes, reach full plant output in less than ten minutes, and rapid response to varying grid conditions associated with wind generation. The plant will offer full grid black start capabilities. The plant is equipped with emissions control equipment, including Selective Catalytic Reducers (SCRs) to meet emissions permit requirements. This plant also employs a closed loop cooling system eliminating process water consumption and wastewater treatment or disposal.

WOODLAND 3 GENERATION STATION

Modesto, California
Natural Gas Reciprocating Engine Project

Client
Modesto Irrigation District (MID)
Richard Smith
Generation Manager
(209) 526-7616

Completion Date
April 2011

Cost
Confidential

Project Manager
Vic Ranalletta

Services Provided
- Permitting Support
- Detailed Design
- Procurement

Project Summary
Modesto Irrigation District selected Burns & McDonnell to provide permitting support, engineering, detail design, procurement and construction support services for the expansion of the Woodland Generation Station. The Woodland 3 Generation Project will provide 49 MW utilizing the addition of 6 natural gas Wärtsilä 8.4 MW reciprocating engines.

Project Features
- 49 MW
- Natural gas fired
- 6 Wärtsilä 20V34SG reciprocating engines
- Brownfield site
- Modular design
- 25% power in two minutes
- Full plant output in less than ten minutes
- Black start capability
- SCR for NO_x reduction utilizing aqueous ammonia
- CEMS

Project Background and Description
Burns & McDonnell engineered the addition of 6 Wärtsilä 20V34SG natural gas-fired engines and the balance of plant equipment to interface with the existing site 69kV transmission system. Each engine – chosen for its low heat rate, low emissions, and efficiency – provides 8.4 MW of power, allowing MID to use only the engines needed to meet its demand, making the overall plant more energy efficient. *(continued next page)*

WOODLAND 3 GENERATION STATION (CONTINUED)

Modesto, California
Natural Gas Reciprocating Engine Project

BMcD's scope includes: plant detailed design, procurement of long lead equipment, a general construction contract; modification to the existing substation; and permitting support services for MID. BMcD also subcontracted the design work to a local civil engineering firm for relocation of an adjacent public road to allow the installation of the Woodland 3 Generation Project.

The Woodland 3 Generation Project is co-located with two existing combined cycle combustion turbine power plants. BMcD's scope included the design of the interface with the existing Woodland site utilities, communication system, and main control room. The design is based on remote monitoring and control of the Woodland 3 Generation Project from the main control room. The design also included NERC CIP cyber and physical security features.

Woodland 3 will utilize low-noise radiators to greatly limit community impact. Other features include outstanding heat rates at all loads, the ability to provide 25% power in two minutes, reach full plant output in less than ten minutes, and rapid response to varying grid conditions associated with wind generation. The plant will offer full grid black start capabilities. Furthermore, the plant is equipped with emissions control equipment, including Selective Catalytic Reducers (SCRs) and a Continuous Emissions Monitoring System (CEMS) to enable MID to meet their emissions requirements. This plant also employs a closed loop cooling system eliminating process water consumption and wastewater treatment or disposal.

LCEC GENERATING STATION

Lovington, NM
Natural Gas Reciprocating Engine Project

Client
LCEC Generation, LLC (a subsidiary of Lea County Electric Cooperative)
Gary Hurse Executive Vice President and General Manager
(575) 390-0381

Completion Date
February 2012

Cost
Confidential

Project Manager
Brian Elwell

Engineering Manager
Vic Ranalletta

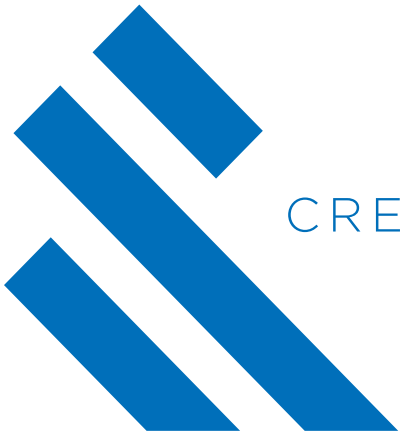
Services Provided
- Permitting Support
- Detailed Design
- Procurement
- Construction Management

Project Summary
LCEC selected Burns & McDonnell to perform engineering, procurement and construction management services for building a new generation facility for intermediate and peaking generation resources. The LCEC Generating Station provides 46.7 MW utilizing 5 Wärtsilä 9.34 MW spark-ignited natural gas reciprocating engines on the same property as a retired steam plant. This facility serves local electrical loads and provides direct backup for a nearby 40 MW wind-powered generating installation.

Project Features
- 46.7 MW
- Natural gas fired
- 5 Wärtsilä 20V34SG reciprocating engines
- Brownfield site
- Modular design
- Full plant output in less than five minutes
- Black start capability
- SCR for NO_x reduction utilizing urea

Project Background and Description
Burns & McDonnell engineered the installation of 5 Wärtsilä 20V34SG natural gas-fired engines and the balance of plant equipment to interface with existing LCEC substation, which also delivers 40 MW of wind power to the grid. BMcD's scope included: plant detailed design, procurement, construction management, site management and permitting support services for LCEC. Unique design features in this plant were: placing the generator step-up transformer in the expanded substation; modification of the existing utilities supporting the retired steam plant for the new LCEC Generating Station; and NERC CIP cyber and physical security.

Other features include outstanding heat rates at all loads, the ability to provide 25% power in two minutes, reach full plant output in less than five minutes, and rapid response to varying grid conditions associated with the nearby wind generation. The plant offers full grid black start capabilities. The plant is equipped with emissions control equipment, including Selective Catalytic Reducers (SCRs) to meet emissions permit requirements. Furthermore, all critical components in the facility are installed on deep auger-cast piles to protect against differential settlement due to hydrocollapse and sinkhole formation. This plant also employs a closed loop cooling system eliminating process water consumption and wastewater treatment or disposal.



CREATE AMAZING.

