



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## MEETING AGENDA

Wednesday, April 30, 2025

4:00 PM

**CALL TO ORDER:** Pursuant to due notice and call thereof, a Regular Meeting of the Grand Rapids Public Utilities Commission will be held on Wednesday, April 30, 2025 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

**PUBLIC FORUM:**

**PRESENTATIONS:**

1. Presentation by Jodi Piekarski and TJ Otto from Minnesota Power on their IRP (Integrated Resource Plan) and proposed acquisition.
2. Presentation by Clifton Larson Allen LLP (CLA) on the 2024 financial audit.

**APPROVAL OF MINUTES:**

3. Consider a motion to approve the March 12, 2025 Work Session Minutes and the March 19, 2025 Regular Meeting Minutes.

**VERIFIED CLAIMS:**

4. Consider a motion to approve \$1,627,332.47 in verified claims for March and April 2025.

**COMMISSION REPORTS:**

**CONSENT AGENDA:** Any item on the consent agenda shall be removed for consideration by the request of any one Commission member, Utility Staff, or the public and put on the regular agenda for discussion and consideration.

5. Consider a motion to ratify the agreement with Emergent Software for an amount not to exceed \$22,625 for IT professional services to migrate and modernize the GRPU server system.
6. Consider a motion to ratify the procurement contract with NOS Automation for a Racal Alarm agent, temperature and water detection switch for the water PRV building for \$4,165.
7. Consider a motion to approve the procurement contract with Duncan Co for two 16-inch butterfly valves for the WTP for \$16,442.
8. Consider a motion to ratify the procurement contract with Duncan Co for a Kinetrol actuator and butterfly valve for the WTP for \$9,090.

**SETTING OF REGULAR AGENDA:** This is an opportunity to approve the regular agenda as presented, or add/delete an agenda item by a majority vote of the Commission members present.

## CONTRACTS:

- [9.](#) Consider a motion to approve an agreement with Paul Bunyan Communications for a monthly fee of \$3,904 for IT Managed Services and authorize the General Manager to sign the agreement.
- [10.](#) Consider a motion to approve the agreement with Emergent Software in the amount of \$1,800 one-time service fee and \$2,950 monthly support services fee for IT server support and authorize the General Manager to sign the agreement.
- [11.](#) Consider a motion to approve the procurement contract with Minnesota Power for the Tioga Substation Facility Study for \$31,950 and allow the General Manager to sign the contract.
- [12.](#) Consider a motion to award the Airport Road Electric Underground Installation Project contract to ArchKey/Parsons Electric for an estimated total amount of \$167,392.00 and authorize the General Manager to sign the contract.
- [13.](#) Consider a motion to approve the procurement contract with Baldwin Supply Company for a sludge conveyor hanger bearing for the WWTP primary plant for \$30,764.88 and authorize the General Manager to sign the contract.

## BUSINESS:

- [14.](#) Operations & Capital Updates
- [15.](#) Consider a motion to approve Resolution No. 04-30-25-05 accepting the 2024 audited annual comprehensive financial statements and related auditor's letters.

## REPORTS:

- [16.](#) Monthly Reports

## ADJOURNMENT:

The next Work Session is scheduled for Wednesday, May 14, 2025 at 8:00 AM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The next Regular Meeting of the Commission is scheduled for Wednesday, May 28, 2025 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The GRPUC has adopted a Meeting Protocol Policy, which informs attendees of the GRPUC's desire to conduct meetings in an orderly manner which welcomes all civil input from interested parties. If you are unaware of the policy, please contact our office at 218-326-7024 and we will provide you with a copy of the policy.



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

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**AGENDA DATE:** July 24, 2024

**AGENDA ITEM:** Presentation by Jodi Piekarski and TJ Otto from Minnesota Power on their IRP (Integrated Resource Plan) and proposed acquisition.

**PREPARED BY:** Julie Kennedy, General Manager

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### **BACKGROUND:**

Jodi Piekarski and TJ Otto from Minnesota Power will provide an update on their Integrated Resource Plan (IRP) and proposed acquisition.

### **RECOMMENDATION:**

None. Review Only.



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

# Grand Rapids Public Utilities Commission

Audit Presentation  
Exit Conference  
Year Ended December 31, 2024



# Agenda

Item 2.

- Required Communications
- Audit Results
- Financial Results
- Key Issues/Summary



# Required Communications

Item 2.

- Our Responsibility Under Generally Accepted Auditing Standards
  - Primary responsibility is to provide our opinion on the fairness of presentation of the financial statements
  - Reviewed internal accounting controls
  - Risk based audit approach
  - Based on internal controls, determined scopes, and tests of transactions
- Planned Scope and Timing of the Audit
  - Communicated during the audit preliminary work and field work
- Significant Accounting Policies
  - Outlined in Note 1 to the financial statements
  - New Standards – GASB 101



# Required Communications (Continued)

Item 2.

- Management Judgments and Accounting Estimates – Reasonable/Supported
- Corrected and Uncorrected Misstatements
  - Corrected adjustments – none noted
  - Uncorrected adjustments – one noted
    - Not recording immaterial OPEB liability
- Disclosures are Adequate, Clear and Complete
- Other Information in Documents Containing Audited Financial Statements
  - Required Supplementary Information – no opinion
  - Supplementary Information – in-relation to opinion – inquiries and evaluate content
  - Other Information – in-relation to opinion – inquiries and evaluate content
- Disagreements with Management
  - There have been no disagreements with management about matters that could be significant to the financial statements



# Required Communications (Continued)

Item 2.

- Consultations with Other Accountants
  - There were no consultations with other independent accountants, other than prior year auditors
- Major Issues Discussed With Management Prior to Retention
  - No issues, other than normal planning issues, were discussed prior to our retention as auditors
- Difficulties Encountered in Performing the Audit
  - Management was most cooperative and helpful
  - Personnel were available
- Presented one-year financial statements, will update next year once numbers become more comparative due to changes implemented



# Audit Results

Item 2.

- Unmodified Opinion
  - On the basic financial statement
- Compliance and Internal Control Over Financial Reporting
  - Material Weakness – one noted
    - Financial Reporting Process
  - Significant Deficiencies – none noted
- Minnesota Legal Compliance
  - Seven areas – none noted



# Financial Results

Item 2.

## Utility Operations



	2020	2021	2022	2023	2024
Total Revenues	\$ 23,308,491	\$ 26,027,839	\$ 27,184,680	\$ 26,571,077	\$ 28,154,094
Capital Contributions	2,509,109	1,726,729	1,753,848	4,496,465	1,956,008
Total Expenses	24,429,036	27,865,909	26,844,838	27,845,118	28,372,027
Change in Net Position	1,388,564	(111,341)	2,093,690	3,222,424	1,738,075



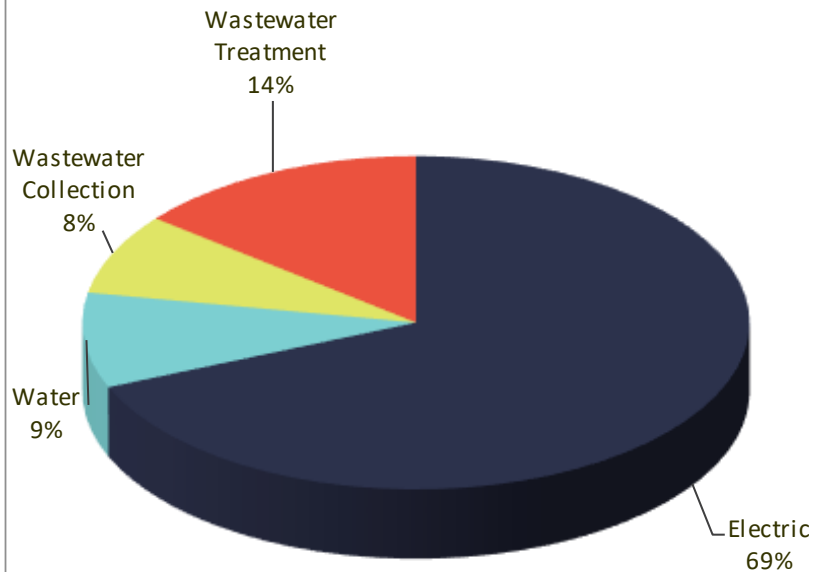


# Financial Results (Continued)

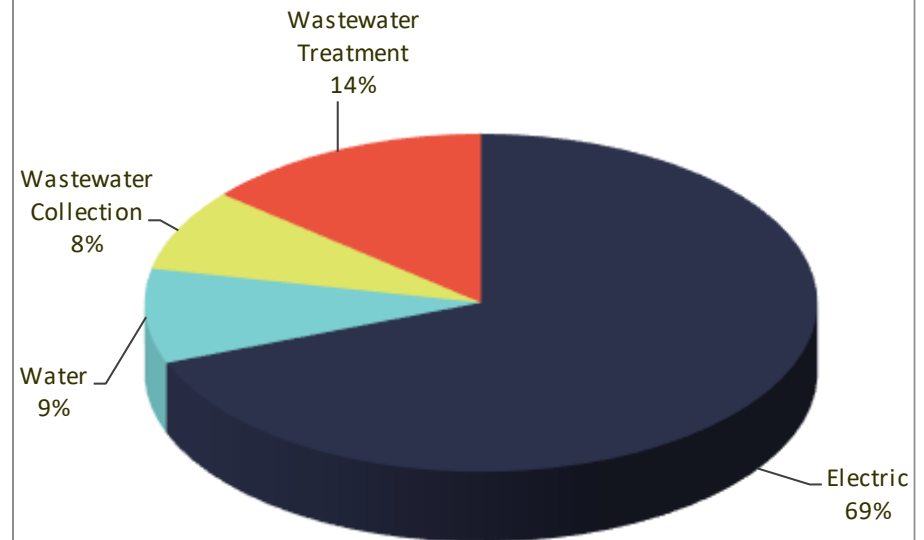
Item 2.

## *Utility Operations*

**2024 Operating Revenues**



**2023 Operating Revenues**

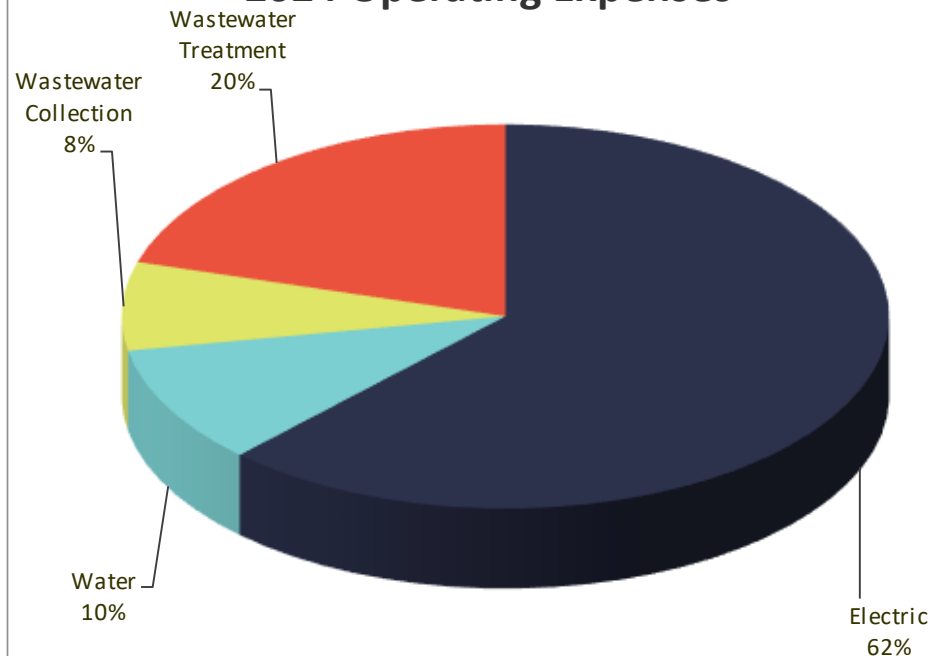


# Financial Results (Continued)

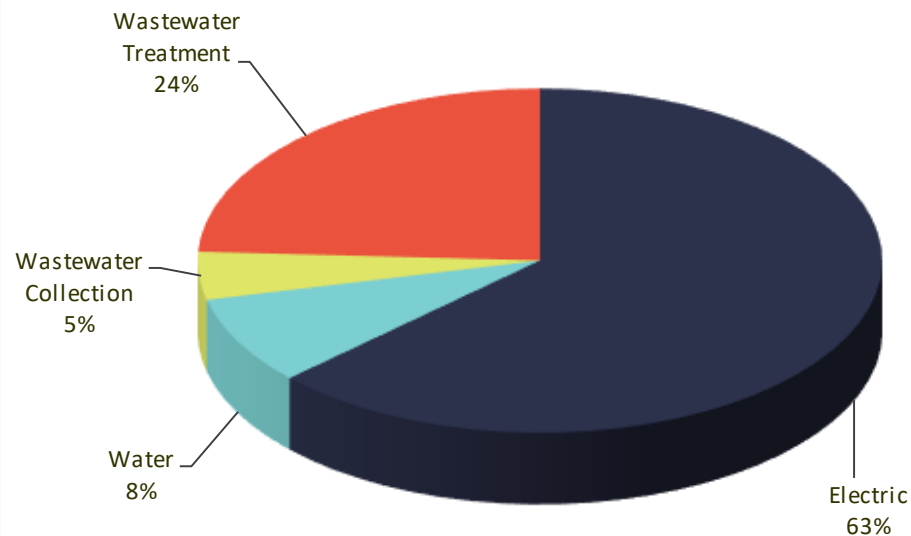
Item 2.

## *Utility Operations*

### 2024 Operating Expenses



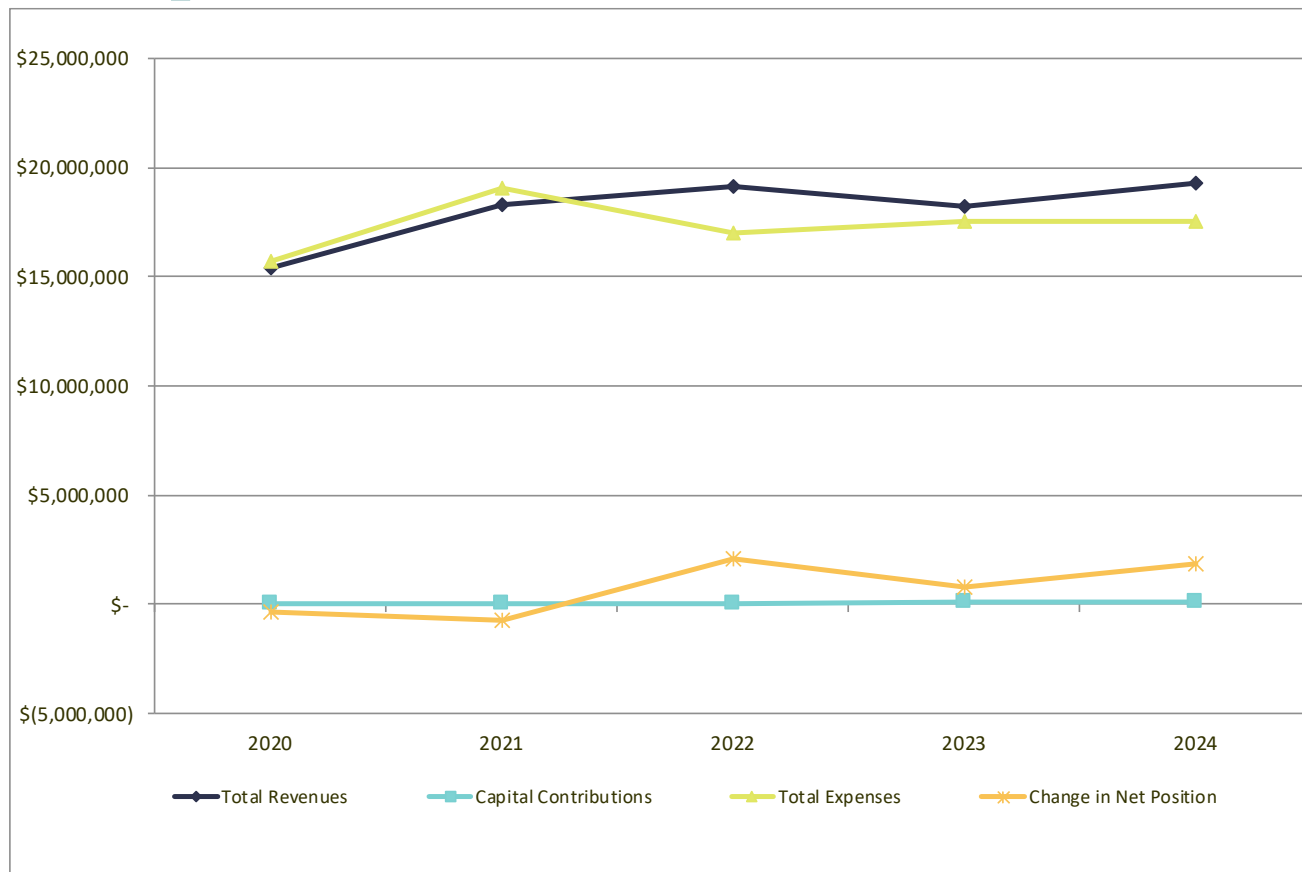
### 2023 Operating Expenses



# Financial Results (Continued)

Item 2.

## *Electric Operations*



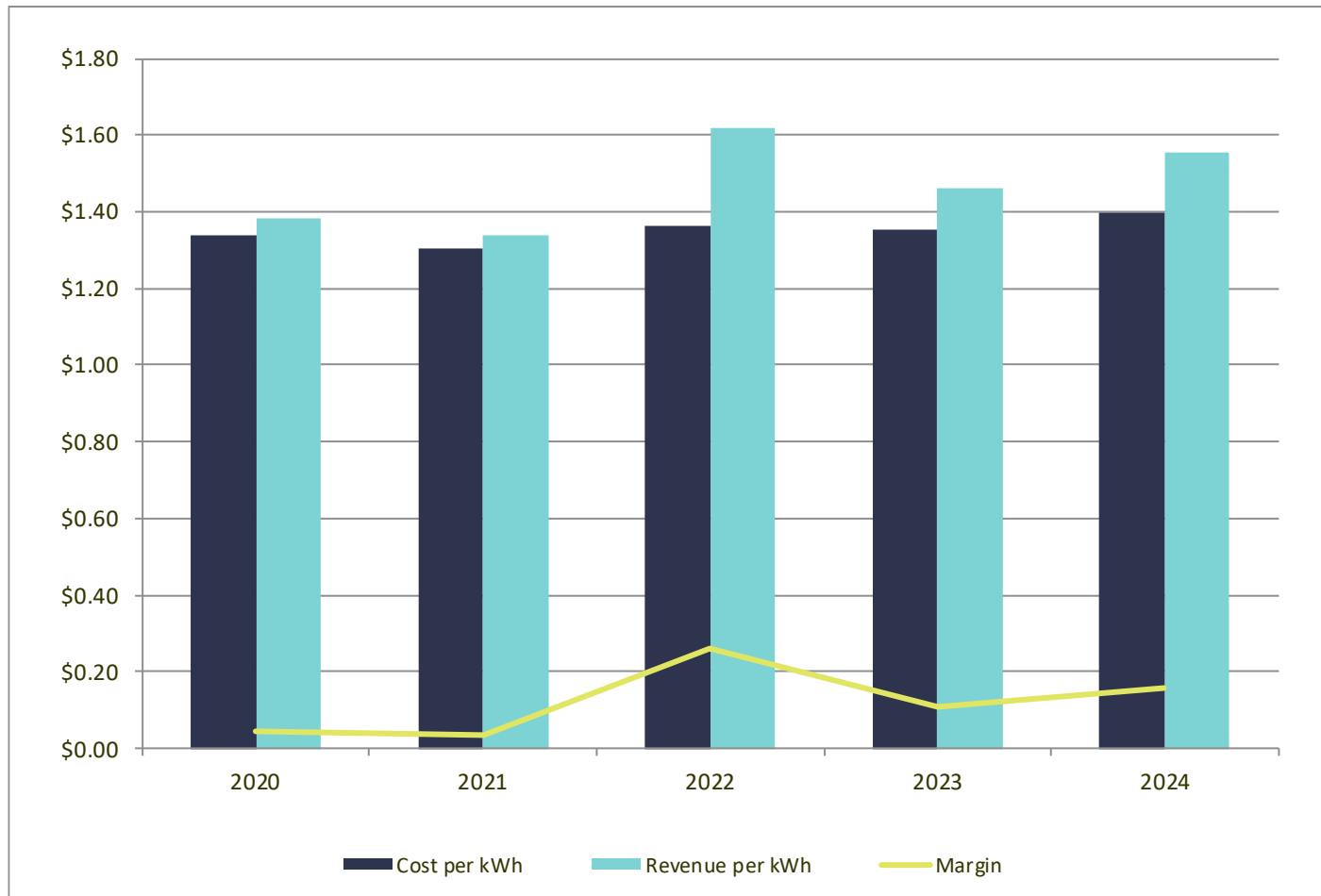
	2020	2021	2022	2023	2024
Total Revenues	\$ 15,390,731	\$ 18,331,959	\$ 19,142,761	\$ 18,224,263	\$ 19,311,214
Capital Contributions	-	-	-	93,349	88,199
Total Expenses	15,737,091	19,050,324	17,041,447	17,553,520	17,513,833
Change in Net Position	(346,360)	(718,365)	2,101,314	764,092	1,885,580



# Financial Results (Continued)

Item 2.

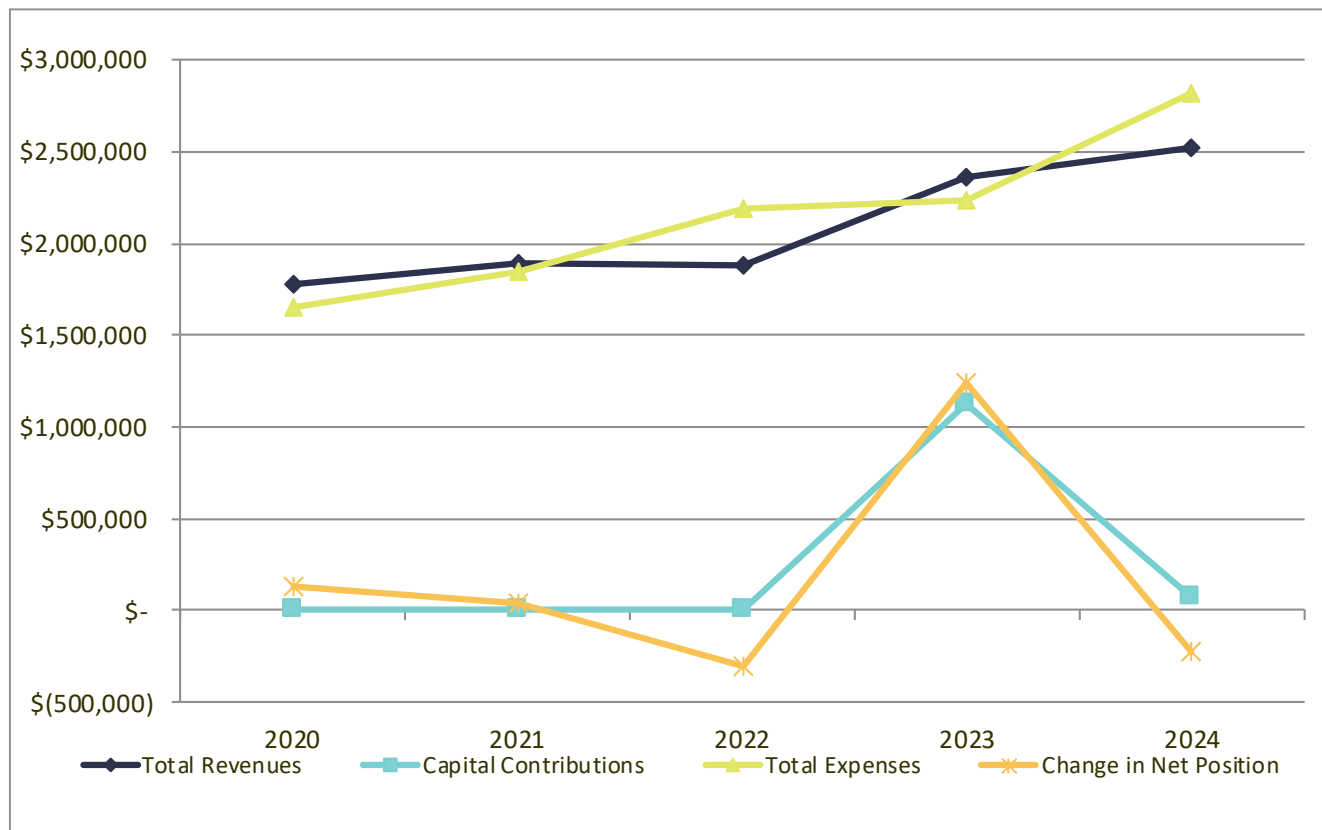
## *Cost per kWh & Revenue per kWh*



# Financial Results (Continued)

Item 2.

## Water Operations



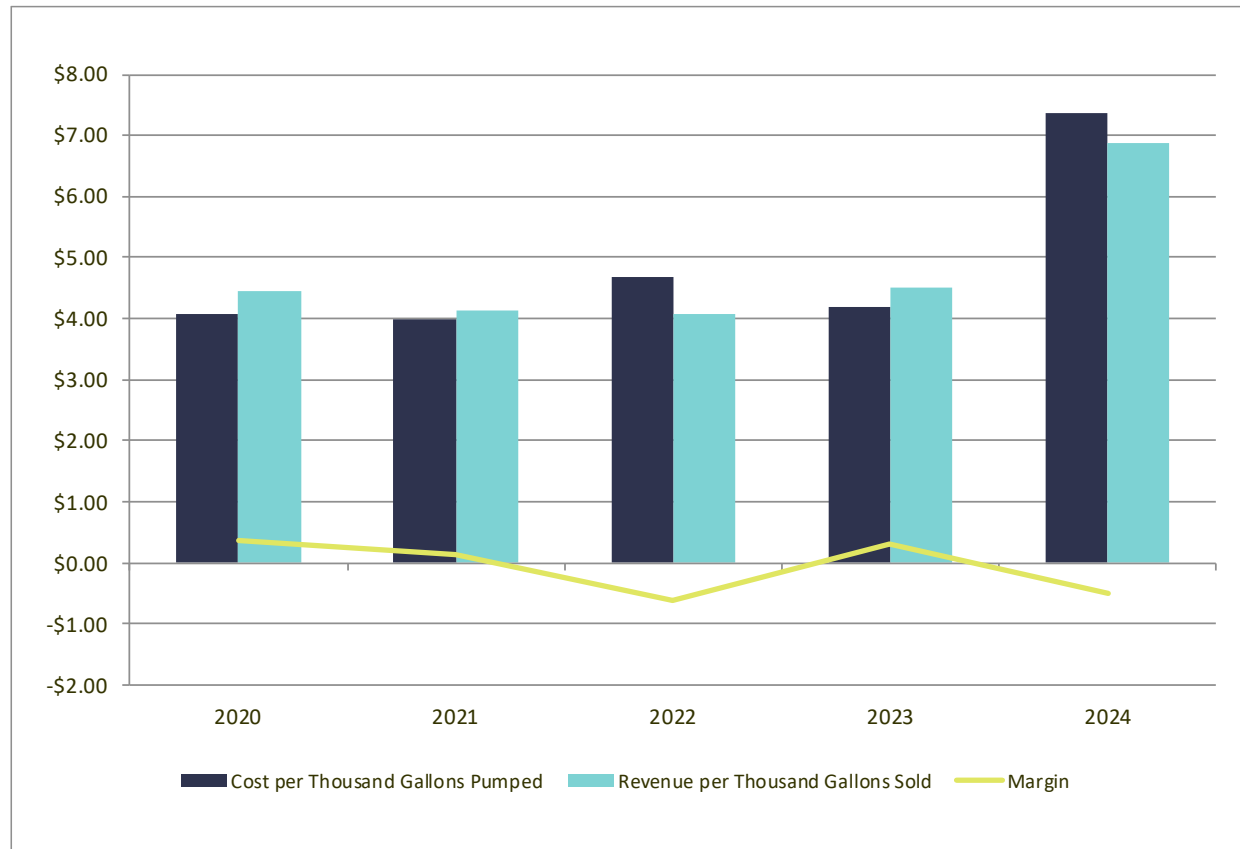
	2020	2021	2022	2023	2024
Total Revenues	\$ 1,783,961	\$ 1,889,776	\$ 1,888,315	\$ 2,365,371	\$ 2,526,564
Capital Contributions	-	-	-	1,124,494	72,268
Total Expenses	1,656,001	1,845,672	2,195,748	2,242,716	2,827,368
Change in Net Position	127,960	44,104	(307,433)	1,247,149	(228,536)

# Financial Results (Continued)

Item 2.

*Cost per Thousand Gallons Pumped*

*Revenue per Thousand Gallons Sold*

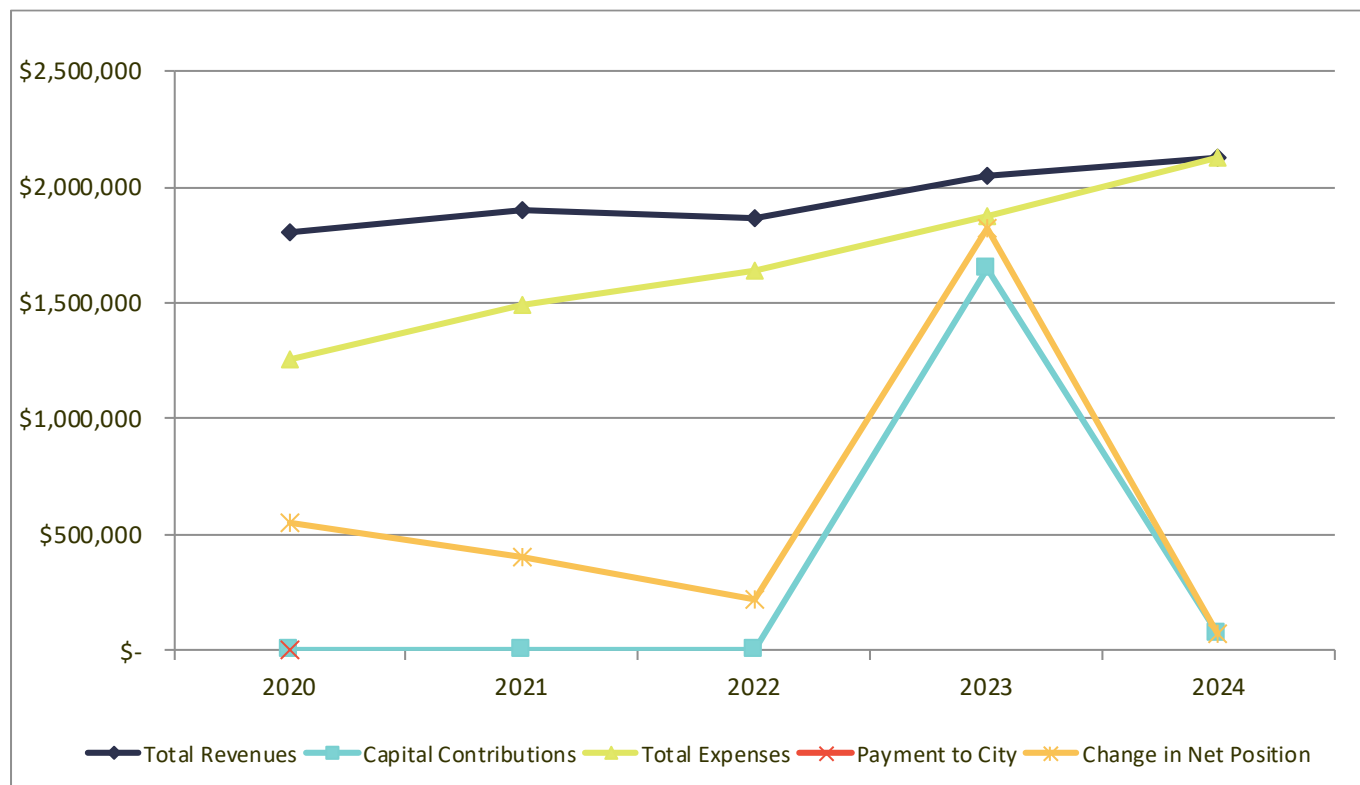




# Financial Results (Continued)

Item 2.

## Wastewater Collection



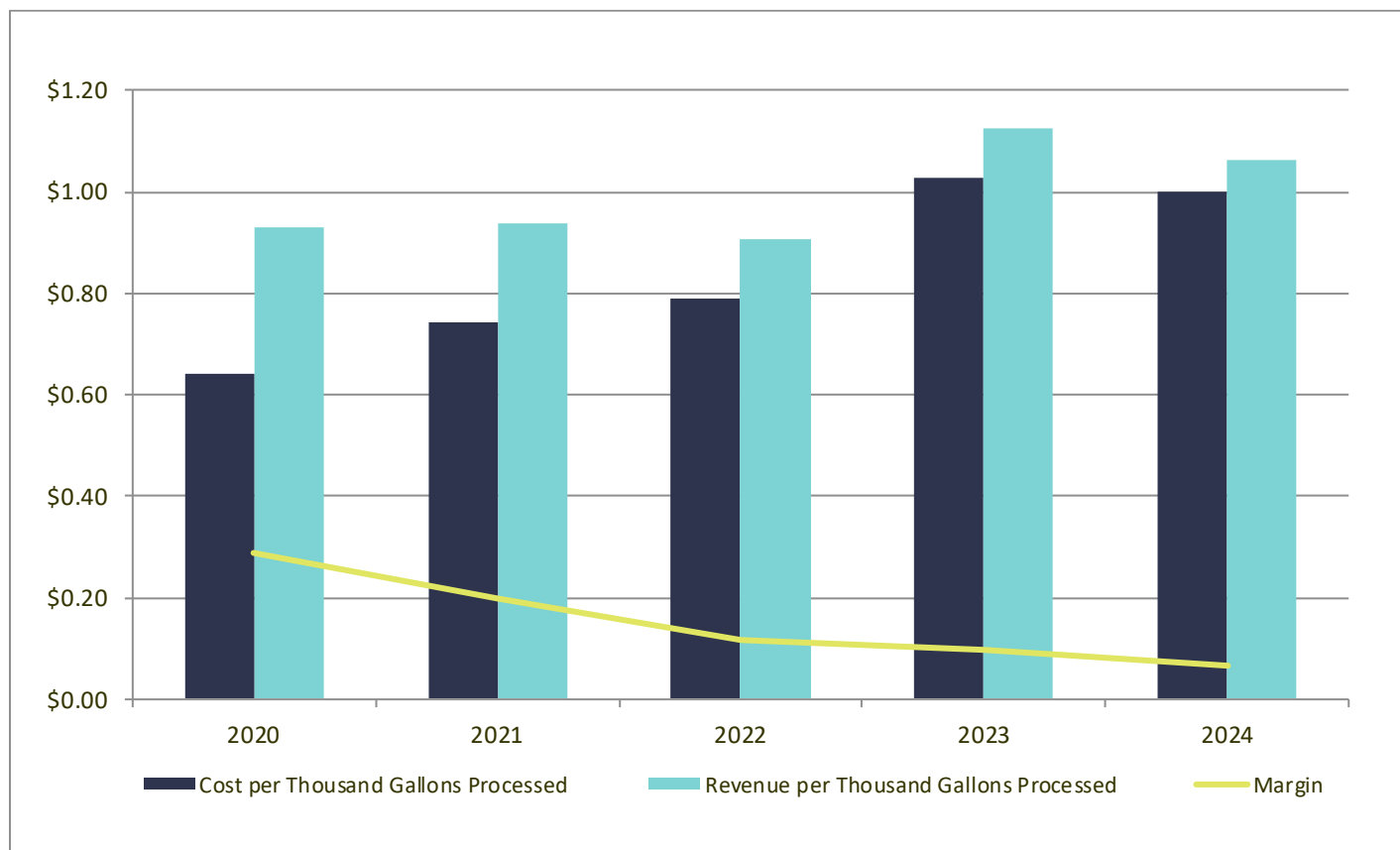
	2020	2021	2022	2023	2024
Total Revenues	\$ 1,801,230	\$ 1,897,049	\$ 1,862,796	\$ 2,051,103	\$ 2,124,814
Capital Contributions	-	-	-	1,643,770	70,334
Total Expenses	1,253,881	1,491,781	1,640,941	1,876,381	2,123,631
Change in Net Position	547,349	405,268	221,855	1,818,492	71,517

# Financial Results (Continued)

Item 2.

*Cost per Thousand Gallons Collected*

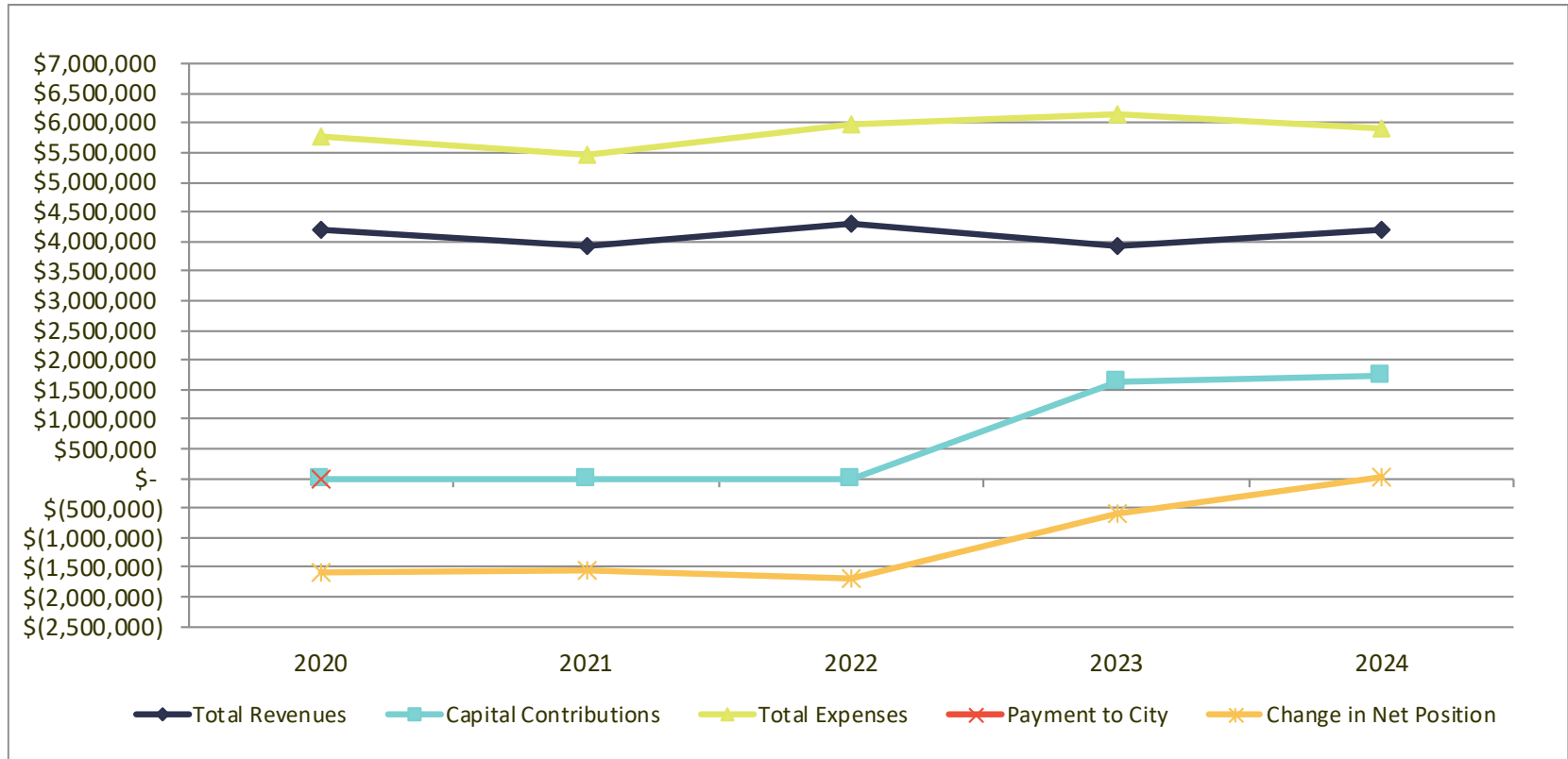
*Revenue per Thousand Gallons Collected*



# Financial Results (Continued)

Item 2.

## Wastewater Treatment



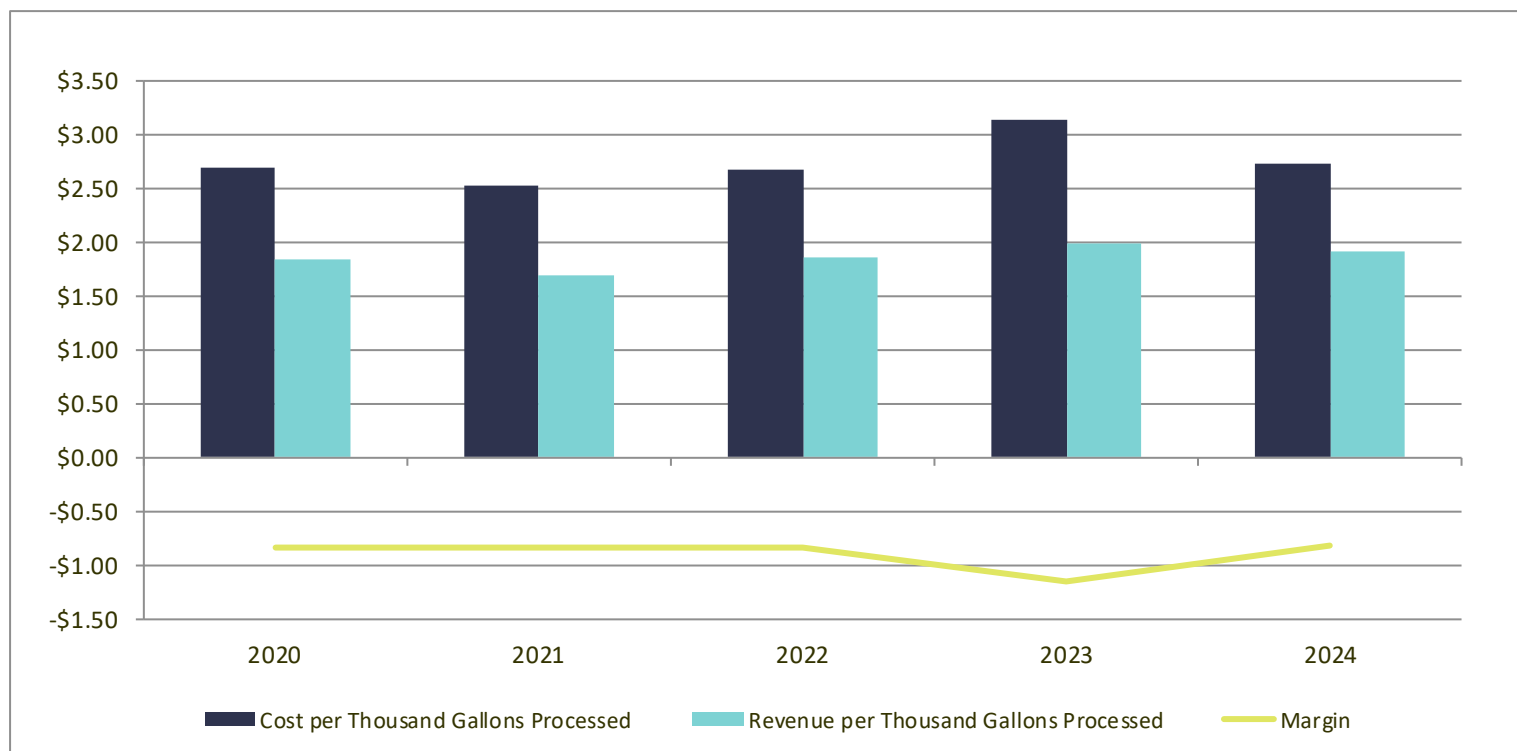
	2020	2021	2022	2023	2024
Total Revenues	\$ 4,188,022	\$ 3,910,309	\$ 4,302,974	\$ 3,926,372	\$ 4,191,502
Capital Contributions	-	-	-	1,634,852	1,725,207
Total Expenses	5,783,188	5,479,386	5,978,850	6,152,536	5,907,195
Change in Net Position	(1,595,166)	(1,569,077)	(1,675,876)	(591,312)	9,514

# Financial Results (Continued)

Item 2.

