



# **Rochester Public Utilities**

## **Board Meeting Packet**

**December 17, 2013**

ROCHESTER PUBLIC UTILITIES BOARD

MEETING AGENDA –December 17, 2013

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

4:00 PM

1. Service Recognition
2. Approval of Minutes of November 26, 2013 Meeting
3. Approval of Accounts Payable

**NEW BUSINESS**

4. 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.)*

5. 2014 Insurance Quotes
6. Consideration of Bids/Proposals
  - a. Amendment to Master Services Agreement with Sparta Consulting
  - b. Capacity Purchase Agreement
7. 2014 Annual Maintenance & Support Agreement with SAP Public Services
8. MMPA Addendum #6
9. Water Rules & Regulations- Revision
10. Authorized Depositories
11. Silver Lake Plant Update
12. General Managers Report
13. Other Business
14. Adjourn

*The agenda and board packet for Utility Board meetings are available on-line at [www.rpu.org](http://www.rpu.org) and <http://rochestercitymn.igam2.com/Citizens/Default.aspx>*

ROCHESTER PUBLIC UTILITIES  
BOARD MEETING MINUTES  
November 26, 2013

Members Present: Mr. Williams, Mr. Stahl, Mr. Reichert, Mr. Wojcik and Mr. Browning  
Absent: None  
Also Present: Terry Adkins, City Attorney

Board President Williams called the meeting to order at 4:00 PM.

1. Mr. Stahl moved to approve the minutes of the November 12, 2013 meeting, seconded by Mr. Reichert.

All voting "AYE", Mr. Wojcik abstained

2. Mr. Reichert moved to approve the amended accounts payable, seconded by Mr. Wojcik.

All voting "AYE"

3. Mr. Williams opened the meeting for comments from the public.  
No one from the public came forward to speak.

4. Consideration of Bids/Proposals

Board member questions were answered regarding the two non-responsive bids & Terry Adkins reaffirmed the involvement of the bid/agreement process.

- a. Mr. Wojcik moved to approve the purchase order agreement with Eaton Omaha Power Center, seconded by Mr. Browning.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with Eaton Omaha Power Center for:

15kV Indoor Metal-clad Switchgear to be installed at Westside Substation

The amount of the agreement is to be THREE HUNDRED EIGHTY FOUR THOUSAND AND 320/100 DOLLARS (\$384,320.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26<sup>th</sup> day of November, 2013.

- b. Mr. Reichert moved to approve a resolution to enter into a two year contract with Wright Tree Service, Inc. and authorize the Mayor and City Clerk to execute the agreement, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a Resolution to enter into a two year contract with Wright Tree Service, Inc., the lowest responsible bidder, and request the Mayor and the City Clerk to execute the agreement for

Hourly Tree Trimming

The amount of the two year contract agreement is not to exceed seven hundred ninety-two thousand four hundred eighty four and 40/100 DOLLARS (\$792,484.40).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of November, 2013.

- 5. The Board's questions were answered regarding the 453 powers. Terry Adkins affirmed that this agreement would give greater flexibility for negotiation.

Mr. Browning moved to approve the Resolution adopting limited 453 powers and recommend ratifying by the Common Council, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Resolution Adopting Limited \$453 Powers and recommend approval by the Common Council to authorize the Utility to enter into an Emissions Reduction Project exercising the powers granted by the resolution.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26<sup>th</sup> day of November, 2013.

- 6. Mr. Browning moved to approve an increase in PO # 10381, in the amount of \$35,000 for ash disposal at Silver Lake Plant, seconded by Mr. Stahl.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an increase in the purchase order agreement #10381 with Enviro-Logic Inc. for:

Ash Disposal at Silver Lake Plant

The amount of the increase is to be THIRTY FIVE THOUSAND AND 00/100 DOLLARS (\$35,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26<sup>th</sup> day of November, 2013.

7. General Managers Report

- Wally Schlink presented a memento from the Silver Lake Plant Coal Operation to the Board members
- Larry Koshire presented the APPA annual report award for RPU's Annual Report.

8. Management Reports

9. Other Business

- Doug Rovang updated the Board on the St. Mary's Reservoir color choices. The reservoir will be filled after water samples come back.
- Mark Browning requested a status report for SLP. This will be done at the December board meeting.
- Study session for the Cost of Service study will be immediately following the January board meeting.

10. Mr. Stahl moved to adjourn the meeting at 4:50 PM, seconded by Mr. Reichert.

All voting "AYE"

Submitted by:

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Secretary

Approved by the Board:

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Board President

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Date

# ROCHESTER PUBLIC UTILITIES

## A/P Board Listing By Dollar Range

For 11/15/2013 To 12/10/2013

Consolidated & Summarized Below 1,000

### Greater than 50,000 :

1			
2			
3	SOUTHERN MN MUNICIPAL POWER A	Monthly Invoice	6,675,697.74
4	XCEL ENERGY CORP	CapX - LaCrosse Project CMA	2,206,930.46
5	MN DEPT OF REVENUE	Oct Sales and Use Tax	442,924.56
6	ALVIN E BENIKE INC (P)	Data Recovery Backup Construction	75,320.00
7	DN TANKS INC	3.3 Mil Gal Reservoir Project - Phase 2	69,514.90
8	MN DEPT OF HEALTH	Community Water Supply Fee 10/13-12/13	59,187.00
9	SCHAD TRACY SIGNS INC	Main Electronic Sign	58,227.64
10			
11		<b>Price Range Total:</b>	<b>9,587,802.30</b>

### 5,000 to 50,000 :

12			
13			
14			
15	BILLTRUST dba	Credit Card/Billing/Mailing/IVR Services	38,722.44
16	ENVENTIS TELECOM INC	UCCX & Nuance HA High Availability f/IVR	36,792.00
17	CENTURY FENCE CO INC	Fence construction & rebuild	31,037.00
18	PEOPLES ENERGY COOPERATIVE	Services Compensable 11/01/2013-11/30/20	30,174.57
19	POLAR CHEVROLET	2014 Chevy Pickup (V522)	26,880.91
20	WRIGHT TREE SERVICE INC	2013 Hourly Tree Contract	22,883.49
21	VIKING ELECTRIC SUPPLY INC	Luminaire, Residential, LED, PC, 120V	20,947.50
22	FITCH INC	Rating Agency Review	20,000.00
23	BLUESPIRE STRATEGIC MARKETING	2013 RPU Plugged In Contract	19,152.23
24	AXON SOLUTIONS INC	2013 Support Agreement	19,144.00
25	ARBORMETRICS SOLUTIONS INC	Provide Information & Evaluation to	19,116.00
26	VALLEY-RICH CO INC	Labor & material 12" Inserta Valve	19,000.00
27	MCR PERFORMANCE SOLUTIONS INC	Professional Services Agreement	18,878.94
28	VALLEY-RICH CO INC	Labor & material 10" Inserta Valve	16,000.00
29	WESCO DISTRIBUTION INC	P/C, 120V-305V, 20 yr	15,229.69
30	BOB BRAATEN CONSTRUCTION INC	Grade, rock, and foundation prep N area	14,747.00
31	BOB BRAATEN CONSTRUCTION INC	Expand yard, regrade S hillside	14,530.00
32	SCHAD TRACY SIGNS INC	Property Signage Installation	14,121.39
33	VISION COMPANIES LLC	Organizational Strategy	12,750.00
34	McGRANN SHEA CARNIVAL STRAUGH	4th Quarter 2013 Misc Legal	12,500.00
35	USIC LOCATING SERVICES INC	Locating Services-Oct	12,162.00
36	HUBBELL POWER SYSTEMS INC	Contract Retention Release	11,771.00
37	KEMA SERVICES INC	Prof Serv - SCADA Upgrade - Travel Exp	11,656.41
38	MASTEC INC	2013 Directional Boring/Misc Excavation	11,443.61
39	US ALLIANCE GROUP	Credit Card Processing Fees, Nov 2013	11,294.47
40	WIESER PRECAST STEPS INC (P)	PME Switchgear Basements	11,250.00
41	GREENWAY COOP SERVICE CO INC	Monthly Fuel Billing	9,862.68
42	POWER SYSTEMS ENGINEERING INC	2013 Services related to Downtown LRP	9,811.90
43	THE ENERGY AUTHORITY INC	Monthly Mgmt Fee	9,723.89
44	VALLEY-RICH CO INC	Labor & material 8" Insert Valve	9,500.00
45	ENVIRO-LOGIC INC	Ash Disposal Services	9,088.30
46	MN STUDENT ENERGY PROJECT	4th and Final Photovoltaic Installation	9,000.00
47	STUART C IRBY CO INC	Meter, FM8/9S CL20 MRV	8,977.50

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48	PAULSON ROCK PRODUCTS	Fill Removal - water main	8,977.36
49	MN DEPT OF REVENUE	Oct Sales and Use Tax	8,427.03
50	PERCEPTIVE SOFTWARE USA INC	2013 ImageNow Prof Svcs	7,800.00
51	CITY OF ROCHESTER	Workers Comp	7,555.78
52	THE FENCE PROS LLC (P)	Exterior Fence Hydro Pillar (50 Ave)	7,300.00
53	E H RENNER & SONS INC	Drilling of Well #41	7,250.00
54	USIC LOCATING SERVICES INC	Locating Services-Nov	6,778.00
55	ENVENTIS TELECOM INC	Change Order #1	6,558.75
56	NALCO COMPANY	DI Vessels & Rel. Expenses (Frt,Rent,etc)	6,420.00
57	BAIER GERALD	2013 Snow Removal Services	5,933.32
58	ARNOLDS SUPPLY & KLEENIT CO (	2013-2014 Monthly Cleaning Services	5,887.74
59	JIM WHITING NURSERY/GARDEN CT	Reservoir Project - Related Tree Purchas	5,878.13
60	VERIZON WIRELESS	cell phones	5,662.01
61	SCHAD TRACY SIGNS INC	Water Substation Signs	5,580.48
62	PITNEY BOWES PURCHASE POWER	October Postage Refill	5,333.89
63	LOGICALIS INTEGRATION SOLUTIO	2014 iSeries Hardware/Software Maint	5,247.97
64	DAKOTA SUPPLY GROUP	Meas. Chamber, M 25	5,186.11
65	PAAPE ENERGY SERVICE INC	Repair Geo Heat Pumps	5,052.60
66			
67		<b>Price Range Total:</b>	<b>674,978.09</b>
68			
69	<b><u>1,000 to 5,000 :</u></b>		
70			
71	GREENWAY COOP SERVICE CO INC	Monthly Fuel Billing	4,958.76
72	DAKOTA SUPPLY GROUP	Meter, 5/8x1/2" Badger Disk Bottom	4,873.50
73	BORDER STATES ELECTRIC SUPPLY	Clamp, DE, U-Bolt,2-2/0 ACSR,1-3/0	4,811.08
74	CITY OF ROCHESTER	Gaging Station Mntnc (RPU Share)	4,800.00
75	PITNEY BOWES PURCHASE POWER	Sept Postage Meter Refill	4,626.97
76	BOB BRAATEN CONSTRUCTION INC	Zumbro Sub Trenching, 180 ft	4,500.00
77	WIESER PRECAST STEPS INC (P)	Manhole 465, 6'x8'x6' tall ID	4,480.00
78	ULTEIG ENGINEERS INC	Eng Serv CO #7 to PO 10844	4,321.00
79	ADVANCED DISPOSAL SVC SOLID W	2013 Waste Removal Services - SLP	4,199.56
80	ROWLES DONALD PATRICK	Video footage for online content	4,000.00
81	ALL SYSTEMS INSTALLATION INC	Labor for Holiday and 2122 Work	4,000.00
82	VISION COMPANIES LLC	Process work, customer culture work	3,900.00
83	STUART C IRBY CO INC	Metal Sec. Encl, 3ph, 30" x 67" x 22"	3,854.18
84	ARNOLDS SUPPLY & KLEENIT CO (	2013-2014 Alternates	3,740.63
85	ADVANCED DISPOSAL SVC SOLID W	2013 Waste Removal Services - SC	3,678.15
86	WIESER PRECAST STEPS INC (P)	Electrical Vault, Style B with 7 pulling	3,675.00
87	SARGENTS LANDSCAPE NURSERY IN	Landscaping trees service center	3,643.02
88	D P C INDUSTRIES INC	2013 Hydrofluorosilicic Acid - Delivered	3,565.69
89	WRIGHT TREE SERVICE INC	Lump Sum Tree Trimming 801C/905B	3,423.51
90	EXPRESS SERVICES INC	2013 Diane Bengtson - Prof Services	3,301.20
91	SOMA CONSTRUCTION INC	Rock for water main break excavations	3,161.67
92	CENTURYLINK	Monthly billings	3,075.86
93	PUGLEASA COMPANY INC	Repair Industrial Doors	3,042.73
94	RESCO	Mast Arm, Residential LED, Extension	3,029.91