Burns & McDonnell
1431 Opus Place, Suite 400
Downers Grove, Illinois 60515
burnsmcd.com

EXHIBIT D

Engineering Service Agreement

RPU Contract # 2013-24-E

Engineering Services Agreement

Transmission and Substation Project Engineering, 2013 - 2015

THIS AGREEMENT made this 1st day of April, 2013 by and between the City of Rochester, Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board, hereinafter called "City", and Burns & McDonnell Engineering Company, Inc., hereinafter called "Engineer".

WHEREAS, City desires to engage the services of Engineer according to the terms and conditions contained herein, and

WHEREAS, Engineer has expressed its willingness to perform said work, is appropriately licensed in the State of Minnesota, and agrees to perform all services described in this Agreement.

THEREFORE, the parties hereto agree as follows:

Article I. Project Description. City desires to expand, modify, and build new electric utility transmission, substation and distribution infrastructure during the 2013, 2014, and 2015 calendar years.

Article II. Scope of Engineering Services. The scope of services required under this Agreement shall be described in separately authorized Work Requests (hereinafter referred to as the "Services"). Each Work Request shall include a detailed description of the services required, a schedule of deliverables, and a project timeframe. The Engineer will submit a proposal detailing the compensation to be paid for such services and a completion timeframe. The Engineer will be authorized to begin the Services upon written notice from City to proceed. The Engineer will provide the necessary trained personnel to complete the services as described in Article I and attached Exhibits.

The City reserves the right to make changes to the scope of services, with an equitable change in compensation and schedule, upon execution of a mutually acceptable amendment or change order signed by authorized representatives of the City and Engineer.

Article III. Payment. City agrees to pay the Engineer for performance of the above services, contingent upon the City's approval of the Engineer's proposal. Upon submission of monthly invoices, City agrees to pay an amount equal to the actual hours of service furnished in accordance with the proposal, billed in accordance with Exhibit C, Hourly Rate Schedule, as annually amended. City will reimburse the Engineer each month at cost for all out-of-pocket expenses directly chargeable to the project, including travel, lodging, reproduction, and computer expenses. Payment by City under this Agreement shall not exceed said amounts without prior written consent of the City. If a portion of the invoice is disputed, the City agrees to pay the undisputed portion within 30 days of the due date. The City will notify the Engineer in writing of the basis of the disputed portion. Both parties agree to resolve disputes promptly.

Article IV. Term. The term of this Agreement shall commence on the date of this Agreement and shall continue until deliverables are completed and accepted by the City for those projects referred to in Aritcle I above.

Article V. Compliance with Appropriate Regulations. Engineer shall comply with all federal, state, county, and municipal laws, ordinances, regulations and codes relating or applicable to the services to be performed under this Agreement.

Article VI. Independent Contractor. The Engineer is deemed an independent contractor for purposes of this Agreement and any and all persons employed by Engineer in the performance of any work or services required or provided for in this Agreement shall not be considered employees of City for any purpose whatsoever, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit, and any and all such claims shall be the sole obligation or responsibility of Engineer.

Article VII. Indemnification.

A. Engineer agrees to defend and indemnify the City for damages, costs and expenses (including reasonable attorney's fees) but only to the extent caused by the negligent acts, error or omissions of Engineer, its officers, directors, shareholders, employees, agents, and consultants, and any of them.

B. City agrees to defend and indemnify Engineer for damages, costs and expenses (including reasonable attorney's fees) but only to the extent caused by the negligent acts, errors or omissions of City, its officers, directors, shareholders, Contractors, employees, agents, and consultants, and any of them.

C. City agrees that it will require all construction Contractors to indemnify, defend, and hold harmless City and Engineer from and against any and all loss where loss is caused or incurred or alleged to be caused or incurred in whole or in part as a result of the negligence or other actionable fault of the Contractors, or their employees, agents, subcontractors, and suppliers.

Article VIII. Insurance. The Engineer shall obtain, as a minimum, the following described types and limits of insurance coverage. All policies called for herein shall become effective before Engineer undertakes any work under this Agreement and shall remain in full force and effect for a minimum of one year after closing of this Agreement. Further, Engineer shall furnish City with an insurance certificate or certificates at the time the Agreement is consummated between the parties, evidencing such insurance coverage prior to work commencing on said project. Each of said certificates shall provide the following:

A. A 30-day notice of cancellation and/or non-renewal.

B. Workers' Compensation. The Engineer shall obtain and maintain workers' compensation insurance policy with limits of at least $500,000 per incident or

injury to cover claims for injury or disease resulting or arising from the actions of the Engineer, its officers, employees or agents during the contract. Insurance coverage will meet statutory requirements for Minnesota.

C. Liability Insurance. The Engineer shall obtain and maintain a commercial liability insurance policy with limits of at least $1,500,000 each occurrence/$3,000,000 aggregate for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the Engineer, its officers, employees or agents during the term of the contract.

D. Excess Umbrella Liability. The Engineer shall obtain and maintain an umbrella policy with limits of at least $5,000,000 to cover the excess above the underlying policies requested in this insurance section.

E. The Engineer's liability insurance policies shall name the City of Rochester as an additional insured for claims from work conducted pursuant to this agreement, and shall be primary to any liability insurance maintained by the City. Certificate holder shall be listed as:
City of Rochester
Acting Through Its Public Utility Board
4000 East River Road NE
Rochester MN 55906

F. Auto Insurance. The Engineer shall obtain and maintain commercial auto insurance policy with limits of at least $1,000,000 each occurrence for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the Engineer, its officers, employees or agents, including hired and non-owned vehicles, during the contract. If such insurance contains a general aggregate limit, the general aggregate limit shall not be less than $2,000,000.

G. Professional Liability Insurance. The Engineer shall obtain and maintain a professional liability insurance policy with limits of at least $1,000,000 each occurrence/$2,000,000 aggregate to cover claims for injury, repairs or damages arising out of professional errors or omissions.