*Cost per Thousand Gallons Treated*

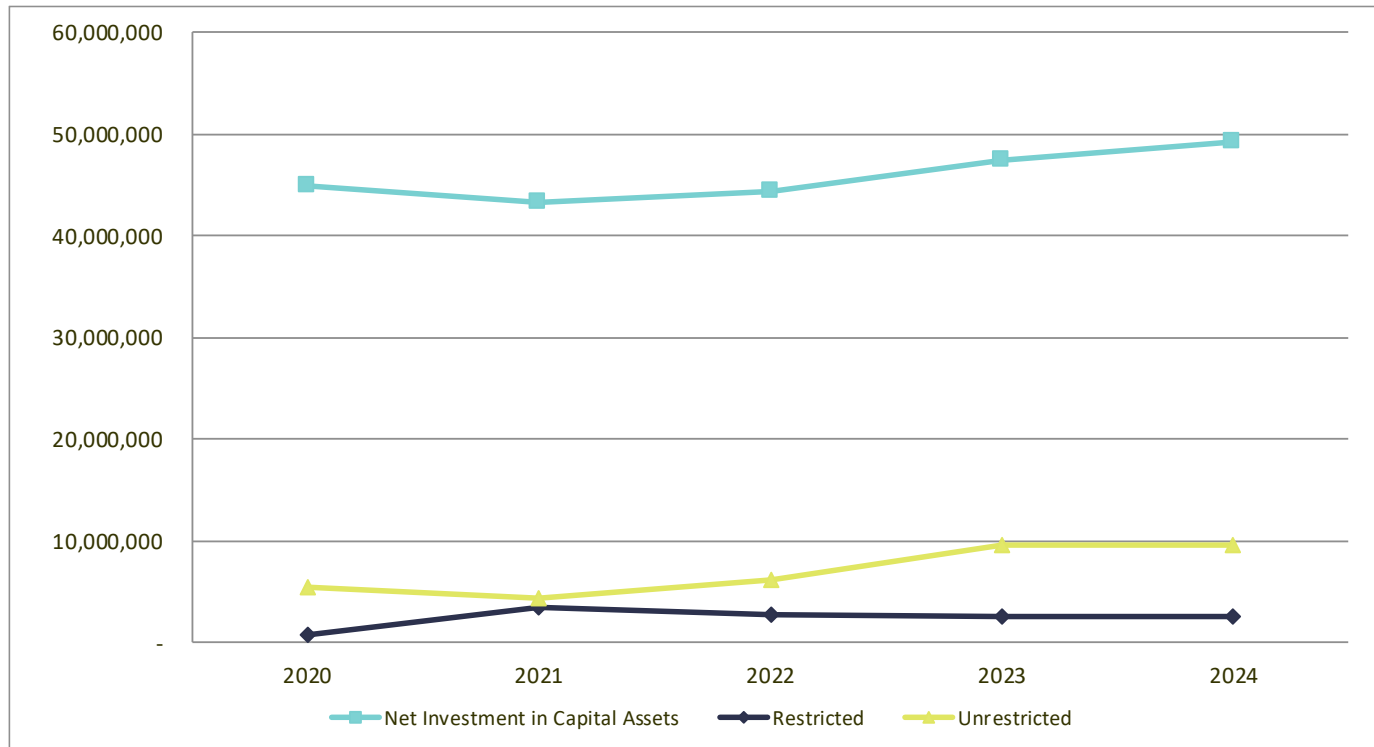
*Revenue per Thousand Gallons Treated*



# Financial Results (Continued)

Item 2.

## Net Position



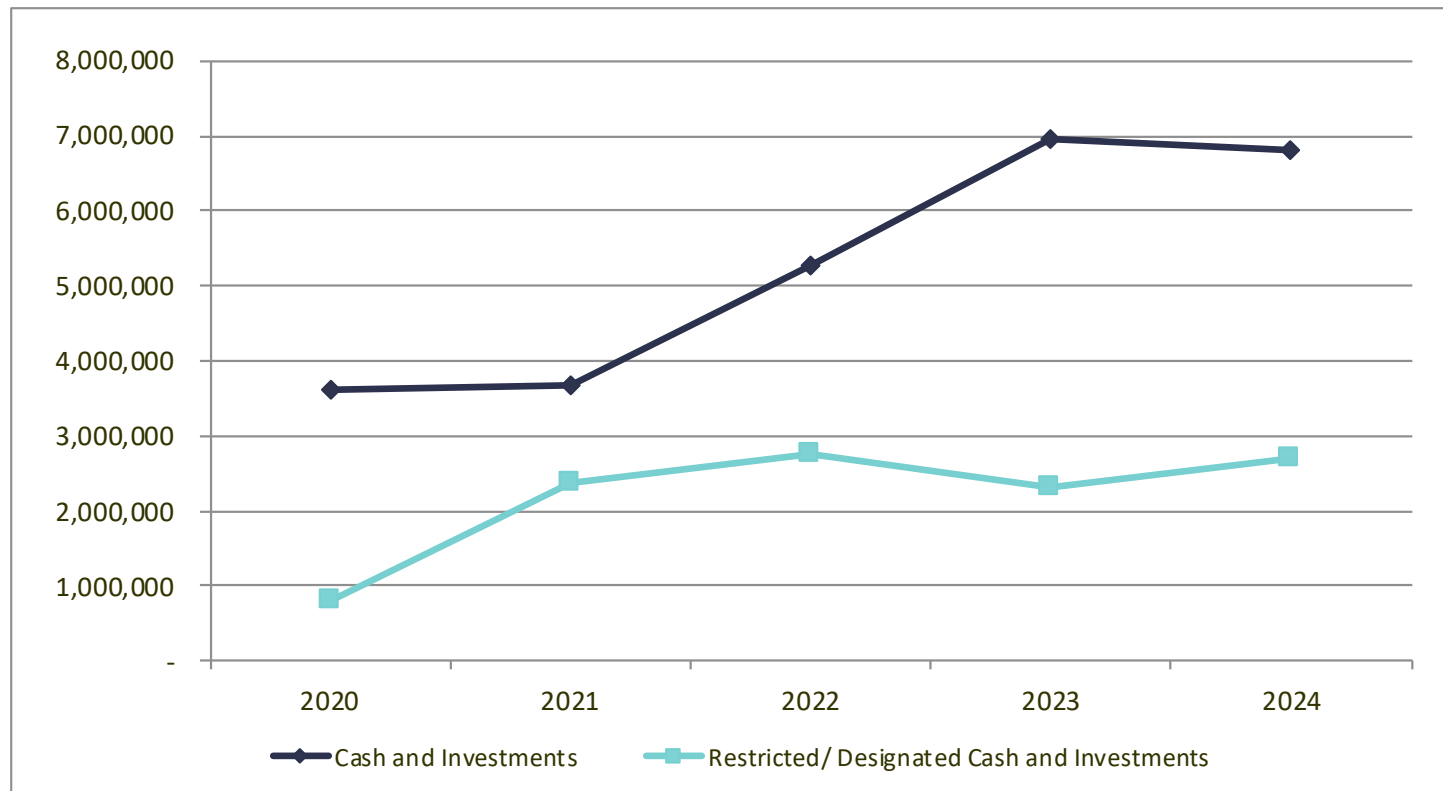
Year	Net Investment in Capital Assets	Restricted	Unrestricted
2020	45,010,756	796,279	5,537,754
2021	43,337,623	3,537,622	4,358,203
2022	44,370,092	2,768,460	6,188,604
2023	47,512,259	2,574,040	9,634,063
2024	49,340,422	2,506,132	9,611,883



# Financial Results (Continued)

Item 2.

## Cash and Investments



Year	Restricted/ Designated Cash and Investments	
	Cash and Investments	
2020	3,606,455	794,549
2021	3,689,146	2,367,505
2022	5,279,834	2,768,460
2023	6,947,782	2,309,721
2024	6,819,353	2,686,775

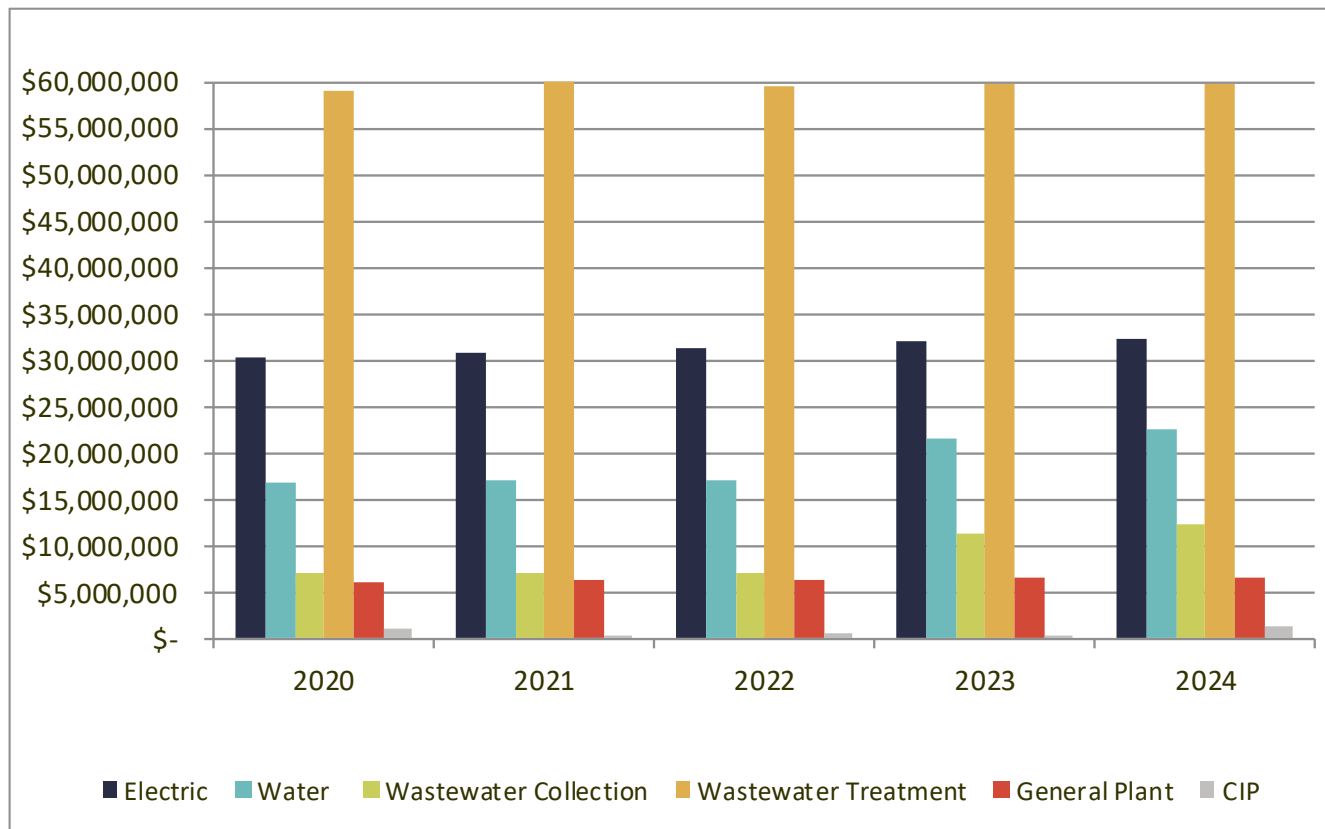




# Financial Results (Continued)

Item 2.

## Total Capital Assets



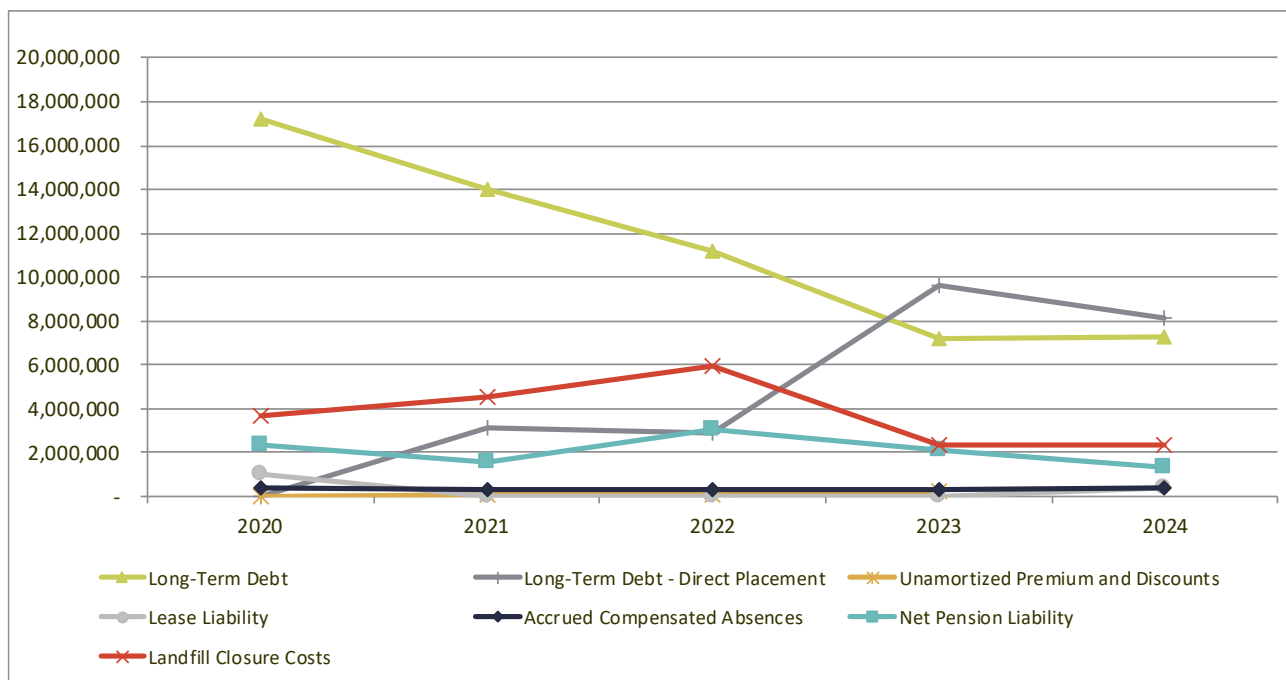
	2020	2021	2022	2023	2024
Electric	\$ 30,441,062	\$ 30,961,610	\$ 31,436,713	\$ 32,136,198	\$ 32,436,717
Water	16,949,803	16,987,673	17,144,948	21,535,017	22,688,880
Wastewater Collection	7,176,356	7,070,610	7,193,385	11,322,865	12,364,204
Wastewater Treatment	59,094,697	59,947,781	59,653,350	59,895,677	59,895,677
General Plant	6,216,386	6,253,646	6,387,319	6,527,197	6,734,764



# Financial Results (Continued)

Item 2.

## Total Long-Term Debt



	2020	2021	2022	2023	2024
Long-Term Debt	17,201,000	13,994,000	11,172,000	7,149,000	7,295,000
Long-Term Debt - Direct Placement	-	3,105,500	2,897,500	9,575,000	8,091,000
Unamortized Premium and Discounts	201	86,687	83,705	228,831	254,040
Lease Liability	964,292	-	-	-	363,278
Accrued Compensated Absences	342,952	316,230	280,634	312,821	393,374
Net Pension Liability	2,320,242	1,580,066	3,017,533	2,108,142	1,345,636
Landfill Closure Costs	3,640,225	4,526,085	5,892,858	2,342,354	2,345,195



# Financial Results (Continued)

Item 2.

- Other Financial Highlights

- Electric revenues increased due to the purchased power adjustment being higher in 2024 compared to 2023 by \$334,500. City utility revenues were also up in 2024 compared to 2023 by \$145,700 due to increased amount being distributed and collected in 2024. In 2024 there was also intergovernmental revenue received for a generator purchase of \$391,397. Purchase Power decreased In 2024 by \$422,000. Change in net position of \$1,885,600.
- Water revenues increased slightly compared to the increase in expenses. Expenses increased significantly, the production increase by \$190,000 in 2024 and administrative and general expenses increased by \$163,000, resulting in a negative change in net position of \$228,500
- Wastewater collection revenues increased, while operating expenses increased as well, still producing a positive change in net position of \$71,000
- Wastewater treatment revenues increase slightly, while operating expenses increased slightly as well, producing a positive change in net position of \$9,500



# Key Issues/Summary

Item 2.

- Slight increase in cash due to increase in amount due to the City
  - Designated for capital outlay - \$2,686,775
- Overall asset additions were lower than the prior year
  - \$3,968,252 in the current year compared to \$9,295,497 in the prior year
- Overall positive cash flow from operations
  - \$2,417,595 in the current year compared to \$3,468,590 in the prior year
- GASB 101 was implemented with minimal impact on the financial statements



# Key Issues/Summary (Continued)

Item 2.

- Electric had higher change in net position than prior year
  - Change in net position of \$1,885,6000 compared to \$764,100 in the prior year
- Water department had lower change in net position than prior year
  - Change in net position of net loss \$228,500 compared to a change in positive net position of \$1,231,000 in the prior year
- Wastewater collection had lower change in net position than prior year
  - Change in net position of \$72,000 compared to \$1,818,000 in the prior year
- Wastewater treatment had higher change in net position than prior year
  - Change in net position of \$9,500 compared to net loss \$591,000 in the prior year
- Overall there was a net loss of \$217,900 in the current year before capital contributions
- We advise the margins for each department be consistent from year to year
- Continue to monitor the rates and assess each department individually



# Insights/Observations

Item 2.

- Open lines of communication with the City and PUC
  - Constant communication about joint projects
  - Need to understand the full cost of the projects
    - What grants did the City receive for the project and how does that impact the costs for the PUC
    - Asset needs to be recorded at cost, including any grant funding
    - Once the assets is being used, it needs to be transferred to the PUC
  - Understand when projects are being considered to ensure funding is available
  - Consider creating a policy that each entity can follow





*Thank you to all for helping to get this  
audit completed timely and for  
allowing us to serve you!*

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# GRAND RAPIDS PUBLIC UTILITIES COMMISSION WORK SESSION MEETING MINUTES

Wednesday, March 12, 2025

8:00 AM

CALL TO ORDER: Pursuant to due notice and call thereof, a Work Session Meeting of the Grand Rapids Public Utilities Commission will be held on Wednesday, March 12, 2025 at 8:00 AM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

**President Stanley called the meeting to order at 8:05 AM**

CALL OF ROLL:

**PRESENT: President Tom Stanley, Commissioner Nancy Saxhaug, Commissioner Rick Smith, Council Representative Rick Blake**

**ABSENT: Secretary Luke Francisco with notice**

**OTHERS: Julie Kennedy, Mike LeClaire, Steve Mattson, Chad Troumbly, Megan Sjostrand**

BUSINESS:

1. Consider a motion to ratify \$117,797.74 in verified claims for February 2025.

**Motion made by Commissioner Saxhaug, Seconded by Council Representative Blake to ratify \$117,797.74 in verified claims for February 2025.**

**Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith, Council Representative Blake**

2. Operations and Capital Updates Work Session Presentation

**GRPU Managers presented the Operations and Capital Updates Work Session Presentation**

ADJOURNMENT:

**There being no further business, the meeting adjourned at 9:05 AM.**

Respectfully submitted,

*Megan Sjostrand*

**Megan Sjostrand**



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION MEETING MINUTES

Wednesday, March 19, 2025

4:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular Meeting of the Grand Rapids Public Utilities Commission will be held on Wednesday, March 19, 2025 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

**President Stanley called the meeting to order at 4:05PM**

CALL OF ROLL:

**PRESENT: President Tom Stanley, Secretary Luke Francisco, Commissioner Nancy Saxhaug, Commissioner Rick Smith**

**ABSENT: Council Representative Rick Blake with notice for the first half of the meeting.**

**OTHERS: Julie Kennedy, Jean Lane, Mike LeClaire, Chad Troumbly, Megan Sjostrand, Morgan Salo, Mac Graupman**

PUBLIC FORUM:

**Morgan Salo & Mac Graupman from Bolton and Menk**

ORGANIZATIONAL MEETING:

1. Consider the election of the GRPU Commission Officers of President and Secretary.

**Motion made by Commissioner Saxhaug, Seconded by Secretary Francisco to elect Tom Stanley as the GRPU Commission President.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith**

**Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug, to elect Luke Francisco as the GRPU Commission Secretary.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith**

APPROVAL OF MINUTES:

2. Consider a motion to approve the February 12, 2025 Work Session Minutes and the February 26, 2025 Regular Meeting Minutes.

**Motion made by Commissioner Saxhaug, Seconded by Secretary Francisco to approve the February 12, 2025 Work Session Minutes and the February 26, 2025 Regular Meeting**

**Minutes.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith**

**VERIFIED CLAIMS:**

3. Consider a motion to approve \$1,160,258.35 in verified claims for February and March 2025.

**Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve \$1,160,258.35 in verified claims for February and March 2025.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith**

**COMMISSION REPORTS:**

**None.**

**CONSENT AGENDA:** Any item on the consent agenda shall be removed for consideration by the request of any one Commission member, Utility Staff, or the public and put on the regular agenda for discussion and consideration.

**Motion made by Secretary Francisco, Seconded by Commissioner Saxhaug to approve the consent agenda as presented.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith**

4. Consider a motion to ratify the procurement contract with OPG-3, Inc. for HR Infrastructure in the amount of \$10,250.

**Approved on consent agenda.**

5. Consider a motion to ratify the procurement contract with American Eagle Security Systems for safety and security needs, including door access and camera coverage at all facilities and authorize the General Manager to sign for \$131,519.40.

**Approved on consent agenda.**

6. Consider a motion to ratify the procurement contract with the Institute of Environmental Assessments, Inc. (IEA) for continuous radon monitoring in the amount of \$3,280.

**Approved on consent agenda.**

7. Consider a motion to ratify the procurement contract with Kem-Group USA for spherical media for the WTP aerator for \$5,022.

**Approved on consent agenda.**

**SETTING OF REGULAR AGENDA:** This is an opportunity to approve the regular agenda as presented, or add/delete an agenda item by a majority vote of the Commission members present.

**Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve the regular agenda.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith**

**CONTRACTS:**

8. Consider a motion to approve the procurement contract with Bolton and Menk for preliminary engineering services for the design of the water treatment plant renovation project and authorize the General Manager to sign the contract for \$133,100.

**Motion made by Commissioner Saxhaug, Seconded by Commissioner Smith to approve the procurement contract with Bolton and Menk for preliminary engineering services for the design of the water treatment plant renovation project and authorize the General Manager to sign the contract for \$133,100.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith**

**BUSINESS:**

9. Review Operations & Capital Updates

**GRPU staff presented the Operations & Capital Updates.**

10. Consider a motion to approve the 2025/26 GRPUC Regular Work Session and Regular Meeting dates and times.

**Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve the 2025/26 GRPUC Regular Work Session and Regular Meeting dates and times.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Council Representative Blake**

11. Consider a motion to approve Resolution No. 03-19-25-04 Ratifying the Issuance and Sale of \$4,770,000 City of Grand Rapids, Minnesota General Obligation Bonds, Series 2025A

**Motion made by Secretary Francisco, Seconded by Council Representative Blake to approve Resolution No. 03-19-25-04 Ratifying the Issuance and Sale of \$4,770,000 City of Grand Rapids, Minnesota General Obligation Bonds, Series 2025A.**

**Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Council Representative Blake**

12. Consider a motion to approve discontinuing the Electrical Water Heater Load Management Program effective June 30, 2025.

**Motion made by Council Representative Blake, Seconded by Commissioner Saxhaug to approve discontinuing the Electrical Water Heater Load Management Program effective June 30, 2025.**

**Voting Yea: President Stanley, Commissioner Smith, Council Representative Blake**

**REPORTS:**

13. GRPU Monthly Reports

**Reviewed the GRPU Monthly Reports**

ADJOURNMENT:

**There being no further business, the meeting adjourned at 5:09 PM.**

**Respectfully submitted,**

*Megan Sjostrand*

**Megan Sjostrand**



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

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**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to approve \$1,627,332.47 in verified claims for March and April 2025.

**PREPARED BY:** Jean Lane, Business Services Manager

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### BACKGROUND:

See attached check registers:

Computer check register \$355,404.91  
Manual check register \$1,271,927.56

Total \$1,627,332.47

### RECOMMENDATION:

Approve \$1,627,332.47 in verified claims for March and April 2025.

*Item 4.*

36



## February-March 2025 Check Register

Item 4.

Document Date	Check #	Vendor Name	Document Amount	
2/1/2025	5310	UNUM Life Insurance Company of America	4,475.65	2/28/2025
2/3/2025	5311	Northeast Service Cooperative	4,898.00	2/28/2025
2/3/2025	5312	Northeast Service Cooperative	65,213.56	2/28/2025
2/10/2025	5313	WEX Health	1,168.16	2/28/2025
2/6/2025	5314	Invoice Cloud	3,276.05	2/28/2025
2/7/2025	5315	Public Employees Retirement Association	20,217.77	2/7/2025
2/7/2025	5316	MN Department of Revenue	5,879.78	2/7/2025
2/7/2025	5317	Wells Fargo Bank	34,346.67	2/7/2025
2/7/2025	5318	Empower Retirement	11,277.12	2/7/2025
2/21/2025	5319	Public Employees Retirement Association	19,183.02	2/21/2025
2/21/2025	5320	MN Department of Revenue	5,476.70	2/21/2025
2/21/2025	5321	Wells Fargo Bank	32,366.19	2/21/2025
2/21/2025	5322	Empower Retirement	10,702.71	2/21/2025
2/25/2025	5323	WEX Health	1,168.16	2/28/2025
	5324	skip		
	5325-5344	Used in March 2025		
2/25/2025	5345	WEX Health	99.00	2/28/2025
2/20/2025	5346	MN Department of Revenue	92,887.00	2/28/2025
2/10/2025	5347	Wells Fargo Pcard	11,648.83	
		accidentally entered check # wrong was supposed to use 5324		
2/19/2025	5424	WEX Health	71.39	2/28/2025
3/1/2025	5325	UNUM Life Insurance Company of America	4,475.65	3/31/2025
3/1/2025	5326	Northeast Service Cooperative	5,273.00	3/31/2025
3/1/2025	5327	Northeast Service Cooperative	65,213.56	3/31/2025
3/8/2025	5328	Public Employees Retirement Association	20,009.16	3/8/2025
3/8/2025	5329	MN Department of Revenue	5,829.70	3/8/2025
3/8/2025	5330	Wells Fargo Bank	33,856.64	3/8/2025
3/8/2025	5331	Empower Retirement	11,261.43	3/8/2025
3/10/2025	5332	WEX Health	1,168.16	3/31/2025
3/12/2025	5333	Public Employees Retirement Association	615.54	3/12/2025
3/12/2025	5334	MN Department of Revenue	248.69	3/12/2025
3/12/2025	5335	Wells Fargo Bank	1,548.06	3/12/2025
3/12/2025	5336	Empower Retirement	263.80	3/12/2025
3/24/2025	5337	WEX Health	1,168.16	3/31/2025
3/15/2025	5338	WEX Health	40.72	3/31/2025
3/19/2025	5339	WEX Health	66.50	3/31/2025
3/24/2025	5340	Public Employees Retirement Association	19,006.40	3/24/2025
3/24/2025	5341	MN Department of Revenue	5,516.22	3/24/2025
3/24/2025	5342	Wells Fargo Bank	32,314.14	3/24/2025
3/24/2025	5343	Empower Retirement	10,985.38	3/24/2025
3/19/2025	5344	MN Department of Revenue	88,283.00	3/31/2025
3/10/2025	5348	Wells Fargo Pcard	14,166.80	
3/25/2025	5364	WEX Health	99.00	3/31/2025
3/11/2025	5365	Invoice Cloud	3,351.70	3/31/2025
3/26/2025	5366	TASC	86.58	3/31/2025
2/4/2025	84142	Waste Management of WI MN	454.55	2/4/2025
2/4/2025	84143	MN Department of Health	23.00	2/4/2025
2/4/2025	84144	UPS	117.95	2/4/2025

2/4/2025 84145	MN Energy Resources Corporation	990.50	2/4/2025
2/4/2025 84146	Verizon Wireless	478.49	2/4/2025
2/4/2025 84147	Mattson Steve	28.70	2/4/2025
2/7/2025 84148	MN Child Support Payment Center	427.31	2/7/2025
2/7/2025 84149	NCPERS Group Life Insurance	80.00	2/7/2025
2/11/2025 84150	Martin's Snowplow and Equipment	11,564.44	2/11/2025 *
2/11/2025 84151	Lovett Technology LLC	5,440.00	2/11/2025
2/14/2025 84152	City of LaPrairie	16,794.55	2/28/2025
2/21/2025 84201	City of Grand Rapids	12,179.59	2/21/2025
2/21/2025 84202	EarthLink Business	1,103.35	2/21/2025
2/21/2025 84203	First Net AT & T Mobility	475.88	2/21/2025
2/21/2025 84204	Johnson Killen & Seiler PA	1,543.30	2/21/2025
2/21/2025 84205	MN Department of Health	32.00	2/21/2025
2/21/2025 84206	Radtke James	5,761.80	2/21/2025
2/21/2025 84207	US Bank Equipment Finance	221.01	2/21/2025
2/21/2025 84208	Verizon Wireless	1,049.92	2/21/2025
2/24/2025 84209	MN Child Support Payment Center	427.31	2/24/2025
2/24/2025 84210	MN Council 65	1,917.66	2/24/2025
2/28/2025 84211	City of Grand Rapids	79,952.44	2/28/2025
2/28/2025 84212	City of Grand Rapids	136.50	2/28/2025
2/28/2025 84241	City of Grand Rapids	72,333.33	2/28/2025
2/28/2025 84242	Lake Country Power	60,137.19	2/28/2025
3/7/2025 84243	Voided		3/7/2025
3/7/2025 84244	Up North Overhead Door	716.13	3/7/2025 *
3/7/2025 84245	Postage By Phone System	5,000.00	3/7/2025
3/7/2025 84246	UPS	20.30	3/7/2025
3/7/2025 84247	First Net AT & T Mobility	503.57	3/7/2025
3/7/2025 84248	Verizon Wireless	1,528.47	3/7/2025
3/7/2025 84249	Mattson Steve	17.50	3/7/2025
3/7/2025 84250	Customer Refunds Utility Accounts	3.76	3/31/2025
3/7/2025 84251	Customer Refunds Utility Accounts	173.88	3/31/2025
3/7/2025 84252	Customer Refunds Utility Accounts	8.75	3/31/2025
3/7/2025 84253	Customer Refunds Utility Accounts	607.65	3/31/2025
84254	Voided		
3/7/2025 84255	Customer Refunds Utility Accounts	124.84	3/31/2025
3/7/2025 84256	Customer Refunds Utility Accounts	56.14	3/31/2025
3/7/2025 84257	Customer Refunds Utility Accounts	555.20	3/31/2025
3/7/2025 84258	Customer Refunds Utility Accounts	159.55	3/31/2025
3/7/2025 84259	Customer Refunds Utility Accounts	124.63	3/31/2025
3/7/2025 84260	Customer Refunds Utility Accounts	37.05	3/31/2025
3/7/2025 84261	Customer Refunds Utility Accounts	104.27	3/31/2025
3/7/2025 84262	Customer Refunds Utility Accounts	111.46	3/31/2025
3/7/2025 84263	Customer Refunds Utility Accounts	55.00	3/31/2025
3/7/2025 84264	Customer Refunds Utility Accounts	108.33	3/31/2025
3/7/2025 84265	Customer Refunds Utility Accounts	38.53	3/31/2025
3/7/2025 84266	Customer Refunds Utility Accounts	63.02	3/31/2025
3/7/2025 84267	Customer Refunds Utility Accounts	12.81	3/31/2025
3/7/2025 84268	Customer Refunds Utility Accounts	97.74	3/31/2025
3/7/2025 84269	Customer Refunds Utility Accounts	420.39	3/31/2025
3/7/2025 84270	Customer Refunds Utility Accounts	489.69	3/31/2025

Item 4.

3/7/2025 84271	Customer Refunds Utility Accounts	27.03	3/31/2025
3/7/2025 84272	Customer Refunds Utility Accounts	149.19	3/31/2025
3/7/2025 84273	MN Child Support Payment Center	427.31	3/7/2025
3/7/2025 84274	NCPERS Group Life Insurance	80.00	3/7/2025
3/11/2025 84275	City of LaPrairie	16,312.57	3/31/2025
3/14/2025 84276-84325	Voided		1/1/1900
3/17/2025 84376	City of LaPrairie	1,753.05	3/31/2025
3/24/2025 84392	MN Child Support Payment Center	427.31	3/24/2025
3/24/2025 84393	MN Council 65	1,855.80	3/24/2025
3/26/2025 84394	MN Department of Health	32.00	3/31/2025
3/28/2025 84395	Postage By Phone System	5,000.00	3/28/2025
3/28/2025 84396	MN Department of Commerce	3,400.83	3/28/2025
3/28/2025 84397	UPS	480.82	3/28/2025
3/28/2025 84398	MN Energy Resources Corporation	19.80	3/28/2025
3/28/2025 84399	US Bank Equipment Finance	243.11	3/28/2025
3/28/2025 84400	EarthLink Business	549.61	3/28/2025
3/28/2025 84401	City of Grand Rapids	81,350.08	3/31/2025
3/28/2025 84402	City of Grand Rapids	136.50	3/31/2025
3/31/2025 84403	City of Grand Rapids	72,333.33	3/31/2025
2/5/2025 EFT000000000003	US Bank NA	136,018.75	2/5/2025
2/19/2025 EFT000000000003	ZixCorp Systems, Inc	26,097.86	2/19/2025
3/28/2025 EFT000000000003	Cowles Thompson Attorneys Counselors	3,500.00	3/28/2025

Checks Previously Approved \*\*

12,280.57

Manual Checks/EFT to be approved

1,271,927.56

**Total Manual Checks**

**1,284,208.13**

Item 4.



## **GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM**

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**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to ratify the agreement with Emergent Software for an amount not to exceed \$22,625 for IT professional services to migrate and modernize the GRPU server system.

**PREPARED BY:** Mike LeClaire, Information Systems Manager

---

### **BACKGROUND:**

As part of the work to transition managing our own IT services, GRPU is choosing to modernize our on-premise servers. This contract with Emergent Software includes strategically migrating our server system to a cloud-based infrastructure that enhances our operational efficiency and agility. The total cost of the project will range between \$26,875 and \$37,625; however Emergent has applied on behalf of GRPU for \$15,000 in Microsoft funding bringing the not to exceed amount to \$22,625.

For security reasons, the IT services proposal and contract are not included in the public agenda.

### **RECOMMENDATION:**

Ratify the agreement with Emergent Software for an amount not to exceed \$22,625 for IT professional services to migrate and modernize the GRPU server system.



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

---

**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to ratify the procurement contract with NOS Automation for a Racal Alarm agent, temperature and water detection switch for the water PRV building for \$4,165.

**PREPARED BY:** Steve Mattson, Water/Wastewater Department Manager

---

### **BACKGROUND:**

This procurement is for an approved Water Wastewater operations and maintenance project with a budget of \$5,000. \$0 has been spent to date.

The GRPUC Procurement Policy was followed.

The vendor's Certificate of Insurance has been verified to meet the contract requirement and is on file.

### **RECOMMENDATION:**

Approve a motion to ratify the procurement contract with NOS Automation for a Racal Alarm agent, temperature and water detection switch for the water PRV building for \$4,165.



## **GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM**

---

**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to approve the procurement contract with Duncan Co for two 16-inch butterfly valves for the WTP for \$16,442.

**PREPARED BY:** Steve Mattson, Water/Wastewater Department Manager

---

### **BACKGROUND:**

This procurement is for an approved Water Wastewater Capital project with a budget of \$3,515,976. \$400,000 has been spent to date.

The GRPUC Procurement Policy was followed.

The vendor's Certificate of Insurance has been verified to meet the contract requirement and is on file.

### **RECOMMENDATION:**

Approve a motion to approve the procurement contract with Duncan Co for two 16-inch butterfly valves for the WTP for \$16,442.



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

---

**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to ratify the procurement contract with Duncan Co for a Kinetrol actuator and butterfly valve for the WTP for \$9,090.

**PREPARED BY:** Steve Mattson, Water/Wastewater Department Manager

---

### **BACKGROUND:**

This procurement is for an approved Water Wastewater Capital project with a budget of \$3,515,976. \$416,000 has been spent to date.

The GRPUC Procurement Policy was followed.

The vendor's Certificate of Insurance has been verified to meet the contract requirement and is on file.

### **RECOMMENDATION:**

Approve a motion to ratify the procurement contract with Duncan Co for a Kinetrol actuator and butterfly valve for the WTP for \$9,090.



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

---

**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to approve an agreement with Paul Bunyan Communications for a monthly fee of \$3,904 for IT Managed Services and authorize the General Manager to sign the agreement.

**PREPARED BY:** Mike LeClaire, Information Systems Manager

---

### **BACKGROUND:**

As part of the work to transition managing our own IT services, GRPU staff has been working with Paul Bunyan Communications, a local cooperative who offers various IT professional services.

This agreement allows Paul Bunyan Communications to provide services to support our on-premise network, to support desktop computers, to install third-party software, and to provide other on-site assistance. The fee proposed by Paul Bunyan is competitive with that of other services GRPU staff researched. Additionally, Paul Bunyan is a logical choice considering GRPU currently relies on them for internet services and monitoring of our firewall configuration.

For security reasons, the IT services proposal and contract are not included in the public agenda.

### **RECOMMENDATION:**

To approve an agreement with Paul Bunyan Communications for a monthly fee of \$3,904 for IT Managed Services and authorize the General Manager to sign the agreement.





## **GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM**

---

**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to approve the agreement with Emergent Software in the amount of \$1,800 one-time service fee and \$2,950 monthly support services fee for IT server support and authorize the General Manager to sign the agreement.

**PREPARED BY:** Mike LeClaire, Information Systems Manager

---

### **BACKGROUND:**

As part of the work to transition managing our own IT services, GRPU has moved forward with transitioning all servers to Microsoft Azure Cloud Services. The contract with Emergent Software will provide 24 support services to manage, monitor, and maintain, all cloud servers and Microsoft O365 licensing for up to one year.

For security reasons, the IT services proposal and contract are not included in the public agenda.

### **RECOMMENDATION:**

Approve the agreement with Emergent Software in the amount of \$1,800 one-time service fee and \$2,950 monthly support services fee for IT server support and authorize the General Manager to sign the agreement.



## **GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM**

---

**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to approve the procurement contract with Minnesota Power for the Tioga Substation Facility Study for \$31,950 and allow the General Manager to sign the contract.

**PREPARED BY:** Chad Troumbly, Electric Department Manager

---

### **BACKGROUND:**

The Tioga Substation was designed and built with the possibility to double in capacity. To allow for load growth and system redundancy, GRPU has requested Minnesota Power review the facility study of adding an interconnection load of 27.8 MW. This marks the second phase in the substation expansion process; the first phase—a system impact study—has already been completed.

This procurement is part of an approved capital project and Minnesota Power is the power provider for this site.

### **RECOMMENDATION:**

Consider a motion to approve the procurement contract with Minnesota Power for the Tioga Substation Facility Study for \$31,950.

## Minnesota Power Facility Study Agreement

This Facility Study Agreement (“Agreement”, dated as of April 24, 2025 (“Effective Date”), is made and entered into by and between Minnesota Power, a division of ALLETE, Inc. (“ALLETE”), a Minnesota corporation (the “Transmission Owner” or “MP”) whose address is 30 West Superior Street, Duluth, MN 55802, and Grand Rapids Public Utilities (“Requestor” or “Transmission Customer”) whose address is 500 SE 4<sup>th</sup> Street, Grand Rapids MN 55744. For purposes of this Agreement, “Party” shall mean Transmission Owner or Requestor, and “Parties” shall mean Transmission Owner and Requestor.

### Background

- A. Transmission Owner owns electric facilities and is engaged in the generation, transmission, distribution and sale of electric power and energy in the State of Minnesota;
- B. Transmission Owner operates an integrated electric transmission system (“Transmission System”);
- C. Requestor is an eligible Requestor that submitted to the Transmission Owner on October 23, 2024, a request (“Request”) to connect load to Transmission Owner’s Transmission System through the establishment of one or more new points of interconnection (“Point(s) of Interconnection”).
- D. The Transmission Owner, on behalf of the Requestor, completed a System Impact Study for the Tioga transmission interconnection request on February 27, 2025, which identified the need for the Facility Study (“FS”).
- E. Transmission Owner agrees to perform a FS to evaluate the establishment of the requested new Point of Interconnection, including providing a list of the required directly assigned facilities, network modifications and upgrades to the Transmission System (collectively, “Transmission System Upgrades”) and an estimate of the costs and construction timelines to accommodate the transmission interconnection request.
- F. Upon execution of this Agreement and Transmission Owner’s receipt of the Requestor’s deposit payment, Transmission Owner agrees to proceed with the FS and Requestor agrees to reimburse Transmission Owner for the costs of completing such FS in accordance with the terms of this Agreement and as detailed in Appendix A.

Now, therefore, in consideration of the mutual agreements herein, the Parties agree as follows:

### 1.0 Performance of Study

Transmission Owner agrees to provide all necessary labor, facilities, transportation, and supervision needed to perform the FS and to evaluate establishment of the new Point(s) of Interconnection as set forth in the Request. Transmission Owner shall have sole discretion as to the scope, details and methods used to perform the FS in accordance with Good Utility Practice (further discussed in Section 3.0).

Requestor agrees to compensate Transmission Owner in accordance with Articles 8.0 and 9.0 of this Agreement for the work performed by Transmission Owner. The Requestor shall provide information as reasonably requested by Transmission Owner to perform the FS as set forth in Section 7.

## 2.0 Scope of Study

A meeting between the Transmission Owner and the Requestor, if requested by either party, shall be held as soon as practical after execution of this Agreement and provision of the Deposit Payment by Requestor to review: (a) the Request and development of the scope for the FS; and b) any known issue that could affect the scope of the FS.

The FS will determine (a) the scope of any Transmission System Upgrades needed to accommodate the Requestor's transmission interconnection request, (b) the estimated costs of any Transmission System Upgrades, and (c) an estimated date that the Transmission System Upgrades may be completed and ready for in-service. During the analysis, additional details of the proposed Point of Interconnection may be required and will be requested from the Requestor as necessary.

Factors to be considered in determining the scope, estimated costs, and estimated schedule for the required Transmission System Upgrades may include, but not be limited to, the following:

- a) System Impact Study results.
- b) The Transmission Owner's applicable transmission planning criteria and interconnection standards.
- c) Load characteristics.
- d) Demand.
- e) Pattern.
- f) Harmonics.
- g) Transients.
- h) Flicker.
- i) Motor starting needs.
- j) Power quality.
- k) Cost to the Transmission Owner and Requestor.
- l) Amount of time required to construct the facilities and applicable permitting requirements.
- m) The Requestor's preferred schedule.
- n) Lead times for procurement of major materials and availability of engineering, consulting and contracting resources necessary for project execution; and
- o) Requirements of any other party whose facilities in the interconnected transmission network are materially affected by the service requested.

The detailed scope of work for the FS will be developed after the FS agreement is signed by both parties. While the Transmission Owner will make reasonable efforts to accommodate feedback from the Requestor, the final scope of work for the FS will be determined at the sole discretion of the Transmission Owner. The general scope of work for the study which has been agreed upon by both parties is provided in Appendix B.

## 3.0 Engineering Standards

The facility design(s) for the Transmission System Upgrades identified in the FS will conform with Good Utility Practice. For the purpose of this Agreement, Good Utility Practice means the practices,

methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to produce the desired result at the lowest reasonable cost consistent with Good Utility Practice, reliability, safety and expediency. Good Utility Practice is not intended to be limited to the optimum practice method or act to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts.

In all cases, any Transmission System Upgrades necessary to establish the new Point of Interconnection shall maintain or improve Transmission Owner's Transmission System reliability.

