



MEETING AGENDA – FEBRUARY 23, 2016

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

- 1. Approval of Agenda**
- 2. Approval of Minutes**

Public Utility Board - Regular Meeting - Jan 26, 2016 4:00 PM

- 3. Approval of Accounts Payable**

A/P board listing

NEW BUSINESS

Open Comment Period

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

- 4. Consideration Of Bids**

1. Circuit Breakers
Resolution: Circuit Breakers
2. Vertical Break Disconnect Switches
Resolution: Vertical Break Disconnect Switches
3. Douglas Trail Substation Site Improvement
Resolution: Douglas Trail Substation Site Improvement
4. Structural Steel Supports Douglas Trail Substation
Resolution: Structural Steel Supports
5. Apache Water Storage Tank Repair/Repainting
Resolution: Apache Water Storage Repair/Repainting

- 5. Regular Agenda**

1. Review of Board Organization Policy and Assignments
2. Verizon Site Lease Agreement
Resolution: Verizon Site Lease Agreement
3. Westside Energy Station Project Approval of Engineer, Procure, Construction (EPC) Open Book Agreement The Boldt Company
Resolution: Westside Energy Station Project Approval of Engineer, Procure, Construction (EPC) Open Book Agreement The Boldt Company

- 6. Informational**

SAP Enterprise Resource Update

7. **General Managers Report**
8. **Division Reports & Metrics**
9. **Other Business**
10. **Adjourn**

The agenda and board packet for Utility Board meetings are available on-line at www.rpu.org and <http://rochestercitymn.ig2.com/Citizens/Default.aspx>



MEETING MINUTES – JANUARY 26, 2016

BOARD ROOM
 4000 EAST RIVER ROAD NE
 ROCHESTER, MN 55906

4:00 PM

Call to Order

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

1. Election of Officers

A. Election of Board President

In absence of a current board president, without any objection, Dave Reichert was named temporary chair for the meeting.

- Motion to:** Elect Board President

Mr. Browning nominated Mr. Reichert for board president. Mr. Haskin seconded the nomination.

Mr. Reichert was elected board president.

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

B. Appointment of Board Secretary

- Motion to:** appoint board secretary

Lisa Stellmaker was appointed as RPU board secretary.

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

2. Approval of Agenda

Minutes Acceptance: Minutes of Jan 26, 2016 4:00 PM (Approval of Minutes)

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

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

3. **Approval of Minutes as presented.**

Public Utility Board - Regular Meeting - Dec 15, 2015 4:00 PM

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

4. **Approval of Accounts Payable**

a/p board listing

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

5. **Recognition: Laura Andrews**

The Board congratulated and thanked Laura Andrews for her 22 years of service with RPU.

NEW BUSINESS

Open Comment Period

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

The following people came forward during the open comment period

Tom Williamson, Rochester MN: following up to an email that was sent to board members regarding the Westside Energy Station design and construction.

Anna Richey, Vice chair of the Rochester Energy Commission: wanted RPU to consider Tom Williamson's proposal and be good partners in the Energy Action Plan.

6. **Consideration Of Bids**

1. Digger Derrick, Utility Body and Installation

Steve Monson, Supervisor of Facilities and Fleet said this is a 2016 budgeted replacement item.

Resolution: Digger Derrick Attachment

The Board approved the resolution reading as follows:

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

Minutes Acceptance: Minutes of Jan 26, 2016 4:00 PM (Approval of Minutes)

Minnesota, to issue a purchase order to Altec Industries, Inc. For

One 2016 Digger Derrick Attachment

The amount of the purchase order to be ONE HUNDRED FORTY SEVEN THOUSAND, EIGHT HUNDRED THIRTY-NINE AND 00/100 DOLLARS (\$147,839.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of January, 2016.

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

2. System Operations Remodeling

Steve Monson, Supervisor of Facilities and Fleet said the project came in below budget and includes updating old technology, adding a new supervisor's office that will allow a view of the entire staff, a training office, lighting and flooring updates as well as a secure entrance to comply with NERC compliance.

Resolution: System Operations Remodeling

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to issue a purchase order to Construction Collaborative for

System Operations Remodeling

The amount of the contract agreement to be ONE HUNDRED FORTY ONE THOUSAND, ONE HUNDRED FIFTY AND 00/100 DOLLARS (\$141,150.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of January, 2016.

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

3. Lump Sum and Hourly Power Line Clearance Tree Trimming

Mona Hoeft, Buyer, said there was a last minute change and Asplundh withdrew their hourly portion of the bid.

The evaluated totals were based on a set of assumptions and this is a 2 year contract with one year renewal option.

Minutes Acceptance: Minutes of Jan 26, 2016 4:00 PM (Approval of Minutes)

Mr. Haskin asked if it was unusual to see such a variation in bidding prices? Ms. Hoeft said it is not entirely unusual, they were both familiar with the work to be done.

Mr. Reichert asked if our additional tree trimming has been effective?

Mr. Kotschevar said that we are seeing a direct benefit to doing this and plan to spend a million dollars in maintenance per year for another approximate 3 years to catch up.

Resolution: Lump Sum and Hourly Tree Trimming

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to execute two contracts, one to Asplundh Tree Expert Co in an amount not to exceed \$451,984 (FOUR HUNDRED FIFTY-ONE THOUSAND, NINE HUNDRED EIGHTY-FOUR AND 00/100 DOLLARS) and one for Wrights Tree Service Inc. In an amount not to exceed \$2,635,000 (TWO MILLION SIX HUNDRED THIRTY-FIVE THOUSAND AND 00/100 DOLLARS) for:

Lump Sum and Hourly Tree Trimming

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of January, 2016.

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

7. Regular Agenda

1. Annual SAP Enterprise Support

Phil Teng, IS Manager, stated this covers all the updates and annual technical and global upgrades and updates.

Resolution: Annual SAP Enterprise Support

The Board approved the resolution reading as follows:

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

Annual Maintenance and Support of Enterprise Business Software for 2016

The amount of the purchase order agreement to be ONE HUNDRED TWENTY FIVE THOUSAND SIX HUNDRED THIRTY FIVE AND 05/100 DOLLARS (\$125,635.05).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of January, 2016.

Minutes Acceptance: Minutes of Jan 26, 2016 4:00 PM (Approval of Minutes)

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

2. SAP Application Support Statement of Work

Phil Teng, IS Manager, stated this is for application support with Sparta and KPIT technical support for enhancement and support for SAP application.

The reduction in price from last year is due to a possible change in onsite KPIT support personnel going forward.

Resolution: SAP Application Support Statement of Work

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Sparta Consulting, Inc for

SAP Application Support

The amount of the contract agreement to be THREE HUNDRED THREE THOUSAND THREE HUNDRED SIXTY AND 00/100 DOLLARS (\$303,360.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of January, 2016.

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

3. Amendment 6 to Schedule A of the Power Sales Contract between SMMPA and the City of Rochester

Randy Anderton, Senior Electrical Engineer, said the CAP X Chester line went into service 1/25, and stated this is a routine amendment, its the same format we used with Northern Hills a couple years ago.

Resolution: Amendment 6 to Schedule A of the Power Sales Contract between SMMPA and the City of Rochester

The Board approved the resolution reading as follows:

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

Amendment 6 to Schedule A of the Power Sales Contract

between Southern Minnesota Municipal Power Agency and the City of Rochester, dated January 15, 2016 and that the Common Council authorize the Mayor and the City Clerk to execute the contract.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of January, 2016.

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

4. Foreign Exchange Risk Management

Peter Hogan, Director of Corporate Services reviewed the currency risk related to the Wartsila engine purchase.

Requested was approval up to, and not to exceed \$500K and authorize the pricing committee consisting of PFM Swap Advisors LLC, RPU Director of Corporate Services, General Manager, and the City Director of Finance.

Jenny Boldt, the City's Bond Attorney has been working with Mr. Hogan per City Attorney, Terry Adkins recommendation.

Resolution: Foreign Exchange Risk Management

The Board approved the resolution reading as follows:

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a entering into a contract to limit the foreign exchange risk related to the Wartsila engine purchase contract approved by the Board on October 27, 2015, and

BE IT RESOLVED that the contract will not exceed \$500,000, and

BE IT RESOLVED that the contract will be approve by a pricing committee consisting of PFM Swap Advisors LLC, the Director of Corporate Services and General Manager of Rochester Public Utilities and the Director of Finance for the City of Rochester.

The amount of the agreement not to exceed, FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26TH day of January, 2016.

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

8. General Managers Report

Mark Kotschevar gave his General Managers report:

- Chester Cap X line in service as of yesterday. We are at our enhanced reliability
- An RPU press release was sent out after the Flint Michigan water issues, regarding our own water quality. Cary Johnson, Todd Osweiler, and Doug Klamerus are available for questions.
- A line item was added to the RPU bill; 1 water unit equals 748 gallons.
- Line Extension policy update- a study session with Mark Beauchamp will be held in the next couple of months.
- Customer Care system/ERP replacement; an informational discussion will be coming to

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the board in February.

- West Side Energy Station:
 - Photos of what the building would look like inside and out.
 - An action item will be brought to the Board next month for approval of the EPC contract for the baseline plant.
 - Change orders for modifications to the EPC baseline contract can be brought to the board at a later date.
 - This could be a future site of our new energy park since our lease will be up at Cascade Meadows at the end of 2016.
 - Mr. Schlink explained that a net meter facility allows us to put solar on a "not to exceed". The Board will be asked for consensus next month and decide which direction to proceed.
 - Mr. Browning asked when a construction manager was expected to be hired? The EPC contract will include the construction manager.
 - Mr. Browning asked if we have a Risk management plan? We will formalize this.

9. Division Reports & Metrics

10. Other Business

11. Adjourn

Motion to: Adjourn at 5:15 PM.

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

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Submitted by:

Secretary

Approved by the Board

Board President

Date

Minutes Acceptance: Minutes of Jan 26, 2016 4:00 PM (Approval of Minutes)

ACCOUNTS PAYABLE

Meeting Date: 2/23/2016

SUBJECT: A/P board listing

PREPARED BY: Terri Engle

Please approve

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 01/15/2016 To 02/11/2016

Consolidated & Summarized Below 1,000

Greater than 50,000 :

1			
2			
3	SOUTHERN MN MUNICIPAL POWER A	January 2016 monthly billing	7,087,311.61
4	XCEL ENERGY CORP	CapX-LaCrosse Project CMA	946,200.25
5	MN DEPT OF REVENUE	Dec Sales and Use Tax	487,952.36
6	BROWN C O INS AGENCY INC	2016 Property Renewal Policies	367,276.45
7	BROWN C O INS AGENCY INC	2016 Excess Liability Coverage	248,692.34
8	SAP PUBLIC SERVICES INC	2016 SAP Enterprise Support	125,573.11
9	LEAGUE OF MN CITIES INS TRUST	Municipality Premium 12/31/15-12/31/16	102,679.00
10	OSI-OPEN SYSTEMS INTERNATIONAL	SCADA Replacement - Electric	80,962.10
11	OSI-OPEN SYSTEMS INTERNATIONAL	SCADA Replacement - Water	74,596.00
12	SOVRAN INC	SAN Support and Maintenance	73,342.97
13	MN MUNICIPAL UTILITIES ASSN C	MMUA Dues - January 1 through December 3	64,429.00
14	TOM KADLEC HONDA	CIP Conserve & Save Rebates	61,047.00
15	MIDCONTINENT ISO INC	Feasibility Study-J485, deposit #2	60,000.00
16	FEDERAL MEDICAL CENTER	CIP Conserve & Save Rebates	58,007.50
17			
18		Price Range Total:	9,838,069.69
19			

5,000 to 50,000 :

20			
21			
22	FRANKLIN ENERGY SERVICES LLC	DSM / CIP Services 2016	46,357.08
23	MAYO FOUNDATION	CIP Conserve & Save Rebates	40,737.39
24	PEOPLES ENERGY COOPERATIVE (P	January 2016 Billing	40,461.14
25	ROCH AREA ECONOMIC DEVELOPMEN	2016 RAEDI Membership Dues	40,000.00
26	BILLTRUST dba	Billing Services	39,720.75
27	JF BRENNAN CO INC	Contract Retention Release, PO 11252	35,805.59
28	TRENCH LTD	CVT, Outdoor, 161kV 1400/800:1 Meter Acc	31,581.56
29	BROWN C O INS AGENCY INC	2016 Excess Liability Coverage	30,110.73
30	WRIGHT TREE SERVICE INC	2016 Hourly Tree Trimming - extension~	28,195.51
31	BORDER STATES ELECTRIC SUPPLY	Handheld unit	26,157.66
32	MAYO CLINIC	CIP Conserve & Save Rebates	25,000.00
33	BORDER STATES ELECTRIC SUPPLY	Meter, FM12S CL200 120V NET AMR	24,367.50
34	STUART C IRBY CO INC	Trans, PM, 3ph, 500kVA, 13.8/8, 208/120	23,078.00
35	MEGGER (P)	Current transformer test set	22,674.00
36	STUART C IRBY CO INC	Trans, PM, 3ph, 1500kVA, 13.8/8, 480/277	22,142.00
37	ROCHESTER COMMUNITY & TECHNIC	CIP Conserve & Save Rebates	21,708.00
38	THE ENERGY AUTHORITY INC	MISO Trans Serv January 2016	21,678.75
39	STUART C IRBY CO INC	SL Pole, 25', Residential, 21' Mtg Ht	21,103.54
40	BLUESPIRE STRATEGIC MARKETING	2016 RPU Plugged In Contract	20,622.50
41	CITY OF ROCHESTER	CIP Conserve & Save Rebates	20,449.69
42	PAGE DAIRIES	CIP Conserve & Save Rebates	15,214.00
43	MN POLLUTION CONTROL AGENCY	WES Air Emmissions Permit Application Fe	14,250.00
44	U S ALLIANCE GROUP	CC Processing fees, Jan 2016	14,095.25
45	ROCHESTER PUBLIC SCHOOLS	CIP Conserve & Save Rebates	13,944.00
46	VISION COMPANIES LLC (P)	Org Strategy	13,650.00
47	TRADER JOES EAST INC 0718	CIP Conserve & Save Rebates	12,760.00
48	LEAGUE OF MN CITIES INS TRUST	Municipality Premium 12/31/15-12/31/16	12,433.00
49	POWER SYSTEMS ENGINEERING INC	2015 Core Downtown Electric Study Scope	12,107.75
50	CHURCH OF THE RESURRECTION	CIP Conserve & Save Rebates	12,000.00
51	OPTIV SECURITY INC	2015 Security Assessment	12,000.00
52	CENTURYLINK	2016 Monthly Telecommunications	11,691.29
53	WENCK ASSOCIATES, INC	Westside Permitting Activities	11,594.40

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 01/15/2016 To 02/11/2016

Consolidated & Summarized Below 1,000

54	STUART C IRBY CO INC	Trans, PM, 3ph, 500kVA, 13.8/8, 208/120	11,539.00
55	BELL LUMBER & POLE COMPANY	Pole, 45ft, WRC, CL3	11,200.00
56	STUART C IRBY CO INC	Trans, PM, 3ph, 500kVA, 13.8/8, 480/277	11,025.00
57	WESCO DISTRIBUTION INC	Preconnectorized CH4 Panel 280 meters	10,890.42
58	WATER RESEARCH FOUNDATION	Annual Membership Feb 2016 through Jan 2	10,487.00
59	JOURNEY TO GROWTH PARTNERSHIP	Journey to Growth 2016 Support	10,000.00
60	WESCO DISTRIBUTION INC	Preconnectorized CH4 Panel 150 meters	9,478.56
61	MN DEPT OF REVENUE	ST Sales Tax Payable	9,419.85
62	IBM	CIP Conserve & Save Rebates	9,266.12
63	DELL MARKETING LP	Mobile workstation, M6800	8,700.72
64	KERRY	CIP Conserve & Save Rebates	8,700.00
65	BAKER TILLY VIRCHOW KRAUSE LL	2016 Audit Fees	8,657.00
66	INNER TITE CORP	Meter Locking Ring, Rhino	8,303.67
67	VERIZON WIRELESS	2016 Cell & Ipad Monthly Service	8,049.66
68	BELL LUMBER & POLE COMPANY	Pole, 40ft, WRC, CL3	7,803.00
69	STUART C IRBY CO INC	Trans, PM, 3ph, 300kVA, 13.8/8, 208/120	7,502.00
70	GGP LIMITED PARTNERSHIP	CIP Conserve & Save Rebates	7,488.00
71	CRESCENT ELECTRIC SUPPLY CO	Splice, 15kV, 500-750 MCM, C.S.	7,108.13
72	WESCO DISTRIBUTION INC	1.5" SDR 11 HDPE Orange w/Blud Stripe	7,050.00
73	WESCO DISTRIBUTION INC	1.5" SDR 11 HDPE Orange	7,050.00
74	DELL MARKETING LP	Wyse 5030 zero client	7,011.00
75	GRAYBAR ELECTRIC COMPANY INC	Luminaire, 175W MH, Euro Green	6,689.39
76	WELLS FARGO BANK ACCT ANALYSI	2016 Banking Services	6,477.24
77	SCHMIDT GOODMAN OFFICE PRODUC	Chairs & stools // Tech svcs	6,465.40
78	STUART C IRBY CO INC	Trans, PM, 3ph, 225kVA, 13.8/8, 480/277	6,458.00
79	ROCH GOLF & COUNTRY CLUB	Annual Customer Meeting	6,356.62
80	OLM COUNTY PUBLIC WORKS DEPT	2015 CFL Recycling at Olmsted Co Recycli	6,000.00
81	ARNOLDS SUPPLY & KLEENIT CO (2016 SC Monthly Cleaning Services	5,887.74
82	WIDSETH SMITH NOLTING	CIP Conserve & Save Rebates	5,658.00
83	ARISE INC	2016 Jurisdictional Insp SLP and SC	5,525.00
84	CONSOLIDATED COMM ENTERPRISE	Cisco Firewall ASA 5525-X	5,251.68
85			
86		Price Range Total:	985,189.28
87			
88	<u>1,000 to 5,000 :</u>		
89			
90	DELL MARKETING LP	Workstation, T5810	4,995.90
91	CHS ROCHESTER	January 2016 Fuel	4,496.37
92	SOMA CONSTRUCTION INC	Crushed concrete for excavation backfill	4,337.29
93	STUART C IRBY CO INC	Metal Sec. Encl, 3ph, 30" x 67" x 22"	4,327.50
94	HACH COMPANY	DR3900 Spectrophotometer with RFID	4,196.00
95	GRAYBAR ELECTRIC COMPANY INC	Fuse Holder, Straight Line, Breakaway	4,194.00
96	RESCO	Elbow, 15kV, 600A, NLB,750 AL Compr Str	4,173.12
97	SHOPKO STORES INC #35	CIP Conserve & Save Rebates	4,173.00
98	BELL LUMBER & POLE COMPANY	Pole, 30ft, WRC, CL5	4,066.00
99	BED BATH & BEYOND #366	CIP Conserve & Save Rebates	4,063.00
100	MN MUNICIPAL UTILITIES ASSN C	APPA Lineworker Rodeo Donations & Billin	4,000.00
101	INNER TITE CORP	Meter, Bottom Mount Jiffy Lock	3,736.91
102	BILLTRUST dba	Add one-time payment feature to website	3,600.00
103	BAIER GERALD	2015-16 Snow Removal (Oct	3,483.33
104	CRESCENT ELECTRIC SUPPLY CO	Elbow, Steel, 36.0 R, 5.00	3,430.00
105	RESCO	Elbow, 15kV, 600A, NLB,750 AL Compr Str	3,265.92
106	MINNESOTA ENERGY RESOURCES CO	Gas 12/17-1/18/16-SC	3,253.88