Article IX. Termination. City reserves the right to terminate this Agreement at any time it deems to be in the best interest of City to do so upon the giving of seven business days written notice to Engineer. Notice shall be effective upon depositing such notice in the U.S. Mail addressed to Engineer and cancellation shall take effect seven business days thereafter. If this Agreement is so terminated, City shall compensate and reimburse Engineer according to the terms hereof to the date of such termination.

Article X. Assignability. Engineer shall not assign this Agreement or any part thereof without the prior written consent of City.

Article XI. Disposition of Documents. It is agreed that any reports, drawings, specifications, and other data compilations developed or created as a result of the services

performed by Engineer pursuant to this Agreement shall be and remain the sole property of City. Upon completion of these services to be performed hereunder, Engineer shall deliver to City the original and revised versions of all drawings, specifications, and other data compilations as are described under Article II Scope of Engineering Services. Any reuse of such documents without written verification or adaptation by Engineer for the specific purpose intended will be at City's sole risk and without legal exposure to Engineer.

Article XII. Governing Law. This Agreement shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Agreement, will be in the applicable state or federal court with competent jurisdiction in Olmsted County, Minnesota.

Article XIII Merger Clause. This agreement constitutes the final expression of the parties' agreement, and the complete and exclusive statement of the terms agreed upon. This agreement supersedes all prior negotiations, understandings, agreements and representations. There are no oral or written understandings, agreements or representations not specified herein. Furthermore, no waiver, consent, modification, or change of terms of this agreement shall bind either party unless in writing and signed by both parties.

Article XIV Professional Responsibility. Engineer shall be responsible for the accuracy of the work and must promptly make necessary revisions or corrections resulting from Engineer's errors, omissions or negligent acts without additional compensation. Acceptance of the work by City will not relieve Engineer of the responsibility for subsequent correction of errors or omissions, or for clarification of ambiguities.

Engineer will perform services under this Agreement with the degree of skill and diligence normally practiced by professional engineers or consultants performing the same or similar services. No other warranty or guarantee, expressed or implied, is made with respect to the services furnished under this Agreement and all implied warranties are disclaimed.

If negligent acts, errors, or omissions are made by Engineer in any phase of the work, the correction of which may require additional field or office work, Engineer will be promptly notified by City and shall promptly perform such additional work as may be necessary to correct these negligent acts, errors, or omissions without undue delay and without additional cost to City. If the Engineer is aware of any negligent acts, errors, or omissions made in any phase of the work, or which are reported to Engineer within one year from the completion of Engineer's services for the Project, the corrections of which may require any additional field or office work, Engineer shall promptly perform such additional work as may be necessary to correct these negligent acts, errors, or omissions without undue delay and without additional cost to City.

Engineer shall be responsible for cost, loss, or damages caused in part by Engineer's negligence, errors, or omissions. Engineer's liability does not include damages or losses in the nature of loss of revenue or lost production. For the purposes of this Article, Engineer's liability shall not exceed the proportion that Engineer's negligence,

errors, or omissions bears to the total negligence of City, Engineer, and all other negligent entities and individuals.

Engineer shall not be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of Engineer. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; tornados, land-slides, fire; epidemics; war; riots; labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses, or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by Engineer under this Agreement.

Article XV. Dispute Resolution. Any claim, controversy or dispute arising out of this Agreement shall be subject to non-binding mediation as a condition precedent to the institution of legal or equitable proceedings by either party. The mediation shall be conducted in Olmsted County, Minnesota, and in accordance with the Minnesota Civil Mediation Act, Minn. Stat. 572.31, et., seq. Any claim, controversy or dispute not resolved by mediation may be the subject of legal or equitable proceedings filed by either party. The venue for legal or equitable proceedings shall be in Olmsted County, Minnesota. The parties waive all rights to and claims for monetary awards other than compensatory damages.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed in their respective names the day and year first above written.

BURNS & McDONNELL, ENGINEERING Co. INC.

By: James M. Hogan

Its: James M. Hogan, Vice President

8-APR-2013

By:

Its:

CITY OF ROCHESTER

Ardell Brede

Ardell Brede, Mayor

Attest: Judy Kay Scherr

Judy Scherr, City Clerk

Approved Form: Terry P Adkins

Terry Adkins, City Attorney

ROCHESTER PUBLIC UTILITIES

By: Larry Koshire

Larry Koshire, General Manager

OFFICIAL NOTIFICATION METHOD

Steven Mohs
smohs@burnsmcd.com
Burns & McDonnell
8201 Norman Center Drive, Suite 300
Bloomington, MN 55437

Neil Stiller
nstiller@rpu.org
Rochester Public Utilities
4000 East River Rd NE
Rochester, MN 55906

EXHIBIT A

SUBSTATION PROJECT RESPONSIBILITIES

I. RESPONSIBILITIES OF THE ENGINEER

The following items are typical of substation projects. Specific project requirements may include, omit, or add items as determined by City.

1. Prepare and maintain a written cost estimate for the project.

2. Schedule trips to RPU's office as required for design coordination, design review and construction management.

3. Prepare and maintain a basic schedule, including key engineering, procurement, and construction milestones and significant project cash flows. The schedule shall be prepared using the most current version of Microsoft Project software.

4. Review, recommend revisions, or prepare specifications for procuring major equipment or services. Where the estimated value of equipment exceeds $100,000, Engineer will prepare a set of bidding documents, review manufacturer's technical proposals and assist in recommendations for contract award. Where the estimated value of equipment is less than $100,000, Engineer will prepare documents for requesting quotes, review quotes and manufacturer's information to recommend purchase approval. Engineer shall use RPU specification documents as provided, or develop such documents as needed. Specifications and other commercial documents will conform to RPU requirements.

5. Prepare specifications for construction of foundations and/or structures for the project if required. All documents and drawings will be certified by an engineer registered in Minnesota.

6. Provide direction to the construction contractor for foundation staking if requested. Staking shall be the responsibility of the construction contractor.