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95	THE FENCE PROS LLC (P)	Service Center SE Gate Repairs	2,992.50
96	GRAYBAR ELECTRIC COMPANY INC	Conduit, Flexible, Corrugated PVC, 3.00	2,908.47
97	ULTEIG ENGINEERS INC	Structural Eval & Details SCADA Site	2,900.00
98	CBR DRILLING INC	Directional Drilling	2,865.00
99	EXPRESS SERVICES INC	2013 Fred Rahn - Field Svcs	2,831.28
100	SPRINGSTED INC	2005A Arbitrage Calculation Fee	2,750.00
101	WERNER ELECTRIC SUPPLY	ITE w/ li-lo lugs	2,742.65
102	PHILIPS HEALTHCARE	HeartStart FRx Defibrillator	2,712.06
103	MN PIPE & EQUIPMENT	Material for Reichel foods	2,710.46
104	INTERPOLL LABORATORIES INC	Ash testing at SLP	2,520.00
105	CONDUX INTERNATIONAL INC	Cable for P466	2,433.54
106	ULTEIG ENGINEERS INC	Steel and foundation design	2,399.00
107	D P C INDUSTRIES INC	2013 Carus 8500 Aqua Mag Kjell F35	2,357.90
108	STUART C IRBY CO INC	Wire, AL, 600V, #2-#4 ACSR NEU Tri	2,290.35
109	JOHNSON PRINTING CO INC	Arbor Day Calendar, 2014	2,238.76
110	ROCH LANDSCAPING SERVICES INC	Mayo NW - Sod	2,180.25
111	POWER LINE SYSTEMS INC.	2014 PLS-CADD survey software	2,137.50
112	STUART C IRBY CO INC	Grd Sleeve, 1ph Trans., 37 x 43 x 15	2,132.16
113	CRESCENT ELECTRIC SUPPLY CO	Conduit, PVC Sch 40, 4.00	2,105.15
114	ROCH LANDSCAPING SERVICES INC	Mayo NW- labor & Equipment	2,097.50
115	G A ERNST & ASSOCIATES INC	NEC Audits and CFLs	2,006.00
116	ENVENTIS	Internet	1,988.95
117	PAAPE ENERGY SERVICE INC	Install Current Transformers	1,985.00
118	GRAYBAR ELECTRIC COMPANY INC	Staples, 1.50x .375, Serrated Copper	1,923.75
119	POLAR CHEVROLET	License and Registration	1,830.61
120	ALTO CONSULTING & TRAINING IN	IS SharePoint Site	1,800.00
121	AFFILIATED CREDIT SERVICES IN	2013 Third Party Collections	1,768.99
122	CDW GOVERNMENT INC	Avocent Maintenance	1,753.67
123	FAIRWAY OUTDOOR FUNDING LLC	2013 Digital Billboard Contract Ext	1,733.00
124	OLM COUNTY AUDITOR/TREASURER	Ash Disposal	1,708.80
125	UNITED RENTALS INC	Boom 37-44' telescopic	1,704.66
126	CRESCENT ELECTRIC SUPPLY CO	Conduit, HDPE, 1.50, Empty, Orange	1,701.98
127	D P C INDUSTRIES INC	2013 Chlorine, 150 lb Cyl	1,692.00
128	CITY OF ROCHESTER	119-925 AdmGnl-Oper-Injuries_Damages	1,667.99
129	STUART C IRBY CO INC	Pedestal Cover, Box Style, FG	1,667.25
130	STUART C IRBY CO INC	Meter Socket, 13 Term, Single Lg, Sw.	1,617.02
131	RESCO	Crossarm, Wood, 8' HD	1,612.74
132	NETWORKFLEET INC	Monthly Charge - GPS Fleet tracking	1,608.90
133	UNITED RENTALS INC	Boom 37-44' Telescopic 4wd	1,603.61
134	AURORA PICTURES	Training Videos	1,603.13
135	UNITED RENTALS INC	Mini Excavator	1,596.41
136	UNITED RENTALS INC	Mini Excavator 6000-6799 & bucket	1,588.16
137	MINNESOTA ENERGY RESOURCES CO	Monthly billing	1,547.56
138	STUART C IRBY CO INC	Zforce Distribution Arrester 10kV	1,544.34
139	MATCO TOOLS	Misc fleet items	1,541.94
140	STUART C IRBY CO INC	Metal Sec. Encl, 3ph, 30" x 67" x 22"	1,541.67
141	STEVE BENNING ELECTRIC	Wellhouse 29	1,533.31



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142	BOB BRAATEN CONSTRUCTION INC	Zumbro Sub, 100' of 6" tile furnished an	1,500.00
143	STUART C IRBY CO INC	Pedestal Base, Secondary, FG, w/o Cover	1,474.87
144	PUGLEASA COMPANY INC	2013 Annual Inspections and Maintenance	1,469.00
145	BORDER STATES ELECTRIC SUPPLY	Fuse, 20A, 8KV, Cooper Fuse Elbow	1,422.00
146	SCHWAB VOLLHABER LUBRATT CORP	capacitor / motor data aire / JAT	1,421.22
147	MADSEN BRIAN	2013 Printer Maintenance contract	1,331.66
148	SPRINGSTED INC	2002A Arbitrage Calculation Fee	1,300.00
149	PAYMENT REMITTANCE CENTER	Dell, XPS 12 laptop	1,282.49
150	DAKOTA SUPPLY GROUP	Meter, 1" Badger Disk Bottom	1,265.40
151	JOHN HENRY FOSTER MN INC	Oil, QuinSyn, 5 Gal. Container	1,231.20
152	GALAXY COMPUTERS INC	2013 Server Maintenance	1,226.69
153	PAYMENT REMITTANCE CENTER	Transcat 2000PV-VIP hand pump kit	1,225.95
154	SCHMIDT GOODMAN OFFICE PRODUC	CXO Mid Back Chair w/Headrest Blk Fabric	1,210.89
155	CRESCENT ELECTRIC SUPPLY CO	Conduit, PVC Sch 40, 5.00, 10' length	1,205.35
156	POST BULLETIN CO	Rate Increase publications	1,200.60
157	CUSTOM COMMUNICATIONS INC	Alarm light and card door changes	1,195.00
158	UNITED RENTALS INC	Trench shoring box rental	1,190.80
159	THOMPSON GARAGE DOOR CO INC	Garage Door Opener, Unit	1,186.08
160	PAYMENT REMITTANCE CENTER	114-592 Distr-Mntc-Station Eqpt	1,177.97
161	RESCO	Conn, Trans, 1/0-1000, 8-Tap, Bare	1,173.49
162	CASEY, JANINNE	* Customer Refund - CCS 300000519092	1,169.63
163	CRESCENT ELECTRIC SUPPLY CO	Tagging, Urd Cable	1,161.96
164	U S POSTMASTER	Caller service fee for 12 months	1,160.00
165	BORDER STATES ELECTRIC SUPPLY	Steel Deadend, .375" Guy, HS	1,148.91
166	RESCO	Term, Stress C. 15kV, 500-750 MCM, C.S	1,134.05
167	TOTAL RESTAURANT SUPPLY	Ice Bin BP40PS	1,127.80
168	CRESCENT ELECTRIC SUPPLY CO	Wire, Copper, 600V, 12-2 Solid w/Grd, UF	1,120.17
169	PAYMENT REMITTANCE CENTER	Travel, Delta, OSI Forum flight, Majerus	1,087.60
170	PAYMENT REMITTANCE CENTER	Travel, Delta, OSI Forum flight, Guthrie	1,087.60
171	BAIER GERALD	2013 Garage Sweep Feb-December	1,068.75
172	STEVE BENNING ELECTRIC	Tower 88	1,068.01
173	BORDER STATES ELECTRIC SUPPLY	Elbow, 15KV, 200A, Fused LB, 1/0 Solid	1,068.00
174	MENARDS ROCHESTER NORTH	Insulate resevrior pit st marys // RK	1,057.67
175	BORDER STATES ELECTRIC SUPPLY	Deadend Recept, 15kV, 200A, LB	1,052.51
176	ROCHESTER ARMORED CAR CO INC	2013/14 Pick Up Services May-April	1,041.89
177	GOPHER STATE ONE CALL	Electric	1,012.20
178	GOPHER STATE ONE CALL	Water	1,012.20
179	SIMPSON, BEVERLY	Well Sealing Cost Share, 2 wells, Beverl	1,000.00
180			
181			236,108.00
182			
183	<b><u>0 to 1,000 :</u></b>		
184			
185	REBATES	Summarized transactions: 153	20,036.31
186	EXPRESS SERVICES INC	Summarized transactions: 37	17,997.95
187	PAYMENT REMITTANCE CENTER	Summarized transactions: 92	12,627.25
188	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 43	6,937.75