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 01/15/2016 To 02/11/2016

Consolidated & Summarized Below 1,000

107	PEOPLES ENERGY COOPERATIVE (P	Service Territory taken back// MM	3,241.00
108	CANNON ELECTRIC MOTOR dba	Motor repair - replace bearings	3,183.74
109	WABASHA COUNTY ADMIN/TREASURE	CodeRED Emergency Response for the Lake	3,150.00
110	VISION COMPANIES LLC (P)	Consulting Services	3,150.00
111	HACH COMPANY	OTT ecoLog 500 GPRS level logger 10m ran	3,105.00
112	HACH COMPANY	OTT ecoLog 500 GPRS level logger 4m rang	3,105.00
113	MN DEPT OF PUBLIC SAFETY	SARA Fee Well Houses & SC	3,000.00
114	D P C INDUSTRIES INC	2015 Hydrofluorosilicic Acid - Delivered	2,864.88
115	GRAYBAR ELECTRIC COMPANY INC	3 Phase Front Ground Set (4 sets)	2,817.20
116	DAVIES PRINTING COMPANY INC	Envelope, #10 Security Reverse Flap	2,705.01
117	BURNDY LLC	Lithium hydraulic crimper tool	2,563.31
118	SHORT ELLIOTT HENDRICKSON INC	AT&T SE Tower Antenna Site Review~	2,507.45
119	CHS ROCHESTER	January 2016 Fuel	2,492.16
120	PAYMENT REMITTANCE CENTER	SSL Certificate - Secure Site Pro	2,480.00
121	DOBLE ENGINEERING COMPANY	Doble F6150 repair	2,412.00
122	PAYMENT REMITTANCE CENTER	Perceptive Software Trng class	2,400.00
123	WESCO DISTRIBUTION INC	SL Found, Screw-In, 6.5" x 5', .75 Bolt	2,347.04
124	CONSOLIDATED COMM ENTERPRISE	Subscription ASA 5525-X Promotion Licens	2,294.60
125	FRONTIER PRECISION INC	Trimble R1 GNSS Receiver	2,245.00
126	K & M GLASS	CIP Conserve & Save Rebates	2,241.00
127	TODD USTBY	CIP Conserve & Save Rebates	2,139.75
128	PAYMENT REMITTANCE CENTER	Fund of Energy Auditing-A Luhmann	2,095.00
129	ELECTRIC SCIENTIFIC CO INC	Fire suppression panel/drwgs	2,094.75
130	D P C INDUSTRIES INC	2015 Carus 8500 Aqua Mag Kjell F35	2,058.60
131	ALL SEASONS POWER & SPORT	CIP Conserve & Save Rebates	1,999.75
132	SHORT ELLIOTT HENDRICKSON INC	AT&T St. Mary's Rochester II Ant Review~	1,990.40
133	BADGER METER INC (P)	HRE Badger M-70 100W Itron ERT Integral	1,977.60
134	ARNOLDS SUPPLY & KLEENIT CO (2016 SC Alternates	1,977.19
135	J & W INSTRUMENTS INC (P)	Chlorine detector	1,963.80
136	SEVERSON OIL	CIP Conserve & Save Rebates	1,940.00
137	CITY CENTER ONE LLC	CIP Conserve & Save Rebates	1,917.00
138	Terex Attn: Jamie Isaacson	2016 Terex Serv School-M Elpert, T Steff	1,900.00
139	DOBLE ENGINEERING COMPANY	Circuit Breaker Test System Calibration	1,818.00
140	LICENSE CENTER ROCHESTER INC	2016 Vechicle Tab Renewals	1,808.00
141	LEAGUE OF MN CITIES INS TRUST	MN Cities stormwater colaition contribut	1,790.00
142	BADGER METER INC (P)	Mag meter, 6"	1,741.00
143	NETWORKFLEET INC	2016 Monthly Charge - GPS Fleet Tracking	1,712.70
144	BORDER STATES ELECTRIC SUPPLY	Charging Dock station for Mulit Handheld Meter Units	1,690.00
145	DAKOTA SUPPLY GROUP	Meter, FM2S CL320 240V AMR	1,667.25
146	BADGER METER INC (P)	Meter, Bare 2" Badger Disc	1,628.10
147	WOODBURY HOTEL LLC	CIP Conserve & Save Rebates	1,623.00
148	WALMART SOUTH	CIP Conserve & Save Rebates	1,600.00
149	WESCO DISTRIBUTION INC	CT, XL Window 2000/5 600V High Accuracy	1,586.13
150	WESCO DISTRIBUTION INC	Pole Repair UPR	1,560.54
151	CONSOLIDATED COMM ENTERPRISE	Subscription ASA 5525-X	1,524.71
152	POWER ENGINEERS INC	GIS Performance Tuning Support	1,522.98
153	PUGLEASA COMPANY INC	Semi-Annual Maintenance	1,469.00
154	BAIER GERALD	2015-2016 Sweeping Services Jan-December	1,442.81
155	GRAYBAR ELECTRIC COMPANY INC	Medium voltage fuse	1,430.60
156	ROCH PLUMBING & HEATING CO IN	Water SA repair service under basement f	1,429.30
157	WESCO DISTRIBUTION INC	Term, Stress C. 15kV, 500-750 MCM, C.S	1,419.50
158	SCHMIDT GOODMAN OFFICE PRODUC	New task chairs for Service Center	1,393.42
159	BRGULJA ALAGA	Customer Refunds 300000533668	1,362.29

Attachment: AP Board CRMO [Revision 1] (5176 : A/P board listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 01/15/2016 To 02/11/2016

Consolidated & Summarized Below 1,000

160	HUDSON WORKWEAR CO INC	Cap, Beanie Style W/Face Mask, FR	1,346.63
161	PAYMENT REMITTANCE CENTER	Eng & Oper Conf C Pentek	1,345.00
162	GRAYBAR ELECTRIC COMPANY INC	Universal stick, 1-1/4" x 10'	1,297.28
163	SUTTON PLACE LLC	CIP Conserve & Save Rebates	1,280.00
164	BADGER METER INC (P)	Meter, Bare 3/4" Badger Disk	1,279.26
165	TMI HOSPITALITY	CIP Conserve & Save Rebates	1,275.00
166	INNER TITE CORP	Meter, Jiffy Lock Side Mount	1,269.68
167	WERNER ELECTRIC SUPPLY	Panelboard lot (3)	1,255.45
168	CONSOLIDATED COMMUNICATIONS d	2014-2017 Monthly Data Services	1,222.75
169	BAIER GERALD	2015-16 Extras-salt and sand 4 truckloads	1,200.00
170	CONSOLIDATED COMMUNICATIONS d	2014-2017 Collocation Agreement	1,169.07
171	RESCO	Luminaire, Rental, LED, 30-50W, 120V	1,147.75
172	CONSOLIDATED COMM ENTERPRISE	2014-2017 Total Care Support	1,135.00
173	PROSTAPLER LLC	Stock-ade 1.5" staples, 10.5 gauge	1,128.00
174	CONSOLIDATED COMM ENTERPRISE	Cisco Firewalls ASA 5506	1,124.36
175	ELECTRIC SCIENTIFIC CO INC	Labor Fire Suppression Panel upgrade	1,100.81
176	EXPRESS SERVICES INC	2016 Temp Staff Finance	1,100.40
177	MASON MICHAEL	CIP Conserve & Save Rebates	1,100.00
178	GOODIN COMPANY	Bronze Swivel Connection, .750, 3/4	1,083.33
179	DAKOTA SUPPLY GROUP	Conn, Trans, 750, 6-Tap, Deadfront, Clr	1,067.31
180	UNITED RENTALS INC	Boom, fuel, Pick up and delivery	1,048.52
181	ROCHESTER ARMORED CAR CO INC	2015/16 Pick Up Services May-April	1,041.89
182	HALO BRANDED SOLUTIONS	USB Flash drives	1,037.76
183	SPRINGER APPRAISAL ASSOC INC	Appraisal Report - 4710 Technology Park	1,000.00
184			
185		Price Range Total:	207,425.03
186			
187	<u>0 to 1,000 :</u>		
188			
189	REBATES	Summarized transactions: 439	73,996.55
190	EXPRESS SERVICES INC	Summarized transactions: 18	11,936.94
191	STUART C IRBY CO INC	Summarized transactions: 39	7,312.73
192	PAYMENT REMITTANCE CENTER	Summarized transactions: 47	6,341.93
193	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 50	6,036.62
194	WESCO DISTRIBUTION INC	Summarized transactions: 15	4,963.39
195	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 18	4,623.71
196	CINTAS CORP	Summarized transactions: 107	3,571.77
197	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 19	3,410.15
198	CDW GOVERNMENT INC	Summarized transactions: 27	3,388.82
199	Customer Refunds (CIS)	Summarized transactions: 32	3,254.24
200	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 20	2,912.45
201	BADGER METER INC (P)	Summarized transactions: 15	2,877.84
202	JOHNSON PRINTING CO INC	Summarized transactions: 17	2,743.69
203	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 30	2,646.74
204	REBATES	Summarized transactions: 52	2,450.00
205	GRAINGER INC	Summarized transactions: 32	2,211.30
206	METRO SALES INC	Summarized transactions: 5	2,169.13
207	HALO BRANDED SOLUTIONS	Summarized transactions: 7	2,152.38
208	DELL MARKETING LP	Summarized transactions: 6	1,881.29
209	UNITED RENTALS INC	Summarized transactions: 8	1,763.20
210	HACH COMPANY	Summarized transactions: 12	1,710.57
211	ROCH SAND & GRAVEL INC	Summarized transactions: 2	1,688.75
212	SPIDER STAGING CORPORATION	Summarized transactions: 3	1,630.17

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 01/15/2016 To 02/11/2016

Consolidated & Summarized Below 1,000

213	CONSOLIDATED COMM ENTERPRISE	Summarized transactions: 4	1,625.96
214	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 20	1,553.69
215	LAWSON PRODUCTS INC (P)	Summarized transactions: 9	1,478.33
216	SIEMENS INDUSTRY INC.	Summarized transactions: 4	1,382.52
217	STORAGE BATTERY SYSTEMS	Summarized transactions: 3	1,155.32
218	ADVANTAGE DIST LLC (P)	Summarized transactions: 4	1,119.03
219	MN PIPE & EQUIPMENT	Summarized transactions: 5	1,048.13
220	MN DEPT OF REVENUE	Summarized transactions: 3	1,041.93
221	TEREX UTILITIES INC	Summarized transactions: 12	1,028.26
222	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 10	1,027.89
223	NAPA AUTO PARTS (P)	Summarized transactions: 37	1,007.56
224	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 2	998.39
225	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 2	982.40
226	RESCO	Summarized transactions: 6	934.57
227	OLLENDIECK PHIL	Summarized transactions: 7	895.54
228	WERNER ELECTRIC SUPPLY	Summarized transactions: 6	881.82
229	DAKOTA SUPPLY GROUP	Summarized transactions: 3	880.02
230	MASTEC NORTH AMERICA INC	Summarized transactions: 1	850.00
231	CENTURYLINK	Summarized transactions: 4	845.52
232	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 4	840.97
233	JOHN HENRY FOSTER MN INC	Summarized transactions: 6	819.49
234	MN DEPT OF REVENUE	Summarized transactions: 1	817.87
235	HEWLETT PACKARD ENTERPRISE CO	Summarized transactions: 1	810.63
236	FEDEX FREIGHT INC	Summarized transactions: 1	776.75
237	GUNDERSON BRADLEY	Summarized transactions: 4	769.94
238	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 25	764.87
239	SHORT ELLIOTT HENDRICKSON INC	Summarized transactions: 4	751.25
240	FASTENAL COMPANY	Summarized transactions: 20	749.79
241	DAVIES PRINTING COMPANY INC	Summarized transactions: 1	731.03
242	AGRICULTURAL WEATHER INFO SER	Summarized transactions: 1	715.00
243	U S A SAFETY SUPPLY	Summarized transactions: 5	660.81
244	AUTHORIZE.NET	Summarized transactions: 1	649.05
245	CINTAS CORP	Summarized transactions: 4	644.96
246	FRONTIER PRECISION INC	Summarized transactions: 7	628.80
247	BEST BUY BUSINESS ADVANTAGE d	Summarized transactions: 12	555.90
248	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 2	534.38
249	WEBB COLLIN	Summarized transactions: 2	529.03
250	JETTER CLEAN INC	Summarized transactions: 1	525.00
251	MIDCONTINENT ISO INC	Summarized transactions: 1	524.33
252	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 2	491.89
253	HUDSON WORKWEAR CO INC	Summarized transactions: 6	485.22
254	BOBCAT OF ROCHESTER	Summarized transactions: 4	484.69
255	STEVE BENNING ELECTRIC	Summarized transactions: 3	480.00
256	HAWKINS INC	Summarized transactions: 3	458.71
257	BLACKBURN MANUFACTURING CO	Summarized transactions: 3	453.32
258	USA BLUE BOOK DBA	Summarized transactions: 7	442.36
259	MEGGER (P)	Summarized transactions: 2	437.44
260	IDEXX DISTRIBUTION CORP	Summarized transactions: 2	431.48
261	CANADIAN HONKER RESTAURANT &	Summarized transactions: 5	424.83
262	NU-TELECOM dba	Summarized transactions: 2	421.14
263	CANNON ELECTRIC MOTOR dba	Summarized transactions: 1	420.00
264	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 3	403.47
265	FRONTIER	Summarized transactions: 1	388.08

Attachment: AP Board CRMO [Revision 1] (5176 : A/P board listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 01/15/2016 To 02/11/2016

Consolidated & Summarized Below 1,000

266	T E C INDUSTRIAL INC	Summarized transactions: 2	383.29
267	A T & T	Summarized transactions: 1	356.67
268	CHS ROCHESTER	Summarized transactions: 4	345.26
269	PRAIRIE EQUIPMENT CO LLC	Summarized transactions: 1	345.00
270	KEACH TODD	Summarized transactions: 1	342.20
271	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 10	338.02
272	HUDSON WORKWEAR CO INC	Summarized transactions: 3	336.40
273	TONNA MECHANICAL INC	Summarized transactions: 1	332.74
274	CENTURYLINK	Summarized transactions: 1	325.95
275	MENARDS ROCHESTER SOUTH	Summarized transactions: 3	323.06
276	ON SITE SANITATION INC	Summarized transactions: 2	320.63
277	BLACKHAWK INC	Summarized transactions: 3	318.39
278	MENARDS ROCHESTER NORTH	Summarized transactions: 6	303.59
279	HELMBRECHT DAN	Summarized transactions: 1	300.00
280	DOBLE ENGINEERING COMPANY	Summarized transactions: 4	290.25
281	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 6	284.04
282	RONCO ENGINEERING SALES INC	Summarized transactions: 5	276.88
283	ADVANCED BUSINESS SYSTEMS INC	Summarized transactions: 1	275.00
284	TRANSCAT	Summarized transactions: 2	260.07
285	NETWORKFLEET INC	Summarized transactions: 10	259.50
286	OLSEN CHAIN & CABLE CO INC	Summarized transactions: 3	240.52
287	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 5	239.39
288	FEDEX	Summarized transactions: 11	233.24
289	T E C INDUSTRIAL INC	Summarized transactions: 7	227.92
290	POST BULLETIN CO	Summarized transactions: 3	209.52
291	ASSOC OF ENERGY SERV PROFESSI	Summarized transactions: 5	200.00
292	WARNING LITES OF MN INC	Summarized transactions: 1	200.00
293	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	199.00
294	ALTEC INDUSTRIES INC	Summarized transactions: 5	196.23
295	INNER TITE CORP	Summarized transactions: 4	183.63
296	FLUITEK CORP	Summarized transactions: 2	179.24
297	BURNDY LLC	Summarized transactions: 1	176.23
298	CULLIGAN OF ROCHESTER INC	Summarized transactions: 2	170.70
299	TUPPER MATTHEW	Summarized transactions: 2	167.54
300	POMPS TIRE SERVICE INC	Summarized transactions: 2	163.78
301	JOHNSON MARK T	Summarized transactions: 1	156.75
302	ZIEGLER INC	Summarized transactions: 2	151.02
303	NALCO COMPANY	Summarized transactions: 2	149.05
304	PETERSON CHAD	Summarized transactions: 1	142.50
305	ELECTROSWITCH (P)	Summarized transactions: 2	138.03
306	TRUCKIN' AMERICA	Summarized transactions: 1	138.00
307	SWAGELOK MN INC (P)	Summarized transactions: 1	135.09
308	CORPORATE WEB SERVICES INC	Summarized transactions: 1	135.00
309	EMEDCO INC	Summarized transactions: 3	133.04
310	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 5	132.49
311	AFFILIATED GROUP INC	Summarized transactions: 1	130.50
312	MN DEPT OF PUBLIC SAFETY	Summarized transactions: 2	125.00
313	ROCH AREA BUILDERS INC	Summarized transactions: 1	125.00
314	HY VEE	Summarized transactions: 5	121.71
315	PROSTAPLER LLC	Summarized transactions: 3	120.83
316	REINDERS INC	Summarized transactions: 1	112.95
317	COOK STEVEN J	Summarized transactions: 1	101.34
318	GARTNER LORI	Summarized transactions: 1	100.00