7. Review and approve manufacturer's equipment drawings and/or contractor's submittals when required.

8. Prepare a material list for all project materials.

9. Prepare all necessary designs and project drawings within the scope of this services agreement. Drawings shall follow RPU standards concerning AutoCAD conventions, drafting methods, similarity to other RPU project drawings, layer control, font selection, symbology, etc. RPU drawing standards documents are available to the Engineer and will be followed. All drawings are to be prepared and exchanged in AutoCAD ".dwg" file format compatible between RPU and the Engineer. All work shall be based on RPU standards and methodologies. Specifications and drawings will conform to RPU requirements.

10. Complete construction package to include three (3) full size sets of drawings certified by a licensed engineer and two (2) reduced size sets of drawings, plus CD's containing all AutoCAD ".dwg" and Adobe ".pdf" files.

11. Prepare "as built" drawings for the project after construction is concluded. Complete all drafting and file delivery within 3 months of receipt of annotated field drawings.

12. Exchange all project correspondence in Microsoft Office file formats for MS Word, MS Excel, MS Project, as well as AutoCAD. Conversion to Adobe PDF will not be accepted.

II. RESPONSIBILITIES OF THE CITY

1. Provide technical and project management direction to the Engineer.

2. Provide Engineer with all relevant instructions, reports, data, documents and other information necessary for Engineer to perform requested services.

3. Make decisions and carry out its other responsibilities in a timely manner so as not to delay Engineer's services.

4. Attend and/or host meetings for the gathering and dissemination of information of the project.

5. Host bid openings and transmit copies of the bid proposals and bid tabulations to the Engineer for review.

6. Review bid proposals and make Board recommendations for contract award.

7. Perform electric system fault current and power flow studies to facilitate project design.

8. Oversee field construction.

9. Review and approve all contractor requests for payment and all equipment invoices. Copies of such statements will be transmitted to The Engineer for informational purposes.

10. Promptly pay the Engineer's Invoice in good funds.

11. Negotiate the annual Hourly Rate Schedule and enter into change orders when appropriate.

EXHIBIT B

TRANSMISSION PROJECT RESPONSIBILITIES

I. RESPONSIBILITIES OF THE ENGINEER

The following items are typical of transmission projects. Specific project requirements may include, omit, or add items as determined by City.

1. Prepare and maintain a written cost estimate for the project.

2. Schedule trips to RPU's office as required for design coordination, design review and construction management.

3. Prepare and maintain a basic schedule, including key engineering, procurement, and construction milestones and significant project cash flows. The schedule shall be prepared using the most current version of Microsoft Project software.

4. Survey the transmission corridor for the purpose of design. This includes preparing a plan view of the transmission corridor. Property lines, contours, and sections lines will be provided by RPU thru their GIS data base. Engineer will coordinate design work with City and County Public Works departments to obtain necessary street and road elevations, sections, and contours.

5. Provide land rights services if requested. Prepare easements, exhibits, legal descriptions, and negotiate with landowners as directed by RPU staff.

6. Prepare plan and profile drawings and complete the designs using PLS-CADD or similar design tools. Where projects are extensions of interior segments of existing lines, the new designs and plan and profile drawings will integrate into the existing drawings as required by RPU. All plan designs shall be correlated to the GIS base maps.

7. Perform structural analysis and prepare reports or summaries of analysis.

8. Prepare stringing charts and conductor tension tables.

9. Prepare guying information in the form of charts, tables or drawing details as required.

10. Prepare a material list for all project materials, highlighting long lead items. All structures will be based on current RPU OT3 and OD3 construction standards. All material will utilize common stock items from RPU inventory.

13. Review, recommend revisions, or prepare specifications for procuring major equipment or services. Where the estimated value of equipment exceeds $100,000, Engineer will prepare a set of bidding documents, review manufacturer's technical proposals and assist in recommendations for contract award. Where the estimated value of equipment is less than $100,000, Engineer will prepare documents for requesting quotes, review quotes and

manufacturer's information to recommend purchase approval. Engineer shall use RPU specification documents as provided, or develop such documents as needed. Specifications and other commercial documents will conform to RPU requirements.

11. Prepare specifications for construction of foundations and/or special structures for the project if required. All documents and drawings will be certified by an engineer registered in Minnesota.

12. Perform line staking if requested. Staking methods shall utilize survey instruments and/or electronic station methods as mutually agreed with RPU.

13. Review and approve manufacturer's equipment drawings and/or contractor's submittals when required.

14. Prepare all necessary designs and project drawings within the scope of this services agreement. Drawings shall follow RPU standards concerning AutoCAD conventions, drafting methods, similarity to other RPU project drawings, layer control, font selection, symbology, etc. RPU drawing standards documents are available to the Engineer and will be followed. All drawings are to be prepared and exchanged in AutoCAD ".dwg" file format compatible between RPU and the Engineer. All work shall be based on RPU standards and methodologies. Specifications and drawings will conform to RPU requirements.

15. Complete construction package to include three (3) full size sets of drawings certified by a licensed engineer and two (2) reduced size sets of drawings, plus CD's containing all AutoCAD ".dwg" and Adobe ".pdf" files.

16. Prepare "as built" drawings for the project after construction is concluded. Complete all drafting and file delivery within 3 months of receipt of annotated field drawings.

17. Exchange all project correspondence in Microsoft Office file formats for MS Word, MS Excel, MS Project, as well as AutoCAD. Conversion to Adobe PDF will not be accepted.

II. RESPONSIBILITIES OF THE CITY

1. Provide technical and project management direction to the Engineer.

2. Provide Engineer with all relevant instructions, reports, data, documents and other information necessary for Engineer to perform requested services.

3. Make decisions and carry out its other responsibilities in a timely manner so as not to delay Engineer's services.

4. Attend and/or host meetings for the gathering and dissemination of information of the project.

5. Host bid openings and transmit copies of the bid proposals and bid tabulations to the Engineer for review.

6. Review bid proposals and make Board recommendations for contract award.

7. Perform electric system fault current and power flow studies to facilitate project design.

8. Oversee field construction.

9. Review and approve all contractor requests for payment and all equipment invoices. Copies of such statements will be transmitted to The Engineer for informational purposes.