## ROCHESTER PUBLIC UTILITIES

### A/P Board Listing By Dollar Range

For 11/15/2013 To 12/10/2013

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189	Customer Refunds (CIS)	Summarized transactions: 66	6,051.91
190	STUART C IRBY CO INC	Summarized transactions: 17	5,287.75
191	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 51	4,237.97
192	G & K SERVICES	Summarized transactions: 89	3,631.13
193	DAKOTA SUPPLY GROUP	Summarized transactions: 17	2,896.23
194	NAPA AUTO PARTS (P)	Summarized transactions: 60	2,818.92
195	LAWSON PRODUCTS INC (P)	Summarized transactions: 11	2,811.53
196	ROCH SAND & GRAVEL INC	Summarized transactions: 3	2,474.91
197	CITY OF ROCHESTER	Summarized transactions: 5	2,004.87
198	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 11	1,988.06
199	FASTENAL COMPANY	Summarized transactions: 49	1,971.60
200	STEVE BENNING ELECTRIC	Summarized transactions: 7	1,844.49
201	WESCO DISTRIBUTION INC	Summarized transactions: 10	1,734.12
202	MN PIPE & EQUIPMENT	Summarized transactions: 10	1,627.26
203	HUDSON WORKWEAR CO INC	Summarized transactions: 17	1,626.00
204	REBATES	Summarized transactions: 23	1,462.00
205	WIESER PRECAST STEPS INC (P)	Summarized transactions: 4	1,419.60
206	RESCO	Summarized transactions: 6	1,305.94
207	GLOBAL EQUIPMENT COMPANY	Summarized transactions: 4	1,261.41
208	POWER PROCESS EQUIPMENT INC (	Summarized transactions: 4	1,258.75
209	COOKE ROBERT	Summarized transactions: 3	1,163.92
210	EASYPower LLC	Summarized transactions: 2	1,135.40
211	METRO SALES INC	Summarized transactions: 3	1,124.02
212	JOHN HENRY FOSTER MN INC	Summarized transactions: 3	1,089.36
213	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 10	1,080.49
214	THE ENERGY AUTHORITY INC	Summarized transactions: 7	1,051.75
215	CONNEY SAFETY PRODUCTS LLC	Summarized transactions: 4	1,049.66
216	FIRST SUPPLY (P)	Summarized transactions: 4	1,032.38
217	ALDEN POOL & MUNICIPAL SUPPLY	Summarized transactions: 8	1,000.35
218	ADVANTAGE DIST LLC (P)	Summarized transactions: 2	991.07
219	ALL SYSTEMS INSTALLATION INC	Summarized transactions: 1	979.00
220	SCHAD TRACY SIGNS INC	Summarized transactions: 1	978.00
221	SCHLINK WALTER	Summarized transactions: 5	970.67
222	MASTEC INC	Summarized transactions: 1	967.50
223	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 11	961.97
224	DAVIES PRINTING COMPANY INC	Summarized transactions: 3	933.02
225	UNITED RENTALS INC	Summarized transactions: 3	931.78
226	NALCO COMPANY	Summarized transactions: 1	931.00
227	MILLERBERND MANUFACTURING CO	Summarized transactions: 1	844.31
228	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 8	835.99
229	QUALITROL CORPORATION LLC (P)	Summarized transactions: 3	826.09
230	VISION COMPANIES LLC	Summarized transactions: 1	825.00
231	BENTLEY SYSTEMS INC	Summarized transactions: 2	790.73
232	ULTEIG ENGINEERS INC	Summarized transactions: 1	789.66
233	DIMENSION PLUMBING AND HEATIN	Summarized transactions: 1	789.00
234	ZIEBELLS HIAWATHA FOODS INC	Summarized transactions: 2	784.23
235	OLSEN CHAIN & CABLE CO INC	Summarized transactions: 9	780.83

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236	GRAINGER INC	Summarized transactions: 9	776.36
237	OPEN ACCESS TECHNOLOGY	Summarized transactions: 1	765.11
238	STEVE BENNING ELECTRIC	Summarized transactions: 1	752.50
239	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 8	749.06
240	GARCIA GRAPHICS INC	Summarized transactions: 5	739.37
241	T E C INDUSTRIAL INC	Summarized transactions: 5	725.85
242	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 2	715.00
243	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 9	709.37
244	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 2	704.52
245	WARNING LITES OF MN INC dba	Summarized transactions: 3	700.53
246	ABILITY BUILDING CENTER INC	Summarized transactions: 1	688.28
247	MN SAFETY COUNCIL INC	Summarized transactions: 8	678.87
248	MN DEPT OF REVENUE	Summarized transactions: 3	667.96
249	UNITED RENTALS INC	Summarized transactions: 7	660.15
250	DALCO CORPORATION	Summarized transactions: 3	644.74
251	AFFILIATED CREDIT SERVICES IN	Summarized transactions: 1	642.62
252	CENTURYLINK	Summarized transactions: 3	641.92
253	MAYO CLINIC	Summarized transactions: 1	625.00
254	PROTECTIVE PRODUCTS CORP	Summarized transactions: 3	598.88
255	MN DEPT OF LABOR & INDUSTRY	Summarized transactions: 4	590.00
256	AUTHORIZE.NET	Summarized transactions: 1	580.75
257	PHILIPS HEALTHCARE	Summarized transactions: 3	568.25
258	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 24	550.52
259	HACH COMPANY	Summarized transactions: 2	545.46
260	MAILE ENTERPRISES INC	Summarized transactions: 2	542.76
261	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 1	534.56
262	POSSABILITIES OF SOUTHERN MN	Summarized transactions: 1	530.00
263	ONLINE INFORMATION SERVICES I	Summarized transactions: 1	519.30
264	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 2	512.59
265	FEDEX FREIGHT INC	Summarized transactions: 2	511.40
266	RADENZ LARRY	Summarized transactions: 1	500.00
267	GOPHER STATE ONE CALL	Summarized transactions: 1	493.73
268	GOPHER STATE ONE CALL	Summarized transactions: 1	493.72
269	HAWKINS INC (P)	Summarized transactions: 3	481.79
270	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	470.64
271	MENARDS ROCHESTER NORTH	Summarized transactions: 10	469.31
272	CDW GOVERNMENT INC	Summarized transactions: 1	468.56
273	NEW PIG CORPORATION	Summarized transactions: 1	460.10
274	HAWK & SON'S INC	Summarized transactions: 1	450.00
275	BAIER GERALD	Summarized transactions: 1	450.00
276	SEMA	Summarized transactions: 2	446.16
277	BOB GANDER PLUMBING & HEATING	Summarized transactions: 1	440.80
278	WOODRUFF COMPANY	Summarized transactions: 13	425.00
279	MINVALCO INC	Summarized transactions: 2	421.45
280	HUDSON WORKWEAR CO INC	Summarized transactions: 6	401.53
281	NARDINI FIRE EQUIPMENT CO INC	Summarized transactions: 1	400.00
282	PUGLEASA COMPANY INC	Summarized transactions: 1	394.85

## ROCHESTER PUBLIC UTILITIES

### A/P Board Listing By Dollar Range

For 11/15/2013 To 12/10/2013

Consolidated & Summarized Below 1,000

283	OLM COUNTY AUDITOR/TREASURER	Summarized transactions: 1	390.50
284	CULLIGAN OF ROCHESTER INC	Summarized transactions: 6	389.07
285	CARQUEST AUTO PARTS	Summarized transactions: 8	389.04
286	AUSTIN UTILITIES	Summarized transactions: 2	386.85
287	BENSON ANTHONY	Summarized transactions: 2	382.82
288	THOMAS TOOL & SUPPLY INC	Summarized transactions: 2	382.48
289	R D O TRUST #80-5800	Summarized transactions: 1	375.64
290	ALTO CONSULTING & TRAINING IN	Summarized transactions: 1	375.00
291	CARL ANDERSON AGENCY	Summarized transactions: 2	371.97
292	CUSTOM COMMUNICATIONS INC	Summarized transactions: 2	367.06
293	AUTOMATION DIRECT.COM	Summarized transactions: 1	366.58
294	VERIFIED CREDENTIALS INC	Summarized transactions: 1	344.00
295	REINDERS INC	Summarized transactions: 1	315.12
296	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 1	305.72
297	G & K SERVICES	Summarized transactions: 4	305.71
298	PROGRESSIVE BUSINESS PUBLICAT	Summarized transactions: 1	299.00
299	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 1	295.74
300	FRANKLIN ENERGY SERVICES LLC	Summarized transactions: 1	277.50
301	A T & T	Summarized transactions: 1	273.07
302	FIRST SUPPLY (P)	Summarized transactions: 4	261.90
303	MN DEPT OF COMMERCE	Summarized transactions: 1	258.01
304	FRANZ REPROGRAPHICS INC	Summarized transactions: 1	255.86
305	HI LINE UTILITY SUPPLY CO (P)	Summarized transactions: 4	253.80
306	FEDEX	Summarized transactions: 11	249.21
307	VANCO SERVICES LLC	Summarized transactions: 1	248.90
308	BATTERIES PLUS	Summarized transactions: 3	247.65
309	ON SITE SANITATION INC	Summarized transactions: 2	240.36
310	OLM COUNTY PROPERTY RECORDS	Summarized transactions: 5	240.00
311	CONTINENTAL RESEARCH CORPORAT	Summarized transactions: 2	227.75
312	ANDERTON RANDY	Summarized transactions: 1	225.00
313	CAT-PERSONAL SAFETY TRAINING	Summarized transactions: 6	224.79
314	IRON MOUNTAIN DBA	Summarized transactions: 1	221.46
315	SCHMIDT GOODMAN OFFICE PRODUC	Summarized transactions: 2	215.14
316	KAUTZ TRAILER SALES dba	Summarized transactions: 1	213.75
317	ZOLLER BROTHERS IRRIGATION LL	Summarized transactions: 1	200.00
318	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 9	198.19
319	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 3	186.36
320	DUECO, INC	Summarized transactions: 4	183.56
321	WORKS COMPUTING INC	Summarized transactions: 2	173.98
322	AFFILIATED GROUP INC	Summarized transactions: 1	168.30
323	GREENWAY COOP SERVICE CO INC	Summarized transactions: 2	167.76
324	CITY OF ROCHESTER	Summarized transactions: 1	161.10
325	NETWORKFLEET INC	Summarized transactions: 2	157.75
326	BRAUN INTERTEC CORPORATION	Summarized transactions: 1	157.00
327	NU-TELECOM dba	Summarized transactions: 1	151.94
328	HY VEE	Summarized transactions: 6	144.57
329	ZIEGLER INC	Summarized transactions: 1	137.43

## ROCHESTER PUBLIC UTILITIES

### A/P Board Listing By Dollar Range

For 11/15/2013 To 12/10/2013

Consolidated & Summarized Below 1,000

330	AIRGAS USA LLC	Summarized transactions: 3	131.29
331	AMAZON.COM	Summarized transactions: 1	128.04
332	FASTENAL COMPANY	Summarized transactions: 3	126.20
333	CORPORATE WEB SERVICES INC	Summarized transactions: 1	125.00
334	HATHAWAY TREE SERVICE INC	Summarized transactions: 3	120.00
335	MN STATE PATROL, CMV SECTION	Summarized transactions: 3	120.00
336	MENARDS ROCHESTER SOUTH	Summarized transactions: 3	116.04
337	EDINALARM INC	Summarized transactions: 1	113.29
338	ROCH RESTAURANT SUPPLY	Summarized transactions: 1	112.01
339	RONCO ENGINEERING SALES INC	Summarized transactions: 3	109.40
340	HANSON PATRICIA S	Summarized transactions: 3	107.13
341	INCOM DIRECT	Summarized transactions: 1	106.94
342	NORTH AMERICAN ELECTRIC RELIA	Summarized transactions: 1	106.14
343	R D O - POWERPLAN OIB	Summarized transactions: 2	104.22
344	PAAPE ENERGY SERVICE INC	Summarized transactions: 1	102.90
345	WRIGHTS SMALL ENGINE SERVICE	Summarized transactions: 1	102.39
346	ALLIANCE EXPRESS CHICAGO INC	Summarized transactions: 2	99.36
347	WHITEWATER WIRELESS INC	Summarized transactions: 2	98.01
348	MONSON STEVE	Summarized transactions: 1	93.79
349	CENTER FOR EFFECTIVE LIVING	Summarized transactions: 1	91.00
350	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	88.00
351	VALLI CHRISTOPHER	Summarized transactions: 1	88.00
352	HOLTORF DAVE	Summarized transactions: 1	88.00
353	SPECIALTY TURF & AG INC	Summarized transactions: 2	85.50
354	OLM COUNTY PROPERTY RECORDS	Summarized transactions: 2	80.00
355	SWAGELOK MN INC (P)	Summarized transactions: 2	77.25
356	ARNOLDS SUPPLY & KLEENIT CO (	Summarized transactions: 2	69.26
357	KOSHIRE LARRY J	Summarized transactions: 2	68.02
358	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 2	66.56
359	MENARDS ROCHESTER NORTH	Summarized transactions: 3	61.89
360	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 1	59.81
361	WERNER ELECTRIC SUPPLY	Summarized transactions: 1	55.97
362	ROCH AREA BUILDERS INC	Summarized transactions: 1	50.00
363	SIREK HYDRAULIC SERVICE INC	Summarized transactions: 2	49.99
364	MENARDS ROCHESTER SOUTH	Summarized transactions: 1	48.92
365	AUTOMATION DIRECT.COM	Summarized transactions: 2	48.63
366	LANGBEHN CRAIG	Summarized transactions: 1	45.04
367	KOTSCHVAR MARK	Summarized transactions: 1	41.32
368	KRUSE LUMBER	Summarized transactions: 4	39.32
369	SHERWIN WILLIAMS CO	Summarized transactions: 1	38.39
370	ROCH FORD TOYOTA	Summarized transactions: 2	38.08
371	CLEMENTS GM PARTS	Summarized transactions: 2	37.42
372	SCHWAB VOLLHABER LUBRATT CORP	Summarized transactions: 1	34.20
373	DOUBLETREE HOTEL - BGDS HOTEL	Summarized transactions: 1	30.00
374	OLM COUNTY CENTRAL FINANCE	Summarized transactions: 1	28.80
375	AUTOMATED ENERGY INC	Summarized transactions: 1	28.00
376	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 2	26.42