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 01/15/2016 To 02/11/2016

Consolidated & Summarized Below 1,000

319	ARIN	Summarized transactions: 1	100.00
320	INGRAM PRODUCTS INC	Summarized transactions: 3	99.63
321	TWIN CITY SECURITY INC	Summarized transactions: 1	91.70
322	LANGUAGE LINE SERVICES INC	Summarized transactions: 1	90.94
323	FEDEX	Summarized transactions: 1	86.00
324	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
325	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 4	84.58
326	LORTON DATA INC	Summarized transactions: 1	80.46
327	VERIZON WIRELESS	Summarized transactions: 1	79.20
328	C & N UPHOLSTERY	Summarized transactions: 1	75.00
329	VANCO SERVICES LLC	Summarized transactions: 1	70.00
330	MENARDS ROCHESTER NORTH	Summarized transactions: 3	69.80
331	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 1	69.46
332	VERIFIED CREDENTIALS INC	Summarized transactions: 1	69.00
333	MENARDS ROCHESTER SOUTH	Summarized transactions: 1	68.47
334	CARQUEST AUTO PARTS	Summarized transactions: 4	60.96
335	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 1	60.00
336	KEUTEN COLLEEN	Summarized transactions: 1	58.23
337	MERCHANT & GOULD INC	Summarized transactions: 1	50.00
338	FRANZ REPROGRAPHICS INC	Summarized transactions: 2	49.99
339	NEWARK	Summarized transactions: 4	49.74
340	ALS LABORATORY GROUP TRIBOLOG	Summarized transactions: 1	47.30
341	ANDERTON RANDY	Summarized transactions: 1	45.73
342	THOMAS TOOL & SUPPLY INC	Summarized transactions: 2	42.71
343	DOUBLETREE HOTEL - BGDS HOTEL	Summarized transactions: 1	30.00
344	OLM COUNTY CENTRAL FINANCE	Summarized transactions: 1	28.80
345	J & W INSTRUMENTS INC (P)	Summarized transactions: 1	26.85
346	WERNER ELECTRIC SUPPLY	Summarized transactions: 2	26.66
347	GARCIA GRAPHICS INC	Summarized transactions: 1	25.00
348	ROCH WELDING INC	Summarized transactions: 1	25.00
349	THE ENERGY AUTHORITY INC	Summarized transactions: 1	23.63
350	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	23.40
351	GOODIN COMPANY	Summarized transactions: 1	22.35
352	NAPA AUTO PARTS (P)	Summarized transactions: 1	22.22
353	J J KELLER & ASSOCIATES INC	Summarized transactions: 1	21.38
354	WILDE MIKE	Summarized transactions: 1	19.00
355	RONCO ENGINEERING SALES INC	Summarized transactions: 1	17.29
356	BIERBAUM DIRK	Summarized transactions: 1	15.00
357	BLEVINS JAN	Summarized transactions: 1	15.00
358	LARSON DRU	Summarized transactions: 1	15.00
359	HANSON PATRICIA S	Summarized transactions: 1	15.00
360	BOWMANS SAFE & LOCK SHOP LTD	Summarized transactions: 1	14.70
361	BATTERIES PLUS	Summarized transactions: 1	13.84
362	KOTSCHERVAR MARK	Summarized transactions: 1	12.00
363	PAULS LOCK & KEY SHOP INC	Summarized transactions: 1	9.60
364	THRONDSOIN OIL & LP GAS CO	Summarized transactions: 1	2.29
365			
366		Price Range Total:	212,193.57
367			
368		Grand Total:	11,242,877.57

Attachment: AP Board CRMO [Revision 1] (5176 : A/P board listing)

FOR BOARD ACTION

Agenda Item # (ID # 5154)

Meeting Date: 2/23/2016

SUBJECT: Circuit Breakers

PREPARED BY: Neil Stiller

ITEM DESCRIPTION:

Sealed bids were opened on February 3, 2016 for the purchase of circuit breakers for the new Douglas Trail Substation being built on West Circle Drive NW to serve the EPIC data center. This purchase consists of equipment and materials to construct five 161kV 2,000 amp circuit breakers.

The breakers and spare parts were evaluated and are included in the breakdown below:

Contractor	Bid Amount
Alstom Grid LLC	\$283,395
ABB Inc.	\$303,982

Alstom Grid LLC submitted a responsive and responsible bid and they have performed well on past purchases.

ABB's bid was unresponsive for failure to submit all required documents and failure to sign the bid bond.

The 2016 Core Services budget includes \$300,000 for this equipment.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the board reject the bids from ABB as non-responsive and approve a resolution to enter into a contract with Alstom Grid LLC in the amount of \$283,395.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject the non-responsive bid from ABB Inc. and enter into a contract with Alstom Grid LLC for:

Circuit Breakers

The amount of the purchase order to be TWO HUNDRED EIGHTY-THREE THOUSAND, THREE HUNDRED NINETY FIVE AND 00/100 DOLLARS (\$283,395.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23rd day of February, 2016.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 5153)

Meeting Date: 2/23/2016

SUBJECT: Vertical Break Disconnect Switches

PREPARED BY: Neil Stiller

ITEM DESCRIPTION:

Sealed bids were opened on February 3, 2016 for the purchase of vertical break disconnect switches for the new Douglas Trail Substation being built on West Circle Drive NW to serve the EPIC data center. This purchase consists of equipment and materials to construct thirteen sets of 161kV 2,000 amp disconnect switches on steel structures.

The switches were evaluated based on three configurations along with the cost of spare parts resulting in the following:

Supplier	Bid Amount
Alstom Grid LLC	\$124,420
Royal Switchgear Mfg. Co.	\$127,130
Pascor Atlantic	\$161,956

Alstom Grid LLC submitted a responsive and responsible bid. This is the first occurrence for RPU purchasing this brand of switch. The equipment was evaluated by the design engineering firm and was determined to be technically compliant with the specifications.

Pascor's bid was unresponsive for failure to provide a bid bond and taking several exceptions to terms and conditions. Royal's bid was also unresponsive for failure to have the bid bond signed.

The 2016 Core Services budget includes \$156,000 for this equipment.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the board reject the bids from Pascor Atlantic and Royal Switchgear as non-responsive and approve a resolution to enter into a contract with Alstom Grid LLC in the amount of \$124,420.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject the non-responsive bids from Pascor Atlantic and Royal Switchgear Mfg. Co. and enter into a contract with Alstom Grid LLC for:

Vertical Break Disconnect Switches

The amount of the purchase order to be ONE HUNDRED TWENTY-FOUR THOUSAND, FOUR HUNDRED TWENTY AND 00/100 DOLLARS (\$124,420)

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23rd day of February, 2016.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 5155)

Meeting Date: 2/23/2016

SUBJECT: Douglas Trail Substation Site Improvement

PREPARED BY: Neil Stiller

ITEM DESCRIPTION:

Staff will hand carry the bid results and resolution into the Board meeting.

UTILITY BOARD ACTION REQUESTED:



RESOLUTION

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

Douglas Trail Substation Site Improvement

and allow for change orders to be managed by existing approval structure and authorization levels.

The amount of the contract not to exceed _____ plus applicable tax.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23rd day of February, 2016.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 5156)

Meeting Date: 2/23/2016

SUBJECT: Structural Steel Supports - Douglas Trail Substation

PREPARED BY: Neil Stiller

ITEM DESCRIPTION:

Sealed bids were opened on February 18, 2016 for the purchase of steel structures and anchor bolts for the new Douglas Trail Substation being built on West Circle Drive NW to serve the EPIC data center.

A breakdown of the bids is as follows:

Contractor	Bid Amount
Galvanizers Inc.	186,655.59
Camelot Metals	215,998.00

The 2016 Core Services budget includes \$296,151 for this portion of the project.

UTILITY BOARD ACTION REQUESTED:

Staff recommends approval of a resolution to enter into a contract with Galvanizers Inc. In the amount of \$186,655.59.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to enter into a contract with Galvanizers Inc. for:

Structural Steel

The amount of the purchase order to be ONE HUNDRED EIGHTY-SIX THOUSAND, SIX HUNDRED FIFTY-FIVE AND 59/100 DOLLARS (\$186,655.59)

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23rd day of February, 2016.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 5157)

Meeting Date: 2/23/2016

SUBJECT: Apache Water Storage Tank Repair/Repainting

PREPARED BY: Cary Johnson

ITEM DESCRIPTION:

Sealed bids were opened on February 16, 2016 for repairing and repainting the 500,000 gallon Apache High Level Tower water storage tank to be completed by June 17, 2016.

This work consists of interior wet area coating. A breakdown of the bids is as follows:

Contractor	Bid Amount
Champion Coatings, Inc.	\$ 82,750
McGuire Iron, Inc.	\$ 96,250
Tri-State Coatings	\$ 96,500
TMI Coatings, Inc.	\$101,600
The Osseo Construction Co, LLC	\$194,500

Champion Coatings submitted a responsive and responsible bid and has performed well on past projects.

An estimated number of hours and rates for grinding/power tool cleaning and seam sealing/caulking have been included in the bid price indicated above. Hourly welding rates have also been obtained should it be needed. These hourly based tasks have the potential of increasing the contract amount and these increases will be managed by existing approval structure and authorization levels.

The 2016 Water Maintenance and Construction budget includes \$105,000 for this project.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution to enter into a contract with Champion Coatings, Inc. In the amount not to exceed \$82,750 and authorize the Mayor and City Clerk to execute the agreement.

Management further recommends that the Board authorize staff to manage project change orders using existing approval structure and authorization levels.



CONTRACT

Apache Tower Repair-Repainting

THIS CONTRACT made this 24th day of February, 2016, by and between the City of Rochester, Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board, hereinafter called "City", and Champion Coatings, Inc., a Minnesota corporation, hereinafter called "Contractor".

WHEREAS, the City has solicited a proposal from the Contractor for interior water tower repainting described in the specifications and contract documents indicated by solicitation #2016-12.

WHEREAS, the City desires to engage the services of the Contractor according to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the above premises and of the terms and conditions contained herein, the parties hereto agree as follows.

Article I. Scope of Services. The Contractor shall furnish all labor, materials, equipment and supervision for the performance of the work described in the specifications and contract documents.

Article II. Payment. The City agrees to pay the Contractor the sum not to exceed \$82,750 for the services described herein, subject to the terms and conditions of payment described in the Contract Documents.

Article III. Term. The term of this agreement shall commence on the date of this Contract and shall continue until completion and acceptance of the work by the City.

Article IV. Disposition of Documents. It is agreed that any reports, drawings, specifications, and other data compilations developed or created as a result of the services performed pursuant to this Contract shall be and remain the sole property of City.

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

02/23/2016
For Review Only

Attachment: 03 Contract (5157 : Apache Water Storage Tank Repair/Repainting)

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

CHAMPION COATINGS, INC.

CITY OF ROCHESTER

By

By

Robert Cox, Vice-President

Ardell Brede, Mayor

Attest

Aaron Reeves, City Clerk

Approved as to Form

Terry Adkins, City Attorney

ROCHESTER PUBLIC UTILITIES

Mark Kotschevar, General Manager

STATE OF MN
COUNTY OF SCOTT

This instrument was acknowledged before me on February _____, 2016, by Robert Cox, Vice-President, of Champion Coatings, Inc., a Minnesota corporation.

Notary Signature

OFFICIAL NOTIFICATION METHOD

Robert Cox
Champion Coatings, Inc.
8246 W. 126th Street
Savage MN 55378
bccoatings@frontiernet.net

Cary Johnson
Rochester Public Utilities
4000 East River Road NE
Rochester MN 55906
cjohnson@rpu.org

Attachment: 03 Contract (5157 : Apache Water Storage Tank Repair/Repainting)



RESOLUTION

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

Apache Tower Repair/Repainting

and allow for change orders to be managed by existing approval structure and authorization levels.

The amount of the contract not to exceed EIGHTY TWO THOUSAND, SEVEN HUNDRED FIFTY AND 00/100 DOLLARS (\$82,750) plus applicable tax.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23rd day of February, 2016.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 5179)

Meeting Date: 2/23/2016

SUBJECT: Review of Board Organization Policy and Assignments

PREPARED BY: Mark Kotschevar

ITEM DESCRIPTION:

The attached Board policy delineates the various responsibilities of the Board along with providing for the organizational structure of the Board and appointment of Board-management liaisons for various functions. Current appointments are:

Finance, Accounting, and Audit - Dave Reichert, Open

Communications - Mark Browning

Strategic Planning - Mark Browning

Operations and Administration - Open

Policy - Open

The policy calls for those appointments to be made at the first meeting following the election of a President. Given this policy was last revised in 1995 I included this agenda item to give the Board an opportunity to review the policy along with the functional assignments and allow for any changes as the Board may see fit.

UTILITY BOARD ACTION REQUESTED:

Appointments as Board-management liaisons in accordance with the current or revised Board Organization Policy.

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: Board Organization

POLICY OBJECTIVE:

The Board's objective is to organize itself and to carry out its duties and responsibilities in an efficient and business-like manner in accordance with applicable provisions of the Rochester Home Rule Charter and other pertinent laws.

POLICY STATEMENT:

1. The Public Utility Board shall be organized in accordance with Sections 15.00 through 15.03 of the Rochester Home Rule Charter.
2. The Board shall, each year, elect a President from its membership and appoint a Secretary, as prescribed by the Rochester Home Rule Charter. The Board's election and appointment may be deferred to a subsequent regular or special meeting in the event of circumstances which prevent the attendance of at least four (4) members. The Board's President and Secretary shall take office immediately following their election/appointment and shall serve for the next ensuing year or until replaced by an election held or an appointment made when not less than four (4) members are present at a regularly scheduled meeting.
3. The Board President is responsible for calling special meetings of the Board, for establishing the meeting agendas, and for conducting the meetings. The President is also authorized to appoint Board members to ad hoc committees or to make other assignments as may be required.

At any time when the Board President is unavailable or otherwise unable to carry out his/her responsibilities, a President pro tem shall be appointed by a quorum of the Board at its next regular meeting. The President pro tem shall serve until the President becomes available.

4. The Board President shall, each year at the first regular meeting after election, appoint each Board member to serve as Board-management liaison for the following functions:

Finance, Accounting, and Audit

Communications

Strategic Planning

Operations and Administration

Policy

Board # 4

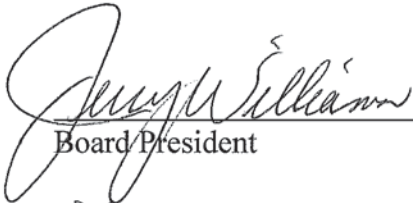
The appointments shall be effective for the next ensuing year, unless changed earlier by the President.

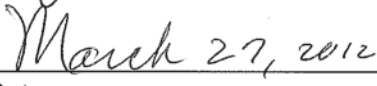
RELEVANT LEGAL AUTHORITY: City of Rochester Home Rule Charter Sections
15.00, 15.01, 15.02, 15.03.

EFFECTIVE DATE OF POLICY: September 24, 1985

DATE OF POLICY REVIEW: February 28, 2012

POLICY APPROVAL: March 27, 2012


 Board President


 Date

Attachment: Board Organization (5179 : Review of Board Organization Policy and Assignments)

FOR BOARD ACTION

Agenda Item # (ID # 5163)

Meeting Date: 2/23/2016

SUBJECT: Verizon Site Lease Agreement

PREPARED BY: Mona Hoefft

ITEM DESCRIPTION:

Staff has been progressing towards upgrading wireless communication tenants to new lease terms and Verizon is the latest to agree to the new terms and resulting rent increases for their seven sites. This new lease will be executed with any new lease requests, any modification requests or at the end of any lease renewal period.

Verizon currently has one master lease for its seven sites and it is expected that each site will transition to this new lease by the end of 2016.

The new lease accomplishes the following:

- 1) Upgrades the listing of equipment allowed to be installed at each location.
- 2) Simplifies lease administration and amendments by having one lease per site rather than one lease for multiple sites.
- 3) Allows for consistent notification requirements.
- 4) Includes a 3% annual adjustment factor.
- 5) Outlines a site access procedure.
- 6) Allows RPU to disapprove upgrades if any other antenna agreements are in default.
- 7) Allows for RPU to utilize an escrow account so tenants pay in advance for all costs associated with review and approval of their construction/modification plans.
- 8) Updates language and provisions which are more reflective of the market.
- 9) Includes an annual rent of \$41,328 for each site.

RPU currently manages wireless communication leases on 16 sites with 8 carriers resulting in a total of 33 leases.

The City Attorney has reviewed the lease.

FOR BOARD ACTION

Agenda Item # (ID # 5163)

Meeting Date: 2/23/2016

UTILITY BOARD ACTION REQUESTED:

Staff recommends the Board approve a resolution authorizing the Mayor and City Clerk to execute leases with Verizon Wireless (VAW) LLC and approval of any other attendant or subsequent agreements consistent with the lease agreement as determined by the General Manager and City Attorney.