In all cases, any Transmission System Upgrades necessary to establish the new Point of Interconnection shall maintain or improve Transmission Owner's Transmission System reliability.

Transmission Owner shall use due diligence in completing all studies relating to the requested interconnection; however, the Transmission Owner shall not be obligated to complete the interconnection under the terms of this Agreement.

#### **4.0 Results of Study**

Transmission Owner shall conduct a FS associated with the requested Point of Interconnection and issue a FS report for Requestor's review. Transmission Owner will use reasonable efforts to complete the FS within ninety (90) business days of Requestor's payment of the Deposit Payment required in Section 9. Such timeline may be extended by Transmission Owner in its sole discretion if it reasonably determines more time is necessary to complete the FS. If a longer timeline is necessary, the Transmission Owner will coordinate with the Requestor to clearly communicate the expected timeline for completion of the study. The longer timeline will be agreed upon in writing by both parties, either at the beginning of the FS or at the earliest point during the FS where it becomes evident that a longer duration is necessary. The report will include the following, as applicable:

- a. Summary of impacted facilities.
- b. General descriptions of the existing and proposed facilities.
- c. Substation configurations.
- d. Estimated cost of transmission interconnection facilities.
- e. Estimated costs of transmission network upgrades.
- f. Preliminary assignment of costs.
- g. Estimated project schedule including engineering, permitting, procurement and construction; and
- h. Summary of permits, licenses, and approvals required for construction to commence, if applicable.

Following receipt of the completed study, the Requestor will have thirty (30) business days to decide whether to proceed with negotiation of a Facilities Construction Agreement or applicable interim agreements and provide written notice to Transmission Owner. Requestor will notify Transmission Owner of decision to proceed or not proceed with this negotiation via email to:

[TransmissionBusinessRelationsMP@mnpower.com](mailto:TransmissionBusinessRelationsMP@mnpower.com). Upon delivery of the completed FS by the Transmission Owner, the scope of which shall cover all facilities identified in Appendix B, the FS shall

be valid for a period of 180 calendar days, at the end of which if a Facilities Construction Agreement (“FCA”) has not been executed or filed, the interconnection request shall be terminated, unless extended by mutual written agreement. Requestor acknowledges and agrees that Transmission Owner’s determination of the need for Transmission System Upgrades and the estimated costs and construction timelines for completing such upgrades are subject to change and may be further developed.

### **5.0 Ownership of Results**

Reports, summaries, plans, and other documents arising out of this Agreement shall become the property of Transmission Owner. All studies, computer input and output data, planning, operating and other documents, work papers, assumptions, and any other material shall remain in the files and possession of the Transmission Owner. Notwithstanding the above, the Requestor shall be provided with a copy of the Final Report and shall have the right to the use of such Report subject to its obligations under this Agreement.

### **6.0 Non-disclosure of Information**

The Requestor and Transmission Owner shall consider all information provided by Transmission Owner and the Requestor and all supporting work papers resulting from Transmission Owner’s performance of the services to be proprietary to the Party providing the information unless such information is available from public sources. Neither the Requestor nor the Transmission Owner shall publish or disclose proprietary information of the other Party for any purpose without the prior written consent of the other Party, except disclosures required by law, regulation or orders, in which case the disclosing Party shall provide the other Party with prompt written notice of such request or requirement to enable the Parties to take steps to reduce the extent of proprietary information that must be disclosed and/or seek an appropriate protective order or other remedy reducing the extent of information that must be disclosed. The non-disclosure obligation of each Party is subject to compliance with all applicable laws, regulations and orders.

### **7.0 Information Requests**

Transmission Owner may require additional information regarding the Requestor’s proposed interconnection to the Transmission System. The Requestor shall furnish within ten (10) business days, written responses to reasonable requests for information submitted by Transmission Owner.

### **8.0 Costs**

The estimated costs to complete the FS are set forth in Appendix A. The Requestor shall pay Transmission Owner a deposit equal to fifty percent (50%) of the estimated study costs (the “Deposit Payment”) for Transmission Owner to begin the FS; provided that the Requestor shall be responsible for the actual costs to perform the study even if such costs exceed the estimate. At the completion of the FS, the costs incurred to complete the study shall be true-up within sixty (60) business days or longer if mutually agreed by the Parties based on the Transmission Owner’s actual costs and the Requestor shall pay such costs to the Transmission Owner as provided in Section 9. The actual study costs shall be based on the fully loaded labor rates, including overheads for the personnel performing the study. Expenses that are directly chargeable to the study shall be determined by the Transmission Owner. Notwithstanding the foregoing, the Transmission Owner may not incur charges

in excess of the estimated cost reflected in Exhibit A without the prior written consent of the Requestor, provided that if the Requestor does not agree to reimburse the Transmission Owner for costs in excess of this cap and the Transmission Owner must incur such costs in excess of the cap to perform the required studies, the Transmission Owner may cease work on the study.

## **9.0 Payments**

Transmission Owner shall invoice the Requestor for the advance Deposit Payment for the FS upon the execution of this Agreement. The Requestor shall pay the Deposit Payment within thirty (30) business days of the receipt of the invoice. Upon delivery of a final FS, as determined by the Transmission Owner, the Transmission Owner shall invoice the Requestor within 60 business days of such delivery and the Requestor shall pay for any unpaid actual costs in excess of the Deposit Payment amount that have been incurred by the Transmission Owner in completing the FS within thirty (30) business days of receipt of the final invoice, including such costs in excess of the estimated cost in Exhibit A that have been approved by the Requestor under Article 8 of this Agreement. Upon receipt of the invoice, the Requestor shall make the final payment within thirty (30) business days. If any portion of the deposit is remaining after the actual cost is calculated, that amount will be rolled over into costs associated with subsequent agreements as applicable if Requestor chooses to do one. If the amount due is not paid on or before the due date, a late payment charge shall be applied to the unpaid balance equal to interest calculated using the prime rate of interest as published on the date of the invoice in The Wall Street Journal (or, if unavailable, an equivalent publication on or about that date).

## **10.0 Effective Date, Term and Effect of Termination**

The term of this Agreement shall commence on the Effective Date and shall continue in effect until the FS is completed and all required payments have been made by Requestor, unless otherwise earlier terminated pursuant to the provisions of this Agreement. Either Party may elect to terminate this Agreement for any reason, (i) upon giving thirty (30) business days written notice to the other Party or (ii) at any time by mutual agreement of the Parties.

Should the Transmission Owner terminate this Agreement for any reason other than default by the Requestor, the Requestor shall be entitled to a full refund of all costs incurred and payments received by the Transmission Owner. In all other cases, including the Transmission Owner's termination upon default by the Requestor, should this Agreement be terminated in accordance with this Section 10, the Transmission Owner shall provide a final invoice within sixty (60) business days to the Requestor of the actual costs incurred by the Transmission Owner in performing the FS as of the date of termination and either (i) refund to the Requestor, any portion of the deposit that exceeds the actual costs incurred up to the date of termination, or (ii) in the event that such costs are greater than the deposit paid, the Requestor shall pay the Transmission Owner, within thirty (30) business days, any balance due in accordance with the provisions of Section 9.0.

## **11.0 Notices**

Unless otherwise specifically provided in this Agreement, all notices and other communications required or permitted to be given hereunder shall be in writing and shall be addressed to the persons identified below and: (i) delivered by hand, (ii) delivered by a nationally recognized

commercial overnight delivery service, (iii) mailed postage prepaid by certified mail in any such case directed or addressed to the respective addresses set forth below, or (iv) transmitted by electronic mail to the address set forth below, with receipt confirmed. Such notices shall be effective: (a) in the case of hand deliveries, when received; (b) in the case of an overnight delivery service, on the next business day after being placed in the possession of such delivery service, with delivery charges prepaid; (c) in the case of certified mail, upon receipt of written signature card indicating acceptance by addressee; and (d) in the case of electronic notices, the date on which electronic indication of receipt is received by the sender, and if such date is not a business day, then the next business day.

**Transmission Owner:**

Minnesota Power  
Transmission Business Relations  
3217 Persons St  
Duluth MN 55811  
*With copy to:*  
TransmissionBusinessRelationsMP@mnpower.com

**Requestor:**

Name: Grand Rapids Public Utilities  
Contact: Chad Troumbly, Electric Department Manager  
Address: 500 SE 4<sup>th</sup> Street, Grand Rapids, MN 55744  
Email: cmtroumbly@grpuc.org

Either Party may, by written notice to the other Party, change the representative or the address to which such notices and communications are to be sent under this Section 11.

**12.0 Choice of Law**

This agreement shall be governed by the Federal laws of the United States, and to the extent not inconsistent with Federal law, the laws of the State of Minnesota without regard for conflicts of law provisions.

**13.0 Force Majeure**

An event of Force Majeure means any act of God, epidemic, labor disturbance, act of the public enemy, war insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation, or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's reasonable control. A Force Majeure event does not include the claiming Party's act of negligence or intentional wrongdoing. Neither Transmission Owner nor Requestor will be considered in default as to any obligation under this Agreement to the extent they are prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall provide notice to the other Party of the circumstances resulting in the suspension of performance and shall make all reasonable efforts to perform its obligations under this Agreement.



#### **14.0 Indemnity**

The Requestor shall at all times indemnify, defend, and save the Transmission Owner harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees and all other obligations by or to third parties, arising out of or resulting from the Transmission Owner's performance of its obligations under this Agreement on behalf of the Requestor, except in cases of gross negligence or willful misconduct by the Transmission Owner.

#### **15.0 Waiver; Severability**

No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or any other provisions of this Agreement, and no waiver shall be effective unless granted in writing. In the event that any provision herein shall be illegal or unenforceable, such provision shall be severed from the Agreement. The entire agreement shall not fail, but the balance of the Agreement shall continue in full force and effect.

#### **16.0 Limitation of Liability**

Notwithstanding anything contained herein to the contrary, in no event shall either party hereto be liable to the other party for any consequential, punitive, incidental, or exemplary damages.

In addition, the Transmission Owner shall not be liable, whether based on contract, indemnification, warranty, equity, tort, strict liability or otherwise, to Requestor for any damages whatsoever, including, without limitation, direct, incidental, consequential (including, without limitation, attorneys' fees and litigation costs), punitive, special, multiple, exemplary or indirect damages arising or resulting from any act of omission in any way associated with service provided under this Agreement, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, except to the extent that the Transmission Owner is found liable for gross negligence or intentional misconduct, in which case the Transmission Owner will only be liable for direct damages.

#### **17.0 Entire Agreement**

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter of the Agreement provided for herein, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among the Parties with respect to the subject matter addressed herein.

#### **18.0 Subcontractor**

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

#### **19.0 No Partnership**

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation of partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

#### **20.0 No Third-Party Beneficiaries**

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.


#### **21.0 Counterparts**

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

In Witness Whereof, the Parties hereto have caused this Agreement to be executed by their respective authorized officials.

Transmission Owner:

MINNESOTA POWER, an ALLETE Company

By: 

Name: Daniel Gunderson

Title: Vice President, Transmission System Planning & Operations

Date: April 24, 2025

Transmission Customer:

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

Name:

Title:

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

## Appendix A

### Reimbursable Work and Payment Schedule

1. Cost for the Reimbursable Work: All costs incurred by Transmission Owner in completing the FS shall be paid by the Requestor in accordance with the terms of this Agreement. The estimated study cost shall be \$25,000 plus \$250 per megawatt of load proposed to be interconnected by the Requestor. If multiple points of interconnection are proposed, the total coincident peak contemplated across all points of interconnection shall be the basis for determination of estimated study costs.

**Requested Interconnection Load:** 27.8 MW

**Total Estimated Study Cost:** \$31,950

2. Installment Payments and Schedule:

Milestone Number	Description	Date
1	Upon execution of this Agreement: The Requestor to pay 50% of the estimated FS costs for Reimbursable Work to Transmission Owner.	To be paid after the execution of the Agreement within 30 business days from Transmission Owner issuing an invoice.
2	Upon delivery of a complete draft FS, as determined by the Transmission Owner, to the Requestor: The Requestor to pay 25% of the estimated costs for Reimbursable Work to the Transmission Owner.	To be paid within thirty (30) business days from the Transmission Owner issuing an invoice after delivery of a complete draft FS. Complete draft FS to be delivered within 90 business days after execution of Agreement, or a mutually agreed to delivery date.
3	Upon final acceptance of the FS by the Requestor, as agreed upon with the Transmission Owner: True-up final invoice issued by the Transmission Owner for actual study costs in excess of Estimated Study Cost, or reimbursement to the Requestor of any unused study funds.	Transmission Owner issues invoice within sixty (60) business days after completion of FS. Requestor pays within thirty (30) business days of receipt of final invoice

## Appendix B

### Transmission System Upgrades

The following Transmission System Upgrades presented by the Transmission Owner to the Requestor shall constitute the scope of work for the Facility Study.

To be complete in 90 business days of Transmission Owner's receipt of the Deposit Payment required in Section 9:

- Existing Tioga Substation (MP owned)
  - Expansion of the existing 115kV buswork to accommodate another transformer row
  - 115kV Breaker
- Existing Tioga Substation (GRPUC owned equipment)
  - 115kV circuit switcher
  - New 115/23 kV transformer
  - Additional 23kV buswork and feeders



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to award the Airport Road Electric Underground Installation Project contract to ArchKey/Parsons Electric for an estimated total amount of \$167,392.00 and authorize the General Manager to sign the contract.

**PREPARED BY:** Chad Troumbly, Electric Department Manager

### BACKGROUND:

The Airport Road Electric Underground Installation Project between 7<sup>th</sup> and 17<sup>th</sup> Street SE is an approved 2025 GRPU capital project. It is aimed at increasing electrical capacity to southern Grand Rapids while reducing outage risks associated with overhead infrastructure on 3<sup>rd</sup> Avenue. The Project scope includes installing underground cable, switch cabinets, directional boring, and establishing new system connections. The quotation package including the plans, specifications, and standard form of agreement is attached for your review.

Quotes were requested from 5 contractors, 2 were received, and the following shows the estimated total quote amounts as tabulated:

<b><u>Bidder</u></b>	<b><u>Total Quote</u></b>
Engineer's Estimate (2024)	\$155,270.80
ArchKey/Parsons Electric	\$167,392.00
Lake States Construction	\$171,425.00

### RECOMMENDATION:

GRPU staff are recommending the Airport Road Electric Underground Installation Project contract be awarded to ArchKey/Parsons Electric for an estimated total amount of \$167,392.00 and authorize the General Manager to sign the contract.

# **Project Manual**

## **Airport Road GRPU Electric Underground Installation**

Grand Rapids Public Utilities Commission

SEH No. GRAPU 183149  
GRPU No. ELCP-00-UG717

Date: March 28, 2025



Building a Better World  
for All of Us®

Engineers | Architects | Planners | Scientists

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## QUOTATION FORM

Grand Rapids, MN  
 Airport Road GRPU Electric Underground Installation  
 SEH Project GRAPU 183149  
 GRPU No. ELCP-00-UG717

Submit quotation form to Julie Kennedy PE, Grand Rapids Public Utilities (500 SE 4<sup>th</sup> Street, Grand Rapids, MN 55744) by 4:30 PM, Thursday, April 24, 2025. Quotes may be emailed to jakennedy@grpuc.org or hand delivered to the above address.

### QUOTE PACKAGE:

The package shall include the following:

1. Quotation Form
  2. Special Provisions
  3. Supplementary Conditions
  4. Standard Form of Agreement
  5. Plan Sheets – Airport Road GRPU Underground Installation
- A. All spaces of the quotation form shall be filled in. If hand delivered, the quote must be in a sealed envelope labeled “Airport Road GRPU Electric Underground Installation”. If emailed, the subject of the email must be “Airport Road GRPU Electric Underground Installation”.
- B. Project Description: Underground Electric Infrastructure Improvements
- C. Project will be completed on a unit price basis, based on the following estimated quantities:

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL PRICE
AS BUILT	LUMP SUM	1		
MOBILIZATION	LUMP SUM	1		
INSTALL CABINET	EACH	2		
INSTALL SWITCH BASEMENT	EACH	1		
INSTALL INNERDUCT/CABLE	LIN FT	4,250		
TRAFFIC CONTROL	LUMP SUM	1		
TURF ESTABLISHMENT	LUMP SUM	1		



Airport Road GRPU Electric Underground Installation Quote Total\_\_\_\_\_.

We, the undersigned, doing business as \_\_\_\_\_ have carefully examined the Quotation Documents and the site of the proposed work, and are familiar with all of the conditions, laws and regulations surrounding the construction of the proposed project including the availability of materials and labor. We hereby propose to the Grand Rapids Public Utilities to furnish all labor, materials (other than those specifically identified as provided by GRPU), equipment, skills and facilities for the complete construction of the Airport Road GRPU Electric Underground Installation as described herein. The unit price shown includes sales tax and all other applicable taxes, permits and fees.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2025

Name of Company \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Printed Name of Authorized Representative \_\_\_\_\_

Title of Authorized Representative \_\_\_\_\_

Legal Address \_\_\_\_\_

Business Phone \_\_\_\_\_

Fax Number \_\_\_\_\_

### **SPECIAL PROVISIONS**

General:

1. The GRPU Commission will consider to award on Wednesday, April 30, 2025.
2. EJCDC Standard Form of Agreement Between Owner and Contractor on the Basis of Stipulated Price will be executed for the project once a contractor is awarded the project.
3. EJCDC Standard General Conditions of the Construction Contract shall apply to the project.
4. All material shall be in accordance with applicable building codes and local specifications.
5. The Work will be substantially completed on or before August 22, 2025 and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before August 29, 2025.
6. Contractor shall inform Owner of weekly progress schedule.
7. Liquidated damages shall be set at \$300 per day for every day after the completion dates that the project is not complete.

### **CONSTRUCTION:**

Contractor will need to work with private utility companies to maintain schedule and avoid conflicts.

X:\FJ\G\GRAPU\183149\Airport Road (Task 4)\5-final-dsgn\52-specs-proj-man\00 41 00 Airport Road GRPU Underground Replacement.docx

**STANDARD FORM OF AGREEMENT  
BETWEEN OWNER AND CONTRACTOR  
ON THE BASIS OF A STIPULATED PRICE**

**THIS AGREEMENT** is by and between the Grand Rapids Public Utilities Commission  
(Owner) and \_\_\_\_\_ (Contractor).

Owner and Contractor hereby agree as follows:

**ARTICLE 1 – WORK**

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: Airport Road GRPU Electric Underground Installation.

**ARTICLE 2 – THE PROJECT**

- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: Underground Electric Infrastructure Improvements.

**ARTICLE 3 – ENGINEER**

- 3.01 The Project has been designed by Short Elliott Hendrickson Inc. (SEH®).

**ARTICLE 4 – CONTRACT TIMES**

4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Contract Times: Dates*

- A. The Work will be substantially completed on or before August 22, 2025, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before August 22, 2025.

4.03 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
1. Substantial Completion: Contractor shall pay Owner \$300 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
  2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$300 for each day that expires after such time until the Work is completed and ready for final payment.
  3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.

#### 4.04 *Special Damages*

- A. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- B. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.
- C. The special damages imposed in this paragraph are supplemental to any liquidated damages for delayed completion established in this Agreement.

### ARTICLE 5 – CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

- A. For all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the actual quantity of that item as indicated in Contractor's Bid.

The Bid Prices for Unit Price Work set forth as of the Effective Date of the Agreement are based on estimated quantities. As provided in Paragraph 13.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer as provided in Paragraph 10.06 of the General Conditions.

The Estimated Total of All Unit Price Work is:

\$ \_\_\_\_\_

### ARTICLE 6 – PAYMENT PROCEDURES

#### 6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

#### 6.02 *Progress Payments; Retainage*

- A. Subject to the provisions of SC-15.01.C, Owner shall make monthly progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications of Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract:
  - 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract:
    - a. 95 percent of Work completed (with the balance being retainage).
    - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

2. Within 60 days after Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract.
  - a. 99 percent of Work completed (with the balance being retainage) less 250 percent of the cost to correct or complete work known at the time of Substantial Completion.
- B. Within 60 days of Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 100 percent of the Work completed; less such amounts set off by Owner pursuant to Paragraph 15.01.E of the General Conditions; and less 250 percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment. Upon completion or correction and acceptance of said Work, Owner shall pay the amounts withheld within 60 days as recommended by Engineer.
  1. After Substantial Completion Owner shall also withhold one percent of the value of the Contract or \$500, whichever is greater, pending completion and submission of all "final paperwork" by the Contractor as defined by Minnesota Statutes, section 15.72, subdivision 2.(e)(2). Owner shall pay said amount withheld after Substantial Completion within 60 days of submission of all final paperwork as recommended by Engineer.

#### 6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

#### 6.04 *Interest*

All amounts not paid when due shall bear interest at the rate of 1.5 percent per annum.

### **ARTICLE 7 – CONTRACT DOCUMENTS**

#### 7.01 *Contents*

- A. The Contract Documents consist of the following:
  1. Addenda (numbers 00 00 1\_\_ to 00 00 1\_\_, inclusive).
  2. This Agreement (pages 00 52 00-1 to 00 52 00-6, inclusive).
  3. Quotation Form.
  4. Special Provisions as listed in the Quotation Form.
  5. Supplementary Conditions (pages 00 73 00-1 to 00 73 00-6, inclusive).
  6. Specifications as listed in the table of contents of the Project Manual.
  9. The Drawings listed in the index located on Drawing Sheet 1.
  10. Exhibits to this Agreement (enumerated as follows).
    - a. Contractor's Quote Form.
    - b. Documentation submitted by Contractor prior to Notice of Award (pages \_\_ to \_\_, inclusive).
    - c. Certificate of Insurance.
  11. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
    - a. Notice to Proceed.
    - b. Field Order(s).

- c. Work Change Directive(s).
- d. Change Order(s).
- B. The documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

## **ARTICLE 8 – REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS**

### **8.01 Contractor's Representations**

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
  - 1. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
  - 2. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
  - 3. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
  - 4. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.
  - 5. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
  - 6. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
  - 7. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
  - 8. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
  - 9. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

### **8.02 Contractor's Certifications**

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
  - 1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;

2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

## ARTICLE 9 – MISCELLANEOUS

### 9.01 Terms

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

### 9.02 Assignment of Contract

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

### 9.03 Successors and Assigns

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

### 9.04 Severability

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on \_\_\_\_\_, \_\_\_\_\_ (which is the Effective Date of the Contract).

OWNER: Grand Rapids Public Utilities Commission

CONTRACTOR:

By: Tom Stanley  
Title: Commission President

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]

[CORPORATE SEAL]

Attest: \_\_\_\_\_  
Title: Commissioner

Attest: \_\_\_\_\_  
Title: \_\_\_\_\_

Address for Giving Notices:

Julie Kennedy  
500 SE 4<sup>th</sup> Street  
Grand Rapids, MN 55744

Address for Giving Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Owner-Contractor Agreement).

License No. \_\_\_\_\_  
(Where Applicable)

Agent for service of process: \_\_\_\_\_

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative:

Name: Julie Kennedy  
Title: General Manager  
Address: 500 SE 4<sup>th</sup> Street  
Grand Rapids, MN 55744  
Phone: 218.326.7687  
Email: jakennedy@grpuc.org

Designated Representative:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**END OF DOCUMENT**

**SUPPLEMENTARY CONDITIONS****TABLE OF ARTICLES**

<b>Article Number</b>	<b>Title</b>	<b>Page</b>
SC-2.02	Copies of Documents .....	1
SC-5.03	Subsurface and Physical Conditions .....	1
SC-5.05	Underground Facilities .....	2
SC-5.05.B	Underground Facilities .....	2
SC-5.06	Hazardous Environmental Conditions.....	2
SC-6.03	Contractor's Insurance .....	2
SC-7.03	Labor; Working Hours .....	3
SC-7.03	Labor; Working Hours .....	3
SC-7.07	Concerning Subcontractors and Suppliers .....	3
SC-7.07	Concerning Subcontractors and Suppliers .....	3
SC-7.11	Laws and Regulations.....	4
SC-10.03	Resident Project Representative .....	4
SC-12.01	Claims .....	4
SC-13.01	Cost of the Work .....	4
SC-13.03	Unit Price Work .....	4
SC-15.01.B	Applications for Payments .....	5
SC-15.03	Substantial Completion .....	5
SC-15.03	Substantial Completion .....	5
SC-15.05	Final Inspection .....	5
SC-15.06.A	Final Payment .....	5
SC-15.08	Correction Period .....	5

These Supplementary Conditions amend or supplement the Standard General Conditions of the Construction Contract, EJCDC® C-700 (2018 Edition). All provisions that are not so amended or supplemented remain in full force and effect.

The terms used in these Supplementary Conditions will have the meanings stated in the General Conditions. Additional terms used in these Supplementary Conditions have the meanings stated below, which are applicable to both the singular and plural thereof.

The address system used in these Supplementary Conditions is the same as the address system used in the General Conditions, with the prefix "SC" added thereto.

**SC-2.02 Copies of Documents**

Delete Paragraph 2.02.A in its entirety and insert the following:

- A. Owner shall furnish to Contractor one copy in electronic portable document format (PDF). Additional printed copies will be furnished on request at the cost of reproduction.

**SC-5.03 Subsurface and Physical Conditions**

Delete Paragraphs 5.03.A and 5.03.B in their entirety and insert the following:

- A. No reports of explorations or tests of subsurface conditions at or adjacent to the Site, or drawings of physical conditions relating to existing surface or subsurface structures at the



**SC-5.05 Underground Facilities**

Add the following sentence at the end of the first sentence of Paragraph 5.05.A:

The subsurface utility information in this plan is utility quality level D. This quality level was determined according to the guidelines of [CI/ASCE 38-02](#), titled "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data."

**SC-5.05.B Underground Facilities**

Add new paragraph immediately after Paragraph 5.05.B to read as follows:

1. Underground utility locations can be obtained from the following owners and services:

Utility	Owner	Phone
Sewer and Water	GRPU	
Telephone	Century Link, Paul Bunyan, Mediacom	
Natural Gas	MER	
Electric	GRPU	
Cable TV	Mediacom, Paul Bunyan	
Other		
Location Service	Gopher State One Call	Metro: 651.454.0002 Out State: 800.252.1166

THE OWNER SHALL NOT COMPENSATE THE CONTRACTOR FOR COSTS ASSOCIATED WITH CONFLICTS OR DELAYS WITH PRIVATE UTILITIES WHETHER SHOWN OR NOT SHOWN ON THE PLANS

**SC-5.06 Hazardous Environmental Conditions**

Delete Paragraphs 5.06.A and 5.06.B in their entirety and insert the following:

- A. No reports or drawings related to Hazardous Environmental Conditions at the Site are known to Owner.
- B. Not Used.

**SC-6.03 Contractor's Insurance**

Add the following new paragraph immediately after Paragraph 6.03.J:

- K. The limits of liability for the insurance required by Paragraph 6.03 of the General Conditions shall provide coverage for not less than the following amounts or greater where required by Laws and Regulations:
  1. Worker's Compensation and related coverages under Paragraphs 6.03.A.1 and A.2 of the General Conditions:
    - a. State: Statutory
    - b. Federal, if applicable (e.g., Longshoreman's): Statutory
    - c. Employer's Liability:
      - 1) Bodily injury, each accident \$100,000
      - 2) Bodily injury by disease, each employee \$100,000
      - 3) Bodily injury/disease, aggregate \$500,000
    - e. Foreign voluntary worker compensation: Statutory
  2. Contractor's Commercial General Liability under Paragraphs 6.03.B and 6.03.C of the General Conditions:
    - a. General Aggregate \$1,500,000
    - b. Products - Completed Operations Aggregate \$1,500,000
    - c. Personal and Advertising Injury \$1,500,000

d. Each Occurrence (Bodily Injury and Property Damage)	\$1,500,	Item 12.
3. Automobile Liability under Paragraph 6.03.D of the General Conditions:		
a. Bodily Injury:		
Each person	\$1,500,000	
Each Accident	\$1,500,000	
b. Property Damage:		
Each Accident	\$1,500,000	
4. Excess or Umbrella Liability		
a. General Aggregate	\$1,500,000	
b. Each Occurrence	\$1,500,000	
5. Contractor's Pollution Liability:		
a. Each Occurrence		N/A
b. General Aggregate		N/A
6. Additional Insureds: In addition to Owner and Short Elliott Hendrickson Inc., include as additional insureds the following:		
a. Grand Rapids Public Utilities Commission.		
b. N/A		
7. Contractor's Professional Liability:		
a. Each Claim	\$2,000,000	
b. Annual Aggregate	\$2,000,000	

#### **SC-7.03 Labor; Working Hours**

Add the following new subparagraphs immediately after Paragraph 7.03.C:

1. Regular working hours will be 7:00 AM to 7:00 PM, Monday through Friday.
2. Owner's legal holidays are any federal holiday.

#### **SC-7.03 Labor; Working Hours**

Delete Paragraph 7.03.C in its entirety and substitute the following in its place:

- C. In the absence of any Laws or Regulations to the contrary, Contractor may perform the Work on holidays, during any or all hours of the day, and on any or all days of the week, with approval of the Owner.

#### **SC-7.07 Concerning Subcontractors and Suppliers**

Delete Paragraph 7.07.H in its entirety and substitute the following in its place:

- H. Upon Owner's request, Contractor shall submit to Engineer a complete list of all Subcontractors and Suppliers having a direct contract with Contractor, and of all other Subcontractors and Suppliers known to Contractor at the time of request.

#### **SC-7.07 Concerning Subcontractors and Suppliers**

Add the following paragraph after Paragraph 7.07.M:

- N. In accordance with Minnesota Statute 471.425, Contractor shall pay any subcontractor within ten days of the Contractor's receipt of payment from the municipality. Contractor shall pay interest on any unpaid amounts in accordance with the statute.

**SC-7.11 Laws and Regulations**

Add new paragraphs immediately after Paragraph 7.11.C which are to read as follows:

- D. Contractor shall specifically comply with Equal Opportunity Requirements as listed in Minnesota Rules 5000.3535, Standard State Equal Employment Opportunity Construction Contract Specifications.
- E. Contractor shall specifically comply with Minnesota Rules 5000.3550, Disabled Individuals Affirmative Action Clause.

**SC-10.03 Resident Project Representative**

Add the following new paragraphs immediately after Paragraph 10.03.B:

- C. On this Project, by agreement with the Owner, Engineer will not furnish a Resident Project Representative to represent Engineer at the Site or assist Engineer in observing the progress and quality of the Work

**SC-12.01 Claims**

Amend the first sentence of Paragraph 12.01.B to read as follows:

- B. *Submittal of Claim:* The party submitting a Claim shall deliver it directly to the other party to the Contract promptly (but in no event later than 10 days) after the start of the event giving rise thereto; in the case of appeals regarding Change Proposals within 10 days of the decision under appeal.

**SC-13.01 Cost of the Work**

Delete Paragraph 13.01 E in its entirety and insert the following in its place:

- E. *Documentation and Audit:* Whenever the Cost of the Work for any purpose is to be determined pursuant to this Article 13, Contractor and pertinent Subcontractors will establish and maintain records of the costs in accordance with generally accepted accounting practices. Subject to prior written notice, Owner or State Auditor will be afforded reasonable access, during normal business hours, to all Contractor's accounts, records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to the Cost of the Work and Contractor's fee. Contractor shall preserve all such documents for a period of **six** years after the final payment by Owner. Pertinent Subcontractors will afford such access to Owner or State Auditor, and preserve such documents, to the same extent required of Contractor.

**SC-13.03 Unit Price Work**

Delete Paragraph 13.03.E in its entirety and insert the following in its place:

- E. The unit price of an item of Unit Price Work shall be subject to re-evaluation and adjustment under the following conditions:
  1. if the extended price of a particular item of Unit Price Work amounts to 25 percent or more of the Contract Price (based on estimated quantities at the time of Contract formation) and the variation in the quantity of that particular item of Unit Price Work performed by Contractor differs by more than 25 percent from the estimated quantity of such item indicated in the Agreement; and
  2. if there is no corresponding adjustment with respect to any other item of Work; and
  3. if Contractor believes that Contractor has incurred additional expense as a result thereof; Contractor may submit a Change Proposal, or if Owner believes that the quantity variation entitles Owner to an adjustment in the unit price, Owner may make a claim, seeking an adjustment in the Contract Price.

**SC-15.01.B Applications for Payments**

Amend Paragraph 15.01.B.4 to read as follows:

4. The amount of retainage with respect to progress payments will be as stipulated in the Agreement and as follows:

Minnesota:	5 percent
Exempt Non-Minnesota Contractors:	5 percent
Non-Exempt Non-Minnesota Contractors:	5 percent plus 8 percent* = 13 percent

\*State Surety Deposit

Non-Minnesota Contractors are advised to file Form SD-3 with the Minnesota Department of Revenue to determine their exemption status.

**SC-15.03 Substantial Completion**

Add a new paragraph immediately after Paragraph 15.03.A which reads as follows:

1. For this Work, Substantial Completion is further defined as follows:
  - a. All underground work is installed, cabinets and ground rods are placed.

**SC-15.03 Substantial Completion**

Add the following new subparagraph to Paragraph 15.03.B:

1. If some or all of the Work has been determined not to be at a point of Substantial Completion and will require re-inspection or re-testing by Engineer, the cost of such re-inspection or re-testing, including the cost of time, travel and living expenses, shall be paid by Contractor to Owner. If Contractor does not pay, or the parties are unable to agree as to the amount owed, then Owner may impose a reasonable set-off against payments due under Article 15.

**SC-15.05 Final Inspection**

Add the following language after the second sentence of Paragraph 15.05.A:

If, after such measures are taken, subsequent inspections by Engineer reveal that any of the previously identified particulars remain incomplete or defective, Engineer will again notify Contractor in writing of the remaining particulars. All costs associated with any subsequent inspections in which said remaining particulars are revealed, will be documented by Engineer and paid by Contractor to Owner.

**SC-15.06.A Final Payment**

Add the following new paragraph immediately after Paragraph 15.06.A.3:

4. Before final application for payment is made for the work, Contractor must make satisfactory showing of compliance with M.S.A. §290.92 which requires the withholding of state income taxes for wages paid employees on this project. Submittal of Certificate of Compliance from the Commissioner of Taxation to the Owner will satisfy this requirement. Contractor is advised that before such certificate can be issued, they must first place on file with the Commissioner of Taxation an affidavit that they have complied with the provisions of M.S.A. §290.92. The required affidavit form will be supplied by the Minnesota Commissioner of Taxation on request.

**SC-15.08 Correction Period**

Delete Paragraph 15.08.A in its entirety and insert the following in its place:

- A. If within one year after the date of Final Payment (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents, or by any specific provision of the Contract Documents), any Work is found to

be defective, or if the repair of any damages to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas used by Contractor as permitted by Laws and Regulations, is found to be defective, then Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:

1. correct the defective repairs to the Site or such other adjacent areas; or
2. correct such defective Work; or
3. if the defective Work has been rejected by Owner, remove it from the Project and replace it with Work that is not defective, and
4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others or other land or areas resulting therefrom.

**END OF DOCUMENT**

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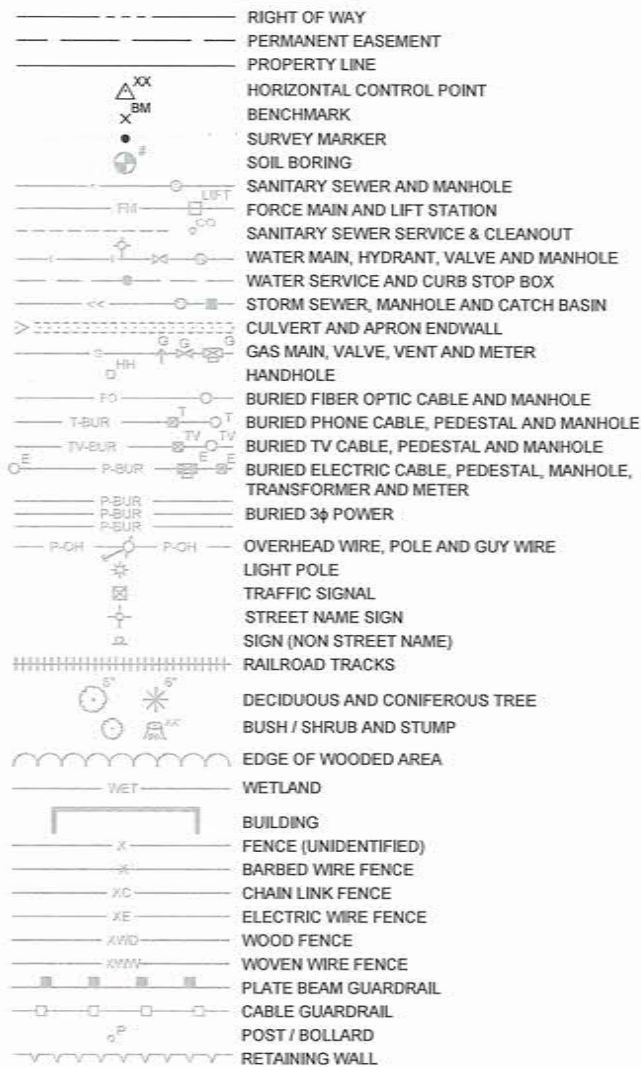
Building a Better World  
for All of Us®

Engineers | Architects | Planners | Scientists

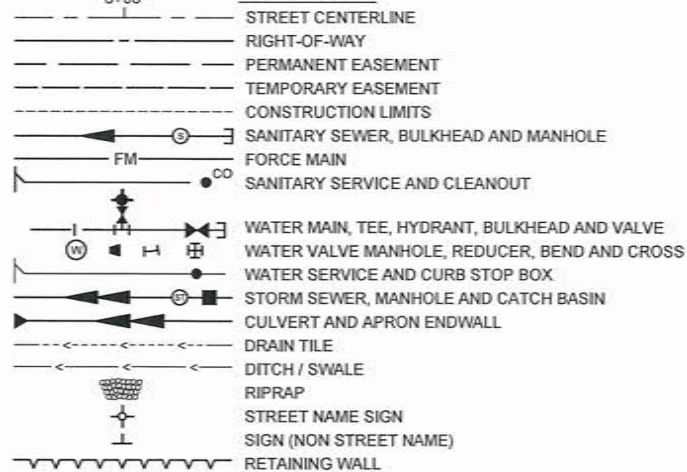


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## EXISTING



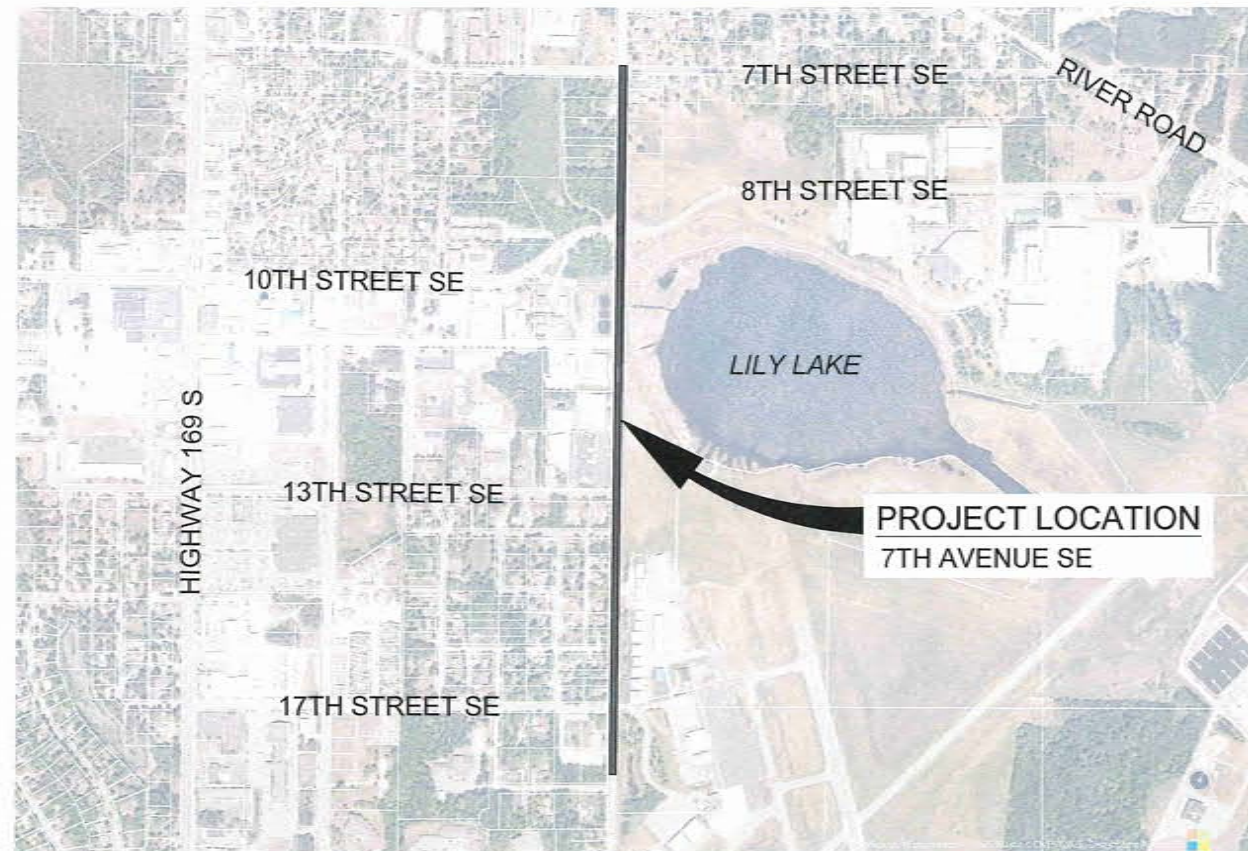
## PROPOSED



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## CONSTRUCTION PLANS FOR ELECTRIC INFRASTRUCTURE IMPROVEMENTS AIRPORT ROAD GRPU ELECTRIC NEW UNDERGROUND INSTALLATION

GRPU PROJECT NO. ELCP-00-UG717



## GOVERNING SPECIFICATIONS

THE 2020 EDITION OF THE MINNESOTA DEPARTMENT OF TRANSPORTATION "STANDARD SPECIFICATIONS FOR CONSTRUCTION" SHALL GOVERN EXCEPT AS MODIFIED BY THE SPECIFICATIONS FOR

Item 12.

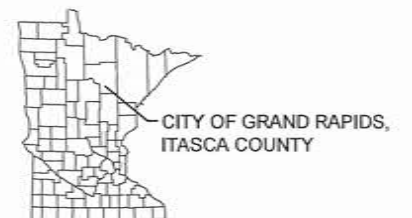
ALL TRAFFIC CONTROL DEVICES SHALL CONFORM TO THE LATEST EDITION OF THE MINNESOTA MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES, INCLUDING THE LATEST FIELD MANUAL FOR TEMPORARY TRAFFIC CONTROL ZONE LAYOUTS.


## INDEX

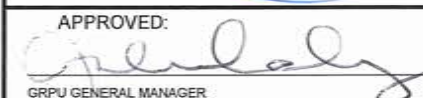
SHEET NO.	DESCRIPTION
1	TITLE SHEET
2	CONSTRUCTION NOTES, ESTIMATE, AND SPECIFICATIONS
3	INFRASTRUCTURE IMPROVEMENTS
4	INFRASTRUCTURE IMPROVEMENTS
5	INFRASTRUCTURE IMPROVEMENTS

THIS PLAN CONTAINS 5 SHEETS.

## PROJECT LOCATION



APPROVED:  4/3/25  
GRPU ELECTRICAL MANAGER DATE

APPROVED:  4-4-25  
GRPU GENERAL MANAGER DATE

GRAND RAPIDS, MINNESOTA



I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

 JOHN P. CARLSON, P.E.  
Date: 03/28/2025 Lic. No. 24001

PROJECT NO.  
GRAPU183149

1  
76

NOTE:  
THE SUBSURFACE UTILITY QUALITY INFORMATION IN THIS PLAN IS LEVEL D. THIS UTILITY QUALITY LEVEL WAS DETERMINED ACCORDING TO THE GUIDELINES OF CIASCE 38-02 ENTITLED "STANDARD GUIDELINES FOR THE COLLECTION AND DEPICTION OF EXISTING SUBSURFACE UTILITY DATA."