## ROCHESTER PUBLIC UTILITIES

### A/P Board Listing By Dollar Range

For 11/15/2013 To 12/10/2013

### Consolidated & Summarized Below 1,000

377	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	22.79
378	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 1	22.43
379	BLACKHAWK INC	Summarized transactions: 3	20.86
380	DEMARINO CHRISTOPHER	Summarized transactions: 1	19.00
381	ALTEC INDUSTRIES INC	Summarized transactions: 1	17.82
382	LANGUAGE LINE SERVICES INC	Summarized transactions: 1	15.05
383	LEITZ VICTORIA	Summarized transactions: 1	15.00
384	HUMPHREY STEPHANIE	Summarized transactions: 1	15.00
385	BLEVINS JAN	Summarized transactions: 1	15.00
386	LARSON DRU	Summarized transactions: 1	15.00
387	WOODRUFF COMPANY	Summarized transactions: 4	10.86
388	FLEETPRIDE INC	Summarized transactions: 1	4.87
389	FEDEX	Summarized transactions: 1	4.53
390	NAPA AUTO PARTS (P)	Summarized transactions: 1	4.25
391	TOTAL RESTAURANT SUPPLY	Summarized transactions: 1	1.87
392			
393		<b>Price Range Total:</b>	176,044.87
394			
395		<b>Grand Total:</b>	10,674,933.26

# FOR BOARD ACTION

Agenda Item # 5

Meeting Date:

12/17/2013

**SUBJECT:**

INSURANCE QUOTATIONS FOR 2014

**PREPARED BY:**

Debra Donahue, Business Services Supervisor

ITEM DESCRIPTION:

Listed below are the recommended insurance quotations for obtaining all risk property insurance and general liability and automotive insurance for 2014.

**ALL RISK PROPERTY INURANCE:**

Responding agencies requested additional information regarding the decommissioning of the Silver Lake Plant operation in 2015. RPU staff met with C.O. Brown representatives to review the current and future state of Silver Lake Plant operations.

The carriers based their quotes on policy limits of \$250 million. The deductibles remain the same at \$100,000 for property and transformers and a range on the turbine generators from \$250,000 to \$400,000. Management is recommending risk property coverage with AIG/AEGIS/Lloyds of London.


	<u>PROPERTY VALUE</u>	<u>PREMIUM</u>
2010	\$ 365,000,370	\$ 415,943
2011	\$ 365,707,833	\$ 395,010
2012	\$ 374,149,101	\$ 438,537
2013	\$ 385,643,017	\$ 464,185
2014	\$ 391,059,796	\$ 458,145

The above coverage does not provide for acts of terrorism. In past years, the board has elected to decline the terrorism endorsement.

**LIABILITY AND COMMERICAL AUTO INSURANCE:**

Management recommends maintaining the same structure of coverage for liability and auto insurance, having the League of MN Cities provide the primary coverage up to \$1.5 million for claims in accordance with Minnesota statutory limits. The annual aggregate deductible remains at \$50,000 with \$25,000 per occurrence for all lines. In 2013, RPU received a dividend from the League of \$22,694. The League will be distributing about \$10 million back to its members based on premiums and incurred losses for all years of membership.

Management also recommends maintaining AEGIS to provide blanket liability coverage with limits from \$ 1,000,000 up to \$ 20,000,000.

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Date

## FOR BOARD ACTION

Agenda Item # 5

Meeting Date:

12/17/2013

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
League of MN Cities	\$135,229	\$128,668	\$137,187	\$117,353
AEGIS	\$205,631	\$214,367	\$228,275	\$253,087

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

All the insurance premiums are within the budgeted cost center items for 2014.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the attached resolutions for property and liability insurance for 2014.

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
Date

**ROCHESTER PUBLIC UTILITIES**





## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an insurance agreement with the League of Minnesota Cities Insurance Trust for

### COMMERCIAL AUTOMOBILE AND GENERAL LIABILITY INSURANCE

The insurance agreement to be for a twelve month policy period commencing December 31, 2013, and expiring December 31, 2014.

The amount of the contract agreement to be ONE HUNDRED SEVENTEEN THOUSAND THREE HUNDRED FIFTY-THREE AND 00/100 DOLLARS (\$117,353).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17<sup>th</sup> day of December, 2013.

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President

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Secretary



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an insurance agreement with the Associated Electric and Gas Insurance Services, Ltd. (AEGIS) for

### EXCESS GENERAL LIABILITY INSURANCE

The insurance agreement to be for a twelve month policy period commencing December 31, 2013, and expiring December 31, 2014.

The amount of the contract agreement to be TWO HUNDRED FIFTY-THREE THOUSAND EIGHTY-SEVEN AND 17/100 DOLLARS (\$253,087.17).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17<sup>th</sup> day of December, 2013.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an insurance agreement with the AIG / AEGIS / Lloyds of London Syndicates for

### ALL RISK PROPERTY INSURANCE

The insurance agreement to be for a twelve month policy period commencing December 31, 2013, and expiring December 31, 2014.

The amount of the contract agreement to be FOUR HUNDRED FIFTY-EIGHT THOUSAND ONE HUNDRED FORTY-FIVE AND 05/100 DOLLARS (\$458,145.05).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17<sup>th</sup> day of December, 2013.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

## FOR BOARD ACTION

Agenda Item # 6a

Meeting Date: 12/17/2013

**SUBJECT:**

SAP Application Support Statement of Work

**PREPARED BY:**

Susan Parker, Director of Corporate Services

ITEM DESCRIPTION:

Sparta Consulting, Inc. is being recommended as the consultant to provide on-going support for SAP applications. Sparta Consulting, Inc. is the firm RPU is currently working with through the Human Capital Management (HCM) project and is best positioned to provide on-going support with our current and future modules. These services were previously provided by HCL-Axon and that agreement terminates January 31, 2014.

In selecting a suitable partner for our SAP applications, a request for information was made to seven known providers with utility experience; three responded. Since this is a service, RPU is not required to seek proposals or sealed bids; however, it is prudent to ask for information about qualifications and cost of service.

Sparta Consulting, Inc. was selected due to its utility experience, experience with RPU (current implementer), its support methodology and the gold level partnership with SAP. The arrangement will include an on-site employee of Sparta to serve the role of the overall SAP architect. In addition, RPU will contract for additional hours of support (approximately 150 hours per month). Unused hours will roll-over to be used in future months in the event RPU does not use the full allocation of hours. The proposed agreement will be for two years (2014-2015) with the option to extend for an additional three years.

The terms of the agreement are not quite final and this action seeks to authorize the General Manager to approve the final agreement including cost of services not to exceed \$350,000 annually, following City Attorney review and approval.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

The 2014 budget contains funding for this type of expenditure and will continue to be budgeted for future years.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board authorize the General Manager to approve the final two year agreement with Sparta Consulting, Inc. including cost of services not to exceed \$350,000 annually, following City Attorney review and approval.

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
Date



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize the General Manager to approve the final two year agreement with Sparta Consulting, Inc. including cost of services not to exceed \$350,000 annually, following City Attorney review and approval.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17th day of December, 2013.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # 6b

Meeting Date:

12/17/13

**SUBJECT:**

Capacity Purchase from Central Minnesota Municipal Power Agency,  
for the period of June 2017 – May 2022

**PREPARED BY:**

Jeremy Sutton, Manager of Portfolio Optimization

ITEM DESCRIPTION:

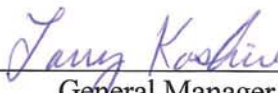
Following the Decommission plan set forward by earlier Board action, RPU is fulfilling its Resource Adequacy obligations through market purchases.

- Capacity purchase from Central Minnesota Municipal Power Agency (Utilities Plus)
- Total purchase of 45 Zonal Resource Credits (MW's) starting in 2017 thru 2022
- Payment is made annually upon receipt of ZRC's
- The contract has been reviewed by the City Attorney.

The SLP Decommissioning Presentation will review RPU's future capacity needs

UTILITY BOARD ACTION REQUESTED:

Staff requests that the Board approve the 45 Zonal Resource Credit (MW) purchase and that the Mayor and City Clerk execute the Agreement.

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Date

**ROCHESTER PUBLIC UTILITIES**



North American Energy Markets Association

**Confirmation Letter for  
MISO Zonal Resource Credits**

December 3, 2013

This confirmation letter shall confirm the Transaction agreed to on December 3rd, 2013 (“Effective Date”) between Utilities Plus (as “Seller”) and Rochester Public Utilities (as “Buyer”) regarding the sale/purchase of the Product under the terms and conditions as follows:

**Schedule P Product:**

[X] Other: Capacity, which for the purposes of this Transaction shall mean “Zonal Resource Credit (“ZRC”)”, as such term is defined in (i) the Midwest Independent Transmission System Operator, Inc. (“MISO”) Open Access Transmission, Energy and Operating Reserve Markets Tariff as may be amended from time to time (“MISO Tariff”); and (ii) the MISO Resource Adequacy Business Practices Manual as may be amended from time to time (“RA BPM”, or together with the MISO Tariff referred to as the “MISO Rules”).

For clarification purposes, the Parties acknowledge and understand that, in accordance with the MISO Rules, one ZRC represents one megawatt (“MW”) of Unforced Capacity from a Planning Resource(s) that qualifies to satisfy the resource adequacy requirements of Module E-1 of the MISO Tariff.

**Contract Quantity and Contract Price:**

The quantity of ZRCs and the applicable Local Resource Zone (“LRZ”), as further described in Attachment VV of the MISO Tariff, associated with such ZRCs for each Planning Year (i.e., June 1<sup>st</sup> of one year through May 31<sup>st</sup> of the following year) encompassed by this Transaction, and the Contract Price(s) associated therewith shall be as follows:

<b>Planning Year</b>	<b>LRZ1</b>	<b>LRZ2</b>	<b>LRZ3</b>	<b>Contract Price (\$ per ZRC)</b>	<b>Purchase Price (\$)</b>
2014-2015	0	0	0	0	0
2015-2016	0	0	0	0	0
2016-2017	0	0	0	0	0
2017-2018	4	0	0	\$1,900.00	\$91,200.00
2018-2019	8	0	0	\$2,400.00	\$230,400.00
2019-2020	11	0	0	\$2,900.00	\$382,800.00
2020-2021	11	0	0	\$3,400.00	\$448,800.00
2021-2022	11	0	0	\$4,000.00	\$528,000.00
<b>Total</b>					<b>\$1,681,200.00</b>



**Special Conditions:**

1. Delivery and Receipt.

The applicable terms and conditions regarding delivery and receipt of the Product shall be as specified below. If no option is selected below, then Option 1 shall apply exclusively.