RPU Contract #:

RPU Site ID:

Tenant Site ID:

LEASE AGREEMENT

This Lease Agreement (“Lease”) is entered into this ___ day of _____, 2016 between the **CITY OF ROCHESTER**, a Minnesota municipal corporation, acting through its Public Utility Board (“Landlord”), and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, a Delaware limited liability company (“Tenant”).

Recitals

WHEREAS, the Landlord is the owner of the real property (the “Property”) located at *(address for each individual site to be added to final drafts)*, Rochester, Minnesota 55906, and the water tower located thereon (the “Structure”), commonly known as the *(to be added to final document)* Water Tower, and the Property is legally described in Exhibit “A”, *Legal Description*, attached hereto and incorporated herein (“Property”); and

WHEREAS, Landlord and Tenant entered into a Master Site Agreement dated July 8, 2005 (“Original Lease”), which Original Lease, known by Tenant as Contract Number _____, expires by its terms on _____; and

WHEREAS, in lieu of extending the Original Lease, Landlord and Tenant agree to enter into a new lease for the continued use of the Leased Premises (as defined below). Landlord and Tenant hereby agree that the Original Lease shall terminate effective as of 11:59 p.m. on _____ without further documentation or action by the parties. Landlord and Tenant acknowledge that notwithstanding the termination of the Original Lease and the commencement of this Agreement, Tenant may continue to make, and the Landlord may continue to receive, rental and other payments pursuant to the Original Lease. In such event, any rental or other payments made pursuant to the Original Lease after its termination shall be applied and credited against any rentals or other payments due under this Lease.

NOW, THEREFORE, the parties agree as follows:

1. Leased Premises.

- (a) Landlord hereby leases to Tenant certain space located on the Property and the Structure (collectively, the “Leased Premises”) consisting of the following:
- (1) ground space comprised of approximately *(site specific information to be added)* square feet, subject to any and all existing easements;
 - (2) Structure exterior space for attachment of antennas at alpha, beta & gamma sectors at *(site specific information to be added to each individual Lease)* AGL;
 - (3) space required for cable runs to connect equipment and antennas;
 - (4) non-exclusive easements required to run utility lines and cables (the “Utility Easement”); and

(5) a non-exclusive easement across the Property for reasonable access (the "Access Easement").

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

2. Terms/Renewals.

(a) The initial term of this Lease shall commence on _____ (the "Commencement Date"), and shall expire on _____ ("Initial Term").

(b) Tenant shall have the right to extend this Lease for three (3) additional five (5) year terms (each a "Renewal Term") subject to (c) below.

(c) This Lease shall automatically renew for each successive Renewal Term unless Tenant is in default beyond applicable notice and cure periods of any of the terms or conditions of this Lease, or unless Tenant or Landlord provides written notice of its intention not to renew at least ninety (90) days before the expiration of the Initial Term or any Renewal Term.

3. Rent.

(a) Tenant shall make all payments of rent to Landlord to the address as listed on the invoice.

(b) Tenant shall pay rent annually in advance, as indicated in the payment schedule below:

(1) Tenant shall pay Landlord, as rent, the sum of \$41,328.00 per year based upon Tenant's approved antenna facilities (the "Antenna Facilities") identified in Exhibit "B," *Antenna Site Application*, attached hereto and incorporated herein.

(2) The first year's rent shall be pro-rated to the end of 2016 based on the Commencement Date, and shall be paid within thirty (30) days following full execution of the Lease. Thereafter, the rent due hereunder shall be paid on or before the fifth (5th) day of January of each succeeding year.

(3) Late fees shall be assessed as determined by Landlord's Board approved policy at the time of the delinquency, provided that such policy is provided to Tenant in writing, in advance. Landlord represents that there is currently no late fee required as of full execution of this Agreement.

(4) Tenant shall not install, and/or operate any additional antennas or related equipment beyond those Antenna Facilities identified in Exhibit "B," *Antenna Site Application*, without the prior written consent of Landlord, such consent not to be withheld, conditioned or delayed without cause. Such additional equipment may require an amendment to the Lease and increase in rent, as may be reasonably determined by Landlord. Notwithstanding, Tenant has the right to perform routine maintenance and repairs upon notice to Landlord, including adding or replacing equipment within Tenant's equipment shelter, as indicated by Exhibit "C," *Site Access Procedure*, , attached hereto and incorporated herein.

- (5) Commencing January 1, 201_, and on January 1st of each subsequent year, the rent shall be increased annually by three percent (3%). The rent shall never be decreased.

4. Use of Leased Premises.

(a) Primary Use of Property

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

(b) User priority

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

- (1) Landlord’s Operations;
- (2) Public safety agencies, including law enforcement, fire, and ambulance services, that are not related to Landlord;
- (3) Pre-existing Tenants (a “Pre-existing Tenant” is defined as a tenant that installed its equipment prior to the installation of Tenant’s equipment under the Original Lease dated July 8, 2005);
- (4) Tenant.

(c) Jeopardy of Primary Use

- (1) In the event that the Landlord’s Primary Use of the Structure is put at risk solely because of Tenant’s operations (“Jeopardy”), it shall become the immediate and affirmative duty of the Tenant to diligently pursue a cure of the occurrence that causes the Jeopardy. Landlord agrees to provide notice to Tenant of need to cure any such Jeopardy occurrence.
- (2) The parties agree that such an occurrence caused by Tenant’s use or operation of Tenant’s Antenna Facilities warrants an emergency response whereby the Landlord shall provide notice verbally by telephone to Tenant’s emergency response number listed below and thereafter shall provide a copy of written notice to Tenant’s notice address which is included herein. Notice of Jeopardy of Primary Use caused by Tenant’s operations shall be phone to the following:

Tenant’s Emergency Responder:
Telephone Number: NOC West – 800-264-6620

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

(d) Tenant's Use of Leased Premises

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

(e) Laws Governing Use

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

6. Installation of Equipment and Modifications.

- (a) For the initial installation of all Antenna Facilities and for any and all subsequent revisions and/or modifications thereof, or additions thereto, Tenant shall complete an application (Exhibit B) which shall include any information reasonably requested by

Landlord of such requested update or replacement, including but not limited to construction drawings, engineering studies and specifications as may be required, carried out at Tenant's expense. The application and subsequent drawings, studies and specifications must be approved by Landlord, which will not be unreasonably withheld, conditioned or delayed.

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

Construction Plans

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

Engineering Studies

1) Structural Study

Performed by a qualified engineer, structural study must show that the Structure, including handrail and other appurtenances permanently attached, is able to support the existing Antenna Facilities and the proposed additional Antenna Facilities. If the study finds that the Structure is inadequate to support the proposed additional loads, Tenant may not install the additional equipment.

2) Interference Study

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

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

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

- (c) Landlord reserves the right to contract with a third party for construction related services.
- (d) Landlord may utilize an escrow account as indicated on the application to facilitate the reimbursement process. The Landlord and their designated party will discontinue all review under this Paragraph if the amount of the original escrow account is insufficient to cover its costs, until the escrow account is adequately funded by Tenant such that Landlord is able to cover its costs of review. Landlord shall provide Tenant with reasonable supporting documentation describing such insufficiency and the proposed amounts required by Landlord to cover its costs of review.
- (e) Contractor Approval
Any contractor chosen by Tenant to carry out construction, installation, maintenance or any other work above ground level on the Structure must be selected from a list of Landlord approved contractors.

The Landlord has the right to modify the approved contractor list as determined to be in the best interests of the Landlord and to waive any informalities, subject to the reasonable approval of Tenant.

There is no requirement to use Landlord approved contractor for work performed inside Tenant exterior ground facility.

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

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

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

- (g) Exposed Antenna Facilities
All Antenna Facilities affixed to the Structure which have exterior exposure shall be as close to the color of the Structure as is commercially available to the Tenant. For exposed coaxial cables, Landlord reserves the right to require Tenant to provide cables in manufactured colors in lieu of painting; provided, if no such color is available from the manufacturer, Landlord can approve a comparable alternative for Tenant to use.

(h) Damage by Tenant

Any damage to the Property, Leased Premises, Landlord's equipment or any other tenant's equipment or utilities thereon caused by Tenant's installation or operations shall be repaired or replaced at Tenant's expense and to Landlord's reasonable satisfaction within thirty (30) days following receipt of written notice, provided Tenant shall have an extended period if the nature of the cure, as determined by the Landlord, is such that it reasonably requires more than thirty (30) days and Tenant commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion.

(i) As-built drawings

Within thirty (30) days after Tenant activates or completes approved modifications on the Antenna Facilities, Tenant shall provide Landlord with a site plan in electronic file format compatible with Landlord's record file system consisting of as-built drawings of the Antenna Facilities and the improvements installed on the Property, which shall show the actual location of all equipment and improvements. Said drawings shall be accompanied by a complete and detailed site survey of the property, inventory of all equipment, personal property, and Antenna Facilities.

7. Maintenance and Repairs.(a) Property

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

(b) Leased Premises

Tenant shall, at its own cost and expense, maintain the Antenna Facilities in good and safe condition, and in compliance with applicable fire, health, building, and other life safety codes applicable to Tenant's Approved Use of the Leased Premises.

(c) Structure Reconditioning and Repairs

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

immediate area of the Property. If Property will not accommodate mobile equipment, it shall be Tenant's responsibility to locate auxiliary sites. Landlord agrees to abate rent during any period that Tenant is unable to operate at the Property due to the Reconditioning Work.

- (4) For minor repairs or maintenance affecting the Leased Premises, Landlord agrees to provide Tenant with at least fourteen (14) days advance written notice of any such activities and to reasonably cooperate with Tenant to carry out such activities in a manner that minimizes interference with Tenant's Approved Use.

8. Property Access.

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

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

9. Utilities.

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

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

10. Personal Property and Real Estate Taxes.

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

11. Compliance and Statutes, Regulations, and Approvals.

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

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

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

12. Interference.

- (a) In the performance of its Approved Use, Tenant shall not damage or interfere with Landlord's Operations, including its radio frequency transmissions, or approved operations of Pre-Existing Tenants, provided that the equipment used by Landlord or Pre-Existing Tenants is operating within the technical parameters specified by its manufacturer and/or as defined by the FCC. In the event of any such interference, Tenant shall immediately cease such interference, except for brief tests necessary for the elimination of the interference, and until Tenant is able to resolve the problem. In the event Tenant cannot correct the interference, Tenant shall have the option to terminate this Lease, pursuant to *Section 14. Termination*. Tenant shall not be responsible for interference that results from a change in the operations of other tenants after the Commencement Date of this Lease.
- (b) Tenant acknowledges that Landlord may lease the Property, or any part of it, to other parties in close proximity to the Leased Premises, and Tenant agrees to work cooperatively with any such other parties, using accepted technical standards in accordance with FCC standards, to ensure that such other parties' use and Tenant's use will be compatible and will not cause interference with each other.
- (c) Landlord in no way guarantees to Tenant noninterference with Tenant's transmission operations provided, however, in the event that any other party requests permission to place any type of additional antenna or transmission facility on the Property, the procedures of this Section shall govern to determine whether such antenna or transmission facility will interfere with Tenant's transmission operations.
- (d) In the event that Tenant or other tenants on the Property experience interference of their approved frequencies and they cannot reach agreement as to the cause and remedy of such interference, the RF Engineer shall determine such cause and remedy and Tenant shall abide by the RF Engineer's determination, subject to Tenant's right to terminate this Lease.

13. Termination.

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

notice of default to the other party (without, however, limiting any other rights of the parties at law, in equity, or pursuant to any other provisions hereof), or if such cure cannot be completed within thirty (30) days, within such reasonable time as may be required, provided the defaulting party commences the cure within thirty (30) days of receipt of written notice of default and diligently pursues such cure to completion;

(2) By Tenant, in the event that:

- a. Tenant is unable to obtain or maintain any license, permit, or other governmental approval necessary for the construction and/or operation of the Antenna Facilities;
- b. The Leased Premises are or become unusable under Tenant's design or engineering specifications for its Antenna Facilities, or the communications system to which the Antenna Facilities belong; or
- c. Tenant's transmission is interfered with by Landlord or its other tenants' equipment. Such right to terminate shall become void if Landlord cures such interference within thirty (30) days of receipt of written notice.

(3) By Landlord, in the event that:

- a. Landlord reasonably determines, after review by an independent structural engineer, that the Property is structurally unsound, including but not limited to consideration of age of the Structure, damage or destruction of all or part of the Property from any source, or factors relating to condition of the Property;
 - b. Tenant fails to pay rent provided for in *Section 3. Rent* within thirty (30) days of Tenant's receipt of written notice from Landlord of a rent payment being overdue;
 - c. Tenant does not complete "initial" installation "or approved modification" of its Antenna Facilities as shown on Exhibit "B", *Antenna Site Application*, within one (1) year of the Notice to Proceed.
 - d. Upon 180 days prior written notice by the Landlord to Tenant if Landlord decides, for any reason, to redevelop and/or discontinue use of the Property and Structure in a manner inconsistent with Landlord's Primary Use.
- (b) If this Lease is terminated pursuant to subparagraph 14(a)(1), 14(a)(2)(a) or 14(a)(2)(c), rent shall be pro-rated to the termination date or the date on which all of Tenant's equipment is removed from the Leased Premises, whichever is later. The parties shall give notice of termination in accordance with Section 18 of this lease. All rental paid for by Tenant prior to said termination date shall be retained by Landlord.
- (c) The parties agree that the Landlord will incur damages should Tenant terminate this Lease pursuant to subparagraph 14(a)(2)(b). However, the amount of damages incurred by the Landlord following Tenant's termination of this Lease pursuant to subparagraph 14(a)(2)(b) cannot be determined or measured by ordinary rules. For the purpose of liquidating the amount of damages, and not as a penalty, it is agreed that in case of the Tenant's early termination of this Lease, as permitted by subparagraph 14(a)(2)(b), the damages caused shall be and are hereby fixed, liquidated, and determined in the sum of 150% of the annual applicable rent for the year in which Tenant terminates.
- (d) In the event Tenant becomes aware of any hazardous materials on the Property, or any environmental, health or safety conditions or matter relating to the Property, that, in Tenant's sole determination, renders the condition of the Leased Premises or Property

unsuitable for Tenant's use, or if Tenant believes that the leasing or continued leasing of the Leased Premises would expose Tenant to undue risks of liability to a government agency or third party, Tenant will have the right, in addition to any other rights it may have at law or in equity, to terminate this Lease upon written notice to Landlord specifically identifying all such materials, conditions or matters relating to the Property.

14. Insurance.

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

15. Indemnity.

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

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

16. Damage or Destruction.

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

17. Notices.

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if delivered via certified mail, return receipt requested, or delivered by

a nationally recognized overnight courier service, to the following addresses or to any other address of Tenant or Landlord that is given from time to time to the other party pursuant to this provision, regarding written notice:

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

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

18. Representations and Warranties.

- (a) Landlord represents that (i) it has full right, power, and authority to execute this Lease; (ii) it has good and unencumbered title to the Property free and clear of any liens or mortgages, subject to such liens of record; and (iii) Tenant shall have quiet enjoyment of the Leased Premises during the term of this Lease in accordance with its terms.
- (b) The parties acknowledge that this is a nonexclusive lease. Nothing in this Lease shall preclude Landlord from leasing other space on the Property to any other person or entity which may be in competition with Tenant, or any other party, subject to the conditions set forth in *Section 13. Interference*.
- (c) Tenant warrants that the individual signing and executing this Lease on behalf of Tenant has the requisite corporate power and authority to enter into and perform this Lease on behalf of Tenant. Landlord warrants that the individuals signing and executing this Lease on behalf of Landlord have the requisite corporate power and authority to enter into and perform this Lease on behalf of Landlord.
- (d) Landlord represents that it has no knowledge of any substance, chemical or waste on the Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation, as defined in Section 19(e) of this Lease. Landlord will be solely liable for and will defend, indemnify and hold Tenant, its agents and employees harmless from and against any and all direct claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with the removal, cleanup or restoration of the Property with respect to hazardous, toxic or dangerous materials from any and all sources other than those hazardous, toxic or dangerous materials introduced to the Property by Tenant. Tenant represents and warrants that its use of the Leased Premises herein will not generate and it will not store or dispose on the Property nor transport to or over the Property any hazardous substance, chemical or waste contrary to any applicable law or regulation. Tenant further agrees to hold Landlord harmless from and indemnify Landlord against any release of any such hazardous substance, and any damage, loss, expense, or liability resulting from the breach of this representation or from the violation of any applicable state or federal law by such release associated with Tenant's use of hazardous substances, including payment of all

reasonable attorneys' fees, costs, and penalties incurred as a result thereof, except for any release caused by the negligence or willful misconduct of Landlord, its employees, or agents.

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

19. No Liability on Landlord.

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

20. Assignment.

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

21. Condemnation.

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

such compensation as may be separately awarded or recoverable by Tenant on account of any and all damage to Tenant's business and any costs or expenses incurred by Tenant in moving/removing its equipment, personal property, Antenna Facilities, and leasehold improvements.

22. Successors and Assigns.

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

23. Surrender of Leased Premises.

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

24. Marking and Lighting Requirements.

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

the Structure must be additionally marked, lighted, or in any way modified, due to the existence of Tenant's Antenna Facilities, Tenant shall have the option to mark, light or modify the Structure at its sole expense, or to terminate this Lease, pursuant to *Section 14. Termination*. Said marking, lighting and modifying shall be subject to prior written approval by Landlord, such approval not to be withheld without cause. Landlord shall approve or object to such plans within a reasonable period of time to allow timely compliance with FAA regulations.

25. RF Radiation Compliance.

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

26. Noise Restrictions.

Noise from Tenant's equipment shall not exceed the level allowed by the local jurisdiction ("Allowable Noise Level"), as measured at any location on neighboring property. Landlord will take noise level measurements from time to time to verify compliance. In the event it is found that Tenant's equipment exceeds the Allowable Noise Level, Landlord shall provide Tenant with written notice and Tenant shall take immediate steps to provide permanent reduction in the noise of its equipment to below Allowable Noise Level. If Tenant does not so reduce its measured sound level within sixty (60) days of receipt of written notice of event, said occurrence shall constitute an event of default as otherwise defined in *Section 14. Termination*.