10. Promptly pay the Engineer's Invoice in good funds.

11. Negotiate the annual Hourly Rate Schedule and enter into change orders when appropriate.

Schedule of Hourly Professional Service Billing Rates

Position Classification	Classification Level	Hourly Billing Rate
General Office *	5	$58.00
Technician *	6	$68.00
Assistant *	7	$79.00
	8	$110.00
	9	$122.00
Staff *	10	$135.00
	11	$146.00
Senior	12	$160.00
	13	$176.00
Associate	14	$188.00
	15	$198.00
	16	$203.00
	17	$210.00

NOTES:

1. Position classifications listed above refer to the firm's internal classification system for employee compensation. For example, "Associate", "Senior", etc., refer to such positions as "Associate Engineer", "Senior Architect", etc.

2. For any nonexempt personnel in positions marked with an asterisk (*), overtime will be billed at 1.5 times the hourly labor billing rates shown.

3. Project time spent by corporate officers will be billed at the Level 17 rate plus 25 percent.

4. For outside expenses incurred by Burns & McDonnell, such as authorized travel and subsistence, and for services rendered by others such as subcontractors, the client shall pay the cost to Burns & McDonnell plus 10%.

5. A technology charge of $9.95 per labor hour will be billed for normal computer usage, computer aided drafting (CAD) long distance telephone, fax, photocopy and mail services. Specialty items (such as web and video conferencing) are not included in the technology charge.

6. Monthly invoices will be submitted for payment covering services and expenses during the preceding month. Invoices are due upon receipt. A late payment charge of 1.5% per month will be added to all amounts not paid within 30 days of the invoice date.

7. The services of contract/agency personnel shall be billed to Owner according to the rate sheet as if such contract/agency personnel is a direct employee of Burns & McDonnell.

8. The rates shown above are effective for services through December 31, 2014, and are subject to revision thereafter.

EXHIBIT C

HOURLY RATE SCHEDULE

Schedule of Hourly Professional Service Billing Rates

Position Classification	Classification Level	Hourly Billing Rate
General Office *	5	$56.00
Technician *	6	65.00
Assistant *	7	78.00
	8	106.00
	9	119.00
Staff *	10	130.00
	11	145.00
Senior	12	156.00
	13	168.00
Associate	14	179.00
	15	188.00
	16	193.00
	17	199.00

NOTES:

1. Position classifications listed above refer to the firm's internal classification system for employee compensation. For example, "Associate", "Senior", etc., refer to such positions as "Associate Engineer", "Senior Architect", etc.

2. For any nonexempt personnel in positions marked with an asterisk (*), overtime will be billed at 1.5 times the hourly labor billing rates shown.

3. Project time spent by corporate officers will be billed at the Level 17 rate plus 25 percent.

4. For outside expenses incurred by Burns & McDonnell, such as authorized travel and subsistence, and for services rendered by others such as subcontractors, the client shall pay the cost to Burns & McDonnell plus 10%.

5. A technology charge of $9.95 per labor hour will be billed for normal computer usage, computer aided drafting (CAD) long distance telephone, fax, photocopy and mail services. Specialty items (such as web and video conferencing) are not included in the technology charge.

6. Monthly invoices will be submitted for payment covering services and expenses during the preceding month. Invoices are due upon receipt. A late payment charge of 1.5% per month will be added to all amounts not paid within 30 days of the invoice date.

7. The services of contract/agency personnel shall be billed to Owner according to the rate sheet as if such contract/agency personnel is a direct employee of Burns & McDonnell.

8. The rates shown above are effective for services through December 31, 2013, and are subject to revision thereafter.

Form BMR813

ACKNOWLEDGMENT OF CORPORATION

AUTHORIZED SIGNATURE
Form 004544-01

STATE OF Missouri }

COUNTY OF Jackson }

On this 8th day of April, 2013, before me appeared

James M. Hogan to me personally known, who, being by me
Name of Officer

Duly sworn, did say that he/she is the Vice President of Burns & McDonnell Engineering Company, Inc.
Title *Name of Corporation*

9400 Ward Parkway, Kansas City, MO, 64114,
Address *City & State* *Zip Code*

A corporation; and that said instrument was executed in behalf of said corporation

by authority of its Board of Directors; and that said James M. Hogan
Name of Officer

Acknowledge said instrument to be the free act and deed of said corporation.

NOTARIAL SEAL

ROBIN R. FATINO
Notary Public-Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires April 17, 2015
Commission # 11399425

Robin R. Fatino
Notary Public

Jackson
County

My Commission Expires: 04/17/2015

ACORD™ CERTIFICATE OF LIABILITY INSURANCE 12/1/2014

DATE (MM/DD/YYYY) 11/21/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	Lockton Companies, LLC-1 Kansas City 444 W. 47th Street, Suite 900 Kansas City MO 64112-1906 (816) 960-9000
CONTACT NAME:	
PHONE (A/C, No, Ext):	FAX (A/C, No):
E-MAIL ADDRESS:	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Liberty Mutual Fire Insurance Company	23035
INSURER B : Westchester Fire Insurance Company	10030
INSURER C : Zurich American Insurance Company	16535
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
1365233
BURNS & MCDONNELL ENGINEERING COMPANY, INC.
ATTN: LYNDA LEVAN
PO BOX 419173
KANSAS CITY MO 64141-6173
MOHS, STEVE