**[X] Option 1:** Seller shall accomplish delivery of the full quantity of ZRCs for each applicable Planning Year by submitting the necessary transaction(s) in the Module E Capacity Tracking Tool, or any successor system utilized by MISO for tracking and transferring ZRCs, (“MECT”) to electronically transfer such quantity from Seller’s MECT account to Buyer’s MECT account on or before March 1<sup>st</sup> immediately prior to the commencement of the applicable Planning Year (“Transfer Deadline”). For example, if the Planning Year listed is 2013/2014, then Seller shall effectuate delivery by submitting the necessary transaction(s) in the MECT to electronically transfer the full quantity of ZRCs for Planning Year 2013/2014 from Seller’s MECT account to Buyer’s MECT account on or before March 1, 2013. To the extent required, Buyer shall accomplish receipt of the full quantity of ZRCs for each Planning Year by confirming the necessary transaction(s) submitted by Seller. The submitting and confirming of the appropriate transaction(s) in the MECT shall be conducted by the Parties in accordance with the requirements of the MISO Rules and other applicable rules adopted by the MISO regarding the MECT.

In accordance with Section 11.3 of the Tariff, title and risk of loss related to the Product shall transfer from Seller to Buyer when the Product is electronically transferred from Seller’s MECT account to Buyer’s MECT account in accordance with the requirements specified herein.

**[ ] Option 2:** Seller shall accomplish delivery of the quantity of ZRCs for each applicable Planning Year by submitting the necessary transaction(s) in the Module E Capacity Tracking Tool, or any successor system utilized by MISO for tracking and transferring ZRCs, (“MECT”) to electronically transfer such quantity from Seller’s MECT account to Buyer’s MECT account. To the extent required, Buyer shall accomplish receipt of the quantity of ZRCs for each Planning Year by confirming the necessary transaction(s) submitted by Seller. The submitting and confirming of the appropriate transaction(s) in the MECT shall be conducted by the Parties in accordance with the requirements of the MISO Rules and other applicable rules adopted by the MISO regarding the MECT. Seller and Buyer shall accomplish delivery and receipt of the quantity of ZRCs for each applicable Planning Year as follows:

**[Insert Schedule for Transferring ZRCs]**

Notwithstanding anything to the contrary herein, with respect to each Planning Year for which ZRCs are to be electronically transferred by Seller to Buyer hereunder, the Seller shall accomplish delivery of the full quantity of ZRCs for each applicable Planning Year by no later than March 1<sup>st</sup> immediately prior to the commencement of the applicable Planning Year (“Transfer Deadline”).

In accordance with Section 11.3 of the Tariff, title and risk of loss related to the Product shall transfer from Seller to Buyer when the Product is electronically transferred from Seller's MECT account to Buyer's MECT account in accordance with the requirements specified herein.

## 2. Failures to Deliver and/or Receive.

(a) Seller's Failure to Deliver. In the event that: (i) Seller fails to deliver all or part of the Product by the Transfer Deadline for the applicable Planning Year, and such failure is not excused by Buyer's failure to perform; (ii) Buyer provides notice of such failure to Seller within at least three (3) Business Days after the applicable Transfer Deadline; and (iii) Seller fails to cure such failure within one (1) Business Day after notice from the Buyer, then Seller shall pay Buyer, within five (5) Business Days of invoice receipt, all Capacity Deficiency Charges assessed to Buyer (either directly or through contractual obligation) resulting directly from Seller's failure to deliver all or part of the Product. In addition, to the extent that Seller's failure to deliver all or part of the Product results in Buyer being assessed (i) Capacity Deficiency Charges for an amount of MW that is less than the quantity of ZRCs that Seller failed to deliver, or (ii) no Capacity Deficiency Charges for the quantity of ZRCs that Seller failed to deliver, then Buyer shall also be entitled to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price and multiplying such positive difference, if any, by the quantity of ZRCs which Seller failed to deliver and for which no Capacity Deficiency Charges are assessed to Buyer.

In the event that: (i) Seller fails to deliver all or part of the Product by the Transfer Deadline for the applicable Planning Year, and such failure is not excused by Buyer's failure to perform; and (ii) Buyer fails to provide notice of such failure to Seller within at least three (3) Business Days after the Transfer Deadline, then Seller shall pay Buyer, within five (5) Business Days of invoice receipt, the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price and multiplying such positive difference, if any, by the quantity of ZRCs which Seller failed to deliver.

Buyer shall use commercially reasonable efforts to purchase replacement Product for any quantity of ZRCs which Seller fails to deliver.

The invoice from Buyer to Seller for any amount owed by Seller to Buyer pursuant to this provision shall include a written statement explaining in reasonable detail the calculation of such amount. The Parties acknowledge and agree that with respect to this Transaction only, the definition of "Replacement Price" in the Tariff shall be amended to delete all references to "at the Delivery Point" and "to the Delivery Point" contained in such definition.

(b) Buyer's Failure to Receive.

In the event that: (i) Buyer fails to receive all or part of the Product by the Transfer Deadline for the applicable Planning Year, and such failure is not excused by Seller's failure to perform; (ii) Seller provides notice of such failure to Buyer within at least three (3) Business Days after the applicable Transfer Deadline; and (iii) Buyer fails to cure such failure within one (1) Business Day after notice from the Seller, then Buyer shall pay Seller, within five (5) Business Days of invoice receipt, an amount equal to the Contract Price multiplied by the quantity of ZRCs which Buyer failed to receive.

In the event that: (i) Buyer fails to receive all or part of the Product by the Transfer Deadline for the applicable Planning Year, and such failure is not excused by Seller's failure to perform; and (ii) Seller fails to provides notice of such failure to Buyer within at least three (3) Business Days after the applicable Transfer Deadline, then Buyer shall pay Seller, within five (5) Business Days of invoice receipt, an amount equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price and multiplying such positive difference, if any, by the quantity of ZRCs which Buyer failed to receive; provided, however, that if Seller, after using commercially reasonable efforts, is unable to resell (including resale through the Planning Resource Auction) all or a portion of the quantity of ZRCs which Buyer failed to receive, the Sales Price with respect to such quantity that Seller is unable to resell shall be deemed to be equal to zero (0).

The invoice from Seller to Buyer for any amount owed by Buyer to Seller pursuant to this provision shall include a written statement explaining in reasonable detail the calculation of such amount. The Parties acknowledge and agree that with respect to this Transaction only, the definition of "Sales Price" in the Tariff shall be amended to delete all references to "at the Delivery Point" contained in such definition.

(c) Limitation of Remedies. The Parties acknowledge and agree that the remedies set forth herein regarding failures to deliver/receive shall supercede and replace Sections 5.1 and 5.2 of the Tariff with respect to this Transaction only.

3. Additional Terms and Conditions and/or Product Specifications:

- (a) Capacity resources for this transaction are aggregate deliverable behind the meter generators currently located in MISO Local Resource Zone 1.
- (b) In the event MISO redefines the Local Resource Zones, the capacity will be sourced from the then current Local Resource Zone defined by MISO.
- (c) In the event any regulatory changes affect the accreditation of this capacity, both parties will modify the capacity quantities affected.
- (d) There is no energy associated with this transaction.

This Written Confirmation, effective as of the Effective Date, is being provided pursuant to and in accordance with the North American Energy Markets Association Capacity and Energy Tariff (the "Tariff") and constitutes part of and is subject to the terms and provisions of the Tariff. Capitalized Terms used but not defined herein shall have the meanings ascribed to them in the Tariff. If not defined herein or in the Tariff, such capitalized terms shall have the meanings ascribed to such terms in the MISO Rules.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Phone No: \_\_\_\_\_  
Fax: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Phone No: \_\_\_\_\_  
Fax: \_\_\_\_\_

Dated: \_\_\_\_\_

ROCHESTER PUBLIC UTILITIES

\_\_\_\_\_  
General Manager

CITY OF ROCHESTER

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Reviewed By:

\_\_\_\_\_  
City Attorney



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a 45 Zonal Resource Credit purchase of capacity for the period of June 2017 to May 2022 to Central Minnesota Municipal Power Agency, and request the Mayor and the City Clerk to execute the agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17<sup>th</sup> day of Dec, 2013.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # 7

Meeting Date:

12/17/13

**SUBJECT:** Annual SAP Enterprise Support

**PREPARED BY:** Phil Teng, Manager of Information Services

ITEM DESCRIPTION:

RPU uses enterprise business software from SAP Public Services. The software is used for financial and management reporting, front-office customer support services and back-office business processes. SAP Public Services provides regular maintenance updates and global access to support experts to resolve system problems. The total annual cost for these maintenance and support services for 2013 is \$117,113.36, exclusive of sales tax. This is 20.8% of the current retail price for the enterprise business software of \$563,045. The maintenance agreement support increased 3.483% over 2013.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

This is within RPU's approved 2014 budget.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Utility Board approve a purchase order agreement with SAP Public Services Inc. in the amount of \$117,113.36 for annual maintenance and support of the enterprise business software for 2013.

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Date



## RESOLUTION

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

Annual Maintenance and Support of Enterprise Business Software for 2014

The amount of the purchase order agreement to be ONE HUNDRED SEVENTEEN THOUSAND ONE HUNDRED THIRTEEN AND 36% DOLLARS (\$117,113.36).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17th day of December, 2013.

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President

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Secretary



## FOR BOARD ACTION

Agenda Item # 8

Meeting Date: 12/17/2013

**SUBJECT:** Participation Sales Agreement between the City of Rochester and Minnesota Municipal Power Agency – Addendum No. 6

**PREPARED BY:** Wally Schlink, Director of Power Resources

ITEM DESCRIPTION: On June 19, 1992 the City and the Minnesota Municipal Power Agency (MMPA) entered into a Participation Sales Agreement (PSA) to sell 100 megawatts of capacity and energy from the Silver Lake Power Plant.

Since the execution of the PSA there have been significant changes in the utility industry and at RPU. The most significant of these is the decommissioning of SLP and the formation of the Midcontinent Independent System Operator (MISO).

These changes created a conflict between the termination date of the PSA (October 31, 2015) and the capacity year established by MISO (May 31, 2015).

Based on this fact, MMPA has made a written request that the termination of the PSA coincide with the end of the capacity year. RPU staff agrees that this request is fair and in the best interests of both parties.

Addendum 6 makes the following change to the Participation Sales Agreement Addendum between the City of Rochester and Minnesota Municipal Power Agency

**ARTICLE III** is changed to read as follows:

3.01 Term Notwithstanding its date of execution, the Parties intend that this Agreement shall become effective July 1, 1995, and shall remain in effect through ~~October 31, 2015~~ **May 31, 2015**, unless terminated earlier as provided for in Article 3.02 of this Agreement

Attached is a copy of the addendum and the request for the change from MMPA.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board approve a resolution requesting the Mayor to approve Addendum No. 6 to the Participation Sales Agreement between the City of Rochester and the Minnesota Municipal Power Agency.