THE CONTRACTOR SHALL CALL THE GOPHER STATE ONE CALL SYSTEM AT 811 BEFORE COMMENCING EXCAVATION.





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GENERAL CONSTRUCTION NOTES:

- 1. ALL WORK SHALL CONFORM TO APPLICABLE LOCAL, STATE, AND FEDERAL LAWS AND REGULATIONS.
- 2. CONSTRUCTION LIMITS ARE THE RIGHT OF WAY UNLESS NOTED OTHERWISE.
- 3. THE LOCATION OF EXISTING UTILITIES SHOWN ARE APPROXIMATE AND MAY NOT BE COMPLETE. THE CONTRACTOR SHALL HAVE ALL UTILITIES LOCATED IN THE FIELD BEFORE DIGGING. THERE WILL BE NO ADDITIONAL COMPENSATION TO THE CONTRACTOR FOR WORKING AROUND EXISTING UTILITIES.
- 4. TRAFFIC CONTROL SHALL COMPLY WITH MINNESOTA MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES. SEE FIELD MANUAL LATEST VERSION.
- 5. WHERE SECTION OR SUBSECTION MONUMENTS ARE ENCOUNTERED, THE ENGINEER SHALL BE NOTIFIED BEFORE SUCH MONUMENTS ARE REMOVED. THE CONTRACTOR SHALL PROTECT AND CAREFULLY PRESERVE ALL PROPERTY MARKS AND MONUMENTS UNTIL THE OWNER AND AUTHORIZED SURVEYOR OR AGENT HAS WITNESSED OR OTHERWISE REFERENCED THEIR LOCATION.
- 6. CONTRACTOR SHALL SALVAGE ALL TOPSOIL AND REUSE ON SITE WHERE NEEDED. SALVAGING OF TOPSOIL IS INCIDENTAL.
- 7. WHENEVER THE WORD "INCIDENTAL" IS USED IN THIS PLAN SET, IT SHALL MEAN NO DIRECT COMPENSATION WILL BE MADE.
- 8. CONTRACTOR SHALL PROVIDE ACCESS TO ALL PROPERTIES, UNLESS ALTERNATE PROVISIONS ARE APPROVED BY THE PROPERTY OWNER AND THE ENGINEER.
- 9. CONTRACTOR SHALL NOTIFY ALL PROPERTY OWNERS A MINIMUM OF 48 HRS IN ADVANCE OF DISRUPTION TO SERVICE.
- 10. CONTRACTOR SHALL SUPPLY A TRASH CONTAINER ON SITE FOR CONSTRUCTION DEBRIS/TRASH. ABSOLUTELY NO TRASH TO BE DISCARDED IN EXCAVATIONS. CONTRACTOR SHALL ENSURE TRASH IS COLLECTED FROM WORK ACTIVITIES AND DISCARDED IN APPROPRIATE TRASH CONTAINERS DAILY.
- 11. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING AND REPAIRING ALL EXISTING AREAS, PAVEMENTS, STRUCTURES, OR OTHER FACILITIES DAMAGED DURING CONSTRUCTION ACTIVITIES TO EQUAL OR BETTER CONDITIONS.
- 12. UNDERGROUND UTILITY INVESTIGATION AND SITE RESTORATION IS CONSIDERED INCIDENTAL.
- 13. THE CONTRACTOR SHALL TAKE SPECIAL CARE NOT TO DAMAGE ANY TREES OR BUSHES. ANY ROOTS EXPOSED OR REMOVED BY EXCAVATION SHALL IMMEDIATELY BE SAWCUT AND SEALED TO PREVENT FURTHER DAMAGE TO THE TREE. ROOTS SHALL NOT BE LEFT EXPOSED WITHOUT SOIL COVER FOR MORE THAN 24 HOURS.

TURF ESTABLISHMENT NOTES:

- 1. CONTRACTOR SHALL TAKE CARE TO MINIMIZE PROJECT DISTURBANCE.
- 2. WHEN A WATER TRUCK IS REQUESTED BY THE ENGINEER, THE CONTRACTOR SHALL RESPOND WITHIN 4 HOURS. IF THE CONTRACTOR DOES NOT COMPLY, A \$250 PENALTY WILL BE ASSESSED PER INCIDENT. (INCIDENTAL)
- 3. WHEN STREET SWEEPING IS REQUESTED BY THE OWNER/ENGINEER, THE CONTRACTOR SHALL RESPOND WITHIN 4 HOURS. IF THE CONTRACTOR DOES NOT COMPLY, A \$250 PENALTY WILL BE ASSESSED PER INCIDENT. (INCIDENTAL)

TRAFFIC CONTROL NOTES:

- 1. CONTRACTOR SHALL SUPPLY A TRAFFIC CONTROL PLAN FOR ALL WORK.
- 2. TRAFFIC CONTROL PLANS SHALL BE SUBMITTED TO THE ENGINEER AND CITY OF GRAND RAPIDS WITH THE PERMIT SUBMITTAL FOR THE WORK IN THE RIGHT OF WAY OF THE CITY. NO WORK SHALL COMMENCE UNTIL PERMITS HAVE BEEN APPROVED AND EXECUTED. CONTRACTOR SHALL PROVIDE GRPU AND ENGINEER WITH A COPY OF THE APPROVED PERMIT FROM THE CITY.
- 3. ACCESS MUST BE PROVIDED AT ALL TIMES TO BUSINESSES.

MnDOT STANDARD PLATES	
PLATE NO.	DESCRIPTION
8000K	TEMPORARY CHANNELIZERS (3 SHEETS)

STATEMENT OF ESTIMATED QUANTITIES		
DESCRIPTION	UNIT	QTY.
AS BUILT	LUMP SUM	1
MOBILIZATION	LUMP SUM	1
INSTALL CABINET	EACH	2
INSTALL SWITCH BASEMENT	EACH	1
INSTALL INNERDUCT/CABLE	LIN FT	4,250
TRAFFIC CONTROL	LUMP SUM	1
TURF ESTABLISHMENT	LUMP SUM	1

GRPU CONTACTS:

- 1. GENERAL MANAGER - JULIE KENNEDY - 218.259.5020
- 2. ELECTRICAL DEPT MANAGER - CHAD TROUMBLY - 218.256.9753
- 3. LINE CREW FOREMAN - ROD RUDER - 218.244.3756
- 4. ELECTRICAL PROJECT COORDINATOR - JASON BLANCHARD - 218.259.9992

NOTES:

- 1. THIS WORK SHALL CONSIST OF FURNISHING ALL LABOR, EQUIPMENT, AND MATERIALS FOR THE CONSTRUCTION OF A COMPLETE AND OPERATIONAL ELECTRICAL SYSTEM.
- 2. CONTRACTOR IS RESPONSIBLE FOR ALL NECESSARY PERMITS AND UTILITY COORDINATION.
- 3. CONTRACTOR IS RESPONSIBLE FOR TRAFFIC CONTROL.
- 4. BIDDERS ARE ADVISED THAT THE N.E.C., THE 2020 EDITION OF MNDOT "STANDARD SPECIFICATIONS FOR CONSTRUCTION" SHALL GOVERN. COMPLIANCE WITH PROVISIONS OF MNDOT 2545 WILL BE PARTICULARLY ENFORCED IN CONJUNCTION WITH THE CONSTRUCTION OF ANY KIND OR TYPE OF ELECTRICAL SYSTEM, CONDUIT OR CONDUIT SYSTEM FOR THE CONVEYANCE OF THE ELECTRICAL CONDUCTORS, OR THE REQUIRED PORTIONS THEREOF, AS SPECIFIED IN THE CONTRACT. THE MINNESOTA ELECTRICAL ACT REQUIRES THAT A PERMIT BE OBTAINED FOR THE PERFORMANCE OF ALL SUCH WORK, INCLUDING THE INSTALLATION OF CONDUITS. THE CONTRACTOR SHALL OBTAIN ALL NECESSARY PERMITS INCLUDING, BUT NOT LIMITED TO, AN ELECTRICAL PERMIT. WORK SHALL BE INSPECTED AND APPROVED BY THE ENGINEER AND GRAND RAPIDS PUBLIC UTILITIES (GRPU).
- 5. ALL CABLE, INNERDUCT, COUPLINGS, SWITCH BASEMENT, CABINETS, AND GROUND RODS SHALL BE FURNISHED TO THE CONTRACTOR BY GRPU. THE CONTRACTOR SHALL COORDINATE ACCEPTANCE OF MATERIALS FROM GRPU. GRPU REQUIRES 72-HOUR NOTICE PRIOR TO THE CONTRACTOR PICKING UP THE MATERIALS FROM GRPU'S YARD. ALL OTHER REQUIRED APPURTENANCES SHALL BE PROVIDED BY THE CONTRACTOR.
- 6. CONTRACTOR SHALL COORDINATE HIS ACTIVITIES WITH ALL OTHER PARTIES OCCUPYING THE SITE SO AS TO NOT IMPEDE OR DELAY CONSTRUCTION PROGRESS. CONTRACTOR SHALL ATTEND REGULARLY SCHEDULED CONSTRUCTION PROGRESS MEETINGS. IT SHALL BE THE SOLE RESPONSIBILITY OF THE CONTRACTOR TO COORDINATE AMONG SUPPLIERS AND CONTRACTORS PROVIDING EQUIPMENT FOR THE PROJECT. THE COORDINATION SHALL INCLUDE, BUT NOT BE LIMITED TO, OPERATORS, POWER REQUIREMENTS, ETC. COOPERATE WITH OTHER TRADES TO AVOID INTERFERENCES IN THE INSTALLATION OF THIS WORK. INSTALL ALL EQUIPMENT AND SYSTEMS SO AS NOT TO DELAY PROGRESS OF CONSTRUCTION, AND CORRELATE WITH OTHER TRADES TO AVOID DELAY. SHOULD DIFFERENCES OF OPINION DEVELOP, THE ENGINEER'S DECISION WILL BE FINAL. CONTRACT UNIT PRICES SHALL REFLECT ALL CONSTRUCTION COSTS.
- 7. THE CONTRACTOR SHALL KEEP THE PREMISES CLEAN AND ORDERLY DURING INSTALLATION OF THIS WORK. REMOVE RUBBISH PERIODICALLY AND AS MAY BE DIRECTED BY THE ENGINEER. UPON COMPLETION OF THIS PART OF THE PROJECT, REMOVE ALL DIRT, DEBRIS, TOOLS, SCAFFOLDING, ETC. USED OR RESULTING FROM THIS WORK.
- 8. THE CONTRACTOR SHALL BEGIN WORK AT THE SOUTH END OF THE PROJECT AND WORK NORTH.
- 9. ALL INNERDUCT SHALL BE PLACED A MINIMUM OF 42" DEEP, AND BE PLACED BY TRENCHING, PLOWING, OR DIRECTIONAL BORING.
- 10. THE CONTRACTOR SHALL PROVIDE A MINIMUM OF 15' COILED CONDUCTORS WHEN ENTERING CABINETS AND 20' OF COILED CONDUCTORS WHEN ENTERING SWITCHES. INNERDUCT SHALL BE PULLED A MINIMUM OF 1'-0" INTO SWITCHES.
- 11. SWITCH BASEMENTS SHALL BE INSTALLED WITH 1'-0" EXPOSURE ABOVE GRADE. BASEMENT SHALL BE ORIENTED SUCH THAT WHEN THE SWITCH IS INSTALLED BY THE UTILITY, THE ACCESS DOORS FACE EAST/WEST.
- 12. CABINETS SHALL BE INSTALLED WITH 18" OF EXPOSURE FROM GRADE TO LOCKING MECHANISM. CABINETS SHALL BE INSTALLED SUCH THAT THE ACCESS DOORS FACE EAST.
- 13. CONTRACTOR SHALL STAKE ALL PROPOSED EQUIPMENT PRIOR TO INSTALLATION (INCIDENTAL). LOCATIONS SHALL BE VERIFIED BY GRPU. IF LOCATIONS ARE NOT VERIFIED BY GRPU, NO COMPENSATION WILL BE MADE IF FOUNDATIONS OR EQUIPMENT NEED TO BE RELOCATED. THE OWNER PROVIDED CABLE SPOOLS ARE APPROXIMATELY 1700' AND CABINETS/SWITCHES SHALL BE PLACED SUCH THAT NO SPLICING OCCURS PRIOR TO REACHING THE CABINET OR SWITCH.
- 14. INNERDUCT SPLICING SHALL BE PERFORMED BY FUSING OR WITH COUPLINGS SUPPLIED BY GRPU.
- 15. THE CONTRACTOR SHALL NOTIFY GRPU 72-HOURS PRIOR TO ANTICIPATED CABLE INSTALLATION INTO CABINETS/SWITCHES. GRPU WILL MAKE TERMINATIONS.
- 16. ANY REMAINING CABLE OR UNUSED CABLE SPOOLS SHALL BE RETURNED TO THE OWNER.
- 17. THE CONTRACTOR IS RESPONSIBLE TO REPLACE AND COMPACT THE SUBGRADE MATERIAL AND REPLACE THE PERMANENT SURFACE MATERIAL IN KIND (EXACTLY AS THE EXISTING). FINAL RESTORATION SHALL NOT OCCUR UNTIL GRPU HAS COMPLETED THE TERMINATIONS.
- 18. ALL MATERIAL AND EQUIPMENT TO BE USED IN CONSTRUCTION SHALL BE STORED AS TO BE PROTECTED FROM DETERIORATING EFFECTS OF THE ELEMENTS. IF OUTDOOR STORAGE CANNOT BE AVOIDED, THE MATERIAL AND EQUIPMENT SHALL BE STACKED ON SUPPORTS WELL ABOVE THE GROUND LINE AND PROTECTED FROM THE ELEMENTS AND WITH DUE REGARD TO PUBLIC SAFETY.
- 19. THE CONTRACTOR MAY USE GRPU AS A STAGING AREA. COORDINATE WITH GRPU FOR ACCESS.
- 20. THE CONTRACTOR SHALL GUARANTEE THE OPERATION OF THE INSTALLATION AND THAT THE MATERIALS AND WORKMANSHIP OF THE EQUIPMENT BE FREE FROM DEFECTS FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF ACCEPTANCE, PROVIDING THE EQUIPMENT HAS BEEN OPERATED AND MAINTAINED IN ACCORDANCE WITH THE MANUFACTURER'S RECOMMENDATIONS. IF A DISPUTE EXISTS REGARDING WHETHER THE EQUIPMENT HAS BEEN MAINTAINED ACCORDING TO THE MANUFACTURER'S RECOMMENDATIONS, THE ENGINEER'S DECISION WILL BE FINAL. THE GUARANTEE SHALL INCLUDE ALL PARTS AND LABOR NECESSARY TO RETURN THE SYSTEM TO NORMAL OPERATION. THE GUARANTEE ON ALL EQUIPMENT SHALL START AFTER FORMAL ACCEPTANCE OF EQUIPMENT AS DEFINED BY THE GENERAL CONDITIONS AND AFTER SUCCESSFUL COMPLETION OF STARTUP PROCEDURES.
- 21. CONTRACTOR SHALL SUPPLY ACCURATE AS-BUILT DRAWINGS OF THE PROJECT TO GRPU. DRAWINGS SHALL INDICATE LOCATION AND SETBACK OF CONDUIT, CABINETS AND SWITCH BASEMENTS WITHIN THE PROJECT LIMITS, MEASURED FROM A RELIABLE LOCATION.

Item 12.

SEH Project	GRAPU 183149	Rev.#	Plan Revision Issue Description	Date	Rev.#	Sheet Revision Issue Description	Date
Drawn By	JLR						
Designed By	AKF						
Checked By	JEK						



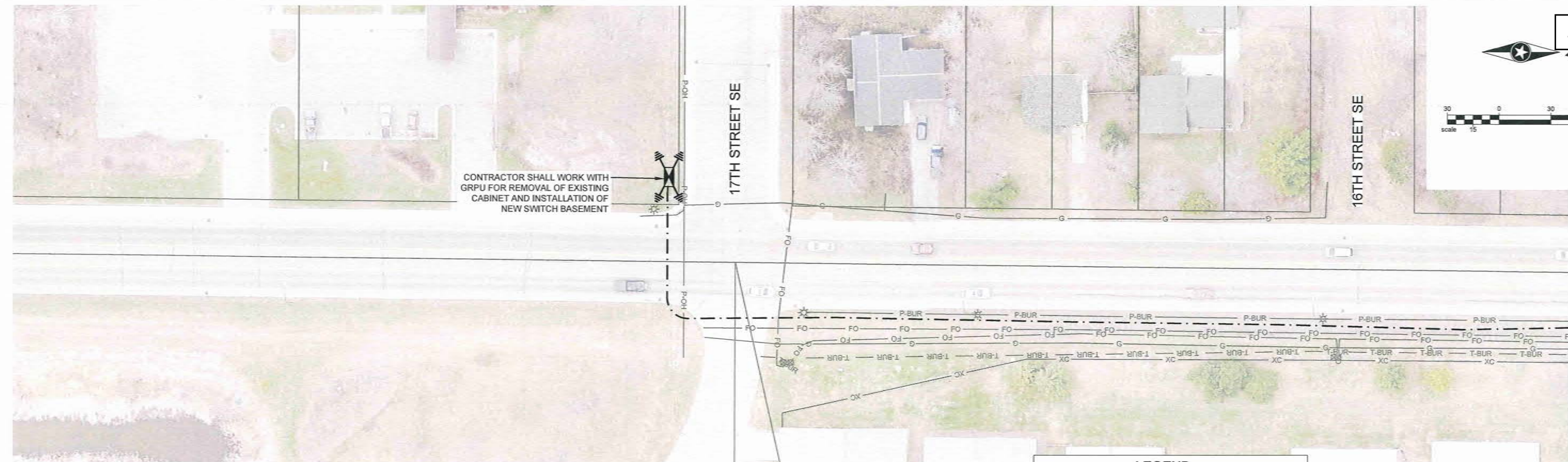
I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA

JOHN P. CARLSON, P.E.  
DATE: 03/28/2025  
LICENSE NO. 24001

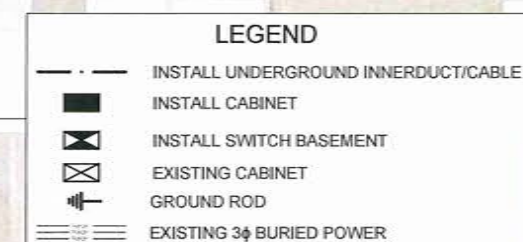
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UNDERGROUND INSTALLATION  
GRAND RAPIDS, MN

CONSTRUCTION NOTES, ESTIMATE,  
AND SPECIFICATIONS



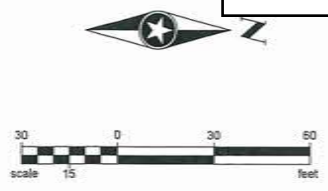


AIRPORT ROAD

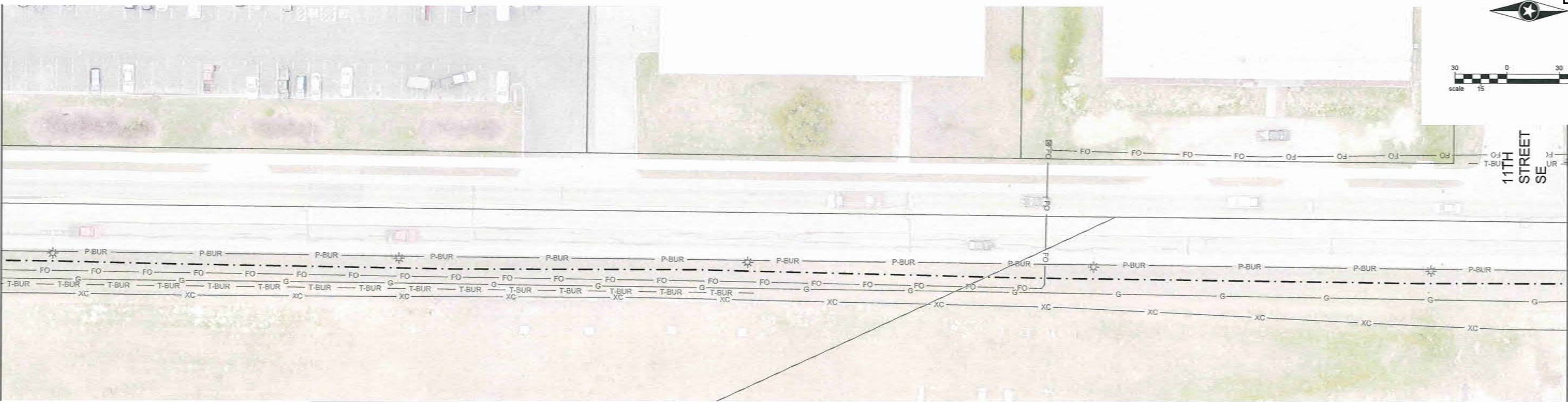


AIRPORT ROAD





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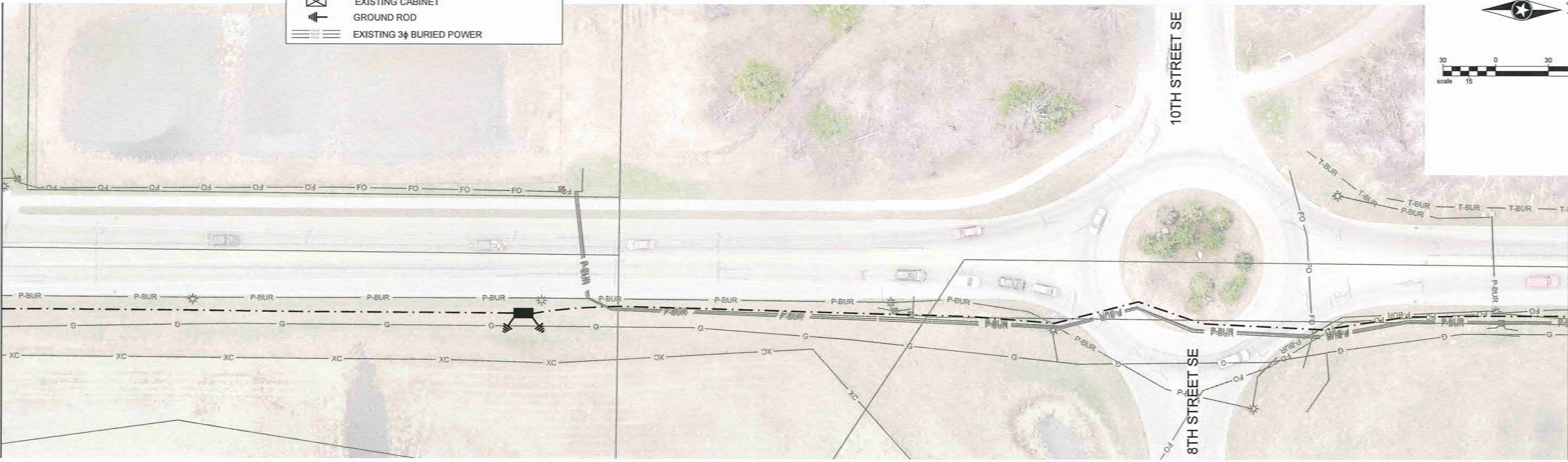
MATCHLINE C  
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**LEGEND**

- INSTALL UNDERGROUND INNERDUCT/CABLE
- INSTALL CABINET
- ⊠ INSTALL SWITCH BASEMENT
- ⊠ EXISTING CABINET
- ⚡ GROUND ROD
- ≡≡≡ EXISTING 34 BURIED POWER

AIRPORT RD

MATCHLINE C  
SEE UPPER RIGHT




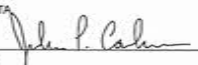
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AIRPORT RD

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SEH Project	GRAPU 183149	Rev.#	Plan Revision Issue Description	Date	Rev.#	Sheet Revision Issue Description	Date
Drawn By	JLR						
Designed By	AKF						
Checked By	JEK						

 I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

  
JOHN P. CARLSON, P.E.  
DATE: 03/28/2025 LICENSE NO. 24001

**AIRPORT ROAD GRPU ELECTRIC NEW UNDERGROUND INSTALLATION**

GRAND RAPIDS, MN

**INFRASTRUCTURE IMPROVEMENTS**

79





LEGEND	
	INSTALL UNDERGROUND INNERDUCT/CABLE
	INSTALL CABINET
	INSTALL SWITCH BASEMENT
	EXISTING CABINET
	GROUND ROD
	EXISTING 3Ø BURIED POWER

7TH AVENUE

SEH Project	GRAPU 183149	Rev.#	Plan Revision Issue Description	Date	Rev.#	Sheet Revision Issue Description	Date
Drawn By	JLR						
Designed By	AKF						
Checked By	JEK						



I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

*John P. Carlson*  
JOHN P. CARLSON, P.E.  
DATE: 03/28/2025 LICENSE NO.: 24001

AIRPORT ROAD GRPU ELECTRIC NEW  
UNDERGROUND INSTALLATION  
GRAND RAPIDS, MN

INFRASTRUCTURE IMPROVEMENTS



## **GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM**

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**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to approve the procurement contract with Baldwin Supply Company for a sludge conveyor hanger bearing for the WWTP primary plant for \$30,764.88 and authorize the General Manager to sign the contract.

**PREPARED BY:** Steve Mattson, Water/Wastewater Department Manager

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### **BACKGROUND:**

This procurement is for an approved Water Wastewater O&M project with a budget of \$36,116. \$0 has been spent to date.

The GRPUC Procurement Policy was followed.

The vendor's Certificate of Insurance has been verified to meet the contract requirement and is on file.

### **RECOMMENDATION:**

Approve a motion to approve the procurement contract with Baldwin Supply Company for a sludge conveyor hanger bearing for the primary plant for \$30,764.88 and authorize the General Manager to sign the contract.

## PROCUREMENT CONTRACT

This Procurement Contract (“**Contract**”) is by and between the Grand Rapids Public Utilities Commission, located at 500 SE 4th St, Grand Rapids, MN 55744 (“**GRPUC**”), and Baldwin Supply Company, located at 3730 13<sup>th</sup> Ave E, Hibbing, MN 55746-2953 (“**Contractor**”). GRPUC and Contractor may be referred to jointly as the “**Parties**” or individually as a “**Party**.”

### Recitals

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A. GRPUC has solicited and received quotation from contractor for providing a sludge conveyor hangar bearing (“**Solicitation**”);

B. Contractor provided a response to the Solicitation indicating its interest in and ability to provide the goods or services requested in the Solicitation; and

C. Subsequent to an evaluation in accordance with the terms of the Solicitation and negotiation, the Parties desire to enter into a contract.

Accordingly, the Parties agree as follows:

### Contract

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#### 1. Term of Contract

1.1 Effective date. The effective date of this Contract is March 28<sup>th</sup>, 2025. The Contractor must not begin work under this Contract until this Contract is fully executed and the Contractor has been notified by GRPUC’s Authorized Representative to begin the work.

1.2 Expiration date. The expiration date of this Contract is August 1<sup>st</sup>, 2025, or until all of Contractor’s obligations have been satisfactorily fulfilled, whichever occurs first.

#### 2. Contractor’s Duties

2.1 The Contractor shall: Provide one kws flex hangar bearing for the sludge screw conveyor.

(The services (if any) to be provided by Contractor to GRPUC are referred to as the “**Services**.” The goods (if any) to be provided by Contractor to GRPUC are referred to as the “**Goods**.”). Contractor’s precise duties, specifications, deliverables, and completion dates related to the Goods and Services are more specifically described in **Exhibit C**.

2.2 GRPUC may make changes to the general scope of Goods and Services (including but not limited to, suspension of performance, changes in time of performance, schedule, quantities, or specifications) by written notice, or by oral notice subsequently confirmed by GRPUC in writing within ten (10) days thereafter, to Contractor. If such changes affect the cost of or the time required to provide the Goods and Services, an equitable adjustment in the schedule and compensation under this Contract shall be made. Contractor shall proceed with providing the Goods and Services as so changed, notwithstanding any dispute



regarding such equitable adjustment. Any claim of such adjustment must be submitted to GRPUC in writing within thirty (30) days from the date the change is ordered, and Contractor shall not be entitled to any adjustment unless such written claim is so submitted.

- 2.3 GRPUC may from time to time, require additional Services or Goods from Contractor. Such additional Services or Goods, including the amount of compensation for such additional Services or Goods, mutually agreed upon by and between GRPUC and Contractor, shall be effective when incorporated by written amendment to this Contract. Additional Services or Goods shall not begin until the amendment is executed. Thereafter, such additional Services or Goods shall be subject to the terms of this Contract.
- 2.4 Contractor agrees that all Goods and Services shall be provided in accordance with all applicable laws, rules, regulations, ordinances, codes, and orders of all federal, state, and local governmental authorities, agencies, departments, or bureaus having jurisdiction and which affect the Goods or Services hereunder ("**Legal Requirements**") without extra charge or expense. Contractor will be responsible for a violation of any such Legal Requirements arising out of the provision of Goods or Services by Contractor and will indemnify, defend, and hold harmless GRPUC from and against any fine or expense, including reasonable attorneys' fees and disbursements, resulting to it by reason of any such violation by Contractor.
- 2.5 The Goods and Services will be provided in a manner that is consistent with the level of care and skill exercised by members of Contractor's profession currently working under similar conditions. All Goods and Services not conforming to this standard will be considered defective and Contractor shall, at no cost to GRPUC, promptly and satisfactorily correct all such defective Goods and Services. All Services shall be performed and all Goods shall be produced and delivered to the satisfaction of GRPUC, and in accordance with the Legal Requirements. Payment shall be withheld for Goods or Services found by GRPUC to be unsatisfactory or in violation of the Legal Requirements.
- 2.6 Contractor shall ensure that all persons who perform the Services or produce or deliver the Goods shall be professionally competent and properly qualified. If so requested by GRPUC, Contractor shall remove any person GRPUC deems incompetent, careless, or otherwise objectionable. At all times Contractor will be responsible for the acts, omissions, work, materials, and equipment of its employees, subcontractors, and agents and any other person, directly or indirectly, employed by any of them.
- 2.7 Contractor shall cooperate fully with GRPUC, other GRPUC contractors, municipalities, local government officials, public utility companies, and others as may be directed by GRPUC. This shall include attendance at meetings, discussions, and hearings as may be requested by GRPUC, furnishing data as may be requested from time to time by GRPUC to effect such cooperation, and compliance with all directives issued by GRPUC.
- 2.8 Contractor is solely responsible and assumes full and exclusive liability for the payment of all contributions or taxes to be paid on or to persons employed by Contractor, and for payment of all sales, use, or other taxes of whatever nature levied or assessed against

GRPUC arising out of the furnishing of the Services or production or delivery of the Goods, and will indemnify, defend, and hold harmless GRPUC from any such liability.

- 2.9 Contractor shall be responsible for the health and safety, and shall provide and maintain a safe working environment, for all its employees, agents, subcontractors, and invitees. Contractor shall adopt, supervise, and enforce reasonable and adequate safety requirements, including GRPUC's work safety rules and any safety plan or requirements which may be established by GRPUC, and shall at all times observe and comply fully with all Legal Requirements relating to health and safety.
- 2.10 Contractor is responsible for the handling and distribution of its own tools, equipment, and materials. Contractor shall confine its tools, equipment, and materials, and its operations, to areas directed by GRPUC. Contractor shall organize and coordinate, well in advance of the time required by this Contract, the procurement and delivery of all necessary materials, supplies, and equipment so that they will be available as needed for timely completion of the Goods and Services.
- 2.11 At the time GRPUC accepts the Goods from Contractor, Contractor shall sell, assign, transfer, convey and deliver to GRPUC, all of Contractor's right, title and interest in the Goods, free and clear of any mortgage, pledge, lien, charge, security interest, claim or other encumbrance ("**Encumbrance**"). Contractor shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be necessary to transfer Contractor's right, title and interest in the Goods to GRPUC, free and clear of any Encumbrances. Contractor has all risk of loss until GRPUC accepts the Goods.]

### 3. Representations and Warranties

- 3.1 GRPUC is authorized to enter into this Contract.
- 3.2 Contractor warrants that it is duly qualified and shall perform its obligations under this Contract in accordance with the commercially reasonable standards of care, skill, and diligence in Contractor's industry, trade, or profession, and in accordance with the specifications set forth in this Contract, to the satisfaction of GRPUC.
- 3.3 Contractor warrants that it possesses the legal authority to enter into this Contract and that it has taken all actions required by its procedures, by-laws, and applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Contract, or any part thereof, and to bind Contractor to its terms.
- 3.4 Contractor warrants that at the time GRPUC accepts the Goods: (A) Contractor has good title to the Goods, free and clear of Encumbrances, and (B) the Goods are in good condition and are adequate for the uses to which they are being put, and none of such Goods are in need of maintenance or repairs.]



#### 4. Time

The Contractor must comply with all the time requirements described in this Contract. In the performance of this Contract, time is of the essence.

#### 5. Consideration and Payment

5.1 Consideration. GRPUC will pay for performance by the Contractor under this Contract as follows:

5.1.1 Compensation. The Contractor will be paid Thirty Thousand Two Hundred and Sixty-Four Dollars and Eighty-Eight Cents (\$30,264.88). Plus, a not to exceed amount of Five Hundred Dollars for shipping in accordance with **Exhibit D**.

Total obligation. The total obligation and liability of GRPUC under this Contract will not exceed the amount of Thirty Thousand Seven Hundred and Sixty-Four Dollars and Eighty-Eight Cents (\$30,764.88).

5.2 Payment.

5.2.1 Invoices. GRPUC will pay the Contractor after the Contractor presents an itemized invoice for the Services actually performed, and Goods actually delivered to GRPUC, in accordance with Section 1 of **Exhibit A**. Invoices must be submitted timely and according to the schedule set forth on **Exhibit D**.

#### 6. Authorized Representative

GRPUC's Authorized Representative is Steve Mattson at the following business address: 500 SE 4<sup>th</sup> Street, and the following telephone number: 218.326.7024, or his/her successor or delegate, and has the responsibility to monitor the Contractor's performance.

Contractor's Authorized Representative is Scott Anderson at the following business address: 3730 13<sup>th</sup> Ave E, Hibbing, MN 55746-2953, and the following telephone number: 218.262.1613, or his/her successor. If the Contractor's Authorized Representative changes at any time during this Contract, the Contractor must immediately notify GRPUC.

#### 7. Exhibits

The following Exhibits are attached and incorporated into this Contract. In the event of a conflict between the terms of this Contract and its Exhibits (including any supplements), or between Exhibits (including any supplements), the order of precedence is first the Contract, and then in the following order:

Exhibit A: Contract Terms

Exhibit B: Insurance Terms

Exhibit C: Specifications, Duties, and Scope of Work

Exhibit D: Price and Payment Schedule

**Baldwin Supply Company**By: Scott AndersonPrint Name: Scott AndersonTitle: Branch ManagerDate: 3-28-2025**Grand Rapids Public Utilities Commission**

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

Print Name: Julie A. Kennedy

Title: General Manager

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

## Exhibit A: Contract Terms

### 1. Prompt Payment and Invoicing.

- 1.1 Prompt Payment. GRPUC will pay the Contractor within thirty (30) days following receipt of an undisputed invoice. Terms requesting payment in less than thirty (30) days will be changed to read “Net 30 days.” Notwithstanding the foregoing, GRPUC may pay the Contractor in advance in its sole discretion.

The payment for each invoice will only be made for Goods received or Services actually performed that have been accepted by GRPUC, and meet all terms, conditions, and specifications of the Contract.

- 1.2 Invoicing. The invoice must be in the same format as the sample invoice form approved as **Exhibit D, Supplement 1**, unless an alternative format is approved in writing by GRPUC’s Authorized Representative.

### 2. Termination.

- 2.1 Termination for Convenience. GRPUC may cancel this Contract at any time, with or without cause, upon thirty (30) days’ written notice to the Contractor. Upon termination for convenience, the Contractor will be entitled to payment, determined on a pro rata basis, for Services satisfactorily performed and Goods satisfactorily produced and delivered.
- 2.2 Termination for Breach. GRPUC may terminate this Contract, with cause, upon thirty (30) days’ written notice to Contractor of the alleged breach and opportunity to cure. If after thirty (30) days, the alleged breach has not been remedied, GRPUC may immediately terminate the Contract.
- 2.3 Termination by Mutual Agreement. The Parties may terminate this Contract at any time by mutual written agreement.
- 2.4 Effect of Termination. Upon receipt of any notice of termination Contractor shall immediately stop performance of the Services and stop production and delivery of the Goods to the extent specified in such notice. In no event shall GRPUC be liable for any loss of revenue or profit incurred by Contractor as a result of any termination.
- 2.5 Return of Information. Upon termination of this Contract, or earlier upon GRPUC’s request, Contractor shall deliver to GRPUC all items requested by GRPUC containing any Confidential Information or work product information or make such other disposition thereof as GRPUC may direct in writing.

### 3. Force Majeure.

Neither Party shall be responsible to the other or considered in default of its obligations within this Contract to the extent that performance of any such obligations is prevented or delayed by acts of God, war, riot, disruption of government, or other catastrophes beyond the reasonable control of the Party unless the act or occurrence could have been reasonably foreseen and reasonable action

could have been taken to prevent the delay or failure to perform. A Party relying on this provision to excuse performance must provide the other Party prompt written notice of the inability to perform and take all necessary steps to bring about performance as soon as practicable.

#### 4. Confidentiality.

In connection with Contractor's provision of the Goods and Services under this Contract ("**Purpose**") GRPUC may disclose to Contractor, or Contractor may otherwise receive access to, confidential or proprietary information of GRPUC ("**Confidential Information**"). Contractor shall use the Confidential Information solely for the Purpose and shall not disclose or permit access to Confidential Information other than to its employees, officers, and advisors (collectively, "**Representatives**") who: (a) need to know such Confidential Information for the Purpose; (b) know of the existence and terms of this Contract; and (c) agree to be bound by the confidentiality terms contained herein. Contractor shall safeguard the Confidential Information from unauthorized use, access, or disclosure using at least the degree of care it uses to protect its most sensitive information and no less than a reasonable degree of care. Contractor shall promptly notify GRPUC of any unauthorized use or disclosure of Confidential Information and cooperate with GRPUC to prevent further use or disclosure. Contractor will be responsible for any breach of this paragraph caused by its Representatives. If Contractor is required by law or court order to disclose Confidential Information, Contractor shall provide GRPUC with prompt written notice thereof, so that GRPUC may seek a protective order or other appropriate remedy, as well as notice of the terms and circumstances surrounding such request or requirement. Contractor and its Representatives will use reasonable efforts to obtain and will not oppose action by GRPUC to obtain such protective order or other appropriate remedy. If such protective order or other remedy is not obtained, then Contractor will furnish only that portion of the Confidential Information which Contractor is advised by Contractor's legal counsel is legally required and will exercise all reasonable efforts to obtain assurance that confidential treatment, if available, will be accorded such Confidential Information. This Section 4 is subject to any limitations or obligations imposed by the Minnesota Government Data Practices Act ("**MGDPA**").

#### 5. Indemnification.

5.1 In the performance of this Contract, the Indemnifying Party must indemnify, save, and hold harmless GRPUC, its agents, and employees, from any claims or causes of action, including attorney's fees incurred by GRPUC, to the extent caused by Indemnifying Party's:

- Intentional, willful, or negligent acts or omissions; or
- Actions that give rise to strict liability; or
- Breach of contract or warranty.

"**Indemnifying Party**" is defined to include the Contractor, Contractor's reseller, any third party that has a business relationship with the Contractor, and Contractor's agents and employees, to the fullest extent permitted by law. The indemnification obligations of this section do not apply in the event the claim or cause of action is the result of GRPUC's sole negligence. This clause will not be construed to bar any legal remedies the

Indemnifying Party may have for GRPUC's failure to fulfill its obligation under this Contract.

- 5.2 Nothing within this Contract, whether express or implied, shall be deemed to create an obligation on the part of GRPUC to indemnify, defend, hold harmless or release an Indemnifying Party. This shall extend to all agreements related to the subject matter of this Contract, and to all terms subsequently added, without regard to order of precedence.

## **6. Subcontracting and Subcontractor Payment.**

- 6.1 Subcontracting. A subcontractor is a person or company that has been awarded a portion of the Contract by Contractor. Only subcontractors that have been approved by GRPUC can be used for this Contract.

After the effective date of the Contract, the Contractor shall not, without prior written approval of GRPUC, subcontract for the performance of any of the Contractor's obligations that were not already approved for subcontracting when the Contract was awarded. During this Contract, if an approved subcontractor is determined to be performing unsatisfactorily by GRPUC, the Contractor will receive written notification that the subcontractor can no longer be used for this Contract.

The provisions of the Contract shall apply with equal force and effect to all approved subcontractors engaged by the Contractor. Notwithstanding approval by GRPUC, no subcontract shall serve to terminate or in any way affect the primary legal responsibility of the Contractor for timely and satisfactory performance of the obligations contemplated by the Contract.

- 6.2 Subcontractor Payment. Contractor must pay any subcontractor within ten (10) days of Contractor's receipt of payment from GRPUC for undisputed services provided by the subcontractor. Contractor must pay interest of 1-1/2 percent (1.5%) per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the Contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from Contractor shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action. So long as it does not conflict with this Contract, subcontractor payments will be set forth in the agreement between Contractor and the subcontractor.

## **7. Government Data Practices.**

The Contractor and GRPUC must comply with the MGDPA, as it applies to all data provided by GRPUC under this Contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Contractor under this Contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data governed by the MGDPA, by either the Contractor or GRPUC.

If the Contractor receives a request to release the data referred to in this clause, the Contractor must immediately notify and consult with GRPUC's Authorized Representative as to how the Contractor should respond to the request. The Contractor's response to the request shall comply with applicable law.

## 8. Intellectual Property Rights.

8.1 Definitions. For the purpose of this Section, the following words and phrases have the assigned definitions:

8.1.1 **"Documents"** are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Contractor, its employees, agents, or subcontractors, in the performance of this Contract.

8.1.2 **"Pre-Existing Intellectual Property"** means intellectual property developed prior to or outside the scope of this Contract, and any derivatives of that intellectual property.

8.1.3 **"Works"** means all inventions, improvements, discoveries (whether or not patentable), data, databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, maps, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Contractor, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this Contract. **"Works"** includes Documents.

8.2 Ownership. GRPUC owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this Contract. The Documents shall be the exclusive property of GRPUC and all such Documents must be immediately returned to GRPUC by the Contractor upon completion or cancellation of this Contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Contractor assigns all right, title, and interest it may have in the Works and the Documents to GRPUC. The Contractor must, at the request of GRPUC, execute all papers and perform all other acts necessary to transfer or record GRPUC's ownership interest in the Works and Documents.

8.3 Pre-existing Intellectual Property. Each Party shall retain ownership of its respective Pre-Existing Intellectual Property. The Contractor grants GRPUC a perpetual, irrevocable, non-exclusive, royalty free license for Contractor's Pre-Existing Intellectual Property that are incorporated in the Goods or Services that are purchased through the Contract.

8.4 Obligations.

- 8.4.1 Notification. Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Contractor, including its employees and subcontractors, in the performance of this Contract, the Contractor will immediately give GRPUC's Authorized Representative written notice thereof, and must promptly furnish GRPUC's Authorized Representative with complete information and/or disclosure thereon.
- 8.4.2 Representation. The Contractor must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of GRPUC, and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Contractor represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities.
- 8.4.3 Indemnification. Notwithstanding any other indemnification obligations addressed within this Contract, the Contractor will indemnify, defend, and hold harmless GRPUC, at the Contractor's expense, from any action or claim brought against GRPUC to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Contractor will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Contractor's or GRPUC's opinion is likely to arise, the Contractor must, at GRPUC's discretion, either procure for GRPUC the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing works or documents as necessary and appropriate to obviate the infringement claim. This remedy of GRPUC will be in addition to and not exclusive of other remedies provided by law.]

## 9. Copyright.

The Contractor shall save and hold harmless GRPUC, its officers, agents, servants and employees, from liability of any kind or nature, arising from the use of any copyrighted or noncopyrighted compositions, secret process, patented or nonpatented invention, article or appliance furnished or used in the performance of the Contract.