COVERAGES BURMC01 **CERTIFICATE NUMBER:** 12290142 **REVISION NUMBER:** XXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	Y	N	TB2-Z41-432888-033	12/1/2013	12/1/2014	EACH OCCURRENCE	$ 1,000,000
	[X] COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
	[ ] CLAIMS-MADE [X] OCCUR						MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	[ ] POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
A	AUTOMOBILE LIABILITY	Y	N	AS2-Z41-432888-043	12/1/2013	12/1/2014	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	[X] ANY AUTO						BODILY INJURY (Per person)	$ XXXXXXX
	[ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS						BODILY INJURY (Per accident)	$ XXXXXXX
	[ ] HIRED AUTOS [ ] NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$ XXXXXXX
								$ XXXXXXX
B	[X] UMBRELLA LIAB [X] OCCUR	Y	N	G21986410009	12/1/2013	12/1/2014	EACH OCCURRENCE	$ 6,000,000
	[ ] EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$ 6,000,000
	[ ] DED [X] RETENTION $ 10,000							$ XXXXXXX
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N		N	WC2-Z41-432888-013	12/1/2013	12/1/2014	[X] WC STATU-TORY LIMITS [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
C	PROFESSIONAL LIABILITY	N	N	EOC9140546	12/1/2013	12/1/2014	$1,000,000 EACH CLAIM & $2,000,000 IN THE ANNUAL AGGREGATE FOR ALL PROJECTS.	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES /(Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: TRANSMISSION AND SUBSTATION PROJECT ENGINEERING SERVICES. RPU CONTRACT #2013-24-E. CERTIFICATE HOLDER IS AN ADDITIONAL INSURED AS RESPECTS GENERAL AND AUTO LIABILITY, AND EXCESS/UMBRELLA LIABILITY AS RESPECTS THE UNDERLYING GENERAL AND AUTO LIABILITY, AND SUCH COVERAGE IS PRIMARY, WHERE REQUIRED BY WRITTEN CONTRACT. THIRTY (30) DAYS NOTICE OF CANCELLATION BY THE INSURER WILL BE PROVIDED TO THE CERTIFICATE HOLDER (TEN [10] DAYS IN THE EVENT OF NONPAYMENT OF PREMIUM).

RECEIVED
NOV 26 2013
ACCOUNTING

CERTIFICATE HOLDER

12290142

CITY OF ROCHESTER
ACTING THROUGH ITS PUBLIC UTILITY BOARD
4000 EAST RIVER ROAD NE
ROCHESTER MN 55906

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Ronald J. Foster

December 1, 2014

Mona Hoeft
Rochester Public Utilities
4000 E River Rd NE
Rochester, MN 55906-2813

Re: Engineering Services Agreement
RPU Contract No. 2013-24-E
Hourly Rates for Professional Services

Dear Ms. Hoeft:

Annually, as indicated in our existing agreement, Burns & McDonnell reviews and adjusts its schedule of hourly rates for professional services.

Enclosed is our "Schedule of Hourly Professional Service Billing Rates" effective for services performed for the year January 1, 2015 through December 31, 2015.

If you have any questions or need additional information, please do not hesitate to call. We thank you for the opportunity to continue serving Rochester Public Utilities.

Sincerely,

Steven Mohs

Steven Mohs, P.E.
Project Manager

Enclosure

cc: Accounting

9400 Ward Parkway • Kansas City, Missouri 64114-3319
Tel: 816-333-9400 • Fax: 816-333-3690 • www.burnsmcd.com

Schedule of Hourly Professional Service Billing Rates

Position Classification	Classification Level	Hourly Billing Rate
General Office *	5	$59.00
Technician *	6	70.00
Assistant *	7	80.00
	8	110.00
	9	127.00
Staff *	10	141.00
	11	153.00
Senior	12	168.00
	13	186.00
Associate	14	196.00
	15	206.00
	16	210.00
	17	217.00

NOTES:

1. Position classifications listed above refer to the firm's internal classification system for employee compensation. For example, "Associate", "Senior", etc., refer to such positions as "Associate Engineer", "Senior Architect", etc.

2. For any nonexempt personnel in positions marked with an asterisk (*), overtime will be billed at 1.5 times the hourly labor billing rates shown.

3. Project time spent by corporate officers will be billed at the Level 17 rate plus 25 percent.

4. For outside expenses incurred by Burns & McDonnell, such as authorized travel and subsistence, and for services rendered by others such as subcontractors, the client shall pay the cost to Burns & McDonnell plus 10%.

5. A technology charge of $9.95 per labor hour will be billed for normal computer usage, computer aided drafting (CAD) long distance telephone, fax, photocopy and mail services. Specialty items (such as web and video conferencing) are not included in the technology charge.

6. Monthly invoices will be submitted for payment covering services and expenses during the preceding month. Invoices are due upon receipt. A late payment charge of 1.5% per month will be added to all amounts not paid within 30 days of the invoice date.

7. The services of contract/agency personnel shall be billed to Owner according to the rate sheet as if such contract/agency personnel is a direct employee of Burns & McDonnell.

8. The rates shown above are effective for services through December 31, 2015, and are subject to revision thereafter.

RESOLUTION

WHEREAS the Public Utility Board of the City of Rochester, Minnesota was presented, accepted and placed on file the 2015 Update to the RPU Infrastructure Plan at their June 30, 2015 meeting and;

WHEREAS the 2015 Update to the Infrastructure Plan demonstrated the need and appropriateness of the addition of approximately 50 megawatts of peaking generation to the Rochester system; and

WHEREAS consensus was voiced and funds committed in support of proceeding with the Preliminary Engineering Study to be conducted by Burns & McDonnell for the development of a project scope document for the West Side Energy Station Project at the July 28, 2015 RPU Board meeting; therefore

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

- Accept the results of the Preliminary Engineering Study and place on file
- Grant approval to proceed on the development of the project identified as the

  West Side Energy Station Project
- Approve professional services provided by Burns & McDonnell for development of a specification, evaluation, recommendation and deliverables for the procurement of the recommended generation resources in an amount not to exceed $60,000

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of August, 2015.

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President

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Secretary

FOR BOARD ACTION

Agenda Item # **(ID # 4321)** **Meeting Date: 8/25/2015**

SUBJECT: Issuance of Electric Utility Revenue Bonds

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Management has been monitoring the outstanding Electric Utility Revenue Bonds of the City of Rochester, MN for possible refunding opportunities due to the current low interest rate environment. $41,915,000 Par amount of the 2007C issuance is eligible to be refunded as of December 1, 2016 using the normal practice of issuing bonds in the current market which are held in escrow until the December 1, 2016 call date.