  
General Manager

  
Date

**ADDENDUM NO.6**  
**to the**  
**PARTICIPATION SALES AGREEMENT**  
**Between**  
**THE CITY OF ROCHESTER**  
**and**  
**MINNESOTA MUNICIPAL POWER AGENCY**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between Minnesota Municipal Power Agency (“MMPA”), a Minnesota municipal corporation, its successors and assigns; and the City of Rochester, Minnesota (“the City”), a Minnesota municipal corporation, its successors and assigns. Both MMPA and the City are sometimes hereinafter referred to individually as a “Party” and collectively as “Parties.”

**WITNESSETH:**

**WHEREAS**, on June 19, 1992, the Parties entered into a Participation Sales Agreement, dated June 19, 1992 (the “1992 Agreement”), and

**WHEREAS**, the 1992 Agreement is scheduled to terminate on October 31, 2015, and

**WHEREAS**, due to the decommissioning of the Silver Lake Plant, the market value of capacity, the recent changes to the Midcontinent Independent System Operator rules governing the span of contract capacity and at the request of MMPA, the Agreement will no longer provide the intended benefit to the parties, and

**WHEREAS**, the Parties now wish to further amend the 1992 Agreement and any and all Addendums to reflect changes in the agreement,

**NOW THEREFORE**, in consideration of the premises and mutual agreements and covenants contained herein, the legal sufficiency of which is hereby acknowledged, the Parties agree as follows:

**ARTICLE III TERM** Section 3.01 is changed to read as follows:

“Notwithstanding its date of execution, the Parties intend that this Agreement shall become effective July 1, 1995, and shall remain in effect through May 31, 2015, unless terminated earlier as provided for in Article 3.02 of this Agreement”

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed the day and year first above written.

**MINNESOTA MUNICIPAL POWER AGENCY**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

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

**Dated:** \_\_\_\_\_

**ROCHESTER PUBLIC UTILITIES**

\_\_\_\_\_  
**General Manager**

**CITY OF ROCHESTER**

\_\_\_\_\_  
**Mayor**

**Attest:**

\_\_\_\_\_  
**City Clerk**

**Reviewed By:**

\_\_\_\_\_  
**City Attorney**



200 South Sixth Street Suite 300 Minneapolis, MN 55402  
tel. 612.349.6868 fax. 612.349.6108 www.mmpa.org

March 7, 2013



Walter Schlink  
Director of Power Services  
Rochester Public Utilities  
400 East River Road Northeast  
Rochester, MN 55906

Re: RPU / MMPA Capacity Contract

Dear Walter,

Rochester Public Utilities (RPU) and the Minnesota Municipal Power Agency (MMPA) have entered into a Participation Sales Agreement, dated June 19, 1992, as amended, providing for, among other services, the sale of capacity from RPU to MMPA ("Participation Agreement"). The RPU capacity is provided from the Silver Lake Units Nos. 1-4. The current transaction amount is 25 Mw and the RPU sale continues at that level through October 31, 2015 ("Capacity Transaction").

As you are aware, the Midwest Independent System Operator (MISO) has recently changed the rules for capacity. One of the significant changes involves a requirement that a capacity contract must span a complete Planning Year (begins on June 1 and ends on May 31) in order to receive recognition as a planning resource in MISO. Under our current arrangement, the MMPA purchase during the period June 1, 2015 through October 31, 2015 would not be recognized by MISO because it does not span a full Planning Year.

We are also with the understanding that due to pending changes in environmental regulations for coal units, RPU may be considering early retirement of some or all of the Silver Lake Units Nos. 1-4.

Given these circumstances, we would request consideration for early termination of the Capacity Transaction. We request that the Capacity Transaction be terminated May 31, 2015. Should RPU find itself in a position to provide an earlier date of termination, we would be open to such discussion.

As you are also aware, the Participation Agreement provides for MMPA to market the excess Energy and Ancillary Services from the Silver Lake Units Nos. 1-4 into the MISO markets. Similarly, there is a Cascade Creek Gas Turbine Energy Sales Agreement, dated April 21, 2006, as amended, that provides for MMPA to market the excess Energy and Ancillary Services from the Cascade Creek Units Nos. 1-2 into the MISO markets. It is our expectation to continue these services while the units remain operable. And, we would be pleased to expand the service arrangement to include demand forecasting and bidding into the MISO market for the RPU load.

Nels Hoplin of our office will be in touch with you to follow up on these arrangements.

We thank you for your time.

Very truly yours,

A handwritten signature in blue ink, appearing to be 'Oncu Er', written over the 'Very truly yours,' text.

Oncu Er  
Vice President Resource Planning  
Avant Energy, Inc.  
Agent for MMPA  
612 252 6542



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve Addendum No. 6, to the Participation Sales Agreement between the City of Rochester and the Minnesota Municipal Power Agency, and request the Mayor and the City Clerk to execute the agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17<sup>th</sup> day of Dec, 2013.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # 9

Meeting Date: 12/17/2013

**SUBJECT:** Revisions To Water Service Rules and Regulations

**PREPARED BY:** Cary Johnson, Manager Water Maintenance and Construction

### ITEM DESCRIPTION:

The purpose of the Water Service Rules & Regulations is to assist RPU customers, prospective customers and their architects, engineers or plumbing contractors in planning for, making arrangements for, obtaining and maintaining municipal water service. A summary of the proposed revisions to the "Rules" is attached. Staff will review the proposed changes with the Utility Board at the 12/17/2013 Board meeting.

### FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not Applicable.

### UTILITY BOARD ACTION REQUIRED:

Staff requests the Utility Board approve the proposed revisions to the Water Service Rules and Regulations to become effective January 1, 2014.

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Date

**ROCHESTER PUBLIC UTILITIES  
WATER SERVICE  
RULES AND REGULATIONS**

**SUMMARY OF PROPOSED REVISIONS TO PUBLIC UTILITY BOARD – 12/17/2013**  
**(PAGES WHICH FOLLOW SHOW PROPOSED REVISIONS)**  
**(PROPOSED REVISIONS SHOWN IN RED)**

Revised December, 2013  
(Effective January 1, 2014)

**INTRODUCTION**

Rochester Public Utilities (hereafter referred to as RPU) has assembled this booklet to assist its customers, prospective customers and their architects, engineers or plumbing contractors in planning for, making arrangements for, obtaining and maintaining municipal water service.

The information presented here is intended to supplement the requirements of the Minnesota Plumbing Code Chapter 4715 and all other applicable federal, or state, and municipal codes, regulations, laws and ordinances. It is always necessary to refer to and comply with such other codes, regulations, laws, and ordinances when planning, designing, and installing a new water service. Specific requirements of RPU do not intentionally conflict with any other requirements known to be in effect as of the publication date of this booklet. Any apparent conflicts of this nature should be brought to the attention of RPU for interpretation.

RPU wishes to serve its customers promptly and satisfactorily. It will endeavor to cooperate with customers and their authorized representatives to the fullest extent in completing service connections with as little delay and inconvenience as possible, and will gladly give special attention to any particularly difficult situation confronting a customer.

RPU will be happy to confer with those customers desiring information concerning rates, services, fees, charges, etc., upon request by telephone or otherwise. Such requests should be directed to an RPU Customer Service Representative (at the RPU Service Center, 4000 East River Road NE, phone 507.280.1500, 1.800.778.3421 or fax 507.280.1642 or online fax 507 .280.1643).

The current Water Service Rules and Regulations are also available at:  
[http://www.rpu.org/builders/water\\_rules\\_and\\_regulations/](http://www.rpu.org/builders/water_rules_and_regulations/)



## SECTION 600

### FIRE HYDRANTS

#### 601 Materials, Locations and Relocations

- 601.1** Public and private fire hydrant materials and locations shall be as specified in the City of Rochester "Standards for Street and Utility Construction". Fire hydrant locations will be approved by the Rochester Fire Prevention Bureau.
- 601.2** Fire hydrants may be relocated at the owner's expense and only if approved by RPU. Payment shall be made in advance if RPU relocates the hydrant. The new hydrant location shall be on the property frontage of the owner requesting the relocation. Hydrant relocations shall be in accordance with the City of Rochester "Standards for Street and Utility Construction".

#### 602 Permits for Private Use

- 602.1** A temporary hydrant use permit will be issued when, in the opinion of RPU, the private use of a fire hydrant will not unduly jeopardize the rights of the public and when water cannot be conveniently provided from another source. (See Exhibits J and K.)
- 602.2** A permit will be issued for each hydrant location. ~~The permit shall be carried by the individual using the hydrant and shall be available for inspection by the Fire Department, the Building and Safety Department and RPU.~~ Only RPU employees may install or remove temporary hydrant valves and meters. ~~and the~~ The permit holder or ~~his~~ their representatives shall not operate the main hydrant valve.
- 602.3** A deposit may be required at RPU discretion to guarantee payment for water used and to cover any breakage or damage to the fire hydrant, flush valve or meter. Upon expiration of the permit, the deposit will be refunded less any resulting charges.

#### 603 Charges for Hydrant Meter Rental

- 603.1** A Hydrant Meter Installation Fee and Hydrant Meter Rental Fee will be charged for each permit issued. ~~and each subsequent renewal period.~~ Expenses resulting from actions, neglect or carelessness will also be charged to the permit holder.

## SECTION 800

### IRRIGATION SYSTEMS

#### 801 Metering and Backflow Prevention

##### 801.1 Service and Meter

Customers have the option of taking the water supply for an irrigation system from the water service before the customer's main water meter and separately metering irrigation water usage. The meter installation shall comply with Section 500. (See Exhibits D, E and F.)

##### 801.2 Backflow Prevention

At a minimum, a Pressure Vacuum Breaker (PVC), or a Spill-resistant Vacuum Breaker (SVB) ~~A reduced pressure backflow preventer or vacuum breaker~~ shall be installed immediately upstream of the irrigation system on all new and existing irrigation systems as required by the Minnesota Plumbing Code. (See Exhibits D, E and F.).

#### 802 Yard Hydrant Installations

Yard hydrants shall be metered and provided with an appropriate backflow preventer. A yard hydrant installation shall be similar to Exhibit E in order to provide a means of removing water subject to freezing from the service line. Installation of freeze-proof hydrants with bottom drains is not permitted. Yard hydrants are expected to be seasonal in use, and the meter and backflow preventer shall be removed and the curb valve shut off at the end of each watering season.

## SECTION 900

### CROSS CONNECTIONS

#### 901 Rules/Codes

The RPU Public Water System Cross Connection and Backflow Prevention Program, ~~most recent edition of the Cross Connection Control Manual published by the Foundation for Cross Connection Control and Hydraulics Research,~~ and the Section of the Minnesota Plumbing Code Chapter 4715 dealing with "Protection of Potable Water Supply" are adopted for these Rules. ~~If any requirement of the Minnesota Plumbing Code is more restrictive than these Rules, the~~ The Minnesota Plumbing Code shall take precedence. ~~where any conflict occurs.~~

#### 902 Backflow/Cross Connection Prevention

**902.1** No private well shall be connected to any RPU residential or commercial customer house piping. Wells located within buildings to be connected to the City water system must be sealed and abandoned within 90 days of connection to the City water system hereafter.