## 10. GRPUC Audits.

The Contractor's books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by GRPUC for six (6) years from the expiration or termination of this Contract. After reasonable notice, Contractor shall make such books, records, documents, and accounting procedures and practices available to GRPUC for its examination and audit.

## **11. Publicity and Endorsement.**

11.1 Publicity. Any publicity regarding the subject matter of this Contract must identify GRPUC as the sponsoring agency and must not be released without prior written approval from GRPUC's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, information posted on corporate or other websites, research, reports, signs, and similar public notices prepared by or for the Contractor individually or jointly with others, or any subcontractors, with respect to the Goods or Services provided resulting from this Contract.

11.2 Endorsement. The Contractor must not claim that GRPUC endorses its products or services.

## **12. Debarment by the State, its Departments, Commissions, Agencies, or Political Subdivisions.**

Contractor certifies that neither it nor its principals is presently debarred or suspended by the Federal government, state, or any of the state's departments, commissions, agencies, or political subdivisions. Contractor's certification is a material representation upon which the Contract award was based. Contractor shall provide immediate written notice to GRPUC's Authorized Representative if at any time it learns that this certification was erroneous when submitted or becomes erroneous by reason of changed circumstances.

## **13. Equal Employment, Nondiscrimination, and Affirmative Action.**

In connection with the work under this Contract, Contractor agrees to comply with the applicable Legal Requirements related to equal employment opportunity, nondiscrimination, affirmative action, and nonretaliation.

## **14. General / Miscellaneous.**

14.1 Observance of GRPUC Policies. When Contractor's employees are working on the premises of GRPUC, wherever located, they shall observe the working rules, policies, and procedures of GRPUC, including, but not limited to, its respectful workplace policy.

14.2 Independent Contractor. It is understood and agreed that in providing the Goods and Services hereunder, Contractor shall act in the capacity of an independent contractor and not as an employee, partner, joint venturer, or agent of GRPUC. Contractor agrees that unless otherwise instructed in writing it shall not represent itself as the agent or legal representative of GRPUC for any purpose whatsoever. Contractor shall be solely responsible for the remuneration of and the payment of any and all taxes with respect to its employees and contractors and any claims with respect thereto and shall be solely responsible for the withholding and payment of all federal, state, and local income taxes as well as all FICA and FUTA taxes applicable to it, its employees, and its contractors. Contractor acknowledges that as an independent contractor, neither it nor any of its employees or contractors shall be eligible for any GRPUC employee benefits, including, but not limited to, vacation, sick, medical or dental insurance, or pension benefits.



14.3 Further Assurances. Each of the Parties shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions of this Contract and give effect to the transactions contemplated by this Contract.

14.4 Governing Law, Jurisdiction, and Venue. Minnesota law, without regard to its choice-of-law provisions, governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Itasca County, Minnesota.

14.5 Notices. Any notice or other communication to any Party in connection with this Contract shall be in writing and shall be sent by hand-delivery, email, fax, overnight courier, or United States mail (postage prepaid) addressed to the address set forth below. All periods of notice shall be measured from the date of delivery thereof if hand-delivered, from the date of sending thereof if sent by email or fax (effective upon confirmation of receipt), from the first day after the date of sending if sent by overnight courier, or from three (3) business days after the date of mailing if mailed. Any Party may change such Party's address for notices by notice given not less than ten (10) calendar days prior to the effective date of the change.

GRPUC  
Address: 500 SE 4<sup>th</sup> Street  
Grand Rapids, MN 55744  
Attn: General Manager  
Email: jakennedy@grpuc.org

Baldwin Supply Company  
Address: 3730 13<sup>th</sup> Ave E  
Hibbing, MN 55746-2953  
Attn: Scott Anderson  
Email: sanderson@baldwinsupply.com

14.6 Entire Agreement. This Contract (including any exhibits) represents the only agreement between the Parties concerning the subject matter hereof and supersedes all other prior agreements whether written or oral, relating thereto.

14.7 Modification and Waiver. No purported amendment, modification, or waiver of any provision hereof shall be binding unless set forth in a written document signed by all Parties (in the case of amendments or modifications) or by a Party to be charged thereby (in the case of waivers). Any waiver shall be limited to the circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term hereof or of the same circumstance or event upon any recurrence thereof.

14.8 Severability. If any provision of this Contract is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable and this Contract shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never constituted a part hereof, and the remaining provisions shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Contract a legal, valid, and enforceable

provision as similar in terms to the illegal, invalid, or unenforceable provision as may be possible.

14.9 Binding Effect; Assignment. This Contract shall be binding on the Parties and on their respective heirs, devisees, representatives, successors, and assigns. Contractor shall not assign, sublet, or subcontract the Goods or Services or any portion thereof without the prior written consent of GRPUC. Such consent shall not relieve Contractor of its obligations or liabilities under the Contract.

14.10 Counterparts; Electronic Signatures. This Contract may be executed in separate counterparts with the same effect as if all signatures were on the same Contract. For purposes of this Contract, a telecopy, electronic, or facsimile Contract and signature shall be deemed as, and shall serve as, an original Contract and signature.

14.11 Attorneys' Fees. In the event of any litigation between the Parties hereto with respect to this Contract, the prevailing party (the party entitled to recover the costs of suit, at such time as all appeals have been exhausted or the time for taking such appeals has expired) shall be entitled to recover reasonable attorneys' fees in addition to such other relief as the court may award.

14.12 Survival. The obligations of Contractor hereunder, including, without limitation, obligations concerning indemnity, warranties, confidentiality, intellectual property and defense of GRPUC, shall survive the expiration or earlier termination of this agreement.

**[Remainder of Page Intentionally Left Blank]**

## **Exhibit B: Insurance Requirements**

### **1. Notice to Contractor.**

- 1.1 The Contractor is required to submit Certificates of Insurance acceptable to GRPUC as evidence of insurance coverage requirements prior to commencing work under this Contract.
- 1.2 Contractor shall not commence work under the contract until it has obtained all the insurance described below and GRPUC has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of this Contract, unless otherwise specified in this Contract
- 1.3 The failure of the Contractor to provide a Certificate of Insurance, for the policies required under this Contract or renewals thereof, or failure of the insurance company to notify GRPUC of the cancellation of policies required under this Contract shall not constitute a waiver by GRPUC to the Contractor to provide such insurance.
- 1.4 GRPUC reserves the right to immediately terminate this Contract if the Contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the Contractor. All insurance policies must be open to inspection by GRPUC, and copies of policies must be submitted to GRPUC's Authorized Representative upon written request.

### **2 Notice to Insurer.**

The Contractor's insurance company(ies) waives its right to assert the immunity of GRPUC as a defense to any claims made under said insurance.

### **3 Additional Insurance Conditions. The following apply to the Contractor, or the Contractor's subcontractor:**

- 3.1 Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to GRPUC with respect to any claim arising out of Contractor's performance under this Contract.
- 3.2 If Contractor receives a cancellation notice from an insurance carrier affording coverage herein, Contractor agrees to notify GRPUC within five (5) business days with a copy of the cancellation notice, unless Contractor's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to GRPUC.
- 3.3 Contractor is responsible for payment of Contract-related insurance premiums and deductibles.
- 3.4 If Contractor is self-insured, a Certificate of Self-Insurance must be attached.

3.5 Contractor's policy(ies) shall include legal defense fees in addition to its policy limits with the exception of professional liability.

3.6 Contractor's insurance companies must either (1) have an AM Best rating of A- (minus) and a Financial Size Category of VII or better, and be authorized to do business in Minnesota, or (2) be domiciled in Minnesota and have a Certificate of Authority/Compliance from the Minnesota Department of Commerce if they are not rated by AM Best.

3.7 An Umbrella or Excess Liability insurance policy may be used to supplement the Contractor's policy limits to satisfy the full policy limits required by the Contract.

**4 Coverages. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:**

**4.1 Commercial General Liability Insurance.** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance minimum limits are as follows:

\$1,500,000 – per occurrence

\$1,500,000– annual aggregate

\$1,500,000– annual aggregate – applying to Products/Completed Operations

The following coverages shall be included:

- Premises and Operations Bodily Injury and Property Damage
- Personal and Advertising Injury
- Blanket Contractual Liability
- Products and Completed Operations Liability
- Other; if applicable, please list \_\_\_\_\_
- **GRPUC must be named as an Additional Insured**, to the extent permitted by law

**4.2 Commercial Automobile Liability Insurance.** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this Contract, and in case any work is subcontracted the Contractor will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance minimum limits are as follows: GRPUC does not allow limits lower than \$1.5 M. Contractor can use umbrella coverage to get to the minimum limit amount of \$1.5M

\$1,500,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included: Owned, Hired, and Non-owned Automobile.

Evidence of Subcontractor insurance shall be filed with the Contractor.

- 4.3 Workers' Compensation Insurance.** Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with applicable Legal Requirements, including Coverage B, Employer's Liability. Insurance **minimum** limits are as follows: The following limits are statutory and cannot be lowered. Verify the Contractor's WC coverage allows its employees to work outside of their home state – i.e., inter-state WC coverage

\$100,000 – Bodily Injury by Disease per employee  
 \$500,000 – Bodily Injury by Disease aggregate  
 \$100,000 – Bodily Injury by Accident

If Minn. Stat. § 176.041 exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the state, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

If during the course of the Contract the Contractor becomes eligible for Workers' Compensation, the Contractor must comply with the Workers' Compensation Insurance requirements herein and provide GRPUC with a certificate of insurance.

- 4.4 Professional Liability, Errors, and Omissions.** This policy will provide coverage for all claims the Contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the Contract. Insurance **minimum** limits are as follows:

\$2,000,000 - per claim or event  
 \$2,000,000 - annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of GRPUC. If the Contractor desires authority from GRPUC to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that GRPUC can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Contractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by Contractor to fulfill this requirement.

**Exhibit C: Specifications, Duties, and Scope of Work**

The Contractor shall: Provide a Kws Hangar Assembly for the sludge screw conveyor.

**Exhibit D: Price and Payment Schedule**

The Contractor will be paid Thirty Thousand Two Hundred and Sixty-Four Dollars and Eighty Eight Cents (\$30,264.88). Plus, a not to exceed the amount of Five Hundred Dollars for shipping.

Total obligation. The total obligation and liability of GRPUC under this Contract will not exceed the amount of Thirty Thousand Seven Hundred and Sixty-Four Dollars and Eighty-Eight Cents (\$30,764.88).

Payment: GRPUC will pay the Contractor after the Contractor presents an itemized invoice for the Services actually performed, and Goods actually delivered to GRPUC.



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

---

**AGENDA DATE:** April 30, 2025  
**AGENDA ITEM:** Operations & Capital Updates  
**PREPARED BY:** GRPU Staff

---

### **BACKGROUND:**

GRPU Operating & Capital Updates

### **RECOMMENDATION:**

None. Review Only.

# Grand Rapids Public Utilities

April 30, 2025

Operational and Capital Updates

GRPU Management Team





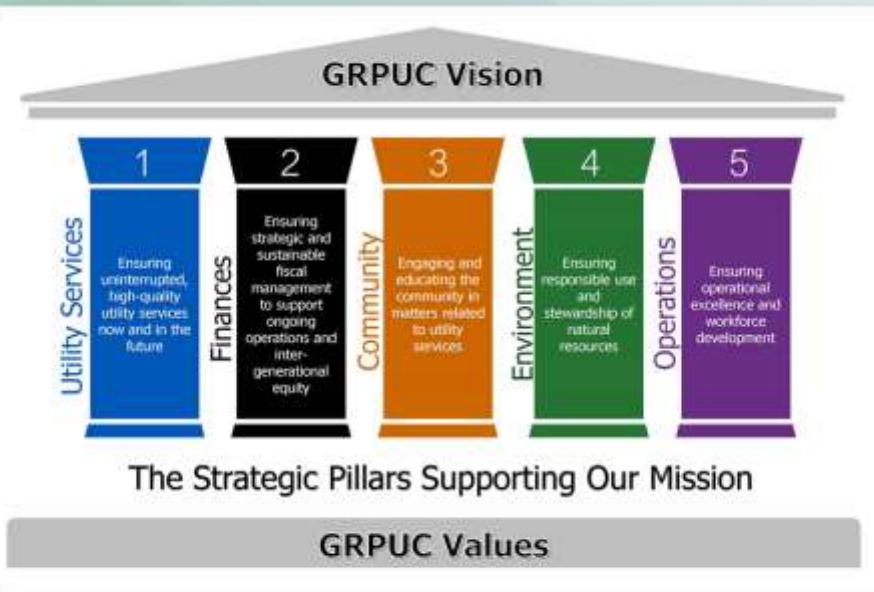


# MISSION VISION VALUES

Item 14.

## WHO WE ARE

**Grand Rapids Public Utilities (GRPU) is a statutory municipal utility established by the city of Grand Rapids, Minnesota. The Grand Rapids Public Utilities Commission (GRPUC) provides full control, operation and management of the GRPU electric power distribution system, the water production, treatment and distribution systems, and the wastewater collection and treatment systems.**



## Our Vision

Our vision is to be a dynamic public asset for the thriving community of Grand Rapids, enhancing lives and fostering growth through excellence in the provision of essential utility services.



## Our Mission

Our mission is to empower GRPU team members to deliver safe, reliable, affordable, sustainable, and customer-focused utility services for our community.



## Our Values

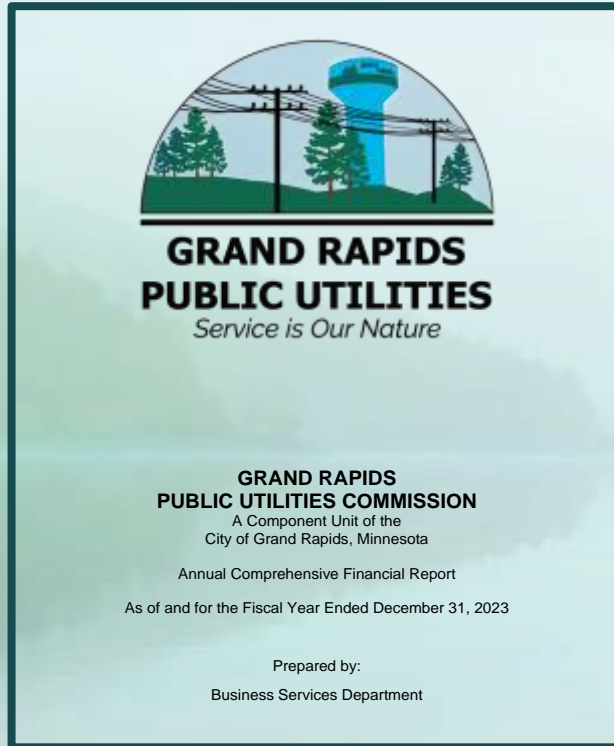
- |                       |  |
|-----------------------|--|
| <i>Safety</i>         | We hold paramount the well-being of our employees and the public in all operations.                  |
| <i>Integrity</i>      | We uphold ethical standards and foster trust with all stakeholders.                                  |
| <i>Customer Focus</i> | We prioritize customer needs and satisfaction in all our decisions and actions.                      |
| <i>Efficiency</i>     | We maximize resources to provide cost-effective services without compromising quality.               |
| <i>Reliability</i>    | We consistently deliver high-quality utility services and strive for uninterrupted access.           |
| <i>Sustainability</i> | We employ environmentally responsible practices in our operations and services.                      |
| <i>Transparency</i>   | We openly share information and decision-making processes, promoting informed community involvement. |



# Strategic and Sustainable Fiscal Management (FM)

Item 14.

Operations: GFOA Certificate of Excellence for 2023 by Julie Kennedy



**THANK YOU** to **ALL EMPLOYEES**

Key employees to recognize:

Jean Key  
Kari Helal  
Jean Lane

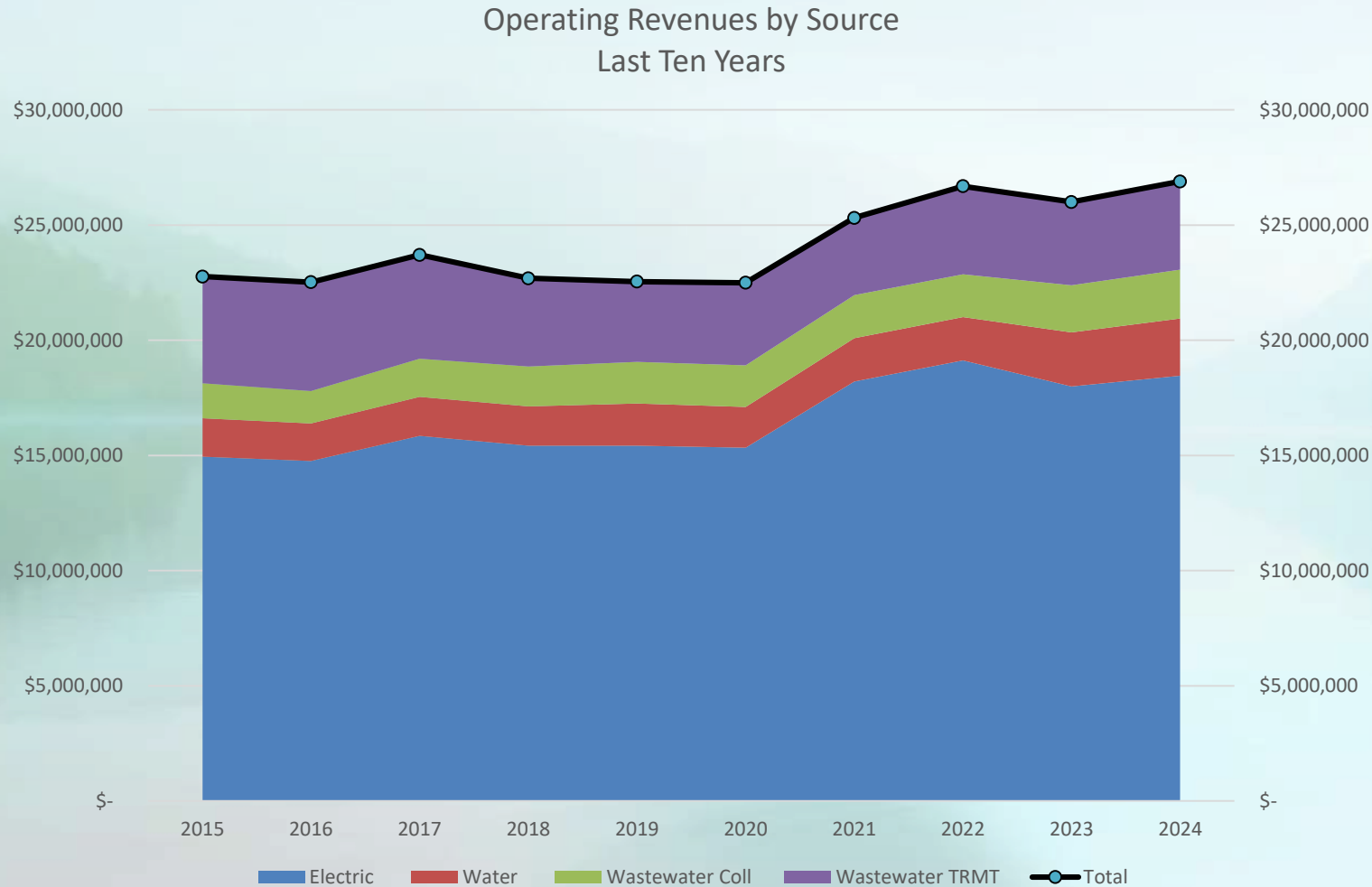
*The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. GFOA Michele Levin, Director/TSC*



# Strategic and Sustainable Fiscal Management (FM)

Item 14.

## Operations: Historical review of operating revenue by Jean Lane



### 2024 Revenues by Utility

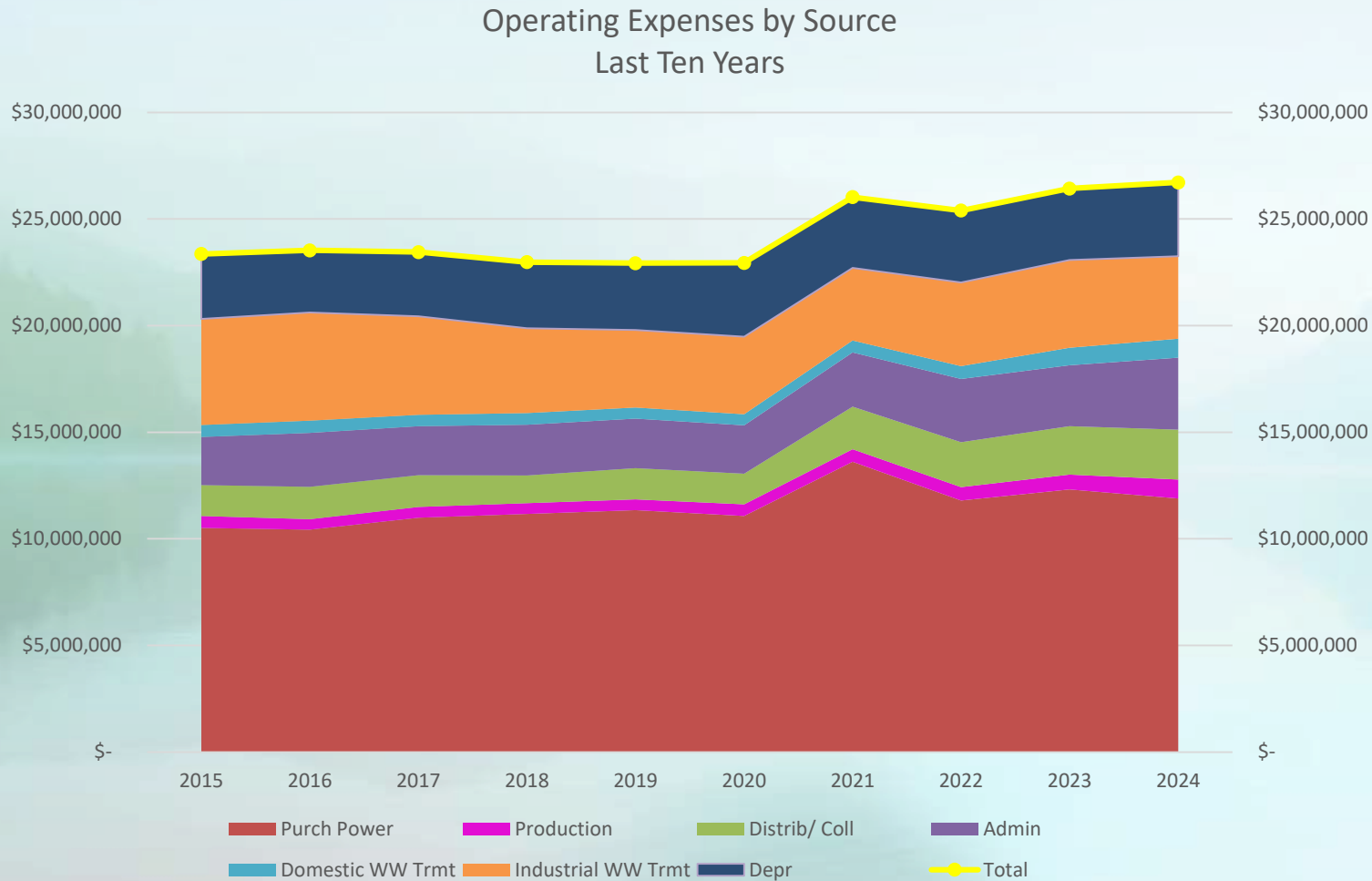
- Electric 69%
- Water 9%
- WW Coll 8%
- WW Trmt 14%



# Strategic and Sustainable Fiscal Management (FM)

Item 14.

## Operations: Historical review of operating expenses by Jean Lane



### 2024 Expenses by Source

- Purchased Power 45%
- Production 3%
- Distrib/Coll 9%
- Admin 13%
- Domestic WW Trmt 3%
- Industrial WW Trmt 14%
- Deprec. 13%



# Strategic and Sustainable Fiscal Management (FM)

Item 14.

## Operations: Historical review of operating net income (loss) by Jean Lane



2024 Operating Income = \$177,910

7 out 10 years operating losses

Largest operating income = 2022  
\$1,291,695



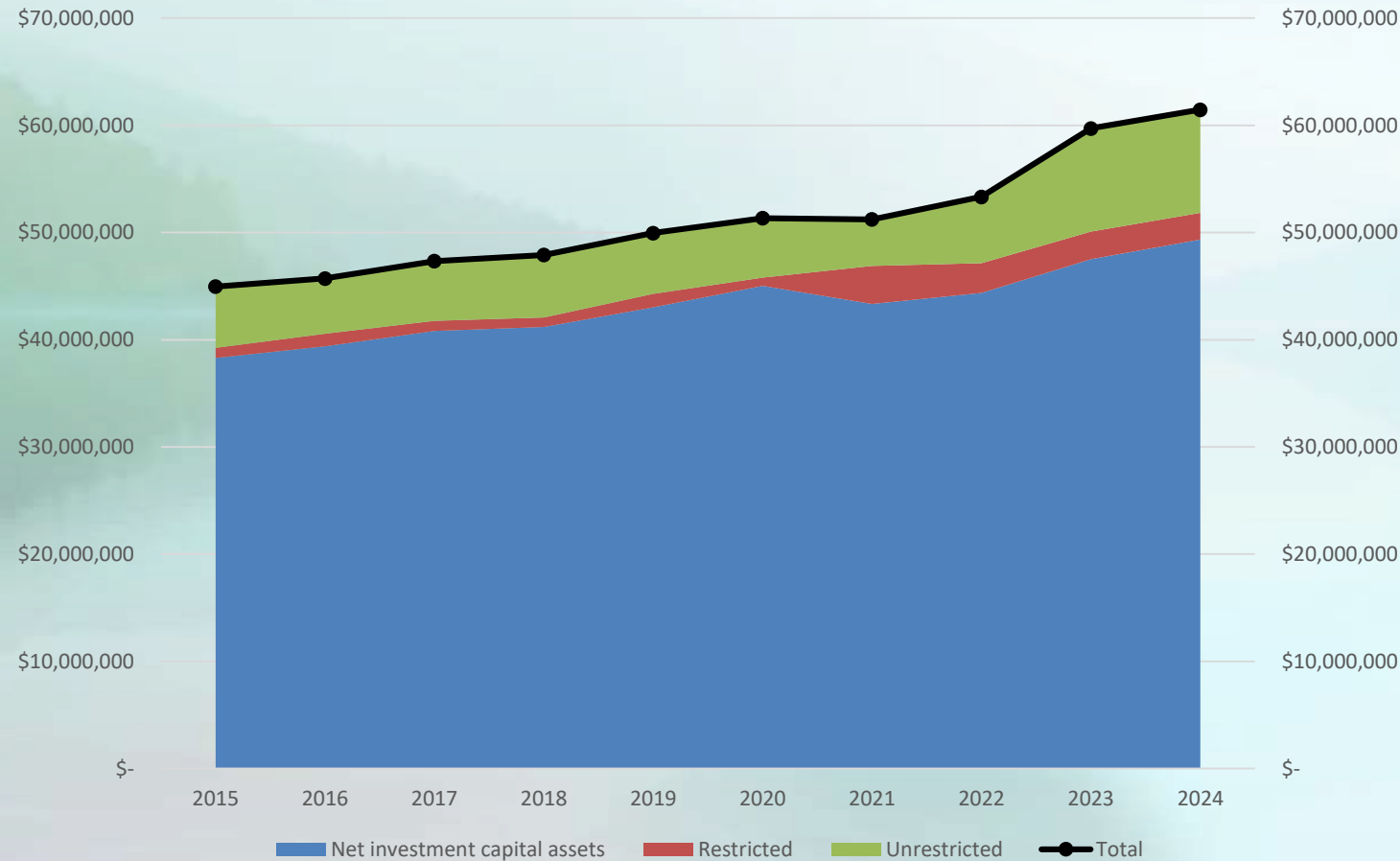


# Strategic and Sustainable Fiscal Management (FM)

Item 14.

## Operations: Historical review of net position by Jean Lane

Net Position by Component  
Last Ten Years



### 2024 Net Position

- Investment in Capital 80%
- Restricted 4%
- Unrestricted 16%

### Goals

- Manage consistency in the blue area (capital investments)
- Increase the green area (unrestricted)



# Strategic and Sustainable Fiscal Management (FM)

Item 14.

## Operations: Historical review of statistics by Jean Lane



	2024	2023	APPA (5-10K customers)
Total electric O&M expense per kWh sold	\$ 0.089	\$ 0.083	\$ 0.092
Total electric O&M expense (excluding power supply expense) per retail customer	\$ 194	\$ 170	\$ 590
Total power supply expense per kWh sold	\$ 0.094	\$ 0.081	\$ 0.075
Purchased power cost per kWh purchased	\$ 0.072	\$ 0.077	\$ 0.068
Distribution O&M expense per retail customer	\$ 197	\$ 170	\$ 192
Distribution O&M expense per circuit mile	\$ 3,860	\$ 3,447	\$ 7,479



Fiscal Year	Gallons of Water Pumped	Gallons of Water Used in Processing	Gallons of Water to System	Gallons of Water Distributed	Unaccounted for Gallons	Percent System Loss
2015	530,167	138,781	391,386	351,196	40,190	10.3%
2016	535,997	152,819	383,178	312,765	70,413	18.4%
2017	507,151	131,338	375,813	319,578	56,235	15.0%
2018	361,329	13,859	347,470	308,695	38,775	11.2%
2019	374,602	34,422	340,180	307,253	32,698	9.6%
2020	399,832	56,480	343,352	298,465	43,946	12.8%
2021	454,165	84,684	369,481	331,125	38,356	10.4%
2022	462,231	111,530	350,701	314,260	36,441	10.4%
2023	521,606	156,315	365,291	330,903	36,085	9.9%
2024	360,730	14,151	346,579	332,822	18,807	5.0%**

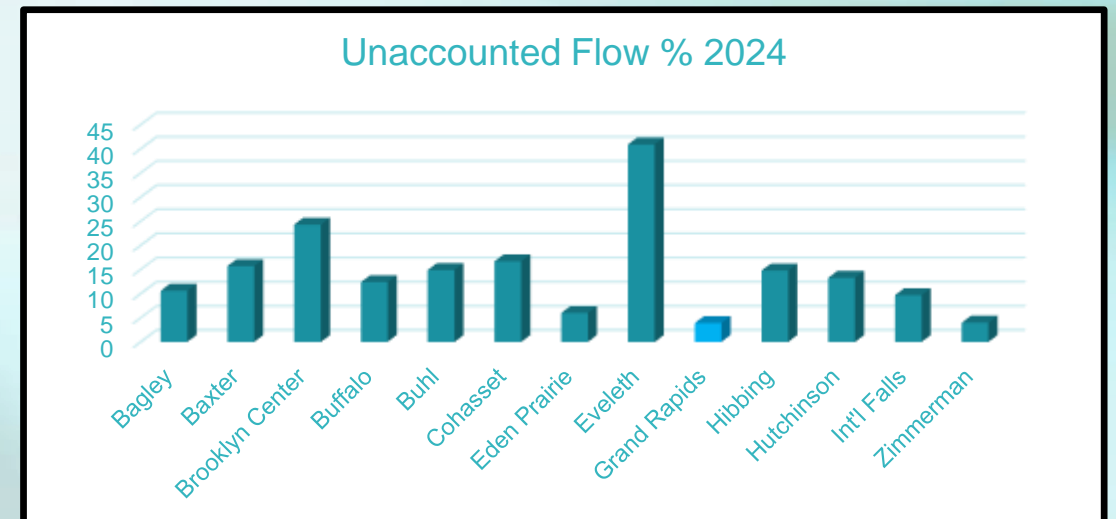
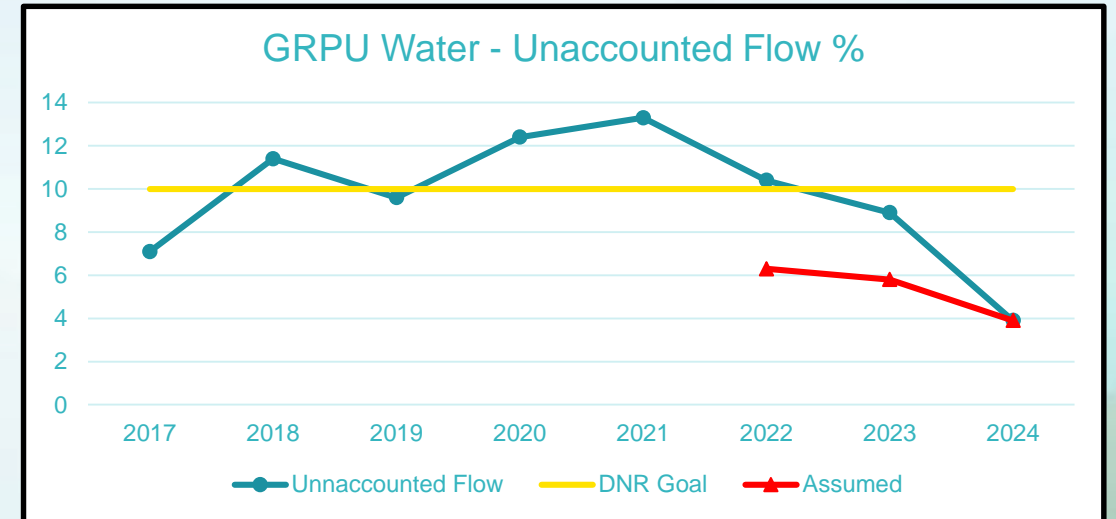


# Strategic and Sustainable Fiscal Management (FM)

Item 14.

## Operations: Water - unaccounted flow update by Steve Mattson

- DNR established a goal of < 10% unaccounted flow for PWS
- 2024 - Replaced flow meters at WTP and wells 4&6
- 2024 - Unaccounted flow for was 3.9\*\*
- Operations:
  - 2025 - Adding mag flow meter to well 3
  - Continue with distribution system leak studies
  - Annual flow verifications on flow meters







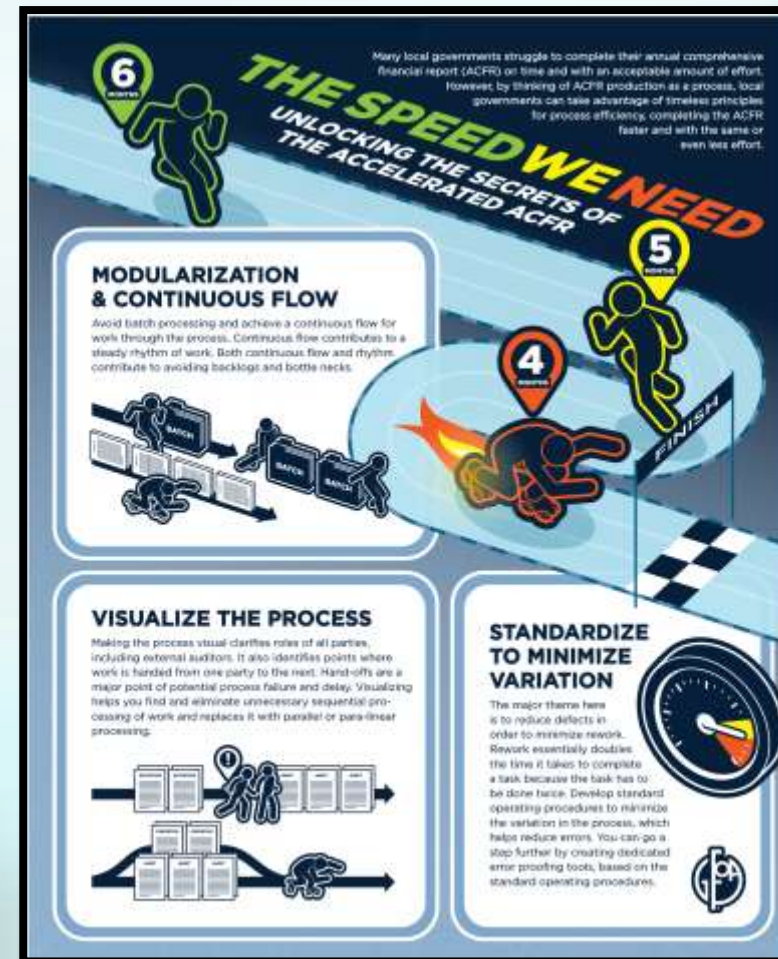
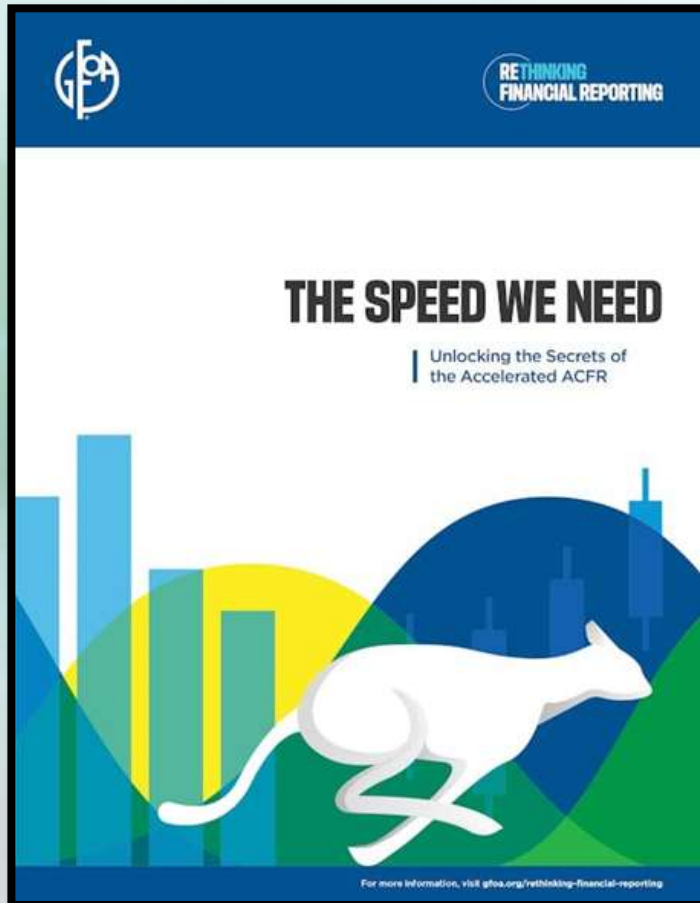
# Strategic and Sustainable Fiscal Management (FM)

Item 14.

## Operations: GFOA “Four-Month Club” by Jean Lane

Completing Annual Comprehensive Financial Report – ACFR on time and without excessive effort.

GRPU is part of the GFOA “Four-Month Club”





# Engaging and Educating the Community (EC)

Item 14.

Operations: May customer campaign by Julie Kennedy

## Service Line Warranties of America

Grand Rapids Public Utilities has partnered with Service Line Warranties of America (SLWA) to offer protection for homeowners for external sanitary Sewer lines. The coverage is voluntary and available at affordable monthly or annual prices. This program is offered at no cost to the City, and no public funds are used to promote or administer the program.

For questions about this service or to enroll, please contact SLWA at 866-922-9006 or visit [www.slwofa.com](http://www.slwofa.com).

### - Rebates & Programs

Rebates

Community Caring Fund

Electric Conservation Programs

Load Management Program

Low Income Weatherization

Security Lights

Service Line Warranties of America

## Operations: April safety summary by Julie Kennedy

### Safety Topic This Month:

Safety Brad trained required employees on Heat Hazard Awareness on April 9th

### Safety Committee Program Review This Month:

Safety Brad and the Safety Committee reviewed the Bloodborne Pathogens program at the April 10<sup>th</sup> meeting.

### Incidents Reported last Month by Department

Administration: None

Business Services: None

Electric: None

Water-Wastewater: One

#### **Cumulative Incidents for 2025**

Recordable Incidents	0
Lost Time Days 2025	0
Restricted Days 2025	0
First Aid Only (not recordable)	2
Total FROI	2

#### **Recordable Incident 5-year History**

	2021	2022	2023	2024	2025
ADMIN	0	0	0	0	0
BUS SVCS	0	0	1	0	0
ELEC	0	0	0	1	0
W-WW	1	0	0	0	0
TOTAL	1	0	1	1	0

# Business Action Items

Item 14.

# Grand Rapids Public Utilities

## Upcoming Commission Meetings

**Work Session: May 14, 2025**

**Regular Meeting: May 28, 2025**



**GRAND RAPIDS  
PUBLIC UTILITIES**  
*Service is Our Nature*





## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

---

**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Consider a motion to approve Resolution No. 04-30-25-05 accepting the 2024 audited annual comprehensive financial statements and related auditor's letters.

**PREPARED BY:** Jean Lane, Business Services Manager

---

### **BACKGROUND:**

Cities over 2,500 in population must have an annual audit in accordance with governmental GAAP. The Grand Rapids Public Utilities is a component unit of the City of Grand Rapids and therefore also required to have an annual financial audit performed.

The governing body is required to review the audit and accompanying auditor's letters on management, internal control, and legal compliance. The primary purpose of the audit is to receive an opinion from an independent review which states the GRPU financial statements are accurately presented. The audited financial statements provide valuable information to assist the Grand Rapids Public Utilities Commission in making informed policy decisions.

CliftonLarsonAllen (CLA) LLP has performed the external independent audit of the GRPU for 2024. Mary Reedy, CPA and partner, will present virtually draft financial statements, auditor's letters, and a brief PowerPoint presentation at the April 30, 2025 GRPU Commission meeting.

Attached are the 2024 draft audited annual comprehensive financial statements and related auditor's letters.

### **RECOMMENDATION:**

Consider a motion to approve Resolution No. 04-30-25-05 accepting the 2024 audited annual comprehensive financial statements and related auditor's letters.

**GRAND RAPIDS PUBLIC UTILITIES COMMISSION  
RESOLUTION NO. 04-30-25-05**

**ACCEPT THE 2024 AUDITED ANNUAL COMPREHENSIVE FINANCIAL  
STATEMENTS  
AND RELATED AUDITOR'S LETTERS**

WHEREAS, the Grand Rapids Public Utilities (GRPU) is required by statute to perform an annual independent audit of the overall financial records of the GRPU; and

WHEREAS, the Grand Rapids Public Utilities Commission has retained CliftonLarsonAllen (CLA) LLP to perform the GRPU annual financial audit for 2024; and

WHEREAS, the results of the 2024 annual financial audit, audit opinion, and related auditor's letters were presented at the April 30, 2025 Commission meeting,

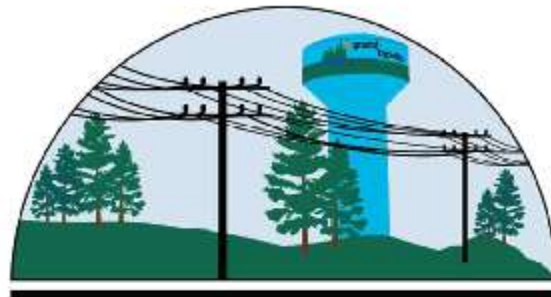
NOW, THEREFORE BE IT RESOLVED THAT the Grand Rapids Public Utilities Commission has reviewed and accepted the 2024 GRPU audited annual comprehensive financial statements and auditor's letters as presented.

Adopted this 30th day of April, 2025.