A preliminary analysis based on current interest rates prepared by Springsted, Inc. shows a potential future value savings from refunding of the 2007C bond issuance of approximately $4,529,800 and a net present value of $3,638,000 after taking into account the holding costs until the call date. This represent a 7.039% savings based on August 10, 2015 rates.

In consultation with the City of Rochester financial advisor, Springsted Inc., the City's bond counsel, Kennedy and Graven, and the City's Director of Finance; RPU's management recommends that the RPU board adopt a resolution requesting the City of Rochester issue Electric Utility Revenue Bonds for the purpose of refunding the currently outstanding 2007C Electric Utility Revenue Bonds that are eligible for refunding.

The Parameters Resolution will authorize a pricing committee of Springsted Inc., the City's Director of Finance, the City's Legal Counsel and RPU's Director of Corporate Service to select the underwriter and approve the sale of bonds up to $50,000,000 within the parameters authorized by the RPU Board and established by the Rochester City Council.

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

A representative from Springsted, Inc. will be at the meeting to present the refunding analysis and answer any questions.

FOR BOARD ACTION

Agenda Item # **(ID # 4321)** **Meeting Date: 8/25/2015**

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Utility Board approve the bond refunding resolution and request the Common Council approve a resolution authorizing the competitive sale of new bonds to be used to refund the Series 2007C bonds and further authorize the Finance Team to approve the final sale within the parameters of this resolution.

RESOLUTION

Resolution Approving and Consenting to

the Issuance of Electric Utility Revenue Refunding Bonds, Series 2015E

by the City of Rochester, Minnesota

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

1. Recitals.

   (a) The City of Rochester, Minnesota (the "City"), in cooperation with the Board, has heretofore issued its Electric Utility Revenue Bonds, Series 2007C (the "Series 2007C Bonds") to finance the construction and installation of certain emission control facilities and various improvements (collectively, the "Improvements") to the City's municipal electric utility (the "Electric Utility").

   (b) The Board has determined that it is in the best interests of RPU and the City to provide for a current refunding of the Series 2007C Bonds and to issue the City's Electric Utility Revenue Refunding Bonds, Series 2015E in an aggregate principal amount not to exceed $50,000,000 (the "Bonds") to provide funds to refund the Series 2007C Bonds;

2. Request, Consent and Approval.

   (a) The Board hereby requests that on September 9, 2015, or as soon thereafter as possible, the Rochester Common Council (the "Council") consider a Resolution Authorizing the Sale of the City's Electric Utility Revenue Refunding Bonds, Series 2015E and Providing for Their Issuance (the "Resolution") to provide funds to refund the Series 2007C Bonds;

   (b) The Resolution would, upon its adoption, (I) authorize the issuance of the Bonds in an aggregate principal amount not to exceed $50,000,000, and delegate to a pricing committee the authority to negotiate with Barclays Capital Inc., as representative of the participating underwriter(s) (i) the maturity schedule for the Bonds with a final maturity no later than December 1, 2030, (ii) the rates of interest on the Bonds, (iii) any redemption provisions, and (iv) other details of the Bonds which result in debt service savings such that the net present value benefit to refunded debt service is no less than 3.00%, (II) pledge

the Net Revenues of the Electric Utility for the payment of the Bonds, and (III) set forth other covenants and obligations of the City relating to the Electric Utility; and

(c) The Resolution, in the form actually adopted, is hereby incorporated into this Resolution to the same extent as though set forth in full herein, and each capitalized term which is used in this Resolution but not otherwise defined herein shall have the meaning given to that term in the Resolution.

(d) The Board hereby consents to and approves the issuance of the Bonds, and determines that the issuance of the Bonds by the City is necessary and desirable and that the issuance of the Bonds is appropriate for the purposes for which the Bonds are issued and hereby authorizes and requests that City issue the Bonds.

(e) The Board hereby concurs in the award, issuance and sale of the Bonds and joins in and concurs in the adoption of the Resolution, and adopts all of the covenants and agreements contained therein with the same force and effect as if said Resolution had been adopted by the Board.

(f) The approval hereby given to the Resolution includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Pricing Committee described therein.

(g) The Board hereby covenants and pledges to cooperate with the Council (and to take such actions, or refrain from acting, as the case may be, as may be necessary) in order to fully effectuate the intent, purposes and obligations of the City under the Resolution.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of August, 2015.

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President

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Secretary

FOR BOARD ACTION

Agenda Item # **(ID # 4329)** **Meeting Date: 8/25/2015**

SUBJECT: Water Utility Cost of Service Study & Rate Discussion

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

During the informal planning session following the June 30, 2015 Utility Board meeting, Mark Beauchamp with Utility Financial Solutions presented the results of the Water Utility Cost of Service Study to the Board for their review and comments.

The objectives of the study were to determine the Water Utility's revenue requirements for 2016, 2017, 2018, transition to the utility basis for cost recovery, identify cross-subsidies that may exist between rate classes, recommend rate adjustments needed to meet targeted revenue requirements, provide information regarding water rates, and to recommend appropriate monthly rates for each customer class. The study also presented a long-term plan to ensure the financial stability of the Water Utility including recommended revenue requirements and cash reserves. This plan assumes infrastructure changes as a result of DMC beyond normal growth and replacement will be funded through the DMC process. Unfunded projects will impact this projection.

Based on the Board's feedback during the planning session, we have constructed the attached rate schedule which reflects the Board's directives to:

1. Recommend a three year flat rate model
2. Allocation of increases 1/3 to commodity charge and 2/3 to customer charge which reflects the breakdown of the overall percentage changes needed align with costs based on the study.

The impact of the rate track attached on the average residential customer is $0.80 per month. This included the impact of reducing the residential hydrant change by $0.32 per month. The commodity charge for 1 CCF ranges from $0.75 to $0.95, so conservation of 1 CCF per month would offset the proposed rate change in most cases.

Based on discussion at this meeting it is our intent to ask the Board to approve a customer notification of proposed rate change at the September Board meeting with final approval at the October Board meeting and Council approval in November.