27. Miscellaneous.

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

any subsequent matter relating to such provision. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

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

Exhibit “A”	<i>Legal Description</i>
Exhibit “B”	<i>Antenna Site Application with Site Technical Information</i>
Exhibit “C”	<i>Site Access Procedure</i>
Exhibit “D”	<i>Insurance Requirements</i>
Exhibit “E”	<i>Rent Reconciliation Statement</i>

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

**VERIZON WIRELESS (VAW) LLC
D/B/A VERIZON WIRELESS**

CITY OF ROCHESTER

By _____
Lynn Ramsey
Vice President Field Network

By _____
Ardell Brede, Mayor

By _____
Aaron Reeves, City Clerk

Approved as to form:

By _____
Terry Adkins, City Attorney

ROCHESTER PUBLIC UTILITIES

By _____
Mark Kotschevar, General Manager

Attachment: Master Lease RPU reviewed 2.16.16 (5163 : Verizon Site Lease Agreement)

CITY OF ROCHESTER

STATE OF MINNESOTA)
) ss.
COUNTY OF OLMSTED)

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

Witness my hand and official seal.

Notary Public

TENANT

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that Lynn Ramsey is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President Field Network of Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Witness my hand and official seal.

Notary Public

Attachment: Master Lease RPU reviewed 2.16.16 (5163 : Verizon Site Lease Agreement)



PO # _____	Order # _____	5.2.a
Lease or Amendment # _____		
Master Site Agreement # _____		

Exhibit A ANTENNA SITE APPLICATION

I. Site Technical Information

RPU Name and Address of Proposed Antenna/Tower Site:
 RPU Name of proposed antenna/tower site:
 RPU Address of proposed antenna/tower site:
 Applicant Site ID (if applicable)
 Proposed effective date:

II. Tenant Information

Legal Name of Applicant:

Notification Address:

City: _____ State: _____ Zip: _____

Contact:

Phone: _____ Email: _____

Entity Name of Technical Advisor (if any):

Contact Person: _____ Direct Phone: _____ Cell: _____

Address:

City: _____ State: _____ Zip: _____

Entity Name of Contract Administrator (if any):

Contact Person: _____ Direct Phone: _____ Cell: _____

Address:

City: _____ State: _____ Zip: _____

III. Proposed Site Technical Information

Please complete Appendix A and provide all required attachments.

IV. Financial Considerations

A check in the amount of \$9,350 (\$7,850 to fund an escrow and \$1,500 for an application fee) payable to Rochester Public Utilities is required to process the application.

Application Fee:

The \$1,500 is a non-refundable application fee to cover RPU's administrative costs.

Escrow Payment:

The \$7,850 is a non-interest bearing escrow payment to cover RPU's third party consultant fees related to review of this proposed installation and construction. Please provide contact information for either a request for additional funds or a refund of unused funds:

Entity Name:

Address:

City: _____ State: _____ Zip: _____

RPU reserves the right to discontinue our review and approval of the project should the consultant expenses exceed the escrow amount. Applicant agrees to fully reimburse RPU for all third party

Attachment: Master Lease RPU reviewed 2.16.16 (5163 : Verizon Site Lease Agreement)

expenses regardless if the application process results in a lease or modification.

IMPORTANT – PLEASE READ CAREFULLY BEFORE SIGNING.

Project approval and review is premised on the proper completion of this application (including required submissions), receipt of payment and applicant being current with all existing lease terms on all sites, if applicable.

Upon approval, application information and exhibits will be incorporated as exhibits for the lease/amendments.

DIRECT QUESTIONS ABOUT APPLICATION TO:	MAIL APPLICATION WITH CHECKS TO:
Doug Klamerus dklamerus@rpu.org 507.280.1508	Rochester Public Utilities Attn: Mona Hoeft 4000 East River Road NE Rochester, MN 55906

Application must be signed by the entity which will be leasing from Rochester Public Utilities a department of the City of Rochester. A site acquisition company **IS NOT** acceptable.

By signing below, I understand and agree to the provisions contained herein, and that I am authorized to sign this Application. I also agree that RPU may release any and all information relating to this application or its approval to any company, consultant, agent, or vendor that represents, or does business on behalf of, the applicant.

Applicant Signature: _____

Print name:
Email:
Company:

Title:
Phone:
Date:

[Notary Seal]

Notary Public: _____
County: _____
My Commission Expires: _____

<p>Office Use Only</p> <p>Is a new lease required? Y or N If yes, list existing lease #: _____</p> <p>Applicant in good standing at all sites: Y or N If no, provide details:</p> <p>This application and proposed technical information match the construction drawings and have been approved by:</p> <p>_____ Date: _____</p>

Attachment: Master Lease RPU reviewed 2.16.16 (5163 : Verizon Site Lease Agreement)

7. Remote Radio Heads (RRHs)

Quantity:
 Manufacturer:
 Model:
 Dimensions:
 Weight:
 Mounting:
 Hybrid Jumper:

8. Distribution Box

Quantity:
 Manufacturer:
 Model:
 Dimensions:
 Weight:

9. Sector Box

Quantity:
 Manufacturer:
 Model:
 Dimensions:
 Weight:

10. Hybrid Cable

Attach plans for proposed cable routing and attachment.

Number of Lines:
 Type:
 Size:

- From to at
- From to
- From to

11. Frequencies

Svc	Technology	EIRP (WATTS)	Frequencies				
			Standard Frequency	Transmit		Receive	
				Start	Stop	Start	Stop
1							
2							
3							
4							

Attachment: Master Lease RPU reviewed 2.16.16 (5163 : Verizon Site Lease Agreement)

12. Proposed Scope of Work

Relocate:

Remove:

Install:

Exhibit C

Site Access Procedure

1.0 REQUEST ACCESS

1.01 Request for access must be provided via email to dklamerus@rpu.org and must include the following information:

- 1) name and contact information of tenant
- 2) service ticket number
- 3) your relationship to tenant
- 4) description of work to be completed
- 5) length of time access is needed
- 6) date and time of access
- 7) your contact information.

1.02 Emergencies

1. Contact RPU Water Operations at 507.273.5030 or Electric System Operations at 507.280.1697 after submitting email request for access. Inform caller that an email request has been submitted.
2. Under certain conditions, water operations personnel may not be available, in which case RPU will use their best judgment to determine if there is another way to grant access to the agent, or to deny or delay access.

Important: The police will be called to the site if a written request is not made to RPU prior to entry.

RPU staff will verify the request and arrange to meet agent on site and allow for access after checking for proper ID.

1.03 Prior to arriving to site:

- a) Authorized agents must notify RPU Water Operations (507.273.5030) approximately 30 minutes before arriving to notify RPU staff of the time they will be arriving.

1.04 While at site:

- a) Authorized agents are required to perform their necessary work on the site in a manner that does not compromise site security. This includes, but is not limited to, securing all doors and gates before leaving the site.
- b) RPU employees will determine whether or not they will need to monitor the activity at the site. If RPU employee believes that the agent is not there for a

legitimate business reason, the employee should get to a safe area and call 911 to have police confront the agent and remove them if necessary.

1.05 Leaving site:

- b) Authorized agents must notify RPU Water Operations (507.273.5030) when leaving the site.

2.0 IDENTIFICATION PROCEDURES

2.01 Tenant’s employees, contractors or agents seeking entrance to a remote facility are required to show a valid photo ID. RPU employee allowing them access will forward the name and phone number of the entrant to the RPU Water Infrastructure Engineer to confirm that access should be granted.

3.0 SITE SAFETY

3.01 Tenant’s employees, contractors or agents seeking entrance will be required to complete a Safety Acknowledgement Water Facilities Form provided by the Landlord each time access is requested.

3.02 Contractor must provide required personal protective equipment including but not limited to fall protection equipment as appropriate for the tasks to be completed onsite.

3.03 Contractor must have the ability to summon emergency assistance (such as a mobile phone) if needed as these sites are seldom equipped with telephones.

4.0 FACILITY LOCKS

3.01 All RPU facilities are secured with high-security locks utilizing high-security keys.

- a) No other locks are permitted, and all such other locks will be removed and disposed of.
- b) RPU may make some exceptions in cases where, for the convenience of RPU staff, contractor locks will be allowed to be “daisy-chained” onto a RPU water facility. These exceptions will be on a case by case basis, and the decision to allow this will be made by RPU Manager of Water Operations.
- c) For sites that are undergoing construction, RPU will install construction locks and give contractors construction keys.

5.0 RPU CONTACTS

Normal and emergency access after normal business hours:

Normal Business Hours	507.273.5030	5:00 AM – 12:30 AM
After Business Hours	507.280.1696	12:31 AM – 4:59 AM

Any access granted between the hours of 12:31 AM to 4:59 AM will be billed at the current RPU overtime rate.

Attachment: Master Lease RPU reviewed 2.16.16 (5163 : Verizon Site Lease Agreement)

Exhibit D
Insurance Requirements

Tenant and all subcontractors shall obtain and maintain the following insurance to protect the parties against claims, demands, actions, judgments, expenses, and liabilities that may arise out of or result from Tenant's use of the Leased Premises:

- a. A 30-day notice of cancellation and/or non-renewal.
- b. Workers' Compensation with limits of at least \$500,000 per incident or injury to cover claims for injury or disease resulting or arising from the actions of the Tenant, its officers, employees or agents during the term of this Agreement. Insurance coverage will meet statutory requirements for Minnesota.
- c. Commercial Liability Insurance with limits of at least \$1,500,000 each occurrence/\$3,000,000 aggregate for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the Tenant, its officers, employees or agents during the term of the Agreement. Products and completed operations coverage is to be included within the required limits with coverage for a minimum of two years after construction is completed.
- d. The liability limits may be afforded under the Commercial Policy, or in combination with an umbrella or excess liability policy provided coverages afforded by the umbrella or excess policy are not less than the underlying liability coverages.
- e. Commercial auto insurance with limits of at least \$1,000,000 each occurrence for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the Tenant, its officers, employees or agents, including hired and non-owned vehicles, during the term of the Agreement. **If such insurance contains a general aggregate limit, the general aggregate limit shall not be less than \$2,000,000.**
- f. The liability insurance policies shall name the City of Rochester as an additional insured for claims from work conducted pursuant to this Agreement. Tenant's liability insurance shall be primary to any insurance held by the City of Rochester.
- g. The Tenant shall provide, prior to tenancy, evidence of the required insurance in the form of a Certificate of Insurance issued by a company (rated A- or better by Best Insurance Guide) authorized to do business in the state of Minnesota, which includes all coverage required and named as follows:

City of Rochester
Acting Through Its Public Utility Board
4000 East River Road NE
Rochester MN 55906-2813



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Site Lease Agreement between the City of Rochester, acting by and through its Public Utility Board and Verizon Wireless (VAW) LLC and authorize the Mayor and City Clerk to execute the agreement for:

Verizon Site Lease Agreement

and approval of any other attendant or subsequent agreements consistent with the lease agreement as determined by the General Manager and City Attorney.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23rd day of February, 2016.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 5174)

Meeting Date: 2/23/2016

SUBJECT: Westside Energy Station Project

PREPARED BY: Wally Schlink

BACKGROUND

In January of 2015, the process of updating the RPU Infrastructure Plan was initiated using Burns & McDonnell as the planning engineering firm to assist in the planning process. Typically the Infrastructure Plan is updated every 3 years or as significant change in the utility industry might demand.

At the June 30, 2015 meeting, the RPU Board was presented the results of the 2015 Update to the RPU Infrastructure Plan which the Board accepted and placed on file. The results of the plan indicated a need for additional accredited capacity and the need to take action to reduce risk related to vintage units that are no longer supported by the OEM. The recommendation of Burns & McDonnell was to develop and install a peaking resource to meet the RPU power supply requirements.

At the July 28, 2015 Board meeting, approval to conduct a Preliminary Engineering Study, as well as the initiation of the application for a MISO Generation Interconnection Agreement and the permitting process was approved.

At the August 28, 2015 meeting, the results of the Engineering Study were presented and RPU Board gave approval to proceed on project development as well as executing a professional services agreement with Burns & McDonnell for procurement and evaluation of bids for the reciprocating engine generating sets. The outcome of the study indicated the selection of a peaking unit to comply with the Infrastructure Plan and presented a schedule, budget and scope for the project. An additional action taken by the RPU Board at the August meeting was to adopt a resolution granting Limited \$453 powers for the West Side Energy Project and recommend ratifying by the Common Council.

On October 27, 2015, the Board approved a resolution approving the purchase of 5 - 20V34SG Wartsila spark ignited natural gas reciprocating engines contingent on the approval of the City Attorney and the RPU General Manager. Staff completed the negotiations, received the designated approvals and executed an Agreement on December 28, 2015.

ITEM DESCRIPTION:

Immediately following the execution of the Wartsila Agreement, staff developed a Request For Proposal (RFP) for the final major piece of the project; engineering, procurement and construction of the energy station. This proposal was formatted as an EPC Open Book Contract and the RFP was posted on the Public Purchase website. The format has 3 major

FOR BOARD ACTION

Agenda Item # (ID # 5174)

Meeting Date: 2/23/2016

components designed around a standard plant arrangement that is common in the industry.

The 3 components are:

- Firm pricing for design engineering, construction management and start up & commissioning management
- Indicative pricing for all balance of plant equipment, materials and subcontractors.
- A contingency equal to 20% of the total of the first 2 items for a total budgeted cost.

A matrix is attached that compares the results of the evaluation of the Proposals that were received as a result of the RFP. Each of the proposals complying with the terms of the RFP were evaluated based on qualifications, experience, project plan content, firm pricing, indicative pricing and proposed contract terms. Also attached is a matrix comparing the raw proposal data.

Based on the staff evaluations of the proposals, we are confident that the contractor selected is a well-qualified reciprocating engine power plant EPC Contractor.

The Boldt Company was selected as the preferred EPC Contractor based on our evaluation and selection criteria. Contingent on RPU Board approval, RPU staff would begin negotiating a final agreement with the preferred Contractor and when agreement is reached; a Contract would be executed contingent on the approval of the City Attorney and RPU General Manager.

Following the execution of a Contract, staff will begin the detail design phase which will consider modification to the standard plant arrangement design to include expanded administration facilities, facade improvements, energy efficiency improvements, renewable station auxiliary resources, lighting and building controls, educational opportunities, etc. This package will be brought back to the RPU Board for consideration and direction.

These actions are compliant with the targets set in the 2015 Infrastructure Plan and with the recently announced focus on sustainable opportunities for the future Rochester power supply. Final details are to be resolved in the final Contract to the satisfaction of the Rochester City Attorney and General Manager hence the request for the Board's approval to be contingent on the successful resolution of those issues.

RPU staff is available to make a presentation of the process and to respond to any questions.

BUDGET

The original engineer's estimated budget was \$75,000,000 for the Westside Energy Station Project. With the approval of this request the total approved project budget will be at \$62,626,453 so the project is well within the original project budget guidelines. This is a 2016 approved budget item.

FOR BOARD ACTION

Agenda Item # (ID # 5174)

Meeting Date: 2/23/2016

UTILITY BOARD ACTION REQUESTED:

Staff requests approval by the RPU Utility Board to proceed with the negotiations and execution of an EPC Open Book Contract with The Boldt Company for the engineering, procurement and construction of the Westside Energy Station contingent on the approval of the RPU General Manager and the Rochester City Attorney for a total amount not to exceed \$38,683,453.

The approval is broken down as follows; \$3,798,289 for a firm price for engineering, construction management and startup management, \$28,437,922 for procurement, subcontractor and markup for the balance of plant infrastructure and \$6,447,242 for contingency including granting authorization for the RPU Project Manager to perform the acts to execute the project.