\_\_\_\_\_  
President

Witness:

\_\_\_\_\_  
Commissioner



**GRAND RAPIDS  
PUBLIC UTILITIES**  
*Service is Our Nature*

**GRAND RAPIDS  
PUBLIC UTILITIES COMMISSION**

A Component Unit of the  
City of Grand Rapids, Minnesota

Annual Comprehensive Financial Report

As of and for the Fiscal Year Ended December 31, 2024

Prepared by:  
Business Services Department



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

A Component Unit of the City of Grand Rapids, Minnesota

## TABLE OF CONTENTS

As of and for the Year Ended December 31, 2024

### INTRODUCTORY SECTION

Letter of Transmittal	i – vii
Certificate of Achievement	viii
Organization	ix
Organization Chart	x

### FINANCIAL SECTION

<b>Independent Auditors' Report</b>	xi – xiii
-------------------------------------	-----------

#### **Required Supplementary Information**

Management's Discussion and Analysis (Unaudited)	xv – xxiii
--	------------

#### **Basic Financial Statements**

Statement of Net Position	1 – 2
Statement of Revenues, Expenses, and Changes in Net Position	3
Statement of Cash Flows	4 – 5
Notes to Financial Statements	6 – 29

#### **Required Supplementary Information**

Schedule of Proportionate Share of Net Pension Liability	30
Schedule of Contributions – Pension	30
Notes to Required Supplementary Information	31 – 35

#### **Supplementary Information**

2024 Combining Schedules of Revenues and Expenses	36
2023 Combining Schedules of Revenues and Expenses	37
2024 Schedule of Changes in Utility Plant	38
2023 Schedule of Changes in Utility Plant	39
2024 Schedule of Changes in Accumulated Depreciation	40
2023 Schedule of Changes in Accumulated Depreciation	41
2024 and 2023 Schedule of Contributions to the City of Grand Rapids	42

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

A Component Unit of the City of Grand Rapids, Minnesota

## TABLE OF CONTENTS

As of and for the Year Ended December 31, 2024

### STATISTICAL SECTION

#### Financial Trends

Contents	43
Net Position by Component	44 – 45
Changes in Net Position	46
Operating Revenues by Source	47
Operating Expenses by Source	48 – 49
Nonoperating Revenues and Expenses	50 – 51
Annual Capital Contributions by Source	52 – 53

#### Revenue Capacity

Electric Production and Distribution	54
kWh Sold or Accounted for by Customer Class	55 – 56
Number of Electric Customer Meters by Type	57 – 58
Electric Rates – City Customers	59
Electric Rates – Rural Customers	60
Water Production and Distribution	61
Water Distribution by Customer Class	62
Number of Water and Wastewater Collection Customer Meters by Type	63
Water and Wastewater Collection Rates – City Customers	64
Water and Wastewater Collection Rates – Rural Customers	65
Ten Largest Customers	66
Wastewater Collection and Treatment	67 – 68

#### Debt Capacity

Ratios of Outstanding Debt by Type	69
Pledged Revenue Coverage	70

#### Demographic and Economic Information

Demographic and Economic Statistics	71
Principal Employers	72

#### Operating Information

Full-Time Equivalent Commission Employees by Function	73 – 74
Operating and Capital Indicators – Electric	75 – 76
Operating and Capital Indicators – Water and Wastewater	77 – 78
Selected Financial Operating and Operating Ratios – Electric	79 – 80

<b>Auditors' Report on Legal Compliance</b>	<b>81</b>
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## INTRODUCTORY SECTION

DRAFT



500 SE Fourth Street • Grand Rapids, Minnesota 55744

## REPORT DATE

Citizens of the Commission  
 Members of the Commission  
 Employees of the Commission  
 Grand Rapids Public Utilities Commission  
 500 SE 4th Street  
 Grand Rapids, Minnesota 55744

The Annual Comprehensive Financial Report of the Grand Rapids Public Utilities Commission (GRPUC) for the year ended December 31, 2024, is hereby submitted. This report was prepared by the Business Services Department, with the assistance of our independent auditing firm, CliftonLarsonAllen, (CLA) LLP. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the GRPUC. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position, results of operations, and cash flows of the GRPUC. All disclosures necessary to enable the reader to gain the maximum understanding of the financial activities of the GRPUC have been included. More information regarding the financial activities of the GRPUC can be found in Management's Discussion and Analysis found in the Financial Section of this report.

The GRPUC is a component unit of the City of Grand Rapids, Minnesota. Management of the GRPUC is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

An independent audit of the GRPUC is performed each year to provide some assurance to the members of the Commission that accounting principles are correctly and consistently applied, and that assets are properly safeguarded. The certified public accounting firm of CLA, LLP conducted this year's audit. Based on the audit, CLA, LLP issued an unmodified opinion on the financial statements for the years ended December 31, 2024. The auditor's opinion accompanies this report.

## GENERAL INFORMATION

---

The City of Grand Rapids is situated on the banks of the Mississippi River, in north central Minnesota. The city is located approximately 175 miles north of the Minneapolis-St. Paul metropolitan area, in northcentral Minnesota, and is the county seat of Itasca County.

On March 30, 1910, the Grand Rapids Village Council adopted a resolution establishing a Water, Light, Power and Building Commission for the Village of Grand Rapids. In 1949, in accordance with state statutes, the Water, Light, Power and Building Commission was changed to a Public Utilities Commission. The Grand Rapids Public Utilities Commission is a branch of the city government charged by Section 412.321, Minnesota Statutes with full control, operation and management of the electrical power distribution system, the water production, treatment and distribution systems, and the wastewater collection and treatment systems. The area served by the GRPUC includes the Cities of Grand Rapids, LaPrairie, Cohasset and certain other outlying areas.

The GRPUC distributes electrical power to 6,061 city customers, 1,176 rural customers (including the City of LaPrairie), and 373 off-peak customers. One industrial customer is also served. Minnesota Power (MP) provides wholesale electric service under a contract that expires December 31, 2029, unless prior to that date, a new customer of GRPU with a 15-minute peak of equal to or greater than 10 MW locates in the IEDC Eco Industrial Park, which would then extend the Term of Agreement through December 31, 2034. The contract requires no minimum purchase of power and provides that GRPUC may add new renewable generation capacity up to ten percent (10%) (non-cumulative) of the total GRPUC load, based on the previous year's average annual billed demand, excluding any existing renewable generation capacity prior to September 1, 2015.

In addition, beginning in 2022, a new electric service agreement was negotiated with the 13 Northeast Minnesota Municipal Power Agency (NEMMPA) Municipal Customers. This contract expires December 31, 2029. The agreement includes a flat customer charge per month, a predetermined yearly base capacity charge, a yearly predetermined base energy charge, a yearly predetermined incremental capacity charge, and a yearly predetermined incremental energy charge.

Power is received at 115 kV and transformed to 22.9 kV for distribution to 6 major substations, 5 rural step-down stations, or directly transformed to consumer applicable voltages. The main 115 kV to 22.9 kV substation was constructed in 2005 at a cost of \$2.3 million dollars and financed through reserves. The Tioga 115 kV to 22.9 kV substation was constructed in 2018 for \$1.4 million dollars. The electrical distribution system consists of 157 overhead and 231 underground conductor miles. The GRPUC is responsible for all construction, operation, and maintenance of the electric distribution system.

The GRPUC provides potable water for 3,302 city customers, 6 industrial customers, the City of LaPrairie, and Itasca Community College. The source of water is five wells with a combined pumping capacity from 1,600 to over 2,500 gallons per minute. The GRPUC owns one water treatment facility capable of treating 3.24 million gallons of water per day. Water treatment consists of aeration, gravity filtration, and zeolite softening. Treated water is stored in a 0.5 million gallon underground water reservoir and pumped to the distribution system using high service pumps. The distribution system includes three 0.5 million gallons elevated storage reservoirs and 82 miles of cast and ductile iron distribution mains consisting mostly of 6", 8" and 12" pipe. The GRPUC is responsible for the construction, operation, and maintenance of the production and treatment facilities and the replacement of the distribution system assets.

Wastewater collection and treatment services are provided to 3,230 city customers and 15 rural customers. The GRPUC also provides treatment for one industrial customer, the City of Cohasset, the City of LaPrairie, and Itasca Community College. Wastewater collection is provided through a 69-mile system of gravity and force mains. The system includes 16 sewage lift stations located throughout the city.

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## **GENERAL INFORMATION (cont.)**

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The Wastewater Treatment Facilities consist of the Industrial Screening/Pumping Station, the Industrial Primary Treatment Plant, the Secondary Treatment Plant and the Industrial Sludge Landfill. These facilities treat an average of 5.5 million gallons of waste effluent per day; 4.0 million gallons from UPM/Blandin Paper Company and 1.5 million gallons from domestic users. The GRPUC is responsible for the replacement, operation, and maintenance of the wastewater collection system and the construction, operation and maintenance of the wastewater treatment facilities.

In 1996, the Grand Rapids Public Utilities Commission constructed a new service center building to house the Utilities' business office and the Electric, Water Distribution, and Wastewater Collection Departments. The City of Grand Rapids contracts a portion of the building space that is used by the City's Public Works Department. The combined service center facility has allowed the GRPUC and the City to combine certain functions in order to provide better and more efficient services to their constituents.

The GRPUC adopts an annual, non-appropriated budget that includes both capital outlays and operating revenues and expenses. The budget is based on the overall financial plan for the GRPUC, taking into consideration the results of various rate studies that project anticipated revenues and required expenses over a five to seven-year period. Budget-to-actual comparisons are made on a quarterly basis with appropriate action taken at that time.

---

## **FACTORS AFFECTING FINANCIAL CONDITION**

---

### **LOCAL ECONOMY**

The City of Grand Rapids is in the heart of a prime resort and recreational area in north central Minnesota and is a major commercial and industrial center for the area. The tourism industry also contributes heavily to the local economy. Recent annexations have increased the City's population from 8,543 in 2005 to 11,183 in 2024.

Forestry and its related products and activities are a major element of the local economy. The UPM Kymmene Blandin Paper Company operates a large paper mill in the city and is a major employer with approximately 230 employees. Another major employer is the Grand Itasca Clinic and Hospital with over 500 employees. In 2005, Grand Itasca completed construction of a \$62 million health care campus.

Independent School District #318 (ISD #318) serves over 4,000 students including the greater Grand Rapids area and has recently completed building two new elementary schools costing over \$60 million. ISD #318 has over 600 employees.

The city is the regional headquarters for the Minnesota Department of Natural Resources. Other major employers are the City and County government, Northland Counseling, Arrowhead Promotion & Fulfillment, and Wal-Mart Stores, Inc. Grand Rapids is also home to All Season Vehicles (ASV) holdings, majority owned by Manitex International, an affiliate of Yanmar Holdings. Iron mining and taconite pellet processing are located in nearby communities and contribute to the employment opportunities for City residents and to the area economy.

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## **FACTORS AFFECTING FINANCIAL CONDITION (cont.)**

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### **LONG-TERM FINANCIAL PLANNING**

The GRPUC contracted with the Minnesota Municipal Utilities Association in 2023 to assist with an update to the 2007 strategic business plan. Input for the update came from employees, customers, stakeholders, and City of Grand Rapids. GRPUC confirmed our mission is to empower the GRPU team members to deliver safe, reliable, affordable, sustainable, and customer-focused utility services for our community. The strategic plan includes five pillars which support the mission and focus on (1) uninterrupted, high-quality utility services; (2) strategic and sustainable fiscal management; (3) engaging and educating the community; (4) use and stewardship of the natural environment; and (5) operational excellence. From the strategic plan and five pillars, annual operational plans will be set.

In 2022, the GRPUC contracted with Dave Berg Consulting, Inc. to complete a Cost of Service and Rate Design Study for the electric, water, and wastewater utilities. The existing electric utility rates were based on the recommendations provided in the 2019 cost of service study. In 2021, GRPUC re-negotiated the wholesale power agreement, and that new agreement structure significantly changed the cost-of-service components. As a result, it was prudent to update the Cost of Service and Rate Recommendation Study. For the water and wastewater utilities, GRPUC had not completed a cost-of-service study in over a decade. In 2019 when GRPUC conducted the electric utility study, the AMI water meter data available was not yet available, therefore; GRPUC chose to postpone the water and wastewater rate study until actual customer meter data was able to be utilized. The 2022 study was able to utilize actual GRPUC AMI customer data.

SEH was hired in 2020 to complete updates to the Comprehensive Water and Wastewater System Plans. The focus of the plans was to analyze existing utility facilities and to anticipate future system needs based primarily on projected growth within the City of Grand Rapids. A general discussion on the ability to serve adjacent communities was also conducted. The Comprehensive Water and Wastewater System Plans serve as a guide for improvements required to continue to provide reliable water and wastewater system services to GRPU customers.

In 2020, Widseth, Smith, Nolting was hired to perform an electric distribution study. The scope of work included engineering work and analysis to diagnose and develop a remediation plan for electric distribution voltage issues and faults within the GRPUC service territory.

### **RELEVANT FINANCIAL POLICIES**

Utility rates are reviewed annually and adjusted per financial plans or as needed. Cost of service and rate design studies are conducted routinely for each of the utilities. Ancillary charges and special service charges, applicable to each utility, are also reviewed and updated as needed. In 2022, David Berg Consulting conducted electric, water, and wastewater collection cost of service and rate design studies to review GRPUC retail electric, water, and wastewater collection rates. The results of the studies were presented to the GRPU Commission with a five-year financial plan and financial performance indicators. In early 2023, ancillary charges were reviewed and some charges were changed.

In 1997, the GRPUC entered into a payment-in-lieu-of-tax (PILOT) agreement with the City of Grand Rapids and amended the agreement in December 2009. The PILOT agreement provides the terms and conditions under which the GRPUC will make payments in-lieu of taxes to the City and how the City will pay for Utility supplied services. Terms of this agreement may be modified by the GRPUC after meeting and conferring with the City Council. Previously, the GRPUC transferred 4.84 mills (one mill equals one-tenth of a cent) per kilowatt-hour sold at retail to the city as an in-lieu of tax payment, with a minimum annual PILOT of \$823,000. Effective January 1, 2013, the payment in-lieu of tax increased to 5.00 mills per kilowatt-hour sold, with a minimum annual payment of \$868,000.

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**FACTORS AFFECTING FINANCIAL CONDITION (cont.)**


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**MAJOR INITIATIVES**

The following major initiatives were undertaken in the 2024 Operating Plan:

***Strategic Pillar: Uninterrupted, High Quality Utility Services***

- Drafted and presented 10-year capital projects plan
- Selected an enterprise resource planning platform with capital planning features and customer portal.
- Completed public outage map per defined expectations.
- Presented social media policy to commission which was adopted.
- Implemented a new water treatment plant chlorination process system.

***Strategic Pillar: Strategic and Sustainable Fiscal Management***

- Presented operating reserve policy for commission consideration.
- Started data collection in preparation for a 2025 rate study kick off.
- Participated at quarterly meetings on Solar Plus Battery Storage Optimization.

***Strategic Pillar: Engaging and Educating the Community***

- Completed the 2024 comprehensive customer campaign plan.
- Participated at the 2024 home show and provide community education about electric and water programs.
- Developed annual report template to summarize projects and financial results.
- Participated in two joint council and commission meetings to align policies and joint projects.

***Strategic Pillar: Operations Excellence***

- Purchased identified safety equipment including a woodchipper, shop hold, and clinic lift station lifting structure.
- Implemented a classification compensation plan and negotiated a new labor contract.
- Developed and implemented quarterly all employee meetings to improve clear communication processes and lead to improved NPS per annual employee survey.
- Planned employee resource portal.



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**FACTORS AFFECTING FINANCIAL CONDITION (cont.)**


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**MAJOR INITIATIVES (cont.)**

The following major initiatives are included in the adopted annual work plan for 2025:

***Strategic Pillar: Uninterrupted, High Quality Utility Services***

- Substantially complete two electric undergrounding projects.
- The water treatment plan (WTP) renovation project is scoped, engineered, bids received, and contractor selected.
- Enhance public outage reporting and optimize customer account access, then publicly promoted.
- Complete 100% televised wastewater collection (WWC) system.

***Strategic Pillar: Strategic and Sustainable Fiscal Management***

- Develop reporting metrics in the new enterprise resource planning software and system to provide timely and actionable financial insights for decision making.
- Substantially operating new enterprise resource planning software and system (approximately 90% of modules functioning and collecting data).
- Final adoption of operating reserve policy.
- Focus on tracking and reporting in project management software to improve efficiencies.

***Strategic Pillar: Engaging and Educating the Community***

- Continue the monthly customer campaign plan including fact sheets and legal notices.
- Publish annual report summarizing projects and financial results.
- Plan and carry out website content updates.
- Enhance public outage reporting and optimize customer account access then publicly promoted.
- Present at the 2025 home show and host one open house to educate the community on rebates and utility programs.
- Participate in two joint council and commission meetings to align City of Grand Rapids and Public Utilities on collaborative opportunities.

***Strategic Pillar: Use and Stewardship of the Natural Environment***

- Relocate the septic hauler station from the current location to the wastewater treatment plant.
- Wastewater treatment plant landfill cover reconstruction is substantially complete and new sludge demand agreements are initiated.

***Strategic Pillar: Operations Excellence***

- Design and host quarterly all employee meetings to improve clear communication process and lead to improved NPS per annual survey.
- Implement employee resource portal in new enterprise resource planning software and Laserfiche.
- Complete succession planning for business services manager transition.
- Implement comprehensive employee training and development program.
- Implement employee success sharing program.
- Finalize electronic documents retention conversion.

## AWARDS AND ACKNOWLEDGEMENTS

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Grand Rapids Public Utilities Commission for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. This was the twenty-fourth year that GRPUC has received this prestigious award. In order to be awarded a Certificate of Achievement, the utility must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the business services and administration team members of the GRPUC. We would also like to extend our appreciation to the independent auditors who contributed to the preparation of this report and to thank the members of the Commission for their interest and support in planning and conducting the financial operations of the GRPUC in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jean M. Lane".

Jean M. Lane  
Business Services Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Grand Rapids Public Utilities Commission  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

ORGANIZATION  
December 31, 2024

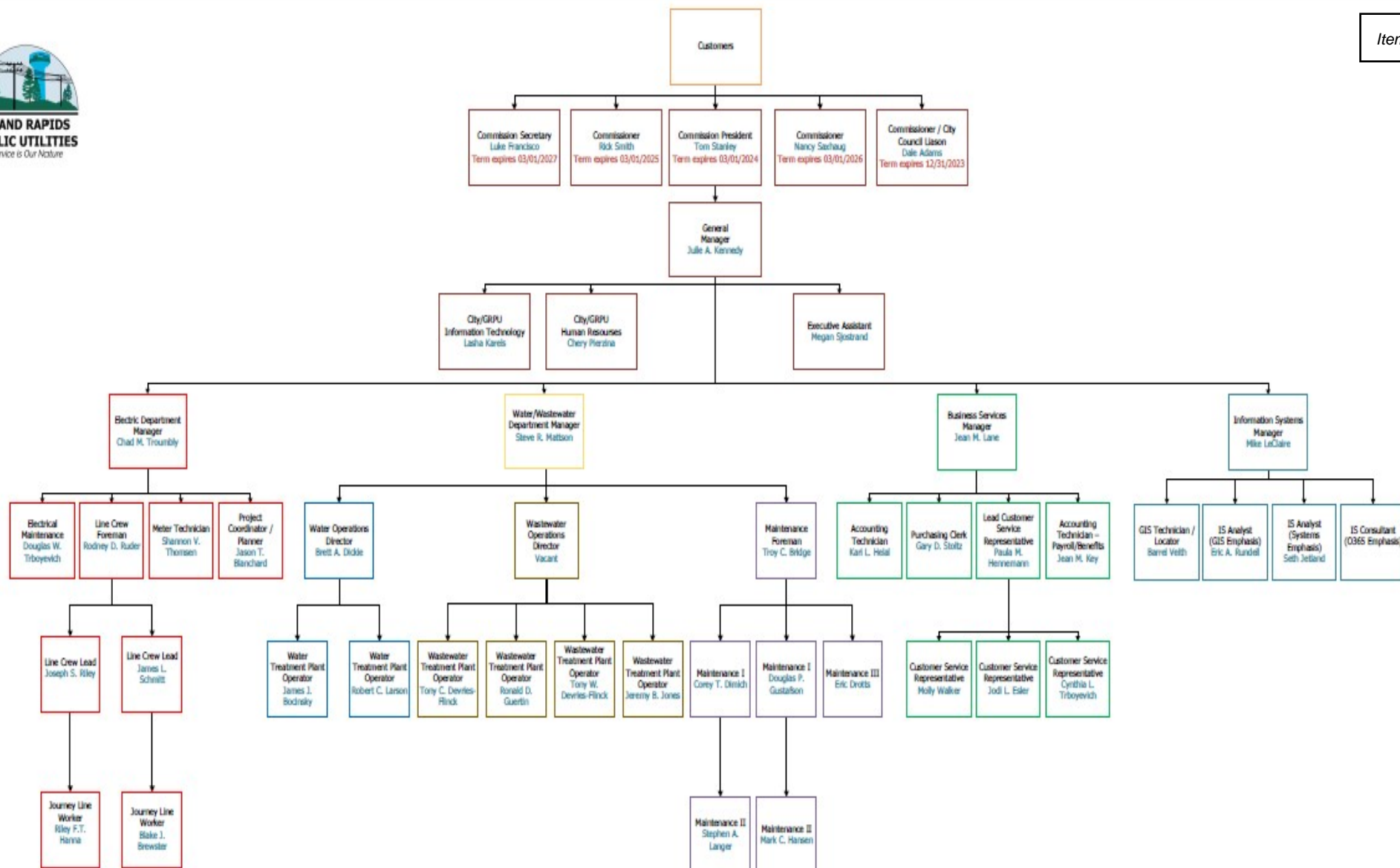
The Grand Rapids Public Utilities Commission, Grand Rapids, Minnesota was established in 1910 by City Council resolution. The members of the Commission are appointed to three-year terms by the City Council. The Commission manages and controls the electric, water, and wastewater collection and treatment of the City.

## COMMISSION

<u>Position</u>	<u>Name</u>	<u>Expires</u>
President	Tom Stanley	3/1/2028
Secretary	Luke Francisco	3/1/2027
Commission Member	Nancy Saxhaug	3/1/2026
Commission Member	Rick Smith	3/1/2025
Commission Member	Dale Adams	12/31/2024

## ADMINISTRATION

General Manager .....	Julie A. Kennedy
Business Services Manager .....	Jean M. Lane
Electric Distribution Manager .....	Chad M. Troumbly
Water/Wastewater Manager .....	Steven R. Mattson



Updated 07/18/2024

**FINANCIAL SECTION**

DRAFT

## INDEPENDENT AUDITORS' REPORT

Grand Rapids Public Utilities Commission  
Grand Rapids, Minnesota

### **Opinion**

We have audited the accompanying financial statements of the Grand Rapids Public Utilities Commission (GRPUC), a component unit of the City of Grand Rapids, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the GRPUC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the GRPUC, as of December 31, 2024, and the changes in financial position, and, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the GRPUC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the GRPUC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the GRPUC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the GRPUC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability, and the schedule of contributions – pension be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.



We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the GRPUC's basic financial statements. The 2024 and 2023 combining schedules of revenues and expenses, schedule of changes in utility plant, schedule of changes in accumulated depreciation, and schedule of contributions to the City of Grand Rapids are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the 2024 combining schedules of revenues and expenses, schedule of changes in utility plant, schedule of changes in accumulated depreciation, and schedule of contributions to the City of Grand Rapids are fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the Annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **CliftonLarsonAllen LLP**

St. Cloud, Minnesota  
REPORT DATE

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2024 (UNAUDITED)

The management of the Grand Rapids Public Utilities Commission (GRPUC) offers readers of the GRPUC's financial statements this narrative overview and analysis of the financial activities of the GRPUC for the year ended December 31, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page – i – ix of this report. The GRPUC implemented Governmental Accounting Standards Board Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* – for the first time in 2003.

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#### FINANCIAL HIGHLIGHTS

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- > The GRPUC's net position increased by \$1,738,075, or 2.9%, from 2023 to 2024. An increase in total net position is based mainly on increases in capital assets and decreases in other liabilities.
- > Total operating revenues increased by \$889,135, or 3.4%, between 2023 and 2024. Electric revenues were \$473,675, or 2.6%, higher than the previous year due to an increase in commercial and industrial customer sales. Overall, kWh sales were up 1.2% from 2023. Water operating revenues increased by \$128,712, or 5.4%, due to an increase in city and rural sales. The number of water gallons sold increased overall by 0.6%. Wastewater collection revenues were up \$75,170, or 3.6%, from 2023, primarily due to an increase in wastewater collection sales. Wastewater treatment revenues were \$211,578, or 5.8%, higher than in 2023, due to increased demand costs to treat a major customer wastewater by the GRPUC.
- > Total operating expenses increased by \$286,880, or 1.0%, over the previous year. Higher production, collection, and administrative costs were the main cause of the 2024 increase. The purchased power and industrial wastewater treatment costs decreased by \$332,297 from 2023.
- > Total electric department operating expenses decreased by \$50,866, or 0.3%. The decrease in the purchased power expense of \$421,932, or 3.4% is the main cause of the decrease. Water department operating expenses increased \$470,510, or 21.4%, with increases in production costs of \$190,232, or 27.3%, and in administrative expenses of \$163,259, or 33.72%. Wastewater collection and treatment departments combined operating expenses decreased by \$132,764 or 1.7%. Decreases in industrial treatment expenses of \$255,725, or 4.4% offset the increase in the collection account of \$122,961 or 6.5% for a total decrease of 1.7%.
- > Non-operating revenues increased \$720,830 or 133.67%, in 2024, due to an increase in investment income and intergovernmental revenues. Overall, non-operating expenses were up by \$266,977 or 19.2%, mainly due to an increase in interest expense.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2024 (UNAUDITED)

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The GRPUC provides electric distribution, water production, treatment and distribution and wastewater collection and treatment services to the City of Grand Rapids and certain outlying areas. The GRPUC is a component unit of the City of Grand Rapids. The GRPUC's financial information is presented like enterprise funds, which are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

An analysis of the GRPUC's financial position begins with a review of the Statement of Net Position, and the Statement of Revenues, Expenses, and Changes in Net Position. These two statements report the GRPUC's net position and changes therein. The net position – the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is key to measuring the financial health of the GRPUC. Over time, increases or decreases in the net position value are an indication of whether the financial position is improving or deteriorating. However, it should be noted that the financial position might also be affected by other non-financial factors, including economic conditions, customer growth, weather conditions, and changing regulations.

#### FINANCIAL ANALYSIS

The Statement of Net Position includes information on all the GRPUC's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the GRPUC.

**Table 1**  
**Condensed Statement of Net Position**

	2024	2023	Change
Net Capital Assets	\$ 65,290,940	\$ 64,401,730	\$ 889,210
Current Assets	17,389,214	15,229,965	2,159,249
Other Assets	13,281,707	15,224,869	(1,943,162)
Total Assets	95,961,861	94,856,564	1,105,297
Deferred Outflows of Resources	430,675	733,855	(303,180)
Total Assets and Deferred Outflows	\$ 96,392,536	\$ 95,590,419	\$ 802,117
Current Liabilities	6,623,064	4,111,342	2,511,722
Long-Term Liabilities	17,551,373	19,533,861	(1,982,488)
Total Liabilities	24,174,437	23,645,203	529,234
Deferred Inflows of Resources	10,759,662	12,224,854	(1,465,192)
Net Position			
Net Investment in Capital Assets	49,340,422	47,512,259	1,828,163
Restricted Net Position	2,506,132	2,574,040	(67,908)
Unrestricted Net Position	9,611,883	9,634,063	(22,180)
Total Net Position	61,458,437	59,720,362	1,738,075
Total Liabilities, Net Position and Deferred Inflows	\$ 96,392,536	\$ 95,590,419	\$ 802,117

**GRAND RAPIDS PUBLIC UTILITIES COMMISSION****MANAGEMENT'S DISCUSSION AND ANALYSIS**  
As of and for the Year Ended December 31, 2024  
(UNAUDITED)

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**FINANCIAL ANALYSIS (cont.)**

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As shown in the above table, net position increased by \$1,738,075 or 2.9%, to \$61,458,437 in 2024. The change was due to increases in total assets and a decrease in deferred inflows of revenue.

In 2023, net position increased by \$6,393,206 or 11.9%, to \$59,720,362 in 2023. The change was due to increases in capital assets and a decrease in other liabilities.

The specific nature or source of these changes becomes more evident in the Statement of Revenues, Expenses, and Changes in Net Position as shown in Table 2.

The Statement of Revenues, Expenses, and Changes in Net Position provides an indication of the GRPUC's financial.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2024 (UNAUDITED)

### FINANCIAL ANALYSIS (cont.)

**Table 2**  
**Condensed Statement of Revenues**  
**Expenses, and Changes in Net Position**

	2024	2023	Change
Operating Revenues			
Electric	\$ 18,465,244	\$ 17,991,569	\$ 473,675
Water	2,481,423	2,352,711	128,712
Wastewater collection	2,116,814	2,041,644	75,170
Wastewater treatment	3,830,529	3,618,951	211,578
Total Operating Revenues	26,894,010	26,004,875	
Operating Expenses			
Production	885,545	695,313	190,232
Purchased Power	11,887,979	12,309,911	(421,932)
Distribution/collection	2,348,081	2,281,669	66,412
Customer accounts	611,309	558,476	52,833
Administrative and general	2,586,443	2,103,456	482,987
Service center	178,863	194,120	(15,257)
Domestic wastewater treatment	882,070	822,020	60,050
Industrial wastewater treatment	3,867,813	4,113,584	(245,771)
Depreciation and amortization	3,467,997	3,350,671	117,326
Total Operating Expenses	26,716,100	26,429,220	
Non-Operating Revenues (Expenses)			
Interest income (loss)	354,785	232,714	122,071
Demand interest payments	360,973	307,421	53,552
Intergovernmental Revenue	391,397	-	391,397
Gain (loss) on property disposition	3,500	(24,881)	28,381
Interest expense	(705,950)	(500,541)	(205,409)
Bond fees	(3,770)	(3,101)	(669)
Amortization fees	(78,207)	(13,612)	(64,595)
City land improvements	-	(2,856)	2,856
Combined service center contract revenues	24,000	24,000	-
Miscellaneous revenue	125,429	-	125,429
Payment in lieu of taxes	(868,000)	(868,840)	840
Total Non-Operating Revenues (Expenses)	(395,843)	(849,696)	
Income (Loss) Before Contributions	(217,933)	(1,274,041)	1,056,108
Capital Contributions	1,956,008	4,496,465	(2,540,457)
Changes in Net Position	1,738,075	3,222,424	(1,484,349)
Beginning Net Position	59,720,362	56,497,938	
Total Net Position - Ending	\$ 61,458,437	\$ 59,720,362	

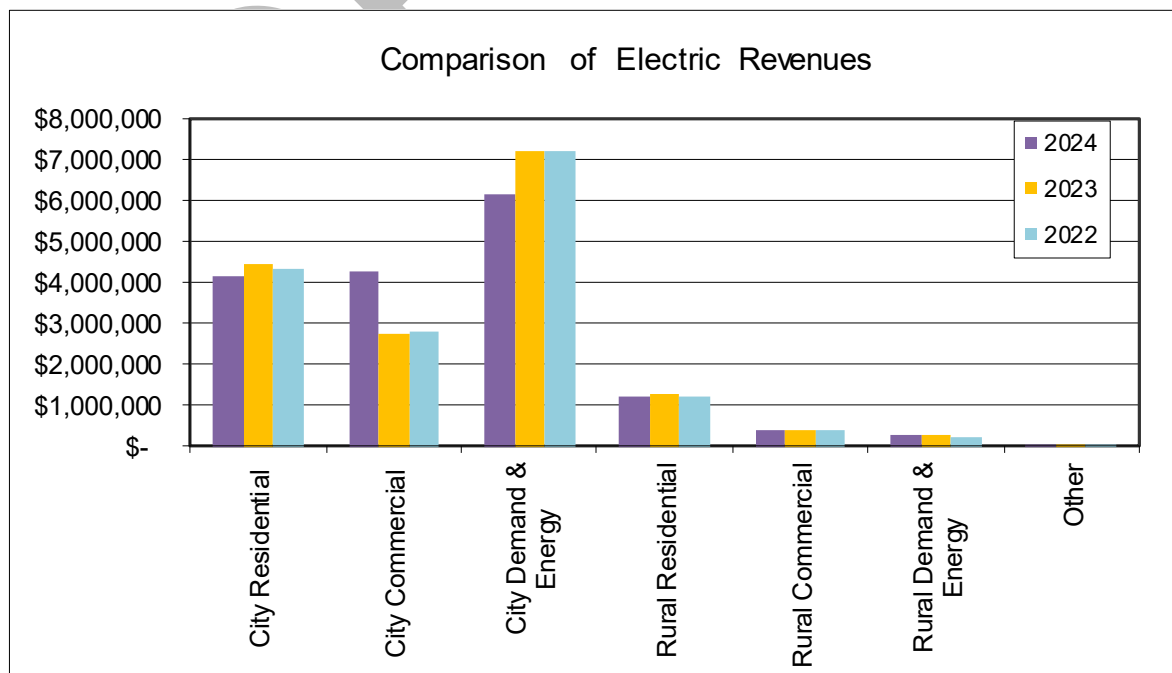
## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2024 (UNAUDITED)

#### FINANCIAL ANALYSIS (cont.)

Total operating revenues in 2024 increased \$889,135, or 3.4% from 2023. Electric revenues increased \$473,675 or 2.6%, an increase in the purchased power adjustment pass-through of \$334,460 or 26.3% was the main cause of the increase. Water revenues increased by \$128,712, or 5.5%, due to a 10% rate increase and increase in sales for city and rural residential and commercial sales. Wastewater collection revenues increased by \$75,170, or 3.7% primarily attributable to a 5% rate increase and increase in city residential and commercial sales. Wastewater Treatment operating revenues increased by \$211,578, or 5.9%, due to increased costs covered by a major industrial customer. Total operating expenses increased \$286,880 or 1.1%, over the prior year. All expenses were higher, except purchased power which was lower. The largest increase in expenses was \$482,987 for administrative and general or 23.0% higher. Non-operating revenues increased \$720,830, or 133.7%, in 2024, due to an increase in investment income and intergovernmental revenues. Overall, non-operating expenses were up by \$266,977, or 19.2%, mainly due to an increase in interest expense.

In 2023, total operating revenues decreased \$685,343, or 2.6% from 2022. Electric revenues decreased \$1,129,116 or 5.9%, a decrease in the purchased power adjustment pass-through of \$1,286,293 or 50.3% was the main cause of the decrease. Water revenues increased by \$472,591, or 25.1%, due to a 15% rate increase and increase in sales for city and rural classes. Wastewater collection revenues increased by \$181,860, or 9.8%, primarily attributable to a 5% rate increase and increase in city residential and commercial sales. Wastewater Treatment operating revenues decreased by \$210,678, or 5.5%, due to decreased costs covered by a major industrial customer. Total operating expenses increased \$1,030,697 or 4.1%, over the prior year. All expenses were higher, except purchased power which was lower. The largest increase in expenses was \$380,209 for administration and general or 22.1% higher and \$520,221 or 15.3% for industrial wastewater treatment. Non-operating revenues increased \$69,673 or 14.09%, in 2023, due to an increase in investment income. Overall, non-operating expenses were up by \$32,466 or 2.3%, mainly due to an increase in interest expense.



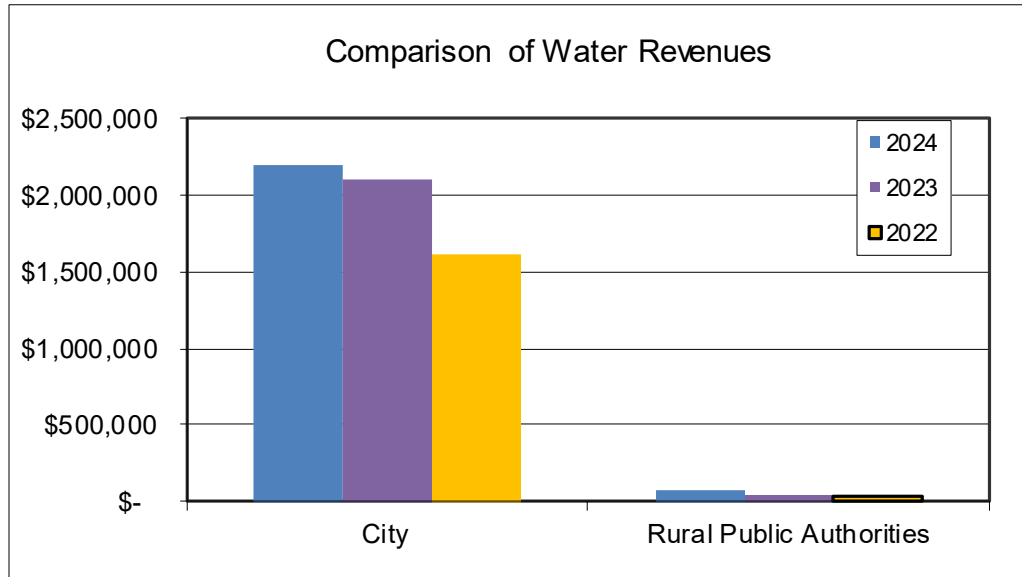
In 2024, electric sales revenues increased \$89,515, or 0.6%, over 2023 sales. Most classes of revenue sales slightly increased over 2023, except city residential.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2024 (UNAUDITED)

#### FINANCIAL ANALYSIS (cont.)

In 2023, electric sales revenues increased \$115,825, or 0.7%, over 2022 sales. Most classes of revenue sales slightly increased over 2022.



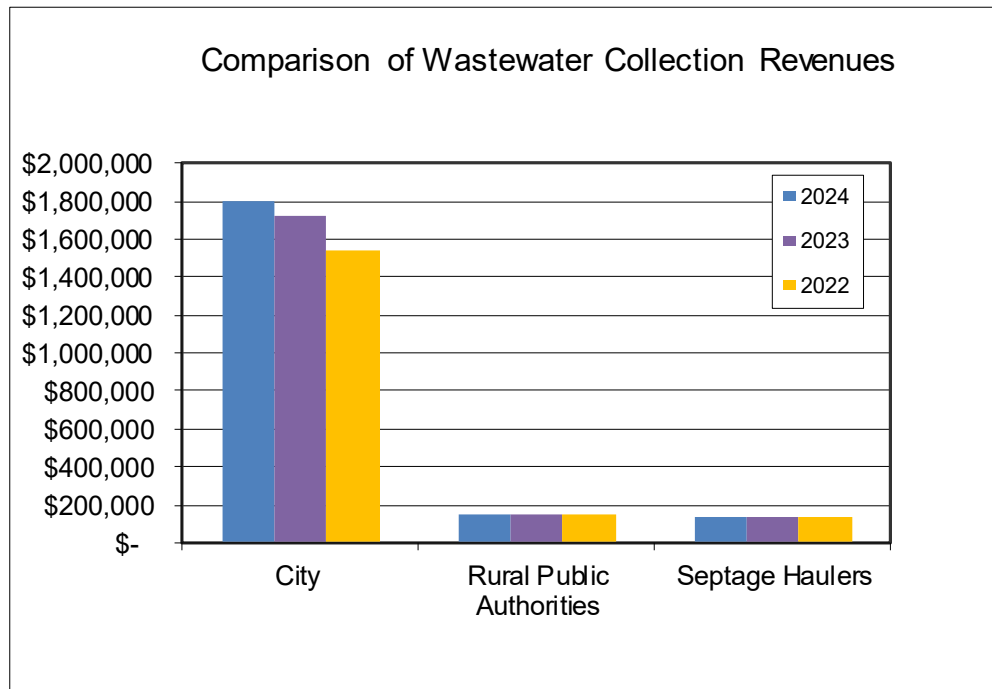
Water sales increased \$115,533 or 5.4%, in 2024 over the previous year. Revenues in all customer classes were higher than in 2023.

Water sales increased \$506,914 or 30.8%, in 2023 over the previous year. Revenues in all customer classes were higher than in 2022.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2024 (UNAUDITED)

#### FINANCIAL ANALYSIS (cont.)



Wastewater Collection utility revenues for 2024 increased \$75,170 or 3.7%, over 2023 revenues. City revenue sales classes were all higher.

Wastewater Collection utility revenues for 2023 increased \$191,551 or 10.5%, over 2022 revenues. City & rural public authorities and septic haulers revenue sales classes were all higher.

The Statement of Cash Flows reports the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for repayment of debt and capital additions.

**Table 3**  
**Condensed Statements of Cash Flows**

	2024	2023	Change
Cash Flows From:			
Operating activities	\$ 2,417,595	\$ 3,468,590	\$ (1,050,995)
Noncapital financing activities	1,077,007	(1,191,765)	2,268,772
Capital and related financing activities	(3,545,394)	(2,306,441)	(1,238,953)
Investing activities	128,173	(2,596,240)	2,724,413
Net Change in Cash and Cash Equivalents	77,381	(2,625,856)	2,703,237
Cash and Cash Equivalents - End of Year	\$ 3,444,310	\$ 3,366,929	\$ 77,381

Cash and Cash Equivalents increased by \$77,380 in 2024. A decrease in cash from operating activities, noncapital financing activities, and investing activities was offset by an increase in cash from capital and related financing activities were the major impacts on cash balances.



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2024 (UNAUDITED)

#### FINANCIAL ANALYSIS (cont.)

Cash and Cash Equivalents decreased by \$2,625,856 in 2023. A decrease in cash from operating activities, noncapital financing activities, and investing activities was offset by an increase in cash from capital and related financing activities were the major impacts on cash balances.

During 2024, net capital assets increased \$889,209 or 1.38%. Electric department capital assets increased \$508,090, or 1.4%. Additions due to several overhead to underground projects were most of the increase. Water department capital assets increased \$1,153,862, or 5.2% resulting from one replacement main project. Wastewater Collection capital assets increased \$1,041,336 or 8.6% resulting from one replacement main project. The increase in Construction Work in Progress was related to several uncompleted new projects.

During 2023, net capital assets increased \$9,601,239 or 7.9%. Electric department capital assets increased \$839,361, or 2.3%. Additions due to several overhead to underground projects were most of the increase. Water department capital assets increased \$4,390,070, or 24.4% resulting from one new water main and one replacement main project. Wastewater Collection capital assets increased \$4,129,481 or 51.4% resulting from one new sanitary sewer main and one replacement project. Wastewater Treatment assets increased by \$242,327, or 0.4%, mainly due to replacement of equipment.

More detailed information on capital asset activity can be found in Note 6 of the *Notes to Financial Statements*

**Table 4**  
**Condensed Schedule of Capital Assets**

	2024	2023	Change
Capital Assets - Electric			
Distribution	\$ 32,436,717	\$ 32,136,194	\$ 300,523
General	5,044,990	4,837,423	207,567
Total Electric Capital Assets	37,481,707	36,973,617	508,090
Capital Assets - Water			
Production	5,023,159	4,769,888	253,271
Distribution	17,665,721	16,765,130	900,591
General	844,887	844,887	-
Total Water Capital Assets	23,533,767	22,379,905	1,153,862
Capital Assets - Wastewater Collection			
Collection	12,364,204	11,322,868	1,041,336
General	844,887	844,887	-
Total Wastewater Collection Capital Assets	13,209,091	12,167,755	1,041,336
Capital Assets - Wastewater Treatment Facilities			
Treatment Facilities	59,895,677	59,895,677	-
Total Wastewater Treatment Capital Assets	59,895,677	59,895,677	-
Total Capital Assets	134,120,242	131,416,954	2,703,288
Less: Accumulated Depreciation	(70,631,843)	(67,211,409)	(3,420,434)
Construction Work in Progress	1,442,851	196,186	1,246,665
Right-to-Use Assets - Vehicles	386,281	-	386,281
Less: Accumulated Amortization	(26,591)	-	(26,591)
Total Right-to-Use Assets	359,690	-	359,690
Net Capital Assets	\$ 65,290,940	\$ 64,401,731	\$ 889,209

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2024 (UNAUDITED)

#### LONG-TERM DEBT

On December 31, 2024, the GRPUC had four bond issues, one revenue note, and zero long term capital leases outstanding.

Late in 2009, the \$28,509,779 Taxable General Obligation Wastewater Revenue Note, Series 2009E was issued. This financing was used to fund the construction of the Wastewater Treatment Facility Phase 1 Improvements Project. Proceeds from the note were released as project costs were incurred. The project was completed in 2012, with the final debt principal amount of \$26,370,232. The repayment of this note is secured by a letter of credit for which 91.8% of the principal and interest payments are due on the debt.

The General Obligation Utility Revenue Bonds, Series 2012D were issued in April 2012 to fund the wastewater collection lift station #1 reconstruction project for \$265,000 and the Pokegama Avenue/4<sup>th</sup> Street South water and wastewater collection main replacement projects for \$1,760,000. These bonds were called in 2021 with a current refunding and issuance of General Obligation Utility Revenue Refunding Bonds, Series 2021D. The General Obligation Utility Revenue Refunding Bonds, Series 2021D were issued December 2021 with a principal of \$1,120,000. The General Obligation Utility Revenue Bonds, Series 2012D bond principal of \$1,270,000 was paid off on February 1, 2022.