UTILITY BOARD ACTION REQUESTED:

FOR BOARD ACTION

Agenda Item # **(ID # 4329)** **Meeting Date: 8/25/2015**

Discussion only, no action requested.

Rochester Public Utilities
Water Cost of Service Study

Overall Results

Fiscal Year	Projected Rate Adjustments	Projected Operating Revenues	Projected Expenses	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2016	5.95%	$ 9,060,198	$ 8,854,749	$ 205,449	$ 3,291,898	$ 4,398,039	$ 5,189,120
2017	5.98%	9,623,828	9,083,764	540,064	$ 3,248,077	4,398,854	5,557,083
2018	5.95%	10,220,447	9,316,407	904,040	$ 3,192,194	4,944,694	5,808,854

Rate Design

Monthly Customer Charge:

Meter Size	Units	Cost of Service	Current Charge	2016	2017	2018
5/8 BY 1/2	125,105	$ 9.73	$ 5.53	$ 6.26	$ 6.79	$ 7.39
5/8 BY 3/4	300,010	9.73	5.53	6.26	6.79	7.39
3/4	10,934	10.86	7.86	8.89	9.64	10.49
1	11,788	16.33	12.63	14.29	15.49	16.86
1-1/2	6,035	30.90	24.38	27.58	29.89	32.53
2	3,879	50.46	38.48	43.54	47.19	51.36
3	1,033	153.55	71.59	81.00	87.79	95.55
4	423	274.04	118.78	134.39	145.66	158.53
6	204	583.97	236.75	267.86	290.33	315.99
8	24	1,002.05	423.40	479.03	519.21	565.10
Revenue		$ 5,246,420	$ 3,064,762	$ 3,468,871	$ 3,761,957	$ 4,094,373
Outside Rochester City Limits						
5/8 BY 1/2	288	$ 26.03	$ 11.06	$ 12.52	$ 13.58	$ 14.78
5/8 BY 3/4	1168	26.03	11.06	12.52	13.58	14.78
3/4	24	26.33	15.72	17.78	19.28	20.98
Revenue		$ 38,531	$ 16,481	$ 18,656	$ 20,235	$ 22,023
Total Customer Charge Revenue		$ 5,284,951	$ 3,081,243	$ 3,487,527	$ 3,782,192	$ 4,116,396

Monthly Hydrant Charge:

Customer Type	Units	Cost of Service	Current Charge	2016	2017	2018
Residential	416,860	$ 0.84	$ 1.22	$ 0.90	$ 0.90	$ 0.90
Commercial/Industrial	36,898	3.71	2.43	3.50	4.50	5.50
Total Hydrant Revenue		$ 486,702	$ 598,231	$ 504,317	$ 541,215	$ 578,113

Commodity Charge:

Customer Type	Units	Cost of Service	Current Charge	2016	2017	2018
Residential:						
0-7 CCF	2,032,176	$ 1.060	$ 0.727	$ 0.755	$ 0.785	$ 0.813
7.01-12CCF	357,241	1.060	0.799	0.827	0.857	0.885
12.01 and Over CCF	404,089	1.060	0.919	0.947	0.977	1.005
Commercial	1,770,449	0.916	0.727	0.755	0.785	0.813
Industrial	654,292	1.038	0.727	0.755	0.785	0.813
Interdepartmental	18,908	0.873	0.727	0.755	0.785	0.813
Irrigation	254,777	1.235	0.919	0.947	0.977	1.005
Revenue		$ 5,593,368	$ 4,144,858	$ 4,298,632	$ 4,463,390	$ 4,615,483
Outside Rochester City Limits						
Residential:						
0-7 CCF	6,847	$ 5.888	$ 1.454	$ 1.510	$ 1.570	$ 1.625
7.01-12CCF	965	5.888	1.598	1.654	1.714	1.769
12.01 and Over CCF	1,247	5.888	1.838	1.894	1.954	2.009
Revenue		53,345	$ 13,790	$ 14,297	$ 14,841	$ 15,343
Total Usage Revenue		$ 5,646,712	$ 4,158,648	$ 4,312,929	$ 4,478,231	$ 4,630,826

Total Retail Revenue	$ 7,838,122	$ 8,304,773	$ 8,801,638	$ 9,325,335
Retail Revenue % Change from Prior		5.95%	5.98%	5.95%

FOR BOARD ACTION

Agenda Item # **(ID # 4323)** **Meeting Date: 8/25/2015**

SUBJECT: Construction of Well House #41

PREPARED BY: Doug Klamerus

ITEM DESCRIPTION:

Sealed bids were opened on August 17, 2015 for the construction of well house #41 to be built at 3303 Ridgeline Drive SE. This contract primarily includes the building shell, HVAC, site work and minor plumbing. Quotes will be obtained for the purchase of equipment and electrical as RPU staff performs a portion of this work. The results of the bids are as follows:

Contractor	Bid Amount
Alvin E.Benike Inc.	$234,851.00
Schoeppner Inc.	$244,880.90

Benike did submit a responsive and responsible bid and they have performed well on past projects.

Project costs were higher than budgeted which was not surprising given the strong commercial construction market in our area. Based on the close proximity of bids, it appears the costs are near market price and it is unlikely that rebidding or delaying the project until the spring will have a significant impact on cost. Therefore, although higher than estimated we are comfortable with the bids received.

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.

Expected completion date for this work is December 31, 2015 with the well being operational in 2016. Including carryover from 2014, there is $385,000 available for this project. In addition to this contract, RPU will complete the remainder of the work by individual contracts or RPU staff, estimated at $150,000, which will be covered in the available funds.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution to issue a purchase order to Alvin E. Benike Inc. in the amount of $234,851.00.

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to issue a purchase order to Alvin E. Benike, Inc. for:

Construction of Well House #41

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

The amount of the agreement to be TWO HUNDRED THIRTY-FOUR THOUSAND, EIGHT HUNDRED FIFTY-ONE AND 00/100 DOLLARS ($234,851.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of August, 2015.

_____

President

_____

Secretary