Westside Energy Station Rated Evaluations

Evaluation Factors	Evaluation Weight	Boldt		Burns & McD		Corval		Sega, Inc.		Zachry	
		Score	Weighted	Score	Weighted	Score	Weighted	Score	Weighted	Score	Weighted
Qualifications & Experience	30%	4	1.2	5	1.5	3	0.9	3	0.9	4	1.2
Safety	20%	4	0.8	4	0.8	3	0.6	1	0.2	3	0.6
Project Execution Plan	20%	4	0.8	5	1	3	0.6	3	0.6	5	1
Engineering and CM Firm Price	20%	5	1	3	0.6	3	0.6	5	1	4	0.8
Indicative EPC Estimate	5%	4	0.2	4	0.2	3	0.15	3	0.15	3	0.15
Proposed Contract Terms	5%	4	0.2	4	0.2	3	0.15	3	0.15	3	0.15
Total Evaluated	100%	25	4.2	25	4.3	18	3	18	3	22	3.9

Engineering & Construction Management Lump Sum	\$	3,798,289	\$	6,391,075	\$	5,600,000	\$	3,098,100	\$	5,217,000
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Scoring	
Outstanding	5
Good	4
Acceptable	3
Marginal	2
Unacceptable	1

Westside Energy Station
Proposal Evaluation Matrix

Bid Amounts	Boldt	Burns & McD	Corval	Sega, Inc.	Zachry
Engineering	\$ 2,606,211.00	\$ 1,992,797.00	\$ 2,300,000.00	\$ 1,254,199.00	\$ 3,053,000.00
Construction Management	\$ 915,920.00	\$ 3,799,262.00	\$ 3,000,000.00	\$ 1,151,981.00	\$ 1,393,000.00
Startup Management	\$ 276,158.00	\$ 599,016.00	\$ 300,000.00	\$ 691,920.00	\$ 771,000.00
Subtotal - Lump Sum	\$ 3,798,289.00	\$ 6,391,075.00	\$ 5,600,000.00	\$ 3,098,100.00	\$ 5,217,000.00
Estimate of Procurement Contracts	\$ 3,360,000.00	\$ 4,528,728.00	\$ 7,000,000.00	\$ 7,105,000.00	\$ 6,685,110.00
Procurement Contracts Fee %	5.0%	5.2%	5.0%	1.5%	5.0%
Estimated Fee on Procurement Contracts	\$ 168,000.00	\$ 235,494.00	\$ 350,000.00	\$ 106,575.00	\$ 334,256.00
Estimate of Subcontracts	\$ 22,776,672.00	\$ 24,047,900.00	\$ 30,000,000.00	\$ 13,765,000.00	\$ 39,818,479.00
Subcontracts Fee %	7.5%	6.9%	7.0%	1.5%	5.0%
Estimated Fee on Subcontracts	\$ 1,708,250.00	\$ 1,653,633.00	\$ 2,100,000.00	\$ 206,475.00	\$ 1,990,974.00
Subtotal Indicative EPC	\$ 28,012,922.13	\$ 30,465,755.12	\$ 39,450,000.12	\$ 21,183,050.03	\$ 48,828,819.10
Builders Risk	\$ 200,000.00	\$ 208,167.00	\$ 250,000.00	\$ 160,000.00	\$ 217,200.00
Performance / Payment Bonds	\$ 225,000.00	\$ 147,960.00	\$ 453,000.00	\$ 190,000.00	\$ 307,125.00
Total Price	\$ 32,236,211.13	\$ 37,212,957.12	\$ 45,753,000.12	\$ 24,631,150.03	\$ 54,570,144.10

Requirements Summary - Please enter Y or N

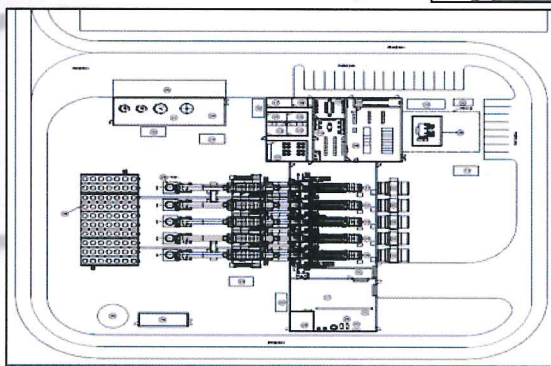
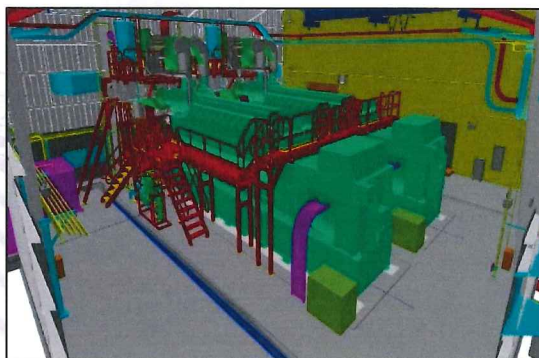
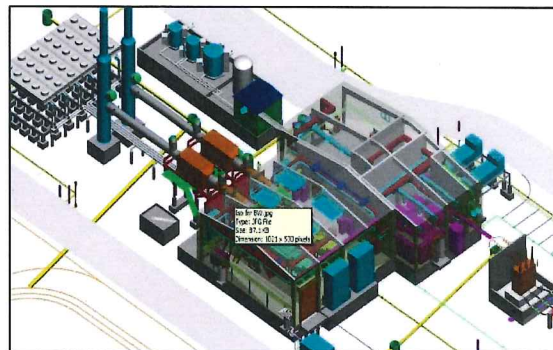
Alternate & Option Submitted					
Proposal is in exact accordance with the specification					
Pricing Valid for 90 days	Y	Y	Y	Y	Y
Contractor Submitted Authorization of Signature Form	Y	Y	Y	Y	Y
Contractor capable of providing Performance & Payment Bonds	Y	Y	Y	Y	Y
Contractor has provided all Information Requested	Y	Y	Y	Y	Y

Proposal Completeness Review - Please Enter Y or N

Cover Letter	Y	Y	Y	Y	Y
Table of Contents	Y	Y	Y	Y	Y
Proposal Form	Y	Y	Y	Y	Y
Authorization of Signature	Y	Y	Y	Y	Y
Executive Summary	Y	Y	Y	Y	Y
Contractor Info	Y	Y	Y	Y	Y
Qualifications & Experience	Y	Y	Y	Y	Y
Current & Projected Workload	Y	Y	Y	Y	Y
Safety	Y	Y	Y	Y	Y
Project Execution Plan	Y	Y	Y	Y	Y
Exceptions & Clarifications	Y	Y	Y	Y	Y

Rochester Public Utilities

Westside Energy Station Open Book EPC Request for Proposal



Rochester Public Utilities
 Westside Energy Station
 5846 19th Street NW
 Rochester, MN

February 2016



Westside Energy Partners



The Boldt Group, Inc.
2525 N. Roemer Road
P.O. Box 373
Appleton, WI 54912-0373

920-739-7800 phone
www.boldt.com



February 10, 2016

Rochester Public Utilities
Westside Energy Station
5846 19th Street NW
Rochester, MN

Re: Westside Energy Station Open Book EPC Request for Proposal

Dear Sir:

On behalf of The Boldt Company and Sargent & Lundy we would like to thank you for the opportunity to be considered as your EPC provider for the **Westside Energy Station project**. For the purposes of this project, our companies have teamed to form a joint venture. This joint venture herein titled "**Westside Energy Partners**" brings over 250 combined years of engineering and construction experience. Together, we take great pride in our ability to provide a progressive, yet proven approach for construction project delivery, while always striving to exceed our customers' needs and expectations.

Achieving high project value outcomes, not coincidentally, is dependent on a process that focuses on *value*. While most teams will boast of their ability to reduce project cost, our approach turns the discussion towards increasing value. This is a key differentiator to consider as you make the decision to complete your project team.

Our team offers a balanced portfolio of design, pre-construction and construction expertise and services, which based upon your proposal request, provides solutions that correspond with the philosophy, culture and vision of Rochester Public Utilities. Our firms bring to the table many years of combined experience in delivering numerous power and industrial projects to multiple clients.

Design, Budget Management, value engineering, constructability and collaboration of the Project Team will be the focus as the project develops. Safety, quality, efficient work flow, and delivering the best value will be the key drivers during the Construction Phase. The high level of integration and effective communication will make this an enjoyable and successful project

We look forward to the opportunity to build on our strong relationship with Rochester Public Utilities. We hope that this proposal fully responds to your request.

Should you have any additional questions or require any further information, please do not hesitate to contact us at any time.

Sincerely,

The Boldt Company

Sargent & Lundy

Randy DeMeuse
VP Operations - Power

Arvind Patel
VP & Project Director

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COVER LETTER

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PROPOSAL FORM

PROPOSAL DUE DATE: 2:00 pm Central time on February 10, 2016

PROJECT: City of Rochester, Rochester Public Utilities
RFP # 2016-01 - Westside Energy Station Open Book EPC

ATTENTION: Donald Coldiron, Materials Manager
dcoldiron@rpu.org
507.280.1674

The undersigned agrees, if this proposal is accepted, to enter into negotiations to reach an agreement for the work described in this request for proposal and any subsequent formal written changes on the basis of the following information.

Proposal Pricing reflects addendums one through ~~seven~~ XXX eight

Item No.	Description	Base Bid Amount
1	Engineering	\$ 2,606,211.00
2	Construction Management (Home Office & Site)	\$ 915,920.00
3	Startup Management	\$ 276,158.00
4	Estimate of Procurement Contracts	\$ 3,360,000.00
5	Estimated Fee on Procurement Contracts	\$ 168,000.00
6	Estimate of Subcontracts	\$ 22,776,672.00
7	Estimated Fee on Subcontracts	\$ 1,708,250.00
8	Requested Builders Risk	\$ 200,00.00
9	Requested Performance/Payment Bond(s)	\$ 225,000.00
10	Total Lump Sum (Sum of 1 to 3)	\$ 3,798,289.00
11	Total Indicative EPC Estimate (Sum of 4 to 7)	\$ 28,012,922.00
12	Total Price (Sum of 8 to 11)	\$ 32,236,211.00

ALTERNATES & OPTIONS


Provide prices for the following Options	Amount
NONE	\$ N/A lot

In addition, Contractors may provide options they deem of potential value to the City, but they must first provide a complete bid in compliance with all requirements herein. Any options must be adequately described and priced to be considered.

REQUIREMENTS SUMMARY

Proposal is, without exception, in exact accordance with the specifications, drawings, terms, conditions and requirement of this RFP? (If no, attach separate page with clarifications.)	Yes <input type="checkbox"/>	No X
Pricing will remain valid for acceptance for 90 days and is not subject to escalation?	X	<input type="checkbox"/>
Contractor has submitted the Authorization of Signature form?	X	<input type="checkbox"/>
Contractor is capable of providing performance and payment bonds as required?	X	<input type="checkbox"/>
Contractor has provided all information requested?	X	<input type="checkbox"/>

The undersigned is fully informed with respect to the preparation and contents of the attached specifications and has reviewed all documents for accuracy prior to submission of this proposal. Furthermore, the undersigned has(have) not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the project for which this proposal is submitted.

Company Name:	The Boldt Company	Address:	2525 North Roemer Rd.
Phone:	920-739-6321	City/State/Zip	Appleton, WI 54911
Authorized Signature:		Email:	Tom.boldt@boldt.com
Printed Name:	Thomas Boldt	Date:	February 5, 2016
Date:	February 5, 2016	Home Tax State:	Wisconsin
Project Manager: Tony Densmore Email: tony.densmore@boldt.com Phone: 920-739-6321			

ACKNOWLEDGMENT OF CORPORATION

AUTHORIZED SIGNATURE

STATE OF Wisconsin }

COUNTY OF Outagamie }

On this 5th day of February, 2016, before me appeared

Thomas Boldt to me personally known, who, being by me
Name of Officer

Duly sworn, did say that he/she is the CEO of The Boldt Company
Title Name of Corporation

2525 North Roemer Rd., Appleton, WI, 54911
Address City & State Zip Code


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

by authority of its Board of Directors; and that said 
Name of Officer

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

NOTARIAL SEAL




Notary Public

Outagamie
County

My Commission Expires: 12/14/18

Executive Summary

Rochester Public Utilities – Westside Energy Station Open Book EPC Proposal provided by the Boldt Company and Sargent & Lundy - “Westside Energy Partners”

The Boldt Company (Boldt) and Sargent & Lundy LLC (S&L) have teamed together to provide the enclosed proposal for EPC Open Book services for the Engineering/Design, Procurement, and Construction of the Rochester Public Utilities (RPU) Westside Energy Station. This joint venture team referred to as “Westside Energy Partners (WEP)” brings over 250 combined years of engineering and construction experience. Together, our team is positioned to provide RPU the technical expertise, construction knowledge, and local presence required for the highest quality Reciprocating Internal Combustion Engine (RICE) facility available.

With the formation of Westside Energy Partners, Sargent & Lundy and Boldt will participate in a mutually agreed upon legally binding relationship where both companies are financially responsible for the outcome of the project. For this reason, both parties have a common mutual goal to function as a single integrated entity from project initiation to completion. We highly encourage and welcome open communication between RPU and WEP during the course of the project, and our joint venture provides RPU a direct line of communication with a single point of contact with WEP.

The enclosed proposal has been provided with significant detail to depict our knowledge of RICE based on recent power generating facilities. Our design team is currently in the final stages of supporting the most recent Wartsila 9MW based RICE installation in the United States for the Montana-Dakota Utilities (MDU) Lewis & Clark Station 2 (L&C). Members of our construction team are currently completing the most recent combustion turbine projects in the region for the Alliant Energy Marshalltown Generating Station, a very similar technology from a construction perspective. Our team members have also worked together on recent projects in the area with Dairyland Power Cooperative and Basin Electric Power Cooperative.

Last year, Sargent & Lundy was involved in the development of 30 RICE units in the United States for clients ranging from large utilities to a small municipality (refer to Exhibit 2.8 for a detailed listing). Most of these RICE applications utilized Wartsila technology. One project that we would like to highlight is the MDU Lewis & Clark Station 2, since we believe it offers significant value to RPU. The new 2 x 9 MW, natural gas only, cold weather (-41F), Wartsila based, RICE facility is currently in the process of entering commercial operation. Sargent & Lundy provided MDU with technical support during all phases of the project from conceptualization through commissioning. Key activities included permit application support, developing the project cost estimate, performing the detailed engineering and design, procuring the balance of plant equipment, and working closely with the Wartsila site team to perform the startup/commissioning of the new facility. As can be seen on the project organization chart in Exhibit 2.10, our Project Execution Plan is based on using the same S&L team from the MDU L&C project to efficiently execute RPU's Westside project.

Also, based on our experience with Wartsila, both domestically as the engineer of record and in the international market as an Owner's Engineer, RPU should note that Wartsila's “typical” scope of supply consists of many of the BOP items identified as by EPC in the RFP (i.e. exhaust ducts, stacks, starting air compressors, etc.). As an industry leader in RICE technology, Wartsila has been involved in 4,700 plants in 170 countries worldwide over the past several decades. This degree of market penetration provides them with tremendous buying power to supply projects with low cost, standardized components that have proven reliability in the power industry, both here in the US and internationally. To provide RPU with the same cost effective highly reliable power generation facility, Westside Energy Partners is excited to have Wartsila as part of our team as a supplier of the RICE related BOP items. We

Executive Summary

offer RPU a strong active working relationship with Wartsila, as evidenced by their willingness to team with WEP, exclusively, on this opportunity.

Safety is an important consideration for any project. Our processes, programs and systems are tailored around providing a safe functioning facility constructed in a fashion where safety is the highest focus and priority.

“Safe Thinking, our crusade to eliminate accidents” is the philosophy and motto for The Boldt Company.

Westside Energy Partners provides a local presence in Rochester Minnesota. We are members of the community with a long history, knowledge of the area, and strong relationships with the regional construction trades, suppliers and specialty subcontractors. The knowledge and relationships WEP brings, will allow for a significant portion of the project investment to stay local. Our local presence also provides the WEP team with a strong working knowledge of the local labor market. By leveraging these long standing relationships with the local craft and supervision, WEP is positioned to mobilize much faster than a team that relies on a general prime/multi - subcontractor approach. Moreover, in addition to executing the construction will a highly skilled management team, WEP will staff the project with field supervisors that have working construction knowledge in power projects.

Our joint venture EPC approach also provides RPU a cost savings advantage compared to a prime / multi-subcontractor team arrangement. Westside Energy Partners has the ability to self-perform many of the major construction installation activities. This ability provides an economic advantage by eliminating double markups. As a fully integrated engineering, procurement, and construction team, WEP has the highest ability to control the project schedule and respond rapidly to all portions of the work. Our integrated EPC approach will also reduce RPU's overall project effort, since WEP will facilitate the engineering, procurement, and construction management for the project, versus RPU working with multiple entities/contractors.

Our team has a long history of providing design and construction services to the Power Industry in Minnesota and other cold weather climates. Considerations for maintenance and building performance in these regions is a valuable asset our team brings to RPU. Our construction team knows how to work in the extreme conditions these areas often experience. Our safety and production management systems are tailored around these considerations.

The Westside Energy Partners team offers RPU with a significant advantage to help reduce RPU's overall costs. As a joint venture EPC, our team has *the* constructor on the project from day one. As we work closely with RPU during the LNPT phase to refine the design concept, the WEP team has the advantage of optimizing the project for overall cost savings and contractibility based on feedback from the same entity that will be performing the work. This approach will help sustain a collaborative environment between RPU and WEP, as well as maintain continuity from design engineering into construction execution.

WEP has thoroughly reviewed the RFP and addendums in preparation of this proposal. As part of our proposal, WEP has developed a conceptual design/layout (Exhibit 4.7) and a set of preliminary P&IDs (Exhibit 4.8) for RPU's consideration. These documents are intended to serve as a starting point for discussions, adjustments, optimization, etc. after contract award and will allow the WEP/RPU project team to get off to a quick start. These documents also form the basis of our indicative price for the engineered equipment and construction.

Westside Energy Partners firmly believe it is critical to have confidence in the pricing received. The WEP team used a variety of resources to provide RPU with price surety when developing the estimated price for the Westside Energy Station. Although time was limited, the team obtained budgetary pricing from: Wartsila for the RICE BOP, a Minnesota supplier for the HVAC systems, a Fire Protection specialist for the fire protection/detections systems, quotations from recent similar projects for the GSU and electrical equipment, and S&L's current market database. Additional details pertaining to the estimated pricing for engineered equipment are provided in the Project Execution

Executive Summary

Plan. Our team also invested a considerable amount of resources in the limited time available to develop conceptual design/layout drawings and preliminary P&IDs for the project. These drawings and our experience from the Lewis and Clark Station 2 were used by our team to estimate material quantities for commodities such as civil work, construction laydown and parking, foundations, piping, cable tray, etc. These estimated quantities were utilized to estimate the (indicative) construction costs for the project.

The Boldt and Sargent & Lundy companies each provide service to our customers based on a philosophy of fair, honest, transparent and high value principles. Principles that are important to any project, yet especially important with an open book format of project delivery. We understand that this is a considerable investment for the RPU and community. We will help you invest your dollars locally and with knowledge and insight to make the selections that best fit your needs. As we work with RPU to refine the overall design of the facility during the LNTP, we can revise our offering to quickly convert from an open-book to closed-book approach if that is desirable.

Our team is pleased to provide the enclosed proposal.

Project Execution Plan

4.0 PROJECT EXECUTION PLAN

Westside Energy Partners has thoroughly reviewed the RFP and addendums in preparation of this proposal. Our team plans to leverage our extensive Wartsila experience to provide value to the Westside Energy Station. Although the RFP did not provide any project specific general arrangement drawings or site layouts, the WEP team proactively developed a conceptual design/layout (Exhibit 4.7) for RPU's consideration.

WEP firmly believes that RPU should receive pricing that they can have a high degree of confidence in. To support RPU, the WEP team utilized the aforementioned conceptual design to establish approximate quantities of various materials (feet of pipe, yard of concrete, tons of steel, etc.) required for the project. These estimated quantities were utilized by the construction team to estimate the (indicative) construction costs for the facility while taking into consideration the physical space and time schedule available to perform the work.