In September 2013, the General Obligation Utility Revenue Bonds, Series 2013C were issued in the amount of \$2,305,000 to fund construction of the Industrial Force Main, Segment B project. These bonds were called in 2021 with an advanced refunding and issuance of \$1,210,000 Taxable General Obligation Revenue Refunding Bonds, Series 2021C. The General Obligation Utility Revenue Bonds, Series 2013C bond principal of \$155,000 was paid off on February 1, 2023.

In October 2015, the GRPUC entered into a tax-exempt lease/purchase agreement for \$1,700,000 to finance the acquisition of an Advanced Metering Infrastructure and Automated Meter Reading (AMI/AMR) System for its electric, water and wastewater collection customers. The lease/purchase agreement was paid off in November 2021 with the issuance of \$775,500 General Obligation Revenue Refunding Bonds Series, 2021A with a maturity of October 2025.

The General Obligation Utility Revenue Bonds, Series 2023B were issued in November 2023 to fund the sanitary sewer and water main replacement projects for Sylvan Bay phase one project for \$2,750,000 and the sanitary sewer extension and water main loop for the Grand Rapids/Cohasset Industrial Park project for \$1,825,000.

The utility passed resolution number 08-28-24-04 to authorize acceptance of an interfund loan from City of Grand Rapids. The City of Grand Rapids issued General Obligation Equipment Certificates, Series 2024B which paid for new utility billing and enterprise resources planning software to be used jointly by the utility and the City. The principal amount of the interfund loan was \$630,000

Additional information on the GRPUC's long-term debt can be found in Note 10 of the Notes to Financial Statements.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Grand Rapids Public Utilities Commission finances to all those with an interest in the GRPUC's finances. If you have questions about this report, or need additional financial information, contact the Business Services Manager, Grand Rapids Public Utilities Commission, 500 SE 4th Street, Grand Rapids, MN 55744.

## BASIC FINANCIAL STATEMENTS

DRAFT

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## STATEMENT OF NET POSITION As of December 31, 2024

<b>ASSETS</b>		<u>2024</u>
<b>CURRENT ASSETS</b>		
Cash and investments	\$	9,506,128
Accounts receivable, net		3,953,064
Lease receivable		188,582
Due from City of Grand Rapids		238,866
Materials and supplies		1,468,886
Interest receivable		204,023
Prepaid expenses		237,879
Restricted accounts receivable - current portion		<u>1,591,786</u>
Total Current Assets		<u>17,389,214</u>
<b>NONCURRENT ASSETS</b>		
Restricted accounts receivable - non-current portion		6,805,752
Other long-term receivables		1,410
Note Receivable - Blandin		4,851,327
Lease receivable		1,191,352
Capital Assets		
Plant in service		134,120,242
Accumulated depreciation/amortization		(70,631,843)
Construction work in progress		1,442,851
Right-to-use assets		386,281
Accumulated amortization right-to-use asset		(26,591)
Regulatory Asset - Landfill (net of accumulated amortization)		<u>431,866</u>
Total Noncurrent Assets		<u>78,572,647</u>
Total Assets		<u>95,961,861</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Service territory acquisition		82,568
Loss on refunding of debt		52,800
Related to pension		<u>295,307</u>
Total Deferred Outflows of Resources		430,675

See accompanying notes to financial statements.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## STATEMENT OF NET POSITION (CONTINUED) As of December 31, 2024

<b>LIABILITIES</b>		<u>2024</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$	1,532,819
Due to City of La Prairie		15,594
Sales tax payable		86,851
Due to City of Grand Rapids		1,801,241
Accrued compensated absences		271,526
Accrued interest		187,021
Unearned revenues		27,429
Accrued payroll		85,434
Current liabilities:		
Current portion of due to primary government		2,177,000
Current lease liability		87,624
Customer deposits		350,525
Total Current Liabilities		<u>6,623,064</u>
<b>NONCURRENT LIABILITIES</b>		
Due to primary government, net premium and discount		13,463,040
Accrued compensated absences		121,848
Lease liability long term		275,654
Net pension liability		1,345,636
Landfill closure/post closure costs		2,345,195
Total Noncurrent Liabilities		<u>17,551,373</u>
Total Liabilities		<u>24,174,437</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Demand payment deferral		8,397,538
Other deferred credits		25,360
Related to leases		1,363,298
Related to pension		973,466
Total Deferred Inflows of Resources		<u>10,759,662</u>
<b>NET POSITION</b>		
Net investment in capital assets		49,340,422
Restricted for		
Financial Assurance		2,506,132
Unrestricted		<u>9,611,883</u>
<b>TOTAL NET POSITION</b>	\$	<u><u>61,458,437</u></u>

See accompanying notes to financial statements.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Year Ended December 31, 2024

	2024
<b>OPERATING REVENUES</b>	
Electric	\$ 18,465,244
Water	2,481,423
Wastewater collection	2,116,814
Wastewater treatment	3,830,529
Total Operating Revenues	<u>26,894,010</u>
<b>OPERATING EXPENSES</b>	
Production	885,545
Purchased power	11,887,979
Distribution/collection	2,348,081
Customer accounts	611,309
Administrative and general	2,586,443
Service center	178,863
Domestic wastewater treatment	882,070
Industrial wastewater treatment	3,867,813
Depreciation and amortization	3,467,997
Total Operating Expenses	<u>26,716,100</u>
<b>OPERATING INCOME (LOSS)</b>	<u>177,910</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income (loss)	354,785
Demand interest payments	360,973
Intergovernmental Revenue	391,397
Gain (loss) on property disposition	3,500
Interest expense	(705,950)
Bond fees	(3,770)
Amortization of regulatory asset	(78,207)
Combined service center contract revenues	24,000
Miscellaneous revenue	125,429
Payment in lieu of taxes	(868,000)
Total Nonoperating Revenues (Expenses)	<u>(395,843)</u>
Income (Loss) Before Contributions	(217,933)
<b>CAPITAL CONTRIBUTIONS</b>	<u>1,956,008</u>
<b>CHANGES IN NET POSITION</b>	1,738,075
NET POSITION - Beginning of Year	<u>59,720,362</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 61,458,437</u></u>

See accompanying notes to financial statements.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## STATEMENT OF CASH FLOWS For the Year Ended December 31, 2024

	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers	\$ 26,123,342
Combined service center contract revenues	24,000
Other revenues	151,417
Paid to suppliers for goods and services	(20,126,314)
Paid to employees for services	(3,754,850)
Net Cash Flows From Operating Activities	<u>2,417,595</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Interest received on demand charges	357,836
Transfer from (to) primary government	719,171
Net Cash Flows From Noncapital and Related Financing Activities	<u>1,077,007</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(2,011,418)
Principal payments on long-term debt	(1,991,003)
Intergovernmental Revenue	391,397
Proceeds from debt issue	630,000
Premium on debt issue	43,001
Interest paid on long-term debt and lease payments	(607,371)
Net Cash Flows From Capital and Related Financing Activities	<u>(3,545,394)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	234,349
Sale of investments	2,967,978
Purchase of investments	(3,074,154)
Net Cash Flows From Investing Activities	<u>128,173</u>
<b>Net Change in Cash and Cash Equivalents</b>	77,381
<b>CASH AND CASH EQUIVALENTS – Beginning of Year</b>	<u>3,366,929</u>
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	<u>\$ 3,444,310</u>

See accompanying notes to financial statements.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## STATEMENT OF CASH FLOWS (CONTINUED) For the Year Ended December 31, 2024

	<u>2024</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</b>	
<b>FLOW FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ 177,910
Adjustments to reconcile operating income (loss) to cash from operating activities	
Nonoperating revenue	149,429
Depreciation and amortization	3,467,997
(Increase) Decrease in assets and deferred outflows of resources:	
Accounts receivable	(757,112)
Financial Assurance Landfill	65,067
Deferred outflows of resources - pension	258,283
Deferred outflows of resources - leases	151,417
Supplies	(708,818)
Prepays	(79,900)
Increase (Decrease) in assets and deferred inflows of resources:	
Accounts payable	257,866
Accrued liabilities	77,436
Landfill closure/post closure costs	2,840
Unearned revenue	27,429
Deferred inflows of resources - leases	(168,053)
Net pension liability	(762,506)
Deferred inflows of resources - pension	258,310
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 2,417,595</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>	
<b>TO STATEMENTS OF NET POSITION</b>	
Cash and investments	\$ 9,506,128
Designated cash and investments	-
Sub-totals	9,506,128
Less: Noncash equivalents	<u>(6,061,818)</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 3,444,310</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Right-to-use assets acquired through lease	\$ 386,281

See accompanying notes to financial statements.



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Grand Rapids Public Utilities Commission (GRPUC) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GRPUC provides water supply and distribution, electric distribution and wastewater collection and treatment operations to properties within the City of Grand Rapids (municipality) as well as to certain other areas outside the municipality. GRPUC accounts for the cost of water, electric and wastewater operations on a continuing basis and is governed by the Grand Rapids Public Utilities Commission (Commission), which is appointed by the city council. Customer rates and service rates are established by the Commission. The significant accounting principles and policies utilized by GRPUC are described below.

#### **REPORTING ENTITY**

GRPUC is a component unit of the municipality. Component units are legally separate organizations for which elected officials of the primary government (municipality) are financially accountable. Component unit status is determined using the following criteria:

The municipality is financially accountable if it appoints a voting majority of the organization's governing body and is either:

1. Able to impose its will on that organization, or
2. There is a potential for the organization to provide specific financial benefits to, or impose financial burdens on the municipality. The municipality may be financially accountable if an organization is fiscally dependent on the municipality.

Since GRPUC is responsible for payment of certain general obligation debt, it has the potential to impose a financial burden on the municipality. This capability qualifies GRPUC as a component unit of the municipality.

There are no component units of GRPUC.

#### **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION**

The term measurement focus is used to denote what is being measured and reported in GRPUC's operating statement. GRPUC is accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether GRPUC is better or worse off economically as a result of events and transactions of the period.

The term basis of accounting is used to determine when a transaction or event is recognized on GRPUC's operating statement. GRPUC uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION*** (cont.)

GRPUC is presented as a component unit of the municipality. GRPUC is presented similar to enterprise funds which are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION***

##### ***Deposits and Investments***

GRPUC's cash and cash equivalents are considered to be cash and investments having original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair values may have changed significantly after year end.

GRPUC has adopted a formal investment policy. The policy follows the state statute for allowable investments.

##### ***Designated Assets***

GRPUC has established various accounts to maintain assets designated for various purposes. Designated assets are designated for the following purposes:

Electric Replacement Funds – represents funds set aside for specific future capital improvement projects.

Watermain Replacement Funds - represents funds set aside for specific future capital improvement projects.

Wastewater-Sewer Main Replacement Funds - represents funds set aside for specific future capital improvement projects.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### **ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)**

##### **Designated Assets (Continued)**

GRPUC's designated assets are included in cash and investments and are listed below:

##### Designated Cash and Investments

Electric Replacement Funds	\$ 1,320,031
Watermain Replacement Funds	898,377
Wastewater-Sewer Main Replacement Funds	468,367
Current Cash and Investments	6,819,353
Total	<u>\$ 9,506,128</u>

##### **Receivables/Payables**

Outstanding balances between GRPUC and the primary government are reported as due from/to the City. Transactions between GRPUC and the primary government that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from the City.

An allowance for doubtful accounts is recorded annually based on historical experience and management's evaluation of receivables at the end of each year. Bad debts are charged against revenue when deemed uncollectible. Receivables are reported net of the allowance for doubtful accounts of \$420,997 at December 31, 2024.

##### **Leases**

GRPUC is a lessor because it leases capital assets to other entities. As a lessor, GRPUC reports a lease receivable and corresponding deferred inflow of resources in the financial statements. GRPUC continues to report and depreciate the capital assets being leased as capital assets.

##### **Materials and Supplies**

Materials and supplies are generally used for construction, operation and maintenance work, not for resale. They are valued using the average cost method and charged to construction or expensed when used.

##### **Prepaid Expenses**

Prepaid expenses are recorded for insurance, maintenance, and service contracts. Costs under these agreements are expensed over the time periods covered by the agreements.

##### **Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### **ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)**

##### ***Regulatory Asset - Landfill***

GRPUC has multiple constructed landfill sites. The costs incurred to construct the sites are shown as non-utility property.

##### ***Capital Assets***

Capital assets are defined by GRPUC as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets are recorded at cost or the estimated acquisition value at the time of contribution to GRPUC. Major outlays for capital assets are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following useful lives:

	Years
Buildings	50
Production systems	20 – 25
Distribution systems	25 – 33
Machinery and equipment	10
Intangibles	10

Donated capital assets are valued at their estimated acquisition value at the date donated.

##### ***Compensated Absences***

###### ***Sick Leave and Vacation***

Under GRPUC's plan, PTO is earned and accrued monthly. Unused PTO that exceeds the maximum accrual may be transferred to a post-employment Health Care Savings Plan (HCSP). There is also a limited accrual for Extended Illness Benefit (EIB). Unused EIB may be converted to the HCSP at termination of service with GRPUC. The liability for compensated absences reported in the financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. When unused benefits are converted to HCSP accounts, the funds are transferred to the trustee of the plan, and GRPUC no longer has a liability for these amounts.

Minnesota statutes authorize Minnesota State Retirement System (MSRS) to offer health care savings plans (HCSP) to governmental employees. The plan allows employees to save money, tax-free, to use upon termination of employment to pay for eligible health care expenses. MSRS acts as trustee of the plans and the State Board of Investment manages the investment of employee funds.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### **ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)**

##### **Customer Deposits**

Customer deposits are recorded for security deposits paid by customers to receive utility services. Deposits are returned to customers with good credit history in accordance with criteria established in GRPUC policies. Customers are paid interest on deposits at the rate established annually by the Minnesota Department of Commerce.

##### **Due to Primary Government**

Long-term debt and other obligations are reported as the City of Grand Rapids' liabilities paid for by GRPUC. Bond premiums, discounts and the loss on refunding of debt are deferred and amortized over the life of the bonds using the effective interest method.

##### **Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### **Postemployment Benefits Other Than Pension**

In June 2015, the GASB issued Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This statement establishes standards of accounting and financial reporting for OPEB expense and related OPEB liabilities or assets. OPEB refers to postemployment benefits other than pension benefits such as postemployment healthcare benefits. GRPUC elected not to implement GASB Statement No. 75 due to the fact that the implementation would not have any material impact on its financial condition, results of operations, and footnote disclosures.

##### **Deferred Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future period. GRPUC will not recognize the related outflow until a future event occurs.

##### **Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)***

##### ***Demand Payment Deferral***

GRPUC has contracts with UPM Blandin Paper Company (UPM Blandin) whereby UPM Blandin pays demand charges for principal and interest on certain debt issues. For ratemaking purposes, the commission has elected to defer the recognition of the revenue until the debt service for the bonds is made. Revenue is recognized as capital contribution.

##### ***REVENUES AND EXPENSES***

GRPUC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a utility's principal ongoing operations. The principal operating revenues of GRPUC are charges to customers for sales and services. Operating expenses for component units include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***Charges for Services***

Billings are rendered and recorded monthly based on metered usage. The commission does accrue revenues beyond billing dates.

##### ***Capital Contributions***

Cash and capital assets are contributed to GRPUC from customers, the municipality or external parties. The value of property contributed to GRPUC is reported as revenues on the statements of revenues, expenses and changes in net position.

##### ***Electric Power Costs***

Monthly bills from the wholesale power supplier, which are for power costs to the last day of the month are reflected in the accounts.

##### ***ADOPTION OF NEW ACCOUNTING STANDARDS***

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures.

GRPUC adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard did not result in any material adjustments.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 2 – DEPOSITS AND INVESTMENTS

The GRPUC's cash and investments at year end were comprised of the following:

Petty Cash	\$ 1,000
Deposits	3,443,310
Investments	6,061,818
Total	<u>\$ 9,506,128</u>

Investment of GRPUC funds is restricted by state law, bond fund resolutions and GRPUC investment policy to:

- > Government bonds, notes, bills, mortgages, and other securities, which are direct obligations of the United States or its agencies.
- > Negotiable or non-negotiable instruments that are issued by commercial banks and insured by the Federal Deposit Insurance Corporation (FDIC). Interest bearing deposits in authorized depositories must be fully insured or collateralized.
- > Repurchase agreements fully collateralized by securities described above, if the repurchase agreements are only entered into with an entity which is a primary reporting dealer to the Federal Reserve Bank of New York, or one of the 100 largest U.S. commercial banks.
- > Any security which is general obligation of the State of Minnesota or any of its municipalities.
- > Commercial paper issued by the United States corporations or their Canadian subsidiaries that is the highest quality and matures in 270 days or less.
- > Statewide investment pools that invest in authorized investments according to MN Statutes 118A.
- > Money market mutual funds that invest in authorized instruments according to MN Statutes 118A.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

At December 31, 2024, the entire bank balance, deposits and investments were covered by federal depository insurance, Securities Investor Protection Corporation or by collateral held by GRPUC's agent in GRPUC's name.

GRPUC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. GRPUC uses the yield based metric approach to value its certificates of deposits, and U.S. Agencies which is a level 2 input. The fair value of investments in entities that calculate a net asset value (NAV) per share are determined using the NAV in lieu of the leveling methodology described above. The Minnesota Municipal Money Market Fund (The Fund) is measured at net asset value (NAV). The fund is an external investment pool not registered with the SEC that follows the same regulatory rules of the SEC under rule 2a7 and is managed by the Board and Minnesota Statutes. The fair value of the pool is the same as the value of the pool shares. The investment in the Fund is not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

The categorization of financial assets at December 31, 2024 consisted of the following:

Type	Level 1	Level 2	Level 3	Total
Government Agencies Notes	\$ -	\$ 1,029,451	\$ -	\$ 1,029,451
Negotiable CDs	-	4,656,508	-	4,656,508
Total	<u>\$ -</u>	<u>\$5,685,959</u>	<u>\$ -</u>	
Money Market-NAV Funds				375,859
Total Investments				<u>\$6,061,818</u>

### **Custodial Credit Risk**

#### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, GRPUC's deposits may not be returned to the utility.

GRPUC does not have any deposits exposed to custodial credit risk.

GRPUC's investment policy addresses this risk by requiring deposits to be fully insured or collateralized.

#### **Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, GRPUC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

GRPUC does not have any investments exposed to custodial credit risk.

GRPUC's investment policy does not address this risk.

### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

As of December 31, 2024, GRPUC's investments were rated as follows:

Investment Type	S & P Rating
Negotiable CDs	NA
Government Agencies Notes	AA+
Money Market	NA

\* NA - Not Rated

GRPUC's investment policy does not address this risk.



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

#### ***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. GRPUC's investment policy does not address this risk.

#### ***Interest Rate Risk***

Interest rate risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

As of December 31, 2024, GRPUC's investments were as follows:

Investment Type	Investment Maturities (in Years)			Fair Market Value
	Less Than 1	1-5	6-10	
Negotiable CDs	\$ 2,745,400	\$ 1,911,108	\$ -	\$ 4,656,508
Government Agencies Notes	-	1,029,451	-	1,029,451
Money Market-NAV Funds	375,859	-	-	375,859
Total	<u>\$ 3,121,259</u>	<u>\$ 2,940,559</u>	<u>\$ -</u>	<u>\$ 6,061,818</u>

GRPUC's investment policy addresses this risk. The policy recommends no more than 40% of the total deposits and investments extend beyond five years and in no circumstances should any extend beyond ten years.

### NOTE 3 – RECEIVABLES/PAYABLES TO PRIMARY GOVERNMENT

The following is a schedule of balances as of December 31, 2024.

Due to City of Grand Rapids	
Utility Bills and Service Center Operating Costs	\$ 238,866
Due from City of Grand Rapids	
General Operating and Capital Costs	\$ 1,801,241

GRPUC has a contract agreement with the municipality whereby the City is contracted to pay a portion of the Public Works/Public Utilities Service Center. The contract expires on September 1, 2095; however, the contract may be terminated by the City on September 1 of any year, by notice of termination not later than the preceding July 1.

The contract payments are subject to annual appropriation by the City and are based on 41% of the service center operating costs.

Total contract revenues were \$24,000 for 2024.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 4 – LEASES

#### *LONG-TERM- LEASE RECEIVABLES*

GRPUC, acting as lessor, leases space for antenna on the roof of their building under long-term, noncancelable lease agreements. The leases expire at various dates through 2035. During the year ended December 31, 2024, the GRPUC recognized \$151,417 and \$16,636 in lease revenue and interest revenue, respectively, pursuant to the contracts.

Total future payments to be received under the lease agreements are as follows:

Lease Receivable			
Year Ending December 31,	Principal	Interest	Total
2025	\$ 188,582	\$ 5,706	\$ 194,288
2026	190,039	5,877	195,916
2027	195,741	6,054	201,795
2028	172,538	5,336	177,874
2029	159,071	4,920	163,991
2030-2034	445,342	13,042	458,384
2035	28,621	885	29,506
Total	<u>\$ 1,379,934</u>	<u>\$ 41,820</u>	<u>\$ 1,421,754</u>

Changes in the lease receivable for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Lease Receivable	<u>\$ 1,531,351</u>	<u>\$ -</u>	<u>\$ 151,417</u>	<u>\$ 1,379,934</u>

### NOTE 5 – RESTRICTED ASSETS

#### *REVENUE BOND ACCOUNTS*

Certain receivables from UPM are restricted for the payment of debt:

Demand Payment Accounts Receivable	
Receivables to be used for future repayment of wastewater treatment debt	\$ 8,397,538

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 6 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for 2024 follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Capital Assets, Not Being Depreciated					
Construction in Progress	\$ 196,186	\$ 3,970,332	\$ 2,723,667	\$ -	\$ 1,442,851
Land and Land Rights	2,009,617	-	-	(44,786)	1,964,831
Total Capital Assets, Not Being Depreciated	2,205,803	3,970,332	2,723,667	(44,786)	3,407,682
Capital Assets, Being Depreciated/Amortized					
Intangibles	711,725	-	-	-	711,725
Infrastructure	56,141,706	2,147,145	-	-	58,288,851
Buildings and Improvements	34,572,294	218,826	-	44,786	34,835,906
Machinery and Equipment	37,981,612	355,616	18,299	-	38,318,929
Total Capital Assets, Being Depreciated/Amortized	129,407,337	2,721,587	18,299	44,786	132,155,411
Less Accumulated Depreciation/Amortization for:					
Intangibles	(596,250)	(61,249)	-	-	(657,499)
Infrastructure	(22,393,666)	(1,407,266)	-	-	(23,800,932)
Buildings and Improvements	(25,213,066)	(655,599)	-	-	(25,868,665)
Machinery and Equipment	(19,008,427)	(1,309,304)	(12,984)	-	(20,304,747)
Total Accumulated Depreciation/Amortization	(67,211,409)	(3,433,418)	(12,984)	-	(70,631,843)
Total Capital Assets, Being Depreciated/Amortized, Net	62,195,928	(711,831)	5,315	44,786	61,523,568
Right-to-Use Assets, Being Amortized:					
Right-to-Use Assets - Vehicles	-	386,281	-	-	386,281
Less Accumulated Amortization	-	(26,591)	-	-	(26,591)
Total Right-to-Use Assets Being Amortized, Net	-	359,690	-	-	359,690
Net Capital Assets	\$ 64,401,731	\$ 3,618,191	\$ 2,728,982	\$ -	\$ 65,290,940

Reductions in accumulated depreciation may exceed deletions of capital assets due to the cost of removal.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 7 – NON-UTILITY PROPERTY AND DEFERRED CREDITS

#### LANDFILL SITES

During 2011-2012, GRPUC constructed landfill sites to dispose of industrial waste from UPM Blandin Paper. Cost of the sites is deferred and expensed over the estimated useful life of the individual site. A portion of the cost for the Landfill Phase 8 site was reimbursed by UPM Blandin Paper and is recorded as a deferred credit. These deferred credits are amortized as revenue over the life of the landfill. A portion of the 2011A bonds were issued for the landfill phase 8 project that finished construction in January 2013. UPM Blandin Paper pays a demand charge in amounts sufficient to pay principal and interest on these bonds. For rate making purposes, the Commission has elected to defer the demand charge revenue until the debt service is paid.

	Landfill Phase 8
Cost	<u>\$ 1,068,608</u>
Estimated useful life	20 years
Remaining useful life	9 years, 1 month
2024 non-utility property	\$ 431,866
2024 expense amortization	\$ 53,431
2024 deferred revenue	\$ 25,360
2024 revenue amortization	\$ 3,137

### NOTE 8 – SERVICE TERRITORY ACQUISITION

In 2015, GRPUC acquired an electric service territory from another utility. The transaction qualified as a government acquisition under GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. The total purchase price of the service territory was \$181,424 which consisted of \$44,468 of depreciated assets, and \$136,956 of lost revenues to the seller. The lost revenues are considered net position acquired and are shown as a deferred outflow on the Statement of Net Position. The deferred outflow of resources will be amortized over ten years beginning in 2015.

In 2019, GRPUC acquired an electric service territory from another utility. The transaction was similar in nature to the transaction listed above. The total purchase price of the service territory was \$281,549 which consisted of \$75,130 of depreciated assets, and \$206,419 of lost revenues to the seller. The lost revenues are considered net position acquired and are shown as a deferred outflow on the Statement of Net Position. The deferred outflow of resources will be amortized over ten years beginning in 2019.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 9 – Due to Primary Government and LONG-TERM DEBT

Due to Primary Government/ Long-term bonds consist of the following as of December 31, 2024:

Description of Issue	Interest Rate	Issue Date	Final Maturity	Original Issue	Principal Outstanding
Direct Placement Bonds -					
2009E Taxable GO WW Revenue Note	2.900%	11/10/2009	8/20/2029	\$ 26,370,232	\$ 8,091,000
2021A GO Utility Revenue	0.25 - 0.63%	5/27/2021	10/15/2025	872,000	195,000
2021C GO Taxable Utility Revenue	0.45 - 1.25%	9/2/2021	2/1/2029	1,210,000	970,000
2021D GO Utility Revenue	2.00 - 3.00%	12/9/2021	2/1/2033	1,120,000	925,000
2023B GO Utility Revenue	4.00 - 5.00%	11/9/2023	2/1/2039	4,575,000	4,575,000
2024B GO Taxable Utility Revenue	4.00 - 5.00%	9/18/2024	2/1/2032	630,000	630,000
Total Due to Primary Government				<u>\$ 34,777,232</u>	<u>\$ 15,386,000</u>

Due to Primary Government requirements to maturity follow:

Year Ending	Direct Placement		Bonds		Lease Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,527,000	\$ 234,639	\$ 650,000	\$ 192,443	\$ 87,624	\$ 24,852
2026	1,571,000	190,356	595,000	241,103	94,600	17,876
2027	1,617,000	144,797	625,000	225,959	102,131	10,345
2028	1,664,000	97,904	640,000	209,330	78,928	2,538
2029	1,712,000	49,648	2,545,000	191,709	-	-
2030-2034	-	-	1,825,000	693,563	-	-
2035-2039	-	-	415,000	283,813	-	-
Total	<u>\$8,091,000</u>	<u>\$ 717,344</u>	<u>\$7,295,000</u>	<u>\$2,037,920</u>	<u>\$ 363,283</u>	<u>\$ 55,611</u>

All utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2024 was \$2,438,118. Total customer gross revenues as defined for the same periods were \$27,424,788. Annual principal and interest payments are expected to require 9% of gross revenues on average.

Due to Primary Government and Long-term obligation activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-Term Debt	\$ 7,149,000	\$ 630,000	\$ 484,000	\$ 7,295,000	\$ 650,000
Long-Term Debt - Direct Placement	9,575,000	-	1,484,000	8,091,000	1,527,000
Unamortized Premium and Discounts	228,831	43,001	17,792	254,040	-
Lease Liability	-	386,281	23,003	363,278	87,624
Compensated Absences *	312,821	80,553	-	393,374	271,526
Landfill Closure Costs	2,342,354	2,841	-	2,345,195	-
Total	<u>\$ 19,608,006</u>	<u>\$ 1,142,676</u>	<u>\$ 2,008,795</u>	<u>\$ 18,741,887</u>	<u>\$ 2,536,150</u>

\* The change in compensated absences is presented as a net change.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

#### NOTE 10 – NET POSITION

GASB Statement No. 34 requires the classification of net position into three components – net investment in capital assets, restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – The component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is GRPUC’s policy to use restricted resources first, then unrestricted resources as they are needed.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 11 – EMPLOYEES' RETIREMENT SYSTEM

#### **DEFINED BENEFIT PENSION PLANS – STATEWIDE**

##### ***Plan Description***

The GRPUC participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

##### ***Benefits Provided***

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 11 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### **DEFINED BENEFIT PENSION PLANS – STATEWIDE (cont.)**

##### **Contributions**

*Minnesota Statutes* Chapter 353, 353E, 353G, and 356 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the GRPUC was required to contribute 7.50% for General Plan members. The GRPUC contributions to the General Employees Fund for the year ended December 31, 2024, were \$265,470. The GRPUC contributions were equal to the required contributions as set by state statute.

##### **Pension Costs**

At December 31, 2024, the GRPUC reported a liability of \$1,345,636 for its proportionate share of the General Employees Fund's net pension liability. The GRPUC net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the GRPUC totaled \$34,795.

GRPUC proportionate share of the net pension liability	\$ 1,345,636
State of Minnesota's proportionate share of the net pension liability associated with the GRPUC	<u>34,795</u>
Total	<u>\$ 1,380,431</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The GRPUC proportion of the net pension liability was based on the GRPUC contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The GRPUC proportionate share was .0364% at the end of the measurement period and .0377% for the beginning of the period.

For the year ended December 31, 2024, the GRPUC recognized pension expense of \$81,766 for its proportionate share of the General Employees Plan's pension expense. In addition, GRPUC recognized an additional \$431 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 11 – EMPLOYEES’ RETIREMENT SYSTEM (cont.)

#### DEFINED BENEFIT PENSION PLANS – STATEWIDE (cont.)

##### Pension Costs (cont.)

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The GRPUC \$61,912 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the General Employees Fund.

At December 31, 2024, the GRPUC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 126,525	\$ -
Changes in Actuarial Assumptions	6,570	509,301
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	390,762
Changes in Proportion	15,291	73,403
Employer Contributions Subsequent to the Measurement Date		
Date	146,921	-
Total	<u>\$ 295,307</u>	<u>\$ 973,466</u>

The \$146,921 reported as deferred outflows of resources related to pensions resulting from Grand Rapids Public Utilities Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amounts
2025	\$ (436,959)
2026	(99,676)
2027	(185,310)
2028	(103,135)

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 11 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### **DEFINED BENEFIT PENSION PLANS – STATEWIDE (cont.)**

##### **Actuarial Methods and Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employee Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions occurred in 2024:

- > Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- > Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- > Minor increase in assumed withdrawals for males and females.
- > Lower rates of disability.
- > Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- > Minor changes to form of payment assumptions for male and female retirees.
- > Minor changes to assumptions made with respect to missing participant data.

The following changes in plan provisions occurred in 2024:

- > The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 11 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### DEFINED BENEFIT PENSION PLANS – STATEWIDE (cont.)

##### Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0%	

##### Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plan were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

##### Pension Liability Sensitivity

The following presents the GRPUC's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the GRPUC's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	(6.00%) 1% Higher	(7.00%) Current Discount Rate	(8.00%) 1% Lower
GRPUC's Proportionate Share of the General Employees Fund Net Pension Liability	\$ 2,939,086	\$ 1,345,636	\$ 34,878

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

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### NOTE 11 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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#### ***DEFINED BENEFIT PENSION PLANS – STATEWIDE (cont.)***

##### ***Pension Plan Fiduciary Net Position***

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

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### NOTE 12 – POST-EMPLOYMENT HEALTH CARE SAVINGS ACCOUNT

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Minnesota Statutes Chapter 352.98 authorizes Minnesota State Retirement System (MSRS) to offer plans for health care savings accounts (HCSA) to governmental employees. MSRS received its private letter ruling establishing these plans as tax exempt benefits on July 29, 2002. The plans allow employees to save money, tax-free, to use upon termination of employment to pay for eligible health care expenses. MSRS acts as trustee of the plans and the State Board of Investment manages the investment of employee funds.

#### ***CONTRIBUTIONS TO HCSA***

Unused PTO that exceeds the maximum accrual per the collective bargaining agreement on the employees anniversary date is transferred into an extended illness bank (EIB). Unused EIB that exceeds the maximum accrual per the collective bargain agreement on the employees anniversary date is transferred into a post-employment health care savings plan (HCSA). Upon retirement, or being declared permanently totally disabled, or upon resignation after twenty (20) years of service or more the balance of an employee's EIB account shall be paid into a post-employment HCSA per the adopted HCSA Plan Policy. This same PTO, EIB, and HCSA benefits are available to non-union employees per the GRPUC personnel policy. There are no other provisions for contributions to the HCSA plan. When unused benefits are converted to an employee's HCSA, the funds are transferred to the trustee of the plan, and the GRPUC no longer has a liability for these amounts.

#### ***CHANGES TO HCSA PLANS***

Any changes in contributions to the HCSA must be agreed to by the employer and the collective bargaining unit. In the case of employees not covered by the collective bargaining unit, amounts to be contributed must be outlined in the written personnel policy.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 13 – PAYMENTS IN LIEU OF TAXES

Effective January 1, 1997, GRPUC and the City of Grand Rapids established a formal agreement for payments in lieu of taxes (PILOT) from the GRPUC to the City. This payment was equal to 7% of gross retail electric sales for the prior year. Beginning January 1, 2010, the PILOT agreement was modified, and the annual cash payment changed to 4.84 mills per kWh sold, with a minimum annual payment of \$823,000. The agreement was modified again in 2012. Beginning January 1, 2013, the annual cash PILOT was increased to 5.00 mills per kWh sold, with a minimum annual payment of \$868,000. In 2015, a resolution was approved to exclude kilowatt hours sold in electric service territory acquisitions made after January 1, 2015, for a period of time equivalent to the time basis used in the lost revenue calculation; typically a period of ten years from the date of the electric service territory acquisition.

The amount of the PILOT, including cash and utility supplied services, to the City for 2024 was \$868,000.

### NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Commission to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 20 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Commission reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date, in accordance with Governmental Accounting Standards Board Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*.

The \$2,345,195 reported as the landfill closure and postclosure care liability at December 31, 2024, represents the cumulative amount reported to date based on the use of 48.34% of the estimated capacity of the currently permitted landfill. GRPUC will recognize the remaining costs of closure and postclosure care of \$2,506,132 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2024. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

Under the 1996-2001 permit, landfill sites C, D, E and F were filled to capacity. The 2001 - 2006 permit included Kettle D and landfill Phases One through Four. Phases Five through Eight were added under the new permit effective September 2006 to September 2011. Kettle D was filled in 2006 and closed in 2008. Phases One-Four were filled and began the closure process in 2007. Final closure on Phases One – Four was completed in 2010. Construction of Phases Five and Six was completed in 2008. Phases Five and Six were put into service in 2008 and have an estimated life of 10 years. Phase 7 was constructed in 2010 and placed into service in 2010 with an estimated life of 10 years. Construction of Phase 8 began in 2011 and was placed into service in 2013.

On November 4, 2024, UPM Blandin Paper Company established an irrevocable letter of credit for \$4,851,327 with Nordea Bank on behalf of GRPUC. The purpose of the letter of credit is to provide assurance that funds will be available when needed for closure, post-closure care of, and/or contingency action of the landfill.

Closure costs relate to open and planned landfill sites. There are no sites that will be closed within one year. Post-closure costs cover all sites, including those that are already closed. No issues have been identified that would require post-closure costs to be incurred, and no issues are anticipated in the next year.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 15 – ACCOUNTING FOR THE EFFECTS OF RATE REGULATION

GRPUC is subject to the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement recognizes the economic ability of regulators, through the ratemaking process, to create future economic benefits and obligations affecting rate-regulated entities. Accordingly, GRPUC records these future economic benefits and obligations as regulatory assets and regulatory liabilities, respectively.

Regulatory assets represent probable future revenues associated with previously incurred costs that are expected to be recovered from customers. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are expected to be refunded to customers through the ratemaking process.

In order for a rate-regulated entity to continue to apply the provisions of GASB Statement No. 62, it must continue to meet the following three criteria:

1. The entities' rates for regulated services provided to its customers must be established by an independent third-party regulator or its own governing board empowered by a statute to establish rates that bind customers;
2. The regulated rates must be designed to recover the specific entities' costs of providing the regulated services; and
3. In view of the demand for the regulated services and the level of competition, it is reasonable to assume that rates set at levels that will recover the entities' costs can be charged to and collected from customers.

Based upon GRPUC's management evaluation of the three criteria discussed above in relation to its operations, and the effect of competition on its ability to recover its costs, GRPUC believes that GASB Statement No. 62 continues to apply.

GASB Statement No. 62 is used in the accounting of contributions in aid of construction, regulatory assets and deferred credits.

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

### NOTE 16 – RISK MANAGEMENT

GRPUC is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

### NOTE 17 – MAJOR CUSTOMER AND DEMAND PAYMENT DEFERRAL

GRPUC has a contract with UPM Blandin Paper Company (UPM Blandin) where UPM Blandin reimburses GRPUC for expenses associated with the operations of the industrial wastewater treatment plant. Amounts charged for wastewater treatment service was \$3,830,529. GRPUC also has contracts with UPM Blandin whereby UPM Blandin pays demand charges for principal and interest on the General Obligation Revenue Bonds Series 2009E and 2021C. For ratemaking purposes, the commission has elected to defer the recognition of the revenue until the debt service on the bonds are paid. The total demand charges paid by UPM Blandin for 2024 was \$1,899,016.

### NOTE 18 – COMMITMENTS AND CONTINGENCIES

#### *POWER CONTRACT*

Minnesota Power (MP) provides wholesale electric service under a contract that expires December 31, 2029, unless prior to that date, a new customer of GRPU with a 15-minute peak of equal to or greater than 10 MW locates in the IEDC Eco Industrial Park. The contract requires no minimum purchase of power and provides that GRPUC may add new renewable generation capacity up to ten percent (10%) (non-cumulative) of the total GRPUC load, based on the previous year's average annual billed demand, excluding any existing renewable generation capacity prior to September 1, 2015.

In addition, beginning in 2022, a new electric service agreement was negotiated with the 13 Northeast Minnesota Municipal Power Agency (NEMMPA) Municipal Customers. This contract expires December 31, 2029. The agreement includes a flat customer charge per month, a predetermined yearly base capacity charge, a yearly predetermined base energy charge, a yearly predetermined incremental capacity charge, and a yearly predetermined incremental energy charge. The contract also contains a base energy adjustment which reflects the sum of (1) a projection of fuel and purchased power costs for the upcoming service year; and (2) a true-up of any variances between projected and actual fuel and purchased power costs for services to NEMMPA Municipal Customers. Grand Rapids Public Utilities Commission is a member of NEMMPA. The peak power requirements for 2024 was 31,521 kW.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

#### NOTE 18 – COMMITMENTS AND CONTINGENCIES (cont.)

##### **OPEN CONTRACTS**

GRPUC has several active projects as of December 31, 2024. At year end, GRPUC's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Altec Industries - Model AT41ME Bucket Truck	\$ -	\$ 238,071
VIA Actuarial Solution	-	750
CLA - professional services contract 2023-2028	42,665	178,169
SpryPoint, Utility Billing Software	-	474,200
Schwing Boiset - 1 screw section for custom screw conveyor	-	47,177
Trident Process, Inc, High Speed Gear Box WWT	-	41,450
Oracle, Cloud-based software and services	-	365,137
Bolton & Menk, Engineering and Bidding Repairing South Roof	-	14,500
Badger State Inspection, Clean Well	-	12,000
Quality Flow Systems Inc, Lift Station Pumps & Control Panel	-	32,500
Trachte, LLC, Substation Roof	-	28,514
Jamar Company, 2-Ton Min Split	-	7,470
Jamar Company, 2-Ton Min Split Installation	-	7,340
Baldwin Supply Company, Gear Box Parkson Screen House	-	14,594
Novaspect Inc, Control System Software and Workstations	69,289	40,200
Lovett Technology LLC, Fiber Improvement	-	22,400
Jasper Engineering and Equipment, Flow Meter WW	-	9,399
Emergent Software, Professional Services IT	-	16,500
InGensa, Inc, Security Upgrade	-	4,500
MN Power, Tioga Substation Impact Study	2,500	2,500
Thein Well Company, Rehab Well 4	-	30,800
Baldwin Supply Company, Gear Box Custom Screw Conveyor	-	33,978

##### **PENDING CLAIMS AND LEGAL PROCEEDINGS**

From time to time, GRPUC is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and GRPUC's attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on GRPUC's financial position or results of operations.

##### **GRANTS**

The GRPUC has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.



**REQUIRED SUPPLEMENTARY INFORMATION**

DRAFT

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY General Employees Retirement Fund Last Ten Measurement Periods (Unaudited)

Fiscal Year Ending June 30,	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	State Proportionate Share of the Net Pension Liability	Total Share of Employer's Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2024	0.0364%	\$ 1,345,636	\$ 34,795	\$ 1,380,431	\$ 3,115,297	44.31%	89.08%
2023	0.0377%	2,108,142	58,055	2,166,197	2,949,611	73.44%	83.10%
2022	0.0381%	3,017,533	88,652	3,106,185	2,857,386	108.71%	76.70%
2021	0.0370%	1,580,066	48,214	1,628,280	2,820,276	57.73%	87.00%
2020	0.0387%	2,320,242	71,560	2,391,802	2,763,178	86.56%	79.10%
2019	0.0370%	2,045,647	63,664	2,109,311	2,618,728	80.55%	80.20%
2018	0.0394%	2,185,750	198,631	2,384,381	2,648,413	90.03%	79.50%
2017	0.0404%	2,579,109	32,422	2,611,531	2,602,004	100.37%	75.90%
2016	0.0389%	3,158,487	41,243	3,199,730	2,415,909	132.44%	68.90%
2015	0.0404%	2,093,738	-	2,093,738	2,372,323	88.26%	78.20%

## SCHEDULE OF CONTRIBUTIONS General Employees Retirement Fund Last Ten Years

Year Ended December 31,	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contributions in (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a % of Covered Payroll (b/d)
2024	\$ 265,470	\$ 265,470	\$ -	\$ 3,080,619	7.50%
2023	224,650	224,650	-	2,995,333	7.50%
2022	214,304	214,304	-	2,857,387	7.50%
2021	211,521	211,521	-	2,820,280	7.50%
2020	205,333	205,333	-	2,737,773	7.50%
2019	205,477	205,477	-	2,739,693	7.50%
2018	194,844	194,844	-	2,597,920	7.50%
2017	199,725	199,725	-	2,663,000	7.50%
2016	189,105	189,105	-	2,521,400	7.50%
2015	175,652	175,652	-	2,342,027	7.50%

See independent auditors' report and accompanying notes to required supplementary information.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2023 (Unaudited)

#### *NOTE 1 – Changes in Significant Pension Plan Provision, Actuarial Methods, and Assumptions*

##### *2024 Changes*

The following change in actuarial assumptions occurred in 2024:

- > Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- > Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- > Minor increase in assumed withdrawals for males and females.
- > Lower rates of disability.
- > Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- > Minor changes to form of payment assumptions for male and female retirees.
- > Minor changes to assumptions made with respect to missing participant data.

The following change in plan provisions occurred in 2024:

- > The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

##### *2023 Changes*

The following change in actuarial assumptions occurred in 2023:

- > The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

The following change in plan provisions occurred in 2023:

- > An additional one-time direct state aid contribution of \$170,1 million will be contributed to the Plan on October 1, 2023.
- > The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- > The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- > A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

##### *2022 Changes*

The following change in actuarial assumptions occurred in 2022:

- > The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

The following change in plan provisions occurred in 2022:

- > There were no changes in plan provisions since the previous valuation.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2023 (Unaudited)

#### *NOTE 1 – Changes in Significant Pension Plan Provision, Actuarial Methods, and Assumptions (Cont.)*

##### *2021 Changes*

The following change in actuarial assumptions occurred in 2021:

- > The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- > The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

The following change in plan provisions occurred in 2021:

- > There were no changes in plan provisions since the previous valuation.