**902.2** Any industrial ~~premises/facility water customer~~ also served by a private well shall install a ~~reduced pressure~~ Reduced Pressure Zone (RPZ) backflow preventer at the owner's cost immediately downstream from the RPU water meter, and shall provide written proof to RPU of the installation. ~~and annual inspection of the backflow preventer by a City licensed plumber possessing a Minnesota backflow preventer maintenance certificate.~~

**902.3** Any customer whose operations are determined by RPU to constitute a potential for the occurrence of a cross connection or backflow shall install and maintain an appropriate backflow preventer, and shall provide written proof to RPU of the installation. ~~and annual inspection of the backflow preventer by a City licensed plumber possessing a Minnesota backflow preventer maintenance certificate.~~

**902.4** When private use of a fire hydrant is authorized by RPU, the Hydrant Use Permit holder shall ~~have their tank truck, street sweeper, or other water using equipment inspected by RPU prior to issuance of the permit.~~ In most cases, RPU will install a suitable backflow preventer to protect the municipal water distribution system. (See Exhibits J and K.)

#### 903 Access

RPU, ~~or a designated representative of RPU, and the Building and Safety Department~~ shall have the right to access the served premises at all reasonable times for inspection of backflow preventer devices.

## EXHIBIT J

### USE OF WATER FROM FIRE HYDRANTS IN THE CITY OF ROCHESTER

See Section 600 (Fire Hydrants) of these Rules for appropriate non-fire fighting use of fire hydrants. Temporary hydrant use permits will be issued for authorized use.

Prior to the issuance of Hydrant Use Permits, all tank trucks, street sweepers and other water using equipment ~~will~~ **may** be inspected by RPU for compliance with the Section of the Minnesota Plumbing Code Chapter 4715 dealing with "**Potable Water** Protection ~~of Potable Water Supply~~".

The Permit holder shall install a permanently attached fill pipe with an air gap between it and the tank at least twice the diameter of the fill pipe. As an alternative, an approved reduced pressure backflow preventer may be installed on the fill pipe. See Exhibit L.

If you have any questions, please contact RPU.



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve certain revisions to the Water Service Rules and Regulations to become effective November 1, 2007.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30th day of October, 2007.

TO BE SUPERCEDED BY DECEMBER, 2013 PROPOSED REVISIONS TO 2007 WATER RULES.

President

Secretary

**ROCHESTER PUBLIC UTILITIES**



**PUBLIC WATER SYSTEM  
CROSS-CONNECTION CONTROL  
AND  
BACKFLOW PREVENTION PROGRAM  
FOR  
ROCHESTER, MINNESOTA  
December, 2013**

Rochester Public Utilities  
4000 East River Road NE  
Rochester, Minnesota 55906-2813  
Telephone: 507-280-1540  
Facsimile: 507-280-1643  
[www.rpu.org](http://www.rpu.org)

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## **100 PURPOSE**

- 101 To protect the public potable water supply for the City of Rochester, Minnesota, operated by Rochester Public Utilities (RPU) from the possibility of contamination or pollution. This is accomplished by isolating, within the customer's internal distribution system, such contaminants or pollution sources which could backflow or back-siphon into the public potable water supply.
- 102 To promote the elimination or control of existing cross-connections, actual or potential, between the customer's potable water system, and the public potable water supply for the City of Rochester, Minnesota.
- 103 To provide for the maintenance of a continuing Program of cross-connection control which that will systematically and effectively prevent the contamination or pollution of the public potable water supply for the City or Rochester, Minnesota.

## **200 AUTHORITY**

- 201 The Federal Safe Drinking Water Act of 1974, MN Water Supply Rule 4720.0025, and the Minnesota Administrative Rule, Chapter 4715, Plumbing Code.
- 202 Rochester Public Utilities - Water Service Rules and Regulations, Section 900.

## **300 RESPONSIBILITY**

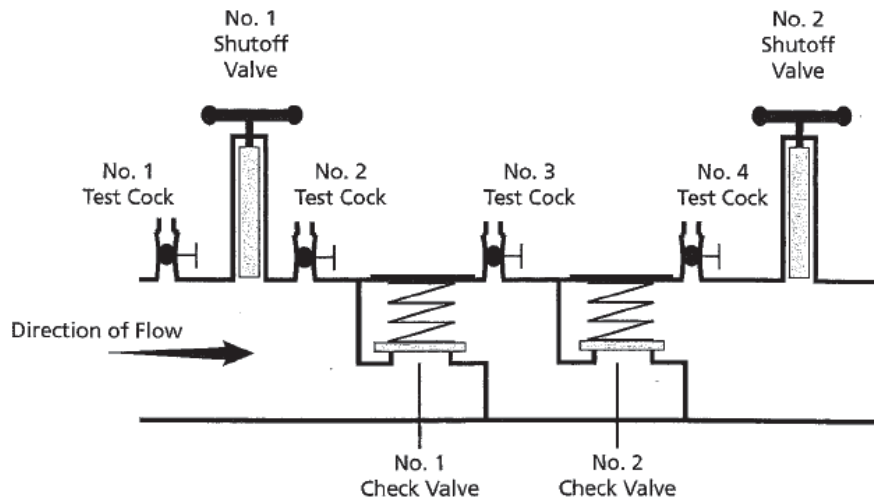
Rochester Public Utilities (RPU) shall be responsible for the protection of the public potable water supply from contamination or pollution due to backflow or back-siphonage of contaminants or pollutants through the water service connection. If, in the judgment of RPU, or a City of Rochester Building and Safety representative, an approved backflow preventer is required, notice in writing, will be given to said Owner to install an approved backflow preventer at the water service entrance immediately downstream of the RPU water meter on the premises at the Owner's expense. The Owner shall, within sixty (60) days install such approved assembly or assemblies at their own expense, and failure or refusal, or inability on the part of the Owner to install said assembly or assemblies within sixty (60) days, shall constitute a ground for discontinuing water service to the premises until such assembly or assemblies have been properly installed.

## **400 DEFINITIONS**

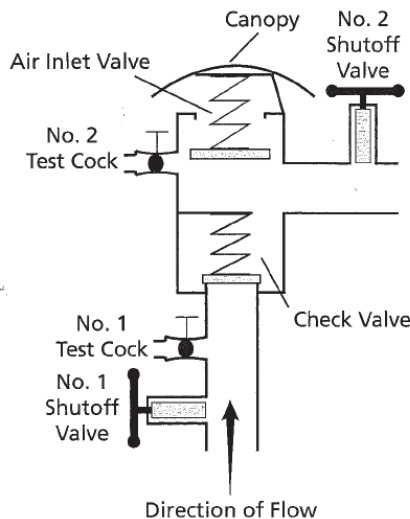
- 401 Approved: Accepted by Rochester Public Utilities (RPU) and/or the Rochester Building and Safety Plumbing Inspection Division as meeting an applicable specification stated or cited in this regulation, or as suitable for the proposed use.
- 402 Auxiliary Water Supply: Any water supply, on or available, to the premises other than the RPU provided public water supply.
- 403 Backflow: The flow of water or other liquids, mixtures or substances, under positive or reduced pressure into the distribution pipes of a potable water supply from any source other than its intended source.
- 404 Backflow Preventer: An assembly device or method designed to prevent backflow. Most commonly categorized as double check valve assembly (DCV), pressure vacuum breaker assembly (PVB), air gap, spill resistant vacuum breaker assembly (SVB), or a reduced pressure principle assembly (RPZ).



- 404.1 Double Check Valve (DCV): An assembly containing two internally loaded, independently operating, approved check valves, two resilient-seated shutoff valves, and four properly located test cocks. The DCV shall be installed as an assembly as designed and constructed by the manufacturer.

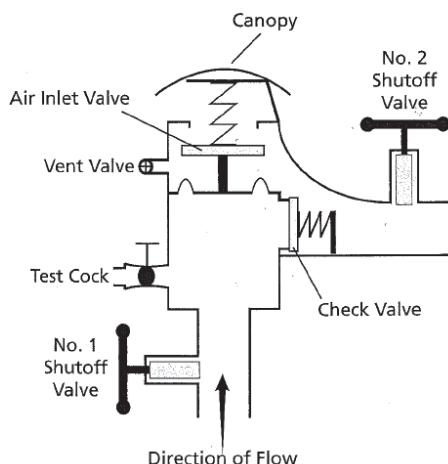


- 404.2 Pressure Vacuum Breaker (PVB): An assembly containing an independently operating, internally loaded check valve and an independently operating, loaded air-inlet valve located on the discharge side of the check valve. In addition, the PVB assembly shall have an inlet and outlet resilient-seated, fully ported shutoff valve and two properly located resilient-seated test cocks. The PVB shall be installed as an assembly as designed and constructed by the manufacturer.

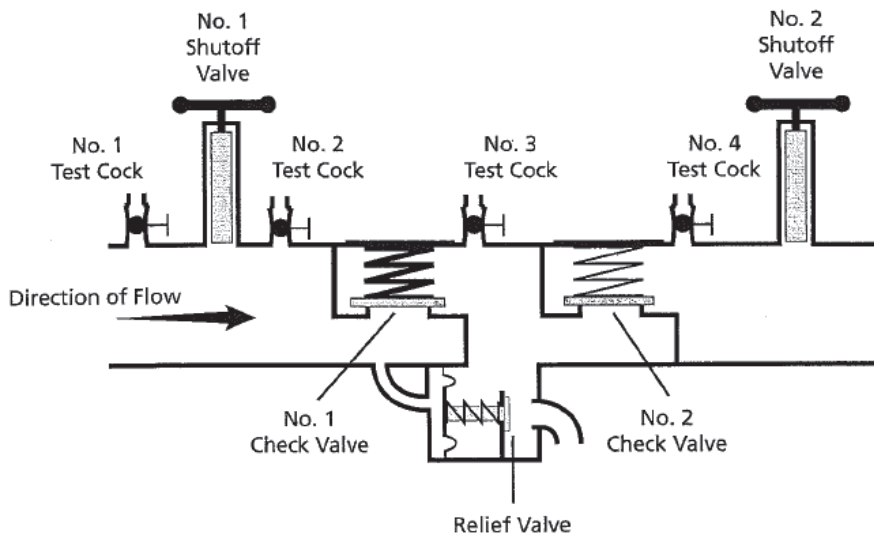


- 404.3 Air Gap: The unobstructed vertical distance through free atmosphere between the lowest effective opening from any pipe or faucet conveying water or waste to a tank, plumbing fixture, receptor, or other assembly and the flood level rim of the receptacle. These vertical, physical separations must be at least twice the effective opening of the water supply outlet or as specified in the Minnesota Administrative Rule, Chapter 4715, but never less than one (1) inch above the receiving vessel flood rim.

- 404.4 Spill Resistant Vacuum Breaker (SVB): An assembly containing in internally loaded check valve and a loaded air-inlet valve located before the check valve. In addition, the SVB assembly shall have an inlet and outlet, resilient seated, fully ported shutoff valve and a properly located resilient-seated test cock and vent valve. The SVB shall be installed as an assembly as designed and constructed by the manufacturer.



- 404.5 Reduced Pressure Principle Backflow Preventer (RPZ): An assembly containing two loaded, independently acting check valves with a hydraulically operating, mechanically independent pressure-differential relief valve located between the check valves below the first check valve. The check valves and the relief valve shall be located between two tightly closing, fully ported, resilient-seated shutoff valves. The RPZ shall have four properly located resilient-seated test cocks. The RPZ shall be installed as an assembly as designed and constructed by the manufacturer.



- 405 Backpressure: A condition in which the building plumbing system pressure is greater than the supplier's system pressure.
- 406 Backsiphonage: The flow of water or other liquids, mixtures or substances into the distribution pipes of a potable water supply system from any source other than its intended source caused by the sudden reduction of pressure in the potable water supply system.