To provide a similar level of confidence with the (indicative) costs for the major balance of plant equipment, our team utilized a variety of resources. Although time was short, the WEP team was able to utilize information from suppliers for budgetary pricing. The table below identifies the sources and estimated prices that were utilized in our indicative price.

Engineered Equipment	Summary of Scope & Comments	Estimated Price	Estimate Basis
Wartsila Balance of Plant (BOP) Equipment Subsupply	BOP equipment/components, including: - Tanks - Compressor System - Interconnecting Ductwork & Stack - MV/LV & DC Electrical Systems - Black Start Diesel Generator	\$2,410,000	- Budgetary pricing solicited from Wartsila - Proposals from recent reference projects
Generator Step-up Transformer (GSU)	- Oil Filled, Copper Wound, Sealed Tank, - 161KV-13.8KV	\$700,000	- Budgetary pricing solicited from vendors
HVAC System	- Engine Hall Air Handling Units w/Heat - Maintenance Shop AHU w/Heat - Engine Hall Roof Ventilators - Electrical Room HVAC - Office / Control Room HVAC - Tank Area Fans and Heaters	\$1,600,000	- Budgetary pricing solicited from Regional area supplier
Fire Protection System	- Enclosure w/electric & diesel fire pumps - Standpipe, hoses, & perimeter hydrants - Water storage tank	\$925,000	- Budgetary pricing from FP specialist - S&L current market cost database
Fuel Gas System	2 x 100% Coalescing Filter Skid with interconnecting piping and valves	\$200,000	- Proposals from recent reference projects
GSU Protection Panels	Protective Relaying	\$50,000	- S&L current market cost database

A key part of our execution strategy is to utilize the conceptual design and estimated costs as a starting point for discussions, adjustments, optimization, etc. after contract award. This will allow WEP/RPU project team to start the project quickly and efficiently.

Project Execution Plan

4.1 MANAGEMENT APPROACH

The Westside Energy Partners (WEP) approach to the project includes a foundation built on strong project management expertise, processes, and tools for effective project controls. Equally important is our commitment to work closely with RPU to provide the best, most practical solutions to the project's particular needs. Our project team is staffed with project management professionals who have extensive experience managing projects of varying degrees of complexity. The technical and management skills and interdisciplinary communications of our project managers are among the principal reasons that our project teams consistently achieve high-quality deliverables, cost containment, and schedule adherence.

When WEP implements a project, we take full project ownership, accountability, and responsibility for the development and execution of the project tasks within the proposed scope.

4.1.1 ENGINEERING MANAGEMENT

The WEP team's approach to the execution of a project is based on the implementation of effective project management techniques and employing experienced Project Management, Engineering, and Design personnel. The team's focus is always on providing practical solutions, cost containment, schedule adherence and quality deliverables. This is achieved through effective management and interdisciplinary communications.

WEP will develop the Westside Energy Station Project Work Plan (PWP) which will be the key document WEP uses to communicate to the project team precisely what work is to be done, how the work is to be done, by whom, and when the work should be completed. The PWP is a living document, accessible to all project team members, which will be updated, as required, through the course of the project.

The PWP provides the outline for overall project controls through detailed descriptions, and addresses the following items:

- Commercial references (purchase order number, project number, etc.)
- Purpose, detailed scope summary, and general approach to work
- Schedule of meetings, including kickoff meeting and regularly scheduled conference telephone calls/videoconferences
- Project team personnel with specific definition of individual roles and responsibilities
- Communications/project confidentiality requirements
- Document distribution and control/Project File Index (PFI)
- Quality control requirements
- Scope control
- Activity-based schedule and budgetary constraints, including monitoring
- Deliverables

It has been our experience that among the key benefits of maintaining a living PWP is the ability to anticipate problems in advance of their occurrence. Because we have a PWP, we are in a position to identify risk to the success of the project and are able to either redirect our efforts to eliminate the potential for a problem or develop contingency plans to mitigate potential problems where appropriate. Another benefit is that when staff members join

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the project, usually to contribute their specialized expertise, the PWP provides a key link and history of the project and expectations without relying solely on discussions and a review of written communications and deliverables, if any.

4.1.2 CONSTRUCTION MANAGEMENT

Project Kickoff

Following award of the contract, various activities will need to be expedited to meet initial project schedule plans. Development of submittal schedules, site specific safety and quality programs, expediting key material deliveries, communication and reporting protocol will all be critical to a successful project kick off. The project kick off will be conducted in a collaborative fashion and include the following:

- The team members will identify key milestones, project requirements and specific goals to ensure a timely and prompt commencement of the project.
- Team members will develop project controls, key submittal requirements, frequency, and reporting formats.
- Assemble a project specific quality and safety manual and project specific procedures to incorporate the project parameters.
- Develop a comprehensive detailed project schedule integrating design, procurement, submittals, construction and turnovers.
- Coordinate further development of a comprehensive equipment, and construction delivery schedule.
- Confirm design and shop drawing submittal procedures to ensure a timely turnaround. It will be critical that we can work together to accelerate the submittal and approval process to keep the project on schedule during each phase.
- Issue subcontracts and material orders.
- Expedite any long lead deliveries to support the schedule.

Cost Controls / Cost Management / Scheduling

Cost control and scheduling provide a systematic approach to identify and analyze pertinent cost and schedule information. This information is used by the project team to troubleshoot potential problems, assess preventive and corrective actions, and to forecast final costs.

The primary purpose of cost control is to connect the budget, the schedule, and actual cost data for accurate management reporting and cost forecasting. Once the baseline is established, productivity comparisons are made by tracking installed quantities and expended man-hours against the budget. The key to this process is accurate accounting of the quantities and costs.

Project Financial Management

A project's success is always gauged upon its completion within budget. One of the Project Team's most important tools is cost control. First the budget for each area is established, confirmed and then fixed. WEP will work with Rochester Public Utilities to establish the budget for each area of the project and identify the cost reporting format. The team will assume responsibility for the preparation and maintenance of these reports which incorporates all project construction activities.

Project control meetings will be held biweekly through the duration of the project and focus on current costs, projected costs and cost impacts. The impact issues should also be discussed, and resolved at this meeting to ensure there are no surprises.

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These cost control tools systems will maximize communication and provide the knowledge for informed decision making. In summary, collaboration and communication are the foundation for accurate information and control of the Project Budget.

Westside Energy Partners will work with RPU to aggressively manage scope creep and work to limit change orders. Change orders will be summarized and discussed at each cost control meeting. This disciplined regime of communication will keep all project participants in check and effectively limit change orders.

The team will prepare a Project Report monthly which will address:

- Executive Summary of Project Progress
- Project Concerns
- Recovery Plans
- Current Delays
- Changes in Schedule or Construction Sequence
- Project Progress
- Project Costs by area
- Project Change Orders by area

Document Control

All engineering drawings and design documents are tracked for revision dates, and distribution. Shop drawings and other submittals are logged in when submitted and approved. Information requests are documented through the use of an RFI (Request For Information) system. A standard form is used, numbered, and logged into the system. A weekly review of the RFI and shop drawing list is made to assure construction activities are not impacted.

Customized Reporting

Many of the reports we will use on this project are Excel based and may be modified to address certain requirements of this project. Our internal Project Financial Management (PFM) system, along with our payable and payroll systems, have the ability to provide data sorts that will support most reporting needs. The data can also be downloaded to an Excel file for creating analysis reports that may be required for the project. This ability allows more accurate reporting and avoids conflicting data that can occur when information is entered separately.

At the end of each month a report is issued that summarizes the status of the project. The report starts with an executive summary and contains the status of engineering, procurement, construction, budget, safety, and schedule. This report will also address issues, concerns, problems and any labor relations issues. The narrative is supported by actual schedules, cost reports and/or spread sheets, and other documentation.

The expediting status of all orders will be recorded and reported for follow-up by the project team. Expediting reports will be distributed within the project team.

WEP will provide a daily report for the project, which will identify manpower present on the site by craft and subcontractor, along with observations on weather conditions and a safety checklist. We will also provide a daily report listing "Major" construction equipment that is on the site and a separate "Non-Major" construction equipment that is on the site.

We will also issue weekly manpower reporting:

- Actual Manpower by Craft vs. Forecasted Manpower by Craft

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On a monthly basis, the following reports will be provided:

- Actual Engineering & Procurement Percent Completed vs Forecasted
- Actual Manhours by Craft vs. Forecasted Manhours by Craft
- Actual Manpower by Craft vs. Forecasted Manpower Overall

4.2 RICE OEM EXPERIENCE

Sargent & Lundy has provided engineering, design, and procurement services to support the installation and operation of reciprocating engine generators for all of their nuclear new-unit design authorizations and for most of our fossil plants as well. Their global expertise in this area is enhanced by extensive owner's engineering, due diligence consulting, and betterment and modification assignments. These projects encompass a wide range of plant sizes, vintages, and technologies, such as traditional fuel oil as well as natural gas fired engines. S&L has experience working with the major RICE OEMs, such as Wartsila, Fairbanks Morse/MAN, GE/Jenbacher, and Caterpillar.

The S&L project team proposed for the Westside Energy Project is very familiar with Wartsila and the W20V34SG engine from their involvement on the MDU Lewis & Clark RICE Project. The team interacted with Wartsila throughout the project, at all levels from the project executive team, project management, and engineering & design, to provide Montana-Dakota Utilities with an efficient and cost-effective design. Each discipline lead has established a working relationship with their Wartsila counterparts which will greatly benefit the Westside Energy Station Project. The depth of our collaboration with the Wartsila management, engineering, and design team extends into the North American headquarters in Houston, and the Corporate Offices in Vaasa, Finland, including their design services support group Citec (also located in Vaasa). A key contributor to the team's success on RICE projects was the collaborative use of the 3-D model, effective bi-monthly model review meetings with Wartsila and its subcontractors (i.e. Citec) during the engineering/design phase to efficiently discuss project issues and design constraints in real-time. The WEP/RPU team will employ this proven engineering & design collaboration approach to deliver the Westside project.

As discussed in Section 4.3, WEP proposes to utilize Wartsila for the procurement of engine related balance of plant equipment and materials. The strong working relationship between S&L and Wartsila will help the WEP/RPU team execute the Westside Project efficiently to deliver a high quality, cost effective, generating station for Rochester Public Utilities.

4.3 PROCUREMENT & SUBCONTRACTING APPROACH

Procurement of engineered plant equipment starts shortly after project award. The purchase of equipment and material is commensurate with the project schedule. The priority on procurement is driven by the need for design information and equipment lead times in order to support the construction sequencing. Initial engineering activities emphasize completing procurement contract awards.

The contracting approach for the Westside Energy Station project is to award several major equipment and material supply procurement contracts for the structural, mechanical, and electrical systems as shown in the Specification Matrix in Exhibit 4.1.

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WEP proposes to use a value added and competitive contracting strategy to deliver a robust and industry proven installation at low cost to RPU for the Westside Energy Station. Our approach includes subcontracting Wartsila to supply the balance of plant (BOP) equipment *package* that complements its 20V34SG reciprocating engines.

As an industry leader in RICE technology, Wartsila has been involved in 4,700 plants in 170 countries worldwide over the past several decades. This degree of market penetration allows them to have tremendous buying power to supply projects with low cost, standardized components that have proven reliability in the power industry, both here in the US and internationally. To provide RPU with the same cost effective highly reliable power generation facility, our execution plan is based on the following RICE related equipment and components to be sub-supplied by Wartsila:

- Exhaust ductwork, expansion bellows, & stacks
- Lube oil storage & transfer / Urea storage
- Compressor system (starting / instrument air & receivers)
- MV/LV Switchgear & DC Electrical Systems
- Black Start Diesel Generator
- Superstructure steel & galleries (charge air, ducting, SCR, stack, radiator)

The Wartsila sub-supply has additional advantages including overall facility system integration and operation, conformance to U.S. codes and standards, as well as competitive fabrication/delivery lead times.

A formal competitive bid process will be utilized for engineered equipment that has an estimated value greater than \$750K. This includes the pre-engineered building for the engine hall, administrative area, and maintenance area, and the heating, ventilation & air conditioning (HVAC) system. Our team will prepare the Request for Purchase (RFP) packages that include the technical specification and the commercial requirements (instructions to bidders, proposal data/pricing pages, general terms and conditions, schedule, liquidated damages, etc.). As part of the open book process, bids will be solicited from three (3) bidders. Upon receipt of the proposals, WEP will tabulate the relevant proposal data and evaluate the bids. During the evaluation phase, an Exceptions & Clarifications Resolution spreadsheet will be used to track questions and responses to closure. Upon completion of the evaluation, we will discuss the results with RPU, and prepare a recommendation letter. The contract will then be awarded based upon RPU's final decision.

For engineered equipment estimated to cost less than \$750K, Westside Energy Partners will work with RPU to obtain a list of RPU preferred suppliers. The preferred suppliers will be utilized for the fire protection system, generator step-up transformer (GSU), fuel gas filter system, and protective relaying panels. Utilizing RPU preferred suppliers will provide an Operations and Maintenance benefit due to RPU's past experience with the supplier. This will also allow for similar equipment across RPU's operating fleet providing operations and spare parts advantages. WEP will prepare the Request for Purchase (RFP) package and work with RPU to obtain pricing from a single preferred supplier for these items. Upon receipt of the supplier's proposal, the team will perform an evaluation for scope compliance, technical adherence, and commercial terms. As part of this evaluation process, WEP will perform a validation check using our internal current market cost estimating database for similar scope equipment and designs. Our team will discuss the results with RPU and award the contract based upon the evaluation.

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4.4 ENGINEERING APPROACH AND BASIS

Exhibit 4.4 contains the overall engineering approach and basis for the Westside Energy Station including a description of our PLAnt DESign (PLADES) system. The PLADES system is fundamental to the integration of a 3D plant design model with a database that is continuously updated throughout design development. Our plan is to perform a web based review of the 3D model with RPU every two weeks to obtain feedback on the design of the new RICE facility as it is being developed.

4.5 SCHEDULE

One of the most important tools of any project that directly impacts both the quality and the cost is the project schedule. When our scheduling specialists present the master project schedule, we have the utmost confidence in its accuracy. You can be assured the high reliability level of our schedules and our commitment to schedule adherence will be catalysts to keeping your project on track.

The most recent addition to our management toolbox is the use of interactive scheduling workshops. Our workshops draw on all project resources (your representatives, the design experts, construction experts, contractors and subcontractors) to create project schedules in **real time**. Together, we create "what if" scenarios (adding or adjusting project components, shortening or lengthening installation times, adjusting delivery schedules or manpower estimates) to test the validity and "reality" of the project schedule.

In essence, "If A changes, then B happens, C happens, and D happens as a result." Through these scenarios, the entire project team sees the affect their individual work has on the total picture, in real time. We believe strongly in the positive results of interactive scheduling. We see it as an integral component not only of project management, but of synergistic relationship building.

Specific to the RPU project, we have developed a preliminary schedule identifying the overall project milestones, WEP's procurement strategy, and design-engineering & construction activities. We have utilized the critical path method (CPM) to formulate a plan that meets the project objectives. The schedule is consistent with the nine Key Project Dates required in the RFP.

The proposed schedule, presented in Exhibit 4.5, is prepared in Primavera Project Management software which is our standard scheduling tool. It shows the progressive flow of engineering and procurement activities to support construction commencement on March 1, 2017. Initially, the team's focus will be on conceptual design-engineering for the development of the facility, including 3-D Model, general arrangements, piping & instrumentation diagrams, and electrical single line. Additionally, we will execute contracts for services (Geotechnical Investigation, Topographical Survey and Noise Assessment) that will provide the input to support design engineering for the overall site layout, powerblock & equipment arrangements, and facility noise attenuation requirements. We will leverage our Wartsila 20V34SG design experience to supplement *project-specific* information available from Wartsila for the Westside Energy Project at the time of award. The WEP Team will provide a strong collaborative environment to ensure RPU obtains the facilities design elements necessary to support long term operation, maintenance, reliability, and energy efficiency.

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The procurement of long lead equipment (i.e. GSU, and supporting electrical systems) will progress to ensure that the deliveries will meet the design-engineering and construction schedule. Procurement of the Pre-Engineered building is a priority as well due to coordination involved with other equipment and design (HVAC, Fire Protection, Duct Penetrations, etc) including installation of the engine hall to support receipt of the Wartsila gensets in late June 2017. Please note that in accordance with information obtained by RPU during the pre-bid meeting, our execution plan is based on delivery of the engines approximately nine-months after NTP to better support the overall erection of the building, including external/internal finishes.

Next, the Wartsila BOP equipment sub-supply would be released in early July 2016 in order to obtain vendor data in time to support detailed design commencing in early September 2016. As Wartsila design packages are received; our engineering and efforts will increase so that ultimately construction drawings will be ready to support the construction sequence and support the milestones set forth in the RFP and Construction Completion date of November 1, 2017.

Following award, WEP's preliminary schedule will be expanded into a Level 3 schedule in order to establish the Baseline Work Schedule. The schedule will be rigorously maintained throughout the duration of the project and actively managed to monitor and react quickly to any issues we may encounter. Schedule reports will be issued monthly to RPU to convey progress and show upcoming activities.

In addition to the monthly updates, our schedule will be used continuously as a monitoring and management tool to ensure we are focused on the right priorities and making adequate progress toward the project goals.

4.5.1 CONSTRUCTION PHASE STRATEGY

Using the combined experience of the WEP team members related to prior and recent RICE project installations together with our experience on similar combustion turbine projects, the team assembled the detailed construction phase portion of the schedule. During development of the strategy for this phase, the following key considerations were taken:

- Target a mobilization date as early in the construction season as possible considering local spring weather (Early March)
- Start Underground utility installations as soon as possible to stay ahead of concrete installations
- Sequence the concrete foundation installations considering up to (4) separate concrete crews
- Sequence the concrete foundations with priority given to the installations directly related to the Engine Hall area which is on the critical path.
- Sequence the Building erection to allow the Engines to be installed immediately upon delivery. (Late June)
- Sequence the exhaust system component installations working from the engines toward the stacks.

As stated in previous sections, additional details of the installation will be developed during the detail design phase. The development of these details include interaction with the design team ensuring IFC issuance and commissioning requirements. The 3D model will be used to insure constructability and to forecast safe work sequences.

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4.6 QUALITY

4.6.1 ENGINEERING QUALITY

Sargent & Lundy is committed to providing the highest quality engineering and consulting services. As part of our quality focus, S&L has established a company-wide Quality Management System (QMS) that is based on the requirements of ISO 9001:2008. The foundation of our system, SL-QAP, Quality Policy and Program Plan (see Exhibit 4.2), establishes our QMS and includes a set of implementing Standard Operating Procedures or SOPs. Compliance with SL-QAP and SOPs is mandatory for all work across our company.

Our approach toward quality is comprehensive and systematic. Some elements of Sargent & Lundy's QMS are transparent to our clients but form an integral part of our approach. These elements address sustained technical excellence through our consistency-focused System of Processes, continual improvement through our Performance Improvement Process (PIP), and a defined system of checks and balances including rigorous oversight through companywide audits.

- We have developed a flexible system of processes and personnel qualification approach that S&L uses to produce deliverables. Requiring that all client work adheres to the System of Processes means that a person performing an activity is proficient in that task and is aware of the tools and standards that are available for that particular assignment. Both the processes and associated personnel qualifications are maintained on a continuous basis with a formal review occurring at least annually. To our customers, this means better value because the right people will utilize the right tools and standards to do the job right the first time.
- Our system of checks and balances on deliverables begins with the Preparer doing a self-check of their work to ensure compliance with customer requirements, industry codes, and internal standards. In addition, every technical deliverable, without exception, must be reviewed by a staff member other than the preparer who is Qualified in that area. This prepare, review, and approve process is typically documented via signatures on the technical deliverable.
- Additionally, design activities are subject to an independent and inter-discipline design review prior to issuing critical deliverables, as described in our internal procedures. The results of this activity are also documented, typically via meeting notes with resultant action items clearly identified.
- All projects and processes are subject to internal audits that are led by a certified Lead Auditor. Our audits of projects and processes typically include technical specialists so that the evaluation exceeds simply complying with procedural requirements.
- S&L welcomes audits by our clients or their representatives. Perry Johnson Registrars (PJR), an internationally recognized ISO 9001 registrar, conducts annual audits of our QMS to certify its meeting the requirements of ISO 9001:2008 (see most recent certificate in Exhibit 4.3). The overall conclusion was that S&L's approach continues to meet or exceed the requirements of the standard, and PJR has recommended that our ISO certification be continued.
- The Performance Improvement Process was established in 1997 as a systematic tool to support S&L's mission of continually improving work quality. Employees utilize an online application on S&L's Intranet to formally recommend process improvements, known as PIPs, to highlight areas warranting

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additional scrutiny and to disseminate lessons learned and best practices to personnel companywide. At the start of new projects, the PIP system is reviewed to identify specific items that can be incorporated on the project to anticipate and prevent potential problems.

- In addition to reviewing the PIP system, S&L prefers to have a face to face kickoff meeting with the major parties involved, RPU, Wärtsilä, and WEP. The face to face allows discussion of scope to ensure everyone is on the same page and will include introducing team members, establishing project goals, communication plans, transmittal and format protocols for specifications, drawing deliverables, and model files, Request for Information (RFI) protocol, and selecting a team meeting day and time for weekly teleconferences.
- After the kickoff meeting, 3D model reviews continue on a regular basis internally, with the WEP team, and with RPU/ Wärtsilä. The 3D model reviews between WEP allow design to progress with the added focus of constructability to ensure an efficient design.

The S&L Quality Management System assures a customer focus to our work activities. Our Project Directors are specifically charged with the responsibility to achieve an effective working relationship between our organizations. We involve our customers in the planning process. For example, we have recently changed our procedures to emphasize the importance of sharing example deliverables to end users including engineering, systems engineering, installers, operations, and maintenance personnel. The main idea is to assure that there are “no surprises” at the end of the project. In spite of the best efforts of all participants, projects or a series of projects can have rough spots. When this happens, we work with our clients in a collaborative fashion to identify problems and solutions. Our emphasis is on working with the client during planning, execution, close-out, and, when necessary, problem-solving/process improvement.

In summary, at S&L, quality is embedded in our basic approach to work and is synonymous with technical excellence and high value for our clients.

4.6.2 CONSTRUCTION QUALITY

The Boldt Quality Management System which will be implemented and followed for Rochester Public Utilities Westside Energy Station project is described in our Quality Manual Vol. I “Quality Management System – Construction” (Attached). The basis for this program follows the ISO - 9000 methodology. In addition to the requirements defined in Vol. I, Boldt has Quality Work Procedures (QWPs) and Quality Forms (QFs) that will be followed and completed as part of their general constructions practices. A partial index of the procedures and forms is attached for reference. In addition to the above referenced standards Boldt has specific quality manual that will be implemented for the ASME portion of this work as well as a specific AISC manual that will be followed for any structural steel erection performed associated with this project. Following award of contract, those manuals will be submitted for your review.

Audit plans will be developed for internal QA audits of Boldt’s Construction activities. Audit plans will also be developed for audits of subcontractor performance against their quality programs and contract requirements. Audits will be performed by qualified personnel. Site surveillance plans and site inspection plans will be developed to assure that project specific contract, procedures, specifications, drawings, and applicable code requirements are followed.

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4.7 START-UP, COMMISSIONING, AND TESTING APPROACH

WEP will be responsible for start-up, commissioning and testing of the Westside Energy Station.

4.7.1 COMMISSIONING

WEP will be responsible for system checkout, electrical continuity, implementation of design set-points, and other such commissioning activities that do not require energization of plant equipment. Pre-operational testing, which demonstrates the function of the equipment and that the systems are ready to perform in an operational environment, will be performed prior to construction completion. WEP will determine the testing necessary and the testing will be done in coordination with the suppliers, or in accordance with supplier instructions, and under approved test procedures administered by WEP's commissioning organization.

4.7.2 START-UP/OPERATION/TESTING

WEP will provide functional testing and initial operation of the WEP procured components, equipment, and systems. WEP will demonstrate the ability of the systems to operate safely and reliably in a coordinated manner throughout the range of normal and transient operating conditions, for which they were designed.

WEP will provide and use qualified and experienced operations personnel to operate components, equipment, and systems during coordinated equipment and system initial operations through RPU's acceptance of the facility.

4.7.3 COMMISSIONING ORGANIZATION

WEP will provide a qualified and experienced commissioning/startup manager, along with systems/operations commissioning engineers and technicians, as required to support all activities of the commissioning and operational phases of the plant startup.

The commissioning/startup manager will have demonstrated proficiency as a startup manager on similar projects. Other startup engineers and technicians will have suitable startup experience and will have demonstrated proficiency in their respective fields.

WEP will provide skilled construction crafts and labor support, as required to support the commissioning organization and schedule. The commissioning organizational staffing will include adequate personnel as required to meet the startup schedule.

4.7.4 SCHEDULE

WEP will provide and schedule adequate supplier support for checkout, testing, startup, and initial operation of equipment, components and systems. WEP will develop a baseline startup schedule, which will show the system commissioning start dates, durations of all unit startup activities with prerequisite conditions, and system turnover dates. The overall startup sequence will be developed by WEP such that all systems and subsystems are completed in the proper sequence to support a safe and orderly startup.

Project Execution Plan

4.7.5 PROCEDURES

WEP will develop a Commissioning Plan which will include the startup schedule, staffing plans and organizations, master systems list, narrative for startup sequence, lockout/tag-out process narrative, training program, subcontractor listing and scope of work, system walk-down schedule, vendor representative schedules, and drafts of all system and integrated facility startup testing and commissioning procedures.

WEP will prepare procedures that document responsibilities of all parties involved in the startup process, and provide the methodology for system turnover from WEP Construction to WEP Commissioning and from WEP Commissioning to RPU Operations.

4.7.6 TURNOVER PACKAGES

WEP will establish a formal turnover process that fully details the documentation required to transfer care, custody, and control of scoped systems between WEP Construction and WEP Commissioning, designated as Construction Turnover Packages (CTOs) and WEP Commissioning turnover to the RPU Operations, designated as System Turnover Packages (STPs).

WEP's commissioning/startup manager will establish system turnover boundaries for all facility systems. Piping and instrumentation diagrams (P&IDs) will be marked up to show boundaries of the mechanical systems. Single-line electrical drawings will be marked up to indicate the electrical system boundaries. Equipment list, line list, valve list, specialty list, electrical cable schedules, instrument list, and other documents will be sorted and identified by system.

CTOs and STPs containing all pertinent documentation for each startup system will accompany each request for Mechanical Completion Certificate pursuant to the Contract.

4.7.7 DRAWINGS

Through the use of a document control procedure, WEP will mark up and maintain on the site, in a location immediately accessible to RPU, a master set of drawings, which reflect all field changes made during the commissioning effort. A copy of this master set of drawings will remain on the site through completion of the commissioning work.

4.7.8 OPERATOR TRAINING

Training of RPU's personnel (or other employees or agents of RPU) will be given by WEP in accordance with a timetable to be agreed upon with RPU and will include onsite and classroom training covering the O&M of the facility. Such training will be conducted by trainers who are experienced in the O&M of the facility's components, equipment, and systems. WEP will coordinate the overall program, which will be developed to familiarize the O&M personnel with each of the various operating systems, the major mechanical equipment, and the control systems. The training will provide control and operating philosophy to allow RPU's personnel to safely and reliably start up, operate, and shut down all components, equipment, and systems.

WEP will schedule and coordinate the training with the major equipment suppliers. The Program will be based on the premise that the personnel provided will have the previous training and experience as is normally required in the

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electric utility industry to operate and maintain similar facilities. WEP will provide a person to coordinate and lead the program.

4.8 ENERGY EFFICIENCY AND RENEWABLE SYSTEMS

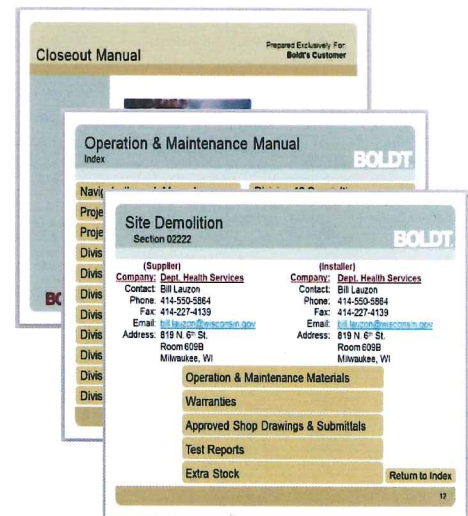
During the detail design phase an important point of focus will be the integration of systems that maximize water and energy efficient solutions. This focus will require a system and campus wide approach to design. Throughout the design phase, WEP will work with RPU to identify strategies that best align with plant operation procedures.

Energy strategies include minimizing energy use through HVAC equipment selection and control systems, as well as efficient lighting design that includes day-lighting and controls. Building enclosure strategies to save energy include using highly insulated building envelopes, high performance glazing and energy efficient roofing. Water saving strategies include the use of low-flow plumbing fixtures, irrigation free landscaping, and investigating potential for on-site water re-use. Particular attention will be paid to occupied, finished administration areas and the use of low-VOC paints, and interior finishes that incorporate local, renewable or recycled materials. The potential for pursuing a sustainable certification rating from the U.S. Green Building Council (LEED), the Institute for Sustainable Infrastructure (Envision) or the Green Building Initiative (Green Globes) can be further discussed during detailed design.

4.9 PROJECT CLOSEOUT

The close-out process will begin with mechanical completion. Project close-out includes the activities that may be required to satisfy all remaining requirements of the project scope of work.

All documentation, including "For Record" drawings, operations and maintenance (O&M) manuals, and other construction documents, are compiled and distributed per the contract requirements. Such technical and close-out data and information will provide Rochester Public Utilities operating staff with the technical data required to troubleshoot problems which occur during normal plant operation.



ROCHESTER PUBLIC UTILITIES CO.
WESTSIDE ENERGY STATION PROJECT
 - Specification List -

Exhibit 4.1

Engineered Equipment	Summary of Scope & Comments	Required to Support Critical Path Work for:	Notes
Formal Competitive Bid Process (Note 1)			
Pre-Engineered Building	- Engine Hall, with Electrical/Control Rooms, and office/admin/locker/maintenance areas - Lube Oil / Urea Tank Enclosure	Foundations & Detailed Design	- Includes 5 Ton Bridge Crane for Engine Hall, and 2 Ton Crane for Maintenance Area
Heating, Ventilation, and Air Conditioning System	- Engine Hall Air Handling Units w/ Heat, - Engine Hall Roof Ventilators, - Electrical Room HVAC, - Office/Control Room HVAC - Maintenance Shop Air Handling Units w/ Heat, - Tank Farm Fans & Heaters	Pre-Engineered Building Detailed Design	
Wartsila Sub-Supply (Note 3)			
Wartsila Balance of Plant (BOP) Equipment Subsupply	BOP equipment/components, including: - Tanks - Compressor System - Interconnecting Ductwork & Stack - MV/LV & DC Electrical Systems - Black Start Diesel Generator	Foundations & Detailed Design	
RPU Preferred Supplier (Note 2)			
Generator Step-up Transformer (GSU)	- Oil Filled, Copper Wound, Sealed Tank, - 161KV-13.8KV	Foundations & Electrical Design	- appx. 8 month lead time
Fire Protection System	- Fire pump house with 1 x 750 gpm electric and 1 x 750 gpm diesel fire pump - standpipe, fire hoses, fire extinguishers for Building - perimeter fire hydrants	Detailed Design	
Fire Protection Tank	- field fabricated fire water storage tank	Foundations & Detailed Design	
Fuel Gas System	2 x 100% Coalescing Filter Skid with interconnecting piping and valves	Detailed Design	- Per RFP Section III.B.2, RPU Scope includes: = metering, pressure protection, dew point heating, chromatograph, delivery pressure at RPU interface 150psig. - It is assumed RPU's gas supplier will provided odorized gas and additional on-site odorizing will not be required. - It is assumed RPU will provide revenue meter located in gas yard; flowmeters at each engine will be provided by EPC and used for engine control alone.
GSU Protection Panels	Protective Relaying	Electrical Design	

Notes:

1. Our proposal is based on a formal competitive bid process from three (3) suppliers for items that are expected to be valued over 750K.
2. We will work with RPU to obtain pricing from a single RPU preferred supplier for items estimated to be less than \$750K; the EPC will provide it's estimate from our market database to validate competitive pricing.
3. We can provide additional detail for Wartsila Subsupply upon request.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to proceed with the negotiations and execution of an EPC Open Book Contract with The Boldt Company for the

Engineering, Procurement and Construction of the Westside Energy Station

contingent on the approval of the RPU General Manager and the Rochester City Attorney for a total amount not to exceed \$38,683,453.00 and authorize the Mayor and the City Clerk to execute the contract and allow for change orders to be managed by internal authorization procedures.

The amount of the agreement is broken down as follows; THREE MILLION, SEVEN HUNDRED AND NINETY EIGHT THOUSAND TWO HUNDRED AND EIGHTY NINE 00/100 DOLLARS (\$3,789,289.00) for a firm price for engineering, construction management and startup management, TWENTY EIGHT MILLION FOUR HUNDRED AND THIRTY SEVEN THOUSAND, NINE HUNDRED AND TWENTY TWO 00/100 DOLLARS (\$28,437,922.00) for procurement, subcontractor and markup for the balance of plant infrastructure and SIX MILLION FOUR HUNDRED AND FORTY SEVEN THOUSAND TWO HUNDRED AND FORTY TWO 00/100 DOLLARS (\$6,447,242) for contingency including granting authorization for the RPU Project Manager to perform the acts to execute the project.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23rd day of February, 2016.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 5170)

Meeting Date: 2/23/2016

SUBJECT: SAP Enterprise Resource Update

PREPARED BY: Patty Hanson

ITEM DESCRIPTION:

In May 2014, staff presented to the Board the results of the SAP Value Engineering Study (“the Study”) and a recommended three-year roadmap. The study identified outdated modules no longer being supported by SAP; the General Ledger (GL) and the Customer Interaction Center (CIC0). The Board approved going forward with the Flexible GL upgrade. The Board also approved the technical upgrades of Solution Manager, Test Data Migration Server, and Security Upgrades.

In August 2014, staff presented the pain points and inefficiencies in various areas and business processes, as reported in the Study. The presented plan for 2015-2017 was to upgrade and implement the following SAP modules:

- Customer Relationship Management (CRM) to replace CIC0.
- Demand Side Management (DSM) as part of the CRM project.
- Business Objects (BO), a reporting module, to integrate with Business Information (BI), our data warehouse.
- Project Systems which will allow us to bill Mayo steam among other things.
- Multiple Resource Scheduler (MRS) coincides with the CRM project.
- Mobile Workforce Management (MWM).

In December 2014, we had a dramatic change in focus due to delays and cost over runs in the Flexible GL project and budget constraints. All major 2015 SAP projects were suspended. Staff was given direction to research alternative options, including non-SAP options, and prepare a business case for the replacement of the SAP CICO system.

Since early 2015, up to this point;

- a CRM consultant was hired;
- staff prepared and issued two RFPs;

FOR BOARD ACTION

Agenda Item # (ID # 5170)

Meeting Date: 2/23/2016

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- we received nine responses and five vendors were invited in for demos in August;
 - in September, the field was narrowed down to two vendors;
 - October and November were spent on utility site visits;
 - December provided another vendor demo opportunity and;
 - organizational consensus was arrived at.

The purpose of this informational presentation is to provide the Board with more information on the business case, drivers for moving away from an SAP customer care solution, and next steps which include scoping time and costs for CIS (Customer Information System) and SAP interfaces, vetting ERP questions (General Ledger and Work Management), and identifying costs associated with a “big bang” implementation versus a phased approach.

UTILITY BOARD ACTION REQUESTED:

Informational only. No action required.