- 407 Containment: A method of backflow prevention which requires backflow prevention at the water service entrance to the premise/s immediately downstream of the RPU water meter.
- 408 Contaminant: A substance that impairs the quality of the water to a degree that it creates a serious health hazard to the public leading to poisoning or the spread of disease.
- 409 Cross Connection: Any connection between the public water supply and a source of contamination or pollution.
- 410 Isolation: A method of backflow prevention in which a backflow preventer is located at the source or “point of use” of the potential hazard to correct a cross connection at a location within the owner’s building or facility.
- 411 Rochester Public Utilities: RPU, Water purveyor for the City of Rochester, Minnesota.
- 412 Owner: Any person, who has legal title to, or license to operate or inhabit a property.
- 413 Person: Any individual, partnership, company, public or private corporation, political subdivision or agency of the State Department, agency or instrumentality of the United States or any other legal entity.
- 414 Pollutant: A foreign substance that, if introduces into the public water system, will degrade its quality so as to constitute a moderate hazard, or impair the usefulness or quality of the water to a degree which does not create an actual hazard to the public health but which does adversely and unreasonably effect such water for domestic use.
- 415 Water Service Entrance: That point in the Owner’s water system beyond the sanitary control of RPU; generally considered to be the outlet end of the water meter and always before any unprotected branch.

**500 ADMINISTRATION**

- 501 RPU will operate a Cross Connection Control and Backflow Prevention Program, to include the keeping of necessary records, which fulfills the requirements of the RPU Public Water System Cross-Connection Control and Backflow Prevention Program.
- 502 The Owner shall allow access to the premises served by the RPU provided, public water supply for evaluation of possible cross-connections by RPU, or a RPU designated representative, per RPU Water Service Rules and Regulations, Section 900, and shall follow the provisions of the RPU Public Water System Cross Connection Control and Backflow Prevention Program.
- 503 If RPU or a City of Rochester Building and Safety representative requires the public water supply to be protected by containment, the Owner shall provide the proper backflow prevention at the water service entrance to the premise/s immediately downstream of the RPU water meter and shall be responsible for water quality beyond the outlet end of the backflow preventer. The Owner shall utilize fixture outlet protection per Minnesota Plumbing Code for this purpose.

RPU may utilize public health officials, City of Rochester Building and Safety representatives, or other RPU delegated representatives, to assist them in the evaluation of facilities and to assist in the selection of proper backflow preventer/s and to ensure the devices are properly installed.

## 600 REQUIREMENTS

### 601 RPU

- 601.1 For new Commercial or Industrial installations, the City of Rochester Building and Safety Department Plumbing Inspection Division will provide on-site evaluation and inspection of plans in order to determine the type of backflow protection that will be required. All new commercial or industrial facilities will require as a minimum, a Double Check Valve (DCV) assembly and shall be located at the water service entrance to the premise/s immediately downstream of the RPU water meter.
- 601.2 For Commercial or Industrial premises existing prior to the start of this program, RPU, or a RPU designated representative, will perform an evaluation of potential backflow into the public water system and inform the Owner by letter of any corrective action deemed necessary, the method of achieving the correction, and the time allowed for the correction to be made. Ordinarily, ninety (90) days will be allowed, however, this time period may be shortened or lengthened depending upon the degree of hazard involved.
- 601.3 RPU shall inform the Owner, by letter, of any cross connection violation. The Owner will have thirty (30) days to correct the violation. If the violation has not been corrected after thirty (30) days, RPU may terminate water service to the premise. In the event the Owner informs RPU of extenuating circumstances as to why the correction of the violation has not been made, a time extension may be granted by RPU, but in no case will exceed an additional thirty (30) days. If RPU determines at any time that a serious threat to the public health exists, the water service may be terminated immediately.
- 601.4 For any Residential or Commercial irrigation system, at a minimum, a Pressure Vacuum Breaker (PVB), or a Spill-resistant Vacuum Breaker (SVB), shall be installed immediately upstream of the irrigation system.
- 601.5 Any cross-connection shall be eliminated unless protected by an approved backflow preventer assembly which shall be regularly tested as required by this program to insure satisfactory operation.
- 601.6 RPU shall inform the Owner by letter thirty (30) days prior to the due date of the backflow preventer test. RPU will send a notice of violation when the test is thirty (30) days past due. RPU will send a final notice of violation when the test is sixty (60) days past due. After the final notice, the Owner will have thirty (30) days to become compliant, or face possible termination of water service to their premise and may be subject to a reconnection charge. In the event the Owner informs RPU of extenuating circumstances as to why the test has not been made, a time extension may be granted by RPU, but in no case will exceed an additional thirty (30) days.
- 601.8 RPU will have on file, a list of City of Rochester, Minnesota, licensed plumbers who are ASSE certified backflow preventer testers/rebuilders and a list of ASSE certified backflow preventer testers. All charges for these tests will be paid by the Owner of the building or property.
- 601.9 RPU will begin initial premise evaluations to determine the nature of existing backflow preventers following the approval of this program during the calendar year 2014. Initial focus will be on high hazard Industrial and Commercial premises.

602 Owner

- 602.1 The Owner shall be responsible for the elimination or protection of all cross-connections on their premises.
- 602.2 The Owner, after having been informed by letter from RPU, shall at their expense, install, maintain, and test, or have tested, any and all backflow preventers on their premises.
- 602.3 The Owner shall correct any malfunction of the backflow preventer.
- 602.4 The Owner shall inform RPU of any proposed, existing, or modified cross connections of which the Owner is aware.
- 602.5 The Owner shall not install a bypass around any backflow preventer unless there is a backflow preventer of the same type on the bypass. Owners who cannot shut down operation for testing of the backflow preventer(s) must supply additional backflow prevention as necessary to allow testing to take place.
- 602.6 The Owner shall install backflow preventers in a manner approved by Minnesota Administration Rules, Section 4715 Plumbing Code and shall install only backflow preventers approved by Minnesota Administration Rules, Section 4715, Plumbing Code.
- 602.7 Any Residential or Commercial Owner having a private well or other private water source shall not be connected to any RPU residential or commercial customer house piping per RPU Rules and Regulations, Section 902.1. Any Industrial Premises/Facility also served by a private well shall install a Reduced Pressure Zone (RPZ) Backflow Preventer at the Owner's cost at the public water supply entrance immediately downstream from the RPU water meter per RPU Rules and Regulations, Section 902.2.
- 602.8 If an Owner installs plumbing to provide potable water for domestic purposes, on the City potable water distribution side of the containment backflow preventer assembly, such plumbing must have its own backflow preventer assembly installed.
- 602.9 The Owner shall be responsible for the payment of all fees for permits, annual testing, and additional, required retesting in cases where the backflow preventer fails to operate correctly, where re-inspections for non-compliance are required by RPU.

**700 DEGREE OF HAZARD**

RPU recognizes the threat to the public water system arising from cross-connections. All hazards will be classified by degree of hazard and may require the installation of an approved backflow preventer. RPU may permit a cross connection within the public water supply system if it is considered necessary and cannot be eliminated, and is properly protected by an approved backflow preventer.

- 701 High Hazard: A cross connection or potential cross connection involving any substance that could, if introduced into the potable water supply, cause death or illness, spread disease, or have a high probability of causing such effects.

For the purposes of this program, any Industrial Premise/Facility, or any Commercial Premise/Facility of three stories or more, is deemed a High Hazard. Other facilities may also be deemed by RPU to be High Hazard.

- 702 Low Hazard: A cross connection or potential cross connection involving any substance that generally would not pose a health hazard, but would constitute a nuisance or be aesthetically objectionable if introduced into the potable water supply.

For the purposes of this program, all Commercial Premises/Facilities not deemed High Hazard, shall be considered Low Hazard.

## **800 EXISTING BACKFLOW PREVENTERS**

Any existing backflow preventer shall be allowed to continue in service until or unless the degree of hazard is such as to supersede the effectiveness of the present backflow preventer, or result in an unreasonable risk to the public health.

## **900 PERIODIC TESTING AND MAINTENANCE**

- 901 All Reduced Pressure Principle (RPZ) backflow preventer assemblies shall be tested at intervals not to exceed twelve (12) months from the date of the previous test date by a Minnesota licensed plumber with an ASSE tester certification or an ASSE certified tester, and shall be submitted to RPU no more than thirty (30) days after the test date. All RPZ assemblies shall be rebuilt at intervals not to exceed five (5) years from the date of the previous rebuild date by a Minnesota licensed plumber with an ASSE tester certification, and shall be submitted to RPU no more than thirty (30) days after the rebuild date.
- 902 All Containment Double Check Valve (DCV) backflow assemblies shall be tested and inspected at intervals not to exceed thirty-six (36) months from the date of the previous test date by a Minnesota licensed plumber with an ASSE tester certification or an ASSE certified tester, and shall be submitted to RPU no more than thirty (30) days after the test date.
- 903 All required testing and/or repair shall be performed by a Minnesota licensed plumber or ASSE certified tester. The required testing and/or repair will be done at the Owner's expense.
- 904 Any backflow preventer which fails during a periodic test shall be immediately repaired or replaced. When repairs are necessary, upon completion of the repair the backflow preventer will be re-tested at the owner's expense to insure correct operation. Parallel installation of two (2) backflow preventers is an effective means for the Owner to insure uninterrupted water service during testing or repair of the assembly and is strongly recommended when the owner desires such continuity.
- 905 Backflow preventers will be tested more frequently than specified in 901 or 904 above, in cases where there is a history of test failures and where RPU feels that due to the degree of hazard involved, additional testing is warranted. Cost of the additional tests will be borne by the Owner.

## **1000 RECORDS AND REPORTS**

- 1001 Records: RPU will initiate and maintain master files on all customer containment backflow preventer assemblies and tests required by this program.
- 1002 Private Records: RPU will initiate and maintain master files on all customer private isolation "point of use" RPZ assemblies as required by the Minnesota Administrative Rule, Chapter 4715, Plumbing Code.



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve certain revisions to the Water Service Rules and Regulations to become effective January 1, 2014.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17th day of December, 2013.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # 10

Meeting Date: 12/17/2013

**SUBJECT:** Authorized Depositories

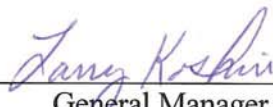
**PREPARED BY:** Susan Parker, Director of Corporate Services

ITEM DESCRIPTION:

Each year the Board must pass a resolution authorizing the depositories for Utility monies. The Utility uses the same depositories as the City and follows the investment policies established by the City. The attached resolution shows the depositories to be used by RPU for investment activities for the calendar year 2014.

UTILITY BOARD ACTION REQUESTED:

The Board is requested to approve the attached resolution.

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Date

**ROCHESTER PUBLIC UTILITIES**





## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the following banks, authorized to do business in Minnesota, are the designated depositories for the demand deposit accounts and temporary investment of funds of Rochester Public Utilities, City of Rochester, Minnesota, within the limits established by the City of Rochester, for the term commencing January 1, 2014 through the 31<sup>st</sup> day of December, 2014.

US Bank  
Wells Fargo

The above depositories, and any added during the term by the City Finance Director, shall pay interest at such rates or rates, per annum, as may be mutually agreed upon the Rochester Public Utilities and the respective depository at the time such deposits and investments are made.

The depository shall pay on demand all deposits subject to payment on demand, with accrued interest, and pay on demand all time deposits with accrued interest, at or after maturity.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 17th day of December, 2013.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # 11

Meeting Date: 12/17/2013

**SUBJECT:** SLP Decommissioning Status Update

**PREPARED BY:** W. Schlink Director of Power Resources

ITEM DESCRIPTION:

General discussion on the status of the SLP decommissioning.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not Applicable

UTILITY BOARD ACTION REQUESTED:

Discussion / no action requested

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Date