##### *2020 Changes*

The following change in plan provisions occurred in 2020:

- > Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

The following changes in actuarial assumptions occurred in 2020:

- > The price inflation assumption was decreased from 2.50% to 2.25%.
- > The payroll growth assumption was decreased from 3.25% to 3.00%.
- > Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- > Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- > Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- > Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- > The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- > The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- > The assumed spouse age difference was changed from two years older for females to one year older.
- > The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2023 (Unaudited)

#### *NOTE 1 – Changes in Significant Pension Plan Provision, Actuarial Methods, and Assumptions (Cont.)*

##### *2019 Changes*

The following change in plan provisions occurred in 2019:

- > The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

The following changes in actuarial assumptions occurred in 2019:

- > The morality projection scale was changed from MP-2017 to MP-2018.

##### *2018 Changes*

The following change in plan provisions occurred in 2018:

- > The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- > Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- > Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- > Contribution stabilizer provisions were repealed.
- > Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- > For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- > Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

The following changes in actuarial assumptions occurred in 2018:

- > The morality projection scale was changed from MP-2015 to MP-2017.
- > The assumed post-retirement increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2023 (Unaudited)

#### *NOTE 1 – Changes in Significant Pension Plan Provision, Actuarial Methods, and Assumptions (Cont.)*

##### *2017 Changes*

The following change in plan provisions occurred in 2017:

- > The State's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- > The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

The following changes in actuarial assumptions occurred in 2017:

- > The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and non-vested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- > The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

##### *2016 Changes*

The following change in plan provisions occurred in 2016:

- > There have been no changes since the prior valuation.

The following changes in actuarial assumptions occurred in 2016:

- > The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- > The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- > Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**GRAND RAPIDS PUBLIC UTILITIES COMMISSION****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended December 31, 2023 (Unaudited)

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**NOTE 1 – Changes in Significant Pension Plan Provision, Actuarial Methods, and Assumptions (Cont.)****2015 Changes**

The following change in plan provisions occurred in 2015:

- > On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

The following changes in actuarial assumptions occurred in 2015:

- > The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

**SUPPLEMENTARY INFORMATION**

DRAFT



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

COMBINING SCHEDULE OF REVENUES AND EXPENSES  
For the Year Ended December 31, 2024

	Electric	Water	Wastewater Collection	Wastewater Treatment	Totals
<b>OPERATING REVENUES</b>					
Utility revenues - city	\$ 14,533,229	\$ 2,203,125	1,799,907	\$ 3,830,529	\$ 22,366,790
Utility revenues - rural	1,869,151	67,825	289,695	-	2,226,671
Security lighting	40,259	-	-	-	40,259
Total Retail Sales	16,442,639	2,270,950	2,089,602	3,830,529	24,633,720
Purchased power adjustment pass-through	1,606,057	-	-	-	1,606,057
Total Utility Revenues	18,048,696	2,270,950	2,089,602	3,830,529	26,239,777
Other Operating Revenue					
Pole rentals	30,473	-	-	-	30,473
Other	184,048	210,473	27,212	-	421,733
Penalties	202,027	-	-	-	202,027
Total Operating Revenues	18,465,244	2,481,423	2,116,814	3,830,529	26,894,010
<b>OPERATING EXPENSES</b>					
Production	-	885,545	-	-	885,545
Purchased power	11,887,979	-	-	-	11,887,979
Distribution/collection	1,497,869	590,013	260,199	-	2,348,081
Customer accounts	412,160	113,621	85,528	-	611,309
Administrative and general	1,512,204	646,475	427,764	-	2,586,443
Service center	178,863	-	-	-	178,863
Domestic wastewater treatment	-	-	882,070	-	882,070
Industrial wastewater treatment	-	-	-	3,867,813	3,867,813
Depreciation and amortization	1,120,143	424,022	332,772	1,591,060	3,467,997
Total Operating Expenses	16,609,218	2,659,676	1,988,333	5,458,873	26,716,100
<b>OPERATING INCOME (LOSS)</b>	1,856,026	(178,253)	128,481	(1,628,344)	177,910
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income (loss)	317,644	37,141	-	-	354,785
Demand interest payments	-	-	-	360,973	360,973
Intergovernmental Revenue	391,397	-	-	-	391,397
Gain (loss) on property disposition	3,500	-	-	-	3,500
Interest expense	(30,623)	(165,637)	(130,127)	(379,563)	(705,950)
Bond fees	-	(771)	(675)	(2,324)	(3,770)
Amortization of regulatory asset	(5,992)	(1,284)	(4,496)	(66,435)	(78,207)
Combined service center contract revenues	8,000	8,000	8,000	-	24,000
Miscellaneous revenue	125,429	-	-	-	125,429
Payment in lieu of taxes	(868,000)	-	-	-	(868,000)
Total Nonoperating Revenues (Expenses)	(58,645)	(122,551)	(127,298)	(87,349)	(395,843)
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	1,797,381	(300,804)	1,183	(1,715,693)	(217,933)
<b>CAPITAL CONTRIBUTIONS</b>	88,199	72,268	70,334	1,725,207	1,956,008
<b>CHANGES IN NET POSITION</b>	\$ 1,885,580	\$ (228,536)	\$ 71,517	\$ 9,514	\$ 1,738,075

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

COMBINING SCHEDULE OF REVENUES AND EXPENSES  
For the Year Ended December 31, 2023

	Electric	Water	Wastewater Collection	Wastewater Treatment	Totals
<b>OPERATING REVENUES</b>					
Utility revenues - city	\$ 14,387,509	\$ 2,111,286	1,725,901	\$ 3,618,951	\$ 21,843,647
Utility revenues - rural	1,925,276	44,131	293,065	-	2,262,472
Security lighting	40,339	-	-	-	40,339
Total Retail Sales	16,353,124	2,155,417	2,018,966	3,618,951	24,146,458
Purchased power adjustment pass-through	1,271,597	-	-	-	1,271,597
Total Utility Revenues	17,624,721	2,155,417	2,018,966	3,618,951	25,418,055
Other Operating Revenue					
Pole rentals	27,942	-	-	-	27,942
Other	124,013	197,294	22,678	-	343,985
Penalties	214,893	-	-	-	214,893
Total Operating Revenues	17,991,569	2,352,711	2,041,644	3,618,951	26,004,875
<b>OPERATING EXPENSES</b>					
Production	-	695,313	-	-	695,313
Purchased power	12,309,911	-	-	-	12,309,911
Distribution/collection	1,310,474	547,719	423,476	-	2,281,669
Customer accounts	373,127	106,164	79,185	-	558,476
Administrative and general	1,348,222	483,216	272,018	-	2,103,456
Service center	194,120	-	-	-	194,120
Domestic wastewater treatment	-	-	822,020	-	822,020
Industrial wastewater treatment	-	-	-	4,113,584	4,113,584
Depreciation and amortization	1,124,230	356,754	268,673	1,601,014	3,350,671
Total Operating Expenses	16,660,084	2,189,166	1,865,372	5,714,598	26,429,220
<b>OPERATING INCOME (LOSS)</b>	1,331,485	163,545	176,272	(2,095,647)	(424,345)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income (loss)	222,763	9,951	-	-	232,714
Demand interest payments	-	-	-	307,421	307,421
Gain (loss) on property disposition	1,931	-	-	(26,812)	(24,881)
Interest expense	(18,744)	(73,708)	(10,746)	(397,343)	(500,541)
Bond fees	-	(488)	(263)	(2,350)	(3,101)
Amortization of regulatory asset	(2,996)	(642)	1,459	(11,433)	(13,612)
Combined service center contract revenues	8,000	8,000	8,000	-	24,000
City land improvements	(2,856)	-	-	-	(2,856)
Payment in lieu of taxes	(868,840)	-	-	-	(868,840)
Total Nonoperating Revenues (Expenses)	(660,742)	(56,887)	(1,550)	(130,517)	(849,696)
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	670,743	106,658	174,722	(2,226,164)	(1,274,041)
<b>CAPITAL CONTRIBUTIONS</b>	93,349	1,124,494	1,643,770	1,634,852	4,496,465
<b>CHANGES IN NET POSITION</b>	\$ 764,092	\$ 1,231,152	\$ 1,818,492	\$ (591,312)	\$ 3,222,424

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

SCHEDULE OF CHANGES IN UTILITY PLANT  
As of December 31, 2024

	Balance 1-1-24	Increases	Decreases	Transfers	Balance 12-31-24
<b>ELECTRIC DEPARTMENT</b>					
Distribution					
Land and land improvements	\$ 263,320	\$ -	\$ -	\$ -	\$ 263,320
Intangibles	89,359	-	-	-	89,359
Structures and improvements	411,762	-	-	-	411,762
Distribution system	29,058,535	223,867	-	-	29,282,402
Street and security lighting system	192,021	5,945	-	-	197,966
Machinery and equipment	2,121,201	83,691	12,984	-	2,191,908
Total Electric Department	32,136,198	313,503	12,984	-	32,436,717
<b>WATER DEPARTMENT</b>					
Production					
Land and land improvements	300,294	-	-	(44,786)	255,508
Structures and improvements	1,691,894	-	-	44,786	1,736,680
Wells, pumps and accessories	533,678	-	-	-	533,678
Water treatment plant equipment	2,244,019	253,274	-	-	2,497,293
Total Production	4,769,885	253,274	-	-	5,023,159
Distribution					
Distribution system	16,508,757	900,589	-	-	17,409,346
Intangibles	1,467	-	-	-	1,467
Machinery and equipment	254,908	-	-	-	254,908
Total Distribution	16,765,132	900,589	-	-	17,665,721
Total Water Department	21,535,017	1,153,863	-	-	22,688,880
<b>WASTEWATER COLLECTION DEPARTMENT</b>					
Distribution					
Land	75,041	-	-	-	75,041
Treatment plant	460,477	-	-	-	460,477
Collection system	10,040,736	1,022,689	-	-	11,063,425
Intangibles	2,804	-	-	-	2,804
Machinery and equipment	743,807	18,650	-	-	762,457
Total Wastewater Collection Department	11,322,865	1,041,339	-	-	12,364,204
<b>WASTEWATER TREATMENT DEPARTMENT</b>					
Land	773,038	-	-	-	773,038
Domestic treatment facility	2,400,645	-	-	-	2,400,645
Screen house	5,359,481	-	-	-	5,359,481
Industrial treatment facility	6,710,437	-	-	-	6,710,437
Industrial primary plant II	25,694,971	-	-	-	25,694,971
Sludge disposal	1,089,470	-	-	-	1,089,470
Service center building	3,069,356	-	-	-	3,069,356
Secondary treatment facility	14,798,279	-	-	-	14,798,279
Total Wastewater Treatment Department	59,895,677	-	-	-	59,895,677
<b>GENERAL PLANT</b>					
Land and improvements	597,924	-	-	-	597,924
Intangibles	618,095	-	-	-	618,095
Service center	4,837,423	212,882	5,315	-	5,044,990
Communications equipment	110,691	-	-	-	110,691
Automated meter read equipment	363,064	-	-	-	363,064
Total General Plant	6,527,197	212,882	5,315	-	6,734,764
Total Utility Plant in Service	131,416,954	2,721,587	18,299	-	134,120,242
Construction Work in Progress	196,186	3,970,332	2,723,667	-	1,442,851
TOTAL INVESTMENT IN UTILITY PLANT	\$ 131,613,140	\$ 6,691,919	\$ 2,741,966	\$ -	\$ 135,563,093

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

SCHEDULE OF CHANGES IN UTILITY PLANT  
As of December 31, 2023

	Balance 1-1-23	Increases	Decreases/ Transfers	Adjustments	Balance 12-31-23
<b>ELECTRIC DEPARTMENT</b>					
Distribution					
Land and land improvements	\$ 263,320	\$ -	\$ -	\$ -	\$ 263,320
Intangibles	89,359	-	-	-	89,359
Structures and improvements	411,762	-	-	-	411,762
Distribution system	28,465,151	593,384	-	-	29,058,535
Street and security lighting system	189,586	2,435	-	-	192,021
Machinery and equipment	2,017,535	168,256	64,590	-	2,121,201
Total Electric Department	31,436,713	764,075	64,590	-	32,136,198
<b>WATER DEPARTMENT</b>					
Production					
Land and land improvements	255,508	44,786	-	-	300,294
Structures and improvements	1,691,894	-	-	-	1,691,894
Wells, pumps and accessories	489,826	43,852	-	-	533,678
Water treatment plant equipment	2,176,114	67,905	-	-	2,244,019
Total Production	4,613,342	156,543	-	-	4,769,885
Distribution					
Distribution system	12,275,231	4,233,526	-	-	16,508,757
Intangibles	1,467	-	-	-	1,467
Machinery and equipment	254,908	-	-	-	254,908
Total Distribution	12,531,606	4,233,526	-	-	16,765,132
Total Water Department	17,144,948	4,390,069	-	-	21,535,017
<b>WASTEWATER COLLECTION DEPARTMENT</b>					
Distribution					
Land	75,041	-	-	-	75,041
Treatment plant	460,477	-	-	-	460,477
Collection system	5,966,256	4,074,480	-	-	10,040,736
Intangibles	2,804	-	-	-	2,804
Machinery and equipment	688,807	55,000	-	-	743,807
Total Wastewater Collection Department	7,193,385	4,129,480	-	-	11,322,865
<b>WASTEWATER TREATMENT DEPARTMENT</b>					
Land	773,038	-	-	-	773,038
Domestic treatment facility	2,293,972	106,673	-	-	2,400,645
Screen house	5,359,481	-	-	-	5,359,481
Industrial treatment facility	6,710,437	-	-	-	6,710,437
Industrial primary plant II	25,688,117	71,854	65,000	-	25,694,971
Sludge disposal	1,089,470	-	-	-	1,089,470
Service center building	3,069,356	-	-	-	3,069,356
Secondary treatment facility	14,669,479	128,800	-	-	14,798,279
Total Wastewater Treatment Department	59,653,350	307,327	65,000	-	59,895,677
<b>GENERAL PLANT</b>					
Land and improvements	597,924	-	-	-	597,924
Intangibles	618,095	-	-	-	618,095
Service center	4,697,545	139,878	-	-	4,837,423
Communications equipment	110,691	-	-	-	110,691
Automated meter read equipment	363,064	-	-	-	363,064
Total General Plant	6,387,319	139,878	-	-	6,527,197
Total Utility Plant in Service	121,815,715	9,730,829	129,590	-	131,416,954
Construction Work in Progress	631,518	5,935,448	6,370,780	-	196,186
TOTAL INVESTMENT IN UTILITY PLANT	\$ 122,447,233	\$ 15,666,277	\$ 6,500,370	\$ -	\$ 131,613,140

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION  
As of December 31, 2024

	Composite Depreciation Rates	Balance 1-1-24	Increases	Decreases	Balance 12-31-24	Percent of Plant Balance
<b>ELECTRIC DEPARTMENT</b>						
Distribution						
Intangibles		\$ 53,779	\$ 12,557	\$ -	\$ 66,336	
Structures and improvements		177,490	9,453	-	186,943	
Distribution system		14,101,956	879,934	-	14,981,890	
Street and security lighting system		68,119	7,428	-	75,547	
Machinery and equipment		1,819,607	50,489	12,984	1,857,112	
Total Electric Department	3.0%	16,220,951	959,861	12,984	17,167,828	52.9%
<b>WATER DEPARTMENT</b>						
Production						
Structures and improvements		1,232,143	35,637	-	1,267,780	
Wells, pumps and accessories		410,719	8,276	-	418,995	
Water treatment plant equipment		2,088,958	31,738	-	2,120,696	
Total Production		3,731,820	75,651	-	3,807,471	
Distribution						
Distribution system		5,550,782	313,355	-	5,864,137	
Intangibles		1,467	-	-	1,467	
Machinery and equipment		224,303	11,418	-	235,721	
Total Distribution		5,776,552	324,773	-	6,101,325	
Total Water Department	1.8%	9,508,372	400,424	-	9,908,796	43.7%
<b>WASTEWATER COLLECTION DEPARTMENT</b>						
Distribution						
Treatment plant		285,865	6,754	-	292,619	
Collection system		2,330,209	205,698	-	2,535,907	
Intangibles		2,804	-	-	2,804	
Machinery and equipment		369,809	96,467	-	466,276	
Total Wastewater Collection Department	2.6%	2,988,687	308,919	-	3,297,606	26.7%
<b>WASTEWATER TREATMENT DEPARTMENT</b>						
Domestic treatment facility		1,617,187	95,859	-	1,713,046	
Screen house		2,048,465	132,746	-	2,181,211	
Industrial treatment facility		6,374,248	43,507	-	6,417,755	
Industrial primary plant II		11,557,943	913,481	-	12,471,424	
Sludge disposal		633,344	50,849	-	684,193	
Service center building		1,208,728	102,972	-	1,311,700	
Secondary treatment facility		11,210,388	251,646	-	11,462,034	
Total Wastewater Treatment Department	2.7%	34,650,303	1,591,060	-	36,241,363	60.5%
<b>GENERAL PLANT</b>						
Intangibles		538,200	48,691	-	586,891	
Service center		3,038,898	102,342	-	3,141,240	
Communications equipment		86,625	3,008	-	89,633	
Automated meter read equipment		179,373	19,113	-	198,486	
Total General Plant	2.6%	3,843,096	173,154	-	4,016,250	59.6%
TOTAL ACCUMULATED DEPRECIATION	2.6%	\$ 67,211,409	\$ 3,433,418	\$ 12,984	\$ 70,631,843	52.7%

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION  
As of December 31, 2023

	Composite Depreciation Rates	Balance 1-1-23	Increases	Decreases	Adjustments	Balance 12-31-23	Percent of Plant Balance
<b>ELECTRIC DEPARTMENT</b>							
Distribution							
Intangibles		\$ 40,794	\$ 12,985	\$ -	\$ -	\$ 53,779	
Structures and improvements		168,037	9,453	-	-	177,490	
Distribution system		13,269,877	832,079	-	-	14,101,956	
Street and security lighting system		61,022	7,097	-	-	68,119	
Machinery and equipment		1,813,179	71,018	64,590	-	1,819,607	
Total Electric Department	2.9%	15,352,909	932,632	64,590	-	16,220,951	50.5%
<b>WATER DEPARTMENT</b>							
Production							
Structures and improvements		1,199,573	32,570	-	-	1,232,143	
Wells, pumps and accessories		403,645	7,074	-	-	410,719	
Water treatment plant equipment		2,058,102	30,856	-	-	2,088,958	
Total Production		3,661,320	70,500	-	-	3,731,820	
Distribution							
Distribution system		5,302,113	248,669	-	-	5,550,782	
Intangibles		1,467	-	-	-	1,467	
Machinery and equipment		210,715	13,588	-	-	224,303	
Total Distribution		5,514,295	262,257	-	-	5,776,552	
Total Water Department	1.7%	9,175,615	332,757	-	-	9,508,372	44.2%
<b>WASTEWATER COLLECTION DEPARTMENT</b>							
Distribution							
Treatment plant		279,111	6,754	-	-	285,865	
Collection system		2,184,164	146,045	-	-	2,330,209	
Intangibles		2,804	-	-	-	2,804	
Machinery and equipment		277,933	91,876	-	-	369,809	
Total Wastewater Collection Department	2.6%	2,744,012	244,675	-	-	2,988,687	26.4%
<b>WASTEWATER TREATMENT DEPARTMENT</b>							
Domestic treatment facility		1,523,429	93,758	-	-	1,617,187	
Screen house		1,913,132	135,333	-	-	2,048,465	
Industrial treatment facility		6,331,685	42,563	-	-	6,374,248	
Industrial primary plant II		10,685,331	910,801	38,189	-	11,557,943	
Sludge disposal		582,495	50,849	-	-	633,344	
Service center building		1,105,526	103,202	-	-	1,208,728	
Secondary treatment facility		10,945,880	264,508	-	-	11,210,388	
Total Wastewater Treatment Department	2.7%	33,087,478	1,601,014	38,189	-	34,650,303	57.9%
<b>GENERAL PLANT</b>							
Intangibles		488,331	49,869	-	-	538,200	
Service center		2,905,634	133,264	-	-	3,038,898	
Communications equipment		83,617	3,008	-	-	86,625	
Automated meter read equipment		160,260	19,113	-	-	179,373	
Total General Plant	3.2%	3,637,842	205,254	-	-	3,843,096	58.9%
TOTAL ACCUMULATED DEPRECIATION	2.6%	\$ 63,997,856	\$ 3,316,332	\$ 102,779	\$ -	\$ 67,211,409	51.1%

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### SCHEDULE OF CONTRIBUTIONS TO THE CITY OF GRAND RAPIDS For the Year Ended December 31, 2024 and 2023

	2024 Payment in Lieu of Taxes	2023 Payment in Lieu of Taxes
<b>CASH</b>		
Annual cash payment	\$ 868,000	\$ 868,000
<b>LABOR AND MATERIALS PROVIDED</b>		
Miscellaneous city services	-	840
<b>TOTAL CONTRIBUTIONS</b>	<u>\$ 868,000</u>	<u>\$ 868,840</u>

This schedule does not include:

1. Administrative costs
2. Employee benefits
3. Water used for City purposes
4. Improvements to City land made by the utility

**STATISTICAL SECTION**

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## Grand Rapids Public Utilities Commission STATISTICAL SECTION (UNAUDITED)

This portion of the Grand Rapids Public Utilities Commission's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commission's overall financial health.

Contents	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	44 - 53
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the Commission's most significant revenue source, utility revenues.	54 - 68
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.	69 - 70
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.	71 - 72
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides.	73 - 80

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

Net Position by Component,  
Last Ten Fiscal Years

	2015	2016	2017	2018
Primary government				
Net investment in capital assets	\$ 38,291,017	\$ 39,374,349	\$ 40,813,404	\$ 41,199,607
Restricted	958,832	1,181,470	939,416	880,250
Unrestricted	5,712,824	5,162,793	5,579,512	5,834,183
Total primary government net position	<u>\$ 44,962,673</u>	<u>\$ 45,718,612</u>	<u>\$ 47,332,332</u>	<u>\$ 47,914,040</u>

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# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

Net Position by Component (Continued),  
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
\$ 43,027,147	\$ 45,010,756	\$ 43,337,623	\$ 44,370,092	\$ 47,512,259	\$ 49,340,422
1,252,688	796,279	3,537,622	2,768,460	2,574,040	2,506,132
5,676,390	5,537,754	4,358,203	6,188,604	9,634,063	9,611,883
<u>\$ 49,956,225</u>	<u>\$ 51,344,789</u>	<u>\$ 51,233,448</u>	<u>\$ 53,327,156</u>	<u>\$ 59,720,362</u>	<u>\$ 61,458,437</u>

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# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## CHANGES IN NET POSITION Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues/ (Expenses)	Income/ (Loss) before Capital Contributions	Capital Contributions	Change in Net Position
2015	22,765,420	23,357,337	(591,917)	(502,478)	(1,094,395)	1,740,699	646,304
2016	22,520,487	23,527,444	(1,006,957)	(412,909)	(1,419,866)	2,175,805	755,939
2017	23,704,579	23,445,121	259,458	(1,021,838)	(762,380)	2,376,100	1,613,720
2018	22,691,518	22,976,721	(285,203)	(871,255)	(1,156,458)	1,738,166	581,708
2019	22,544,185	22,931,149	(386,964)	(777,878)	(1,164,842)	3,207,027	2,042,185
2020	22,497,289	22,940,754	(443,465)	(677,080)	(1,120,545)	2,509,109	1,388,564
2021	25,314,524	26,024,361	(709,837)	(1,128,233)	(1,838,070)	1,726,729	(111,341)
2022	26,690,218	25,398,523	1,291,695	(951,835)	3,398,600	1,753,848	2,093,708
2023	26,004,875	26,429,220	(424,345)	(849,696)	(1,274,041)	4,496,465	3,222,424
2024	26,894,010	26,716,100	177,910	(395,843)	(217,933)	1,956,008	1,738,075

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### OPERATING REVENUES BY SOURCE Last Ten Fiscal Years

Fiscal Year	Electric Revenues	Water Revenues	Wastewater Collection Revenues	Wastewater Treatment Revenues	Total
2015	14,944,554	1,668,295	1,515,178	4,637,393	22,765,420
2016	14,764,345	1,622,794	1,413,578	4,719,770	22,520,487
2017	15,849,263	1,689,970	1,665,847	4,499,499	23,704,579
2018	15,419,378	1,709,315	1,729,956	3,832,869	22,691,518
2019	15,418,632	1,831,540	1,808,115	3,485,898	22,544,185
2020	15,331,223	1,778,042	1,796,436	3,591,588	22,497,289
2021	18,212,360	1,881,458	1,866,283	3,354,423	25,314,524
2022	19,120,685	1,880,120	1,859,784	3,829,629	26,690,218
2023	17,991,569	2,352,711	2,041,644	3,618,951	26,004,875
2024	18,465,244	2,481,423	2,116,814	3,830,529	26,894,010

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### OPERATING EXPENSES BY SOURCE Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Production</u>	<u>Purchased Power</u>	<u>Distribution/ Collection</u>	<u>Customer Accounts</u>	<u>Administrative and General</u>
2015	566,272	10,507,885	1,444,665	509,824	1,601,170
2016	497,804	10,423,456	1,514,328	528,368	1,862,302
2017	502,694	10,991,941	1,490,156	485,147	1,640,048
2018	496,597	11,169,489	1,302,074	520,420	1,723,205
2019	508,915	11,336,920	1,460,272	524,056	1,640,373
2020	543,700	11,069,792	1,440,341	451,528	1,675,285
2021	591,648	13,611,143	1,996,952	655,130	1,724,030
2022	619,882	11,797,928	2,113,977	663,767	2,104,239
2023	695,313	12,309,911	2,281,669	558,476	2,103,456
2024	885,545	11,887,979	2,348,081	611,309	2,586,443

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## OPERATING EXPENSES BY SOURCE (CONTINUED) Last Ten Fiscal Years

<u>Service Center</u>	<u>Communications</u>	<u>Domestic Wastewater Treatment</u>	<u>Industrial Wastewater Treatment</u>	<u>Depreciation and Amortization</u>	<u>Total Operating Expenses</u>
146,593	480	558,669	4,982,319	3,039,460	23,357,337
141,329	-	577,033	5,069,119	2,913,705	23,527,444
176,784	-	524,932	4,617,591	3,015,828	23,445,121
141,992	-	543,806	3,973,241	3,105,897	22,976,721
170,066	-	520,359	3,626,299	3,143,889	22,931,149
144,214	-	514,032	3,640,009	3,461,853	22,940,754
164,112	-	553,020	3,406,594	3,321,732	26,024,361
195,345	-	604,589	3,926,815	3,371,981	25,398,523
194,120	-	822,020	4,113,584	3,350,671	26,429,220
178,863	-	882,070	3,867,813	3,467,997	26,716,100

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NONOPERATING REVENUES AND EXPENSES Last Ten Fiscal Years

Fiscal Year	Investment Income (Loss)	Demand Interest Payments	Landfill Contribution	Grant Revenues	Gain (Loss) on Property Disposition	Interest Expense & Bond Fees	Miscellaneous Revenue
2015	37,376	674,892	415,000	-	-	(891,192)	-
2016	40,886	692,800	430,000	-	(761)	(859,394)	-
2017	38,310	640,948	200,000	-	(392,642)	(780,128)	-
2018	26,473	600,024	200,000	-	(90,353)	(731,588)	-
2019	50,825	545,700	210,000	10,000	(82,422)	(664,243)	-
2020	30,745	486,434	110,000	145,672	(547)	(594,491)	-
2021	20,730	445,886	110,000	84,329	26,246	(542,322)	-
2022	(86,061)	470,362	-	-	(26,063)	(420,734)	-
2023	232,714	307,421	-	-	(24,881)	(495,149)	-
2024	354,785	360,973	-	391,397	3,500	(709,720)	125,429



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NONOPERATING REVENUES AND EXPENSES (CONTINUED) Last Ten Fiscal Years

Capitalized Interest	Amortization of Debt Premiums, Discounts, Regulatory Asset and Loss on Refundng	Combined Service Center Contract Revenues	Payment in Lieu of Taxes	Special Pension Funding Contribution Revenue	City Land Improvements	Total Nonoperating Expenses
9,494	(26,356)	151,682	(873,374)	-	-	(502,478)
18,899	(24,308)	146,927	(870,255)	12,297	-	(412,909)
-	(22,845)	167,417	(872,898)	-	-	(1,021,838)
-	(22,845)	23,866	(876,832)	-	-	(871,255)
-	(22,583)	46,761	(871,916)	-	-	(777,878)
-	(19,707)	38,351	(873,537)	-	-	(677,080)
-	(23,298)	26,124	(882,288)	-	(393,640)	(1,128,233)
-	(38,660)	24,100	(870,377)	-	(4,402)	(951,835)
-	(22,105)	24,000	(868,840)	-	(2,856)	(849,696)
-	(78,207)	24,000	(868,000)	-	-	(395,843)

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## ANNUAL CAPITAL CONTRIBUTIONS BY SOURCE Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Electric Connection Fees</u>	<u>Water Connection Fees</u>	<u>Wastewater Collection Connection Fees</u>	<u>Water Capital Contributions From / (To)</u>
2015	22,402	8,302	200	-
2016	31,138	25,049	5,780	-
2017	26,990	12,842	900	-
2018	13,463	8,896	8,839	-
2019	19,797	11,549	900	-
2020	25,285	10,098	1,000	-
2021	66,954	20,953	1,400	-
2022	142,203	18,556	1,200	-
2023	93,349	6,276	1,000	1,124,494
2024	88,199	29,014	900	72,268

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## ANNUAL CAPITAL CONTRIBUTIONS BY SOURCE (CONTINUED) Last Ten Fiscal Years

Wastewater Collection Capital Contributions From / (To)	Wastewater Treatment Capital Contributions From / (To)	Municipality Contribution for Capital Projects	Grants for Capital Projects	Total
-	1,709,795	-	-	1,740,699
-	2,113,838	-	-	2,175,805
-	2,335,368	-	-	2,376,100
-	1,706,968	-	-	1,738,166
-	3,174,781	-	-	3,207,027
-	2,087,661	75,000	310,065	2,509,109
-	1,637,422	-	-	1,726,729
-	1,591,889	-	-	1,753,848
1,642,770	1,628,576	-	-	4,496,465
69,434	1,696,193	-	-	1,956,008

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## ELECTRIC PRODUCTION AND DISTRIBUTION Last Ten Fiscal Years

Fiscal Year	Power Purchased (kWh)	kWh Sold or Accounted for	Unaccounted for kWh	Percent Line Loss	Peak Demand (kW)	Average Peak Demand for Year (kW)	Average Load Factor for Year
2015	175,232,840	168,465,879	6,766,961	3.9%	30,892	26,558	75.7%
2016	172,648,880	159,786,606	12,862,274	7.4%	30,540	26,056	75.7%
2017	164,976,040	157,576,190	7,399,850	4.5%	29,024	25,543	73.9%
2018	162,918,560	156,835,682	6,082,878	3.7%	29,960	25,768	72.7%
2019	158,656,040	150,836,024	7,739,965	4.9%	29,488	24,963	72.8%
2020	156,479,120	150,501,080	5,696,609	3.6%	30,004	24,467	73.5%
2021	159,330,440	152,984,662	6,345,778	4.0%	31,868	25,666	71.6%
2022	163,132,152	156,690,841	6,441,311	4.0%	29,859	25,412	73.3%
2023	159,352,627	152,909,054	6,443,573	4.0%	30,231	26,318	69.6%
2024	162,942,501	154,859,215	8,083,286	5.0%	31,521	25,484	73.0%

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

kWh SOLD OR ACCOUNTED FOR BY CUSTOMER CLASS  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Residential</u>	<u>City Commercial</u>	<u>City Demand and Energy</u>	<u>Rural Residential</u>	<u>Rural Commercial</u>
2014	35,244,349	24,477,249	59,109,959	9,450,486	2,896,935
2015	34,835,964	23,315,674	64,893,170	9,471,678	2,881,858
2016	33,843,733	22,508,782	59,632,888	8,867,254	2,847,978
2017	34,200,970	23,477,446	56,899,637	8,686,092	3,011,103
2018	36,061,124	23,128,684	57,746,351	9,370,894	3,004,178
2019	34,223,484	22,702,020	56,712,411	8,949,898	2,918,739
2020	37,254,052	21,801,229	54,270,228	9,536,982	2,876,997
2021	37,531,633	21,776,800	55,195,224	9,845,575	3,224,425
2022	36,863,676	22,383,198	57,247,640	9,310,494	3,258,792
2023	35,915,175	22,557,609	57,646,461	9,315,365	3,122,815
2024	34,803,994	20,228,222	61,360,582	9,095,241	2,922,197

Note: All data in kWh

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

kWh SOLD OR ACCOUNTED FOR BY CUSTOMER CLASS (CONTINUED)  
Last Ten Fiscal Years

Rural Demand and Energy	Industrial	Dual Fuel	Street Lighting	Security Lighting	Total kWh Sold or Accounted for
2,629,303	21,953,868	6,965,635	1,315,943	286,268	164,329,995
2,772,963	22,840,000	5,803,624	1,371,223	279,725	168,465,879
2,314,820	22,893,934	5,292,302	1,306,067	278,848	159,786,606
2,195,613	21,855,145	5,727,004	1,242,582	280,598	157,576,190
2,434,108	17,488,247	6,241,085	1,077,931	283,080	156,835,682
2,463,562	15,945,355	5,650,533	980,732	289,290	150,836,024
2,203,449	15,874,761	5,443,937	931,259	308,186	150,501,080
2,262,462	17,338,841	4,622,712	882,943	303,794	152,984,409
2,324,586	19,685,238	4,471,442	836,290	309,485	156,690,841
2,349,544	16,280,261	4,601,690	810,594	309,540	152,909,054
2,648,126	18,750,132	3,957,418	786,799	306,504	154,859,215

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NUMBER OF ELECTRIC CUSTOMER METERS BY TYPE Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Residential</u>	<u>City Commercial</u>	<u>Rural Residential</u>	<u>Rural Commercial</u>
2015	4,493	1,190	999	163
2016	4,577	1,192	1,005	163
2017	4,582	1,191	1,008	160
2018	4,572	1,197	1,011	164
2019	4,717	1,214	1,006	177
2020	4,716	1,214	1,006	181
2021	4,678	1,210	1,015	186
2022	4,830	1,233	1,007	215
2023	4,811	1,132	1,024	183
2024	4,816	1,117	987	181

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## NUMBER OF ELECTRIC CUSTOMER METERS BY TYPE (CONTINUED) Last Ten Fiscal Years

Industrial	Dual Fuel	Total Electric Customers	Security Lights	Water Heater Control Customers	Windsense Customers
10	374	7,229	441	707	99
12	372	7,321	441	699	-
12	370	7,323	437	700	-
11	366	7,321	440	685	-
11	378	7,503	469	694	-
12	375	7,504	471	685	-
22	345	7,456	352	683	-
22	374	7,681	445	681	-
20	371	7,541	451	682	-
17	373	7,491	481	680	-



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## ELECTRIC RATES - CITY CUSTOMERS Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>(Mar)</u>	<u>2018</u> <u>(Sept)</u>	<u>2019</u>	<u>2020</u> <u>(Sept)</u>	<u>2021</u> <u>(April)</u>	<u>2022</u> <u>(April)</u>	<u>2023</u>	<u>2024</u>
City Residential :										
Customer Charge	\$ 6.65	\$ 6.65	\$ 6.89	\$ 9.50	\$ 9.50	\$ 9.75	\$ 10.00	\$ 10.25	\$ 10.40	\$ 10.40
All kWh per month	-	-	-	-	-	-	-	-	-	-
First 500 kWh per month	0.0779	0.0779	0.0807	0.0837	0.0837	0.0854	0.0871	0.0888	0.0900	0.1055
Over 500 kWh per month	0.1012	0.1012	0.1048	0.1078	0.1078	0.1100	0.1122	0.1144	0.1159	0.1314
City Commercial:										
Customer Charge	12.80	12.80	13.26	17.75	17.75	18.25	18.75	19.25	19.55	19.55
All kWh per month	0.0934	0.0934	0.0967	0.0997	0.0997	0.1017	0.1037	0.1058	0.1072	0.1072
First 10,000 kWh per month	-	-	-	-	-	-	-	-	-	-
Over 10,000 kWh per month	-	-	-	-	-	-	-	-	-	-
Load Management Heating:										
Customer Charge	6.65	6.65	6.89	7.50	7.50	7.75	8.00	8.25	8.40	8.40
Energy Charge: Per kWh	0.0561	0.0561	0.0581	0.0611	0.0611	0.0623	0.0635	0.0648	0.0699	0.0750
Load Management - Storage Heat:										
Customer Charge	6.65	6.65	6.89	7.50	7.50	7.75	8.00	8.25	8.40	8.40
Energy Charge: Per kWh	0.0467	0.0467	0.0484	0.0514	0.0514	0.0524	0.0534	0.0545	0.0630	0.0715
Load Management Cooling - Continuous Control:										
Customer Charge	6.65	6.65	6.89	7.50	7.50	7.75	8.00	8.25	8.40	8.40
Energy Charge: Per kWh	0.0561	0.0561	0.0581	0.0611	0.0611	0.0623	0.0635	0.0648	0.0699	0.0750
Load Management Cooling - Cycled Control:										
Customer Charge	6.65	6.65	6.89	7.50	7.50	7.75	8.00	8.25	8.40	8.40
Energy Charge: Per kWh	0.0779*	0.0779*	0.0807*	0.0837	0.0837	0.0837	0.0871	0.0888	0.0888	0.0888
* kWh chged @ normal rate for customer class										
Monthly Credit	8.75	8.75	9.06	9.83	9.83	9.83	9.83	9.83	9.83	9.83
Controlled Water Heating:										
Monthly Credit	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Demand & Energy:										
Customer Charge	-	-	-	17.75	17.75	25.00	26.00	27.00	28.00	28.00
Demand Charge: Per kWh	15.85	15.85	16.41	16.41	16.41	16.74	17.07	17.41	17.64	17.64
Energy Charge: Per kWh	0.0437	0.0437	0.0453	0.0483	0.0483	0.0493	0.0503	0.0513	0.0520	0.0520
Minimum kW/month	10	10	10	10	10	10	10	10	10	10
Industrial:										
Customer Charge	-	-	-	17.75	17.75	25.00	26.00	27.00	28.00	28.00
Demand Charge: Per kW	15.85	15.85	16.41	16.41	16.41	16.74	17.07	17.41	17.64	17.64
Energy Charge: Per kWh	0.0437	0.0437	0.0453	0.0483	0.0483	0.0493	0.0503	0.0513	0.0520	0.0520
Minimum kW/month	10	10	10	10	10	10	10	10	10	10
Entertainment Lighting Rate:										
Seasonal Evening										
Customer Charge	9.10	9.10	9.42	12.75	12.75	12.75	12.75	12.75	12.75	12.75
Energy Charge: Per kWh/mo	0.0968	0.0968	0.1002	0.1032	0.1032	0.1032	0.1032	0.1032	0.1032	0.1032

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## ELECTRIC RATES-RURAL CUSTOMERS Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>(Mar)</u>	<u>2018</u> <u>(Sept)</u>	<u>2019</u>	<u>2020</u> <u>(Sept)</u>	<u>2021</u> <u>(April)</u>	<u>2022</u> <u>(April)</u>	<u>2023</u>	<u>2024</u>
Rural Residential:										
Customer Charge	\$ 7.65	\$ 7.65	\$ 7.92	\$ 10.50	\$ 10.50	\$ 10.75	\$ 11.00	\$ 11.25	\$ 11.40	\$ 11.40
All kWh per month	-	-	-	-	-	-	-	-	-	-
First 500 kWh per month	0.0814	0.0814	0.0843	0.0873	0.0873	0.0890	0.0907	0.0922	0.0936	0.0936
Over 500 kWh per month	0.1047	0.1047	0.1084	0.1114	0.1114	0.1136	0.1158	0.1180	0.1195	0.1195
Rural Commercial:										
Customer Charge	13.80	13.80	14.29	18.75	18.75	19.25	19.75	20.25	20.55	20.55
All kWh per month	0.0971	0.0971	0.1006	0.1036	0.1036	0.1056	0.1076	0.1097	0.1111	0.1111
First 10,000 kWh per month	-	-	-	-	-	-	-	-	-	-
Over 10,000 kWh per month	-	-	-	-	-	-	-	-	-	-
Load Management Heating:										
Customer Charge	6.65	6.65	6.89	7.50	7.50	7.75	8.00	8.25	8.40	8.40
Energy Charge: Per kWh	0.0561	0.0561	0.0581	0.0611	0.0611	0.0623	0.0635	0.0648	0.0699	0.0750
Load Management - Storage Heat:										
Customer Charge	6.65	6.65	6.89	7.50	7.50	7.75	8.00	8.25	8.40	8.40
Energy Charge: Per kWh	0.0467	0.0467	0.0484	0.0514	0.0514	0.0524	0.0534	0.0545	0.0630	0.0715
Load Management Cooling - Continuous Control:										
Customer Charge	6.65	6.65	6.89	7.50	7.50	7.75	8.00	8.25	8.40	8.40
Energy Charge: Per kWh	0.0561	0.0561	0.0581	0.0611	0.0611	0.0623	0.0635	0.0648	0.0699	0.0750
Load Management Cooling - Cycled Control:										
Customer Charge	6.65	6.65	6.89	7.50	7.50	7.75	8.00	8.25	8.40	8.40
Energy Charge: Per kWh	0.0814*	0.0814*	0.0807*	0.0837	0.0837	0.0837	0.0837	0.0888	0.0888	0.0888
* kWh chged @ normal rate for customer class										
Monthly Credit	8.75	8.75	9.06	9.83	9.83	9.83	9.83	9.83	9.83	9.83
Controlled Water Heating:										
Monthly Credit	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Rural Demand & Energy:										
Customer Charge	-	-	-	18.75	18.75	25.00	26.00	27.00	28.00	28.00
Demand Charge: Per kWh	16.65	16.65	17.24	17.24	17.24	17.59	17.07	17.41	17.64	17.64
Energy Charge: Per kWh	0.0473	0.0473	0.0490	0.0520	0.0520	0.0530	0.0540	0.0550	0.0557	0.0557
Minimum kW/month	10	10	10	10	10	10	10	10	10	10

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## WATER PRODUCTION AND DISTRIBUTION Last Ten Fiscal Years

Fiscal Year	Gallons of Water Pumped	Gallons of Water Used in Processing	Gallons of Water to System	Gallons of Water Distributed	Unaccounted for Gallons	Percent System Loss
2015	530,167	138,781	391,386	351,196	40,190	10.3%
2016	535,997	152,819	383,178	312,765	70,413	18.4%
2017	507,151	131,338	375,813	319,578	56,235	15.0%
2018	361,329	13,859	347,470	308,695	38,775	11.2%
2019	374,602	34,422	340,180	307,253	32,698	9.6%
2020	399,832	56,480	343,352	298,465	43,946	12.8%
2021	454,165	84,684	369,481	331,125	38,356	10.4%
2022	462,231	111,530	350,701	314,260	36,441	10.4%
2023	521,606	156,315	365,291	329,576	36,085	9.9%
2024	360,730	14,151	346,579	332,822	18,807	5.0%

Note: Data in 1000's of gallons

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## WATER DISTRIBUTION BY CUSTOMER CLASS Last Ten Fiscal Years

Fiscal Year	City Residential	City Commercial	City Industrial	Rural Industrial	System Maintenance	Total Water Gallons Distributed
2015	99,848	163,164	51,413	12,441	24,330	351,196
2016	95,217	156,454	46,810	11,208	3,076	312,765
2017	94,029	157,087	43,717	9,829	14,916	319,578
2018	93,541	162,494	38,815	9,357	4,488	308,695
2019	91,068	165,426	34,730	9,518	6,511	307,253
2020	92,271	153,309	36,191	9,654	7,040	298,465
2021	100,328	168,860	46,783	10,424	4,730	331,125
2022	92,464	156,578	46,660	9,426	9,132	314,260
2023	100,276	176,351	40,611	9,633	4,032	330,903
2024	98,608	174,707	41,852	12,605	5,050	332,822

Notes: Data in 1000's of gallons.

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### NUMBER OF WATER AND WASTEWATER COLLECTION CUSTOMER METERS BY TYPE Last Ten Fiscal Years

Fiscal Year	City Residential	City Commercial	Rural Residential	Rural Commercial	City Industrial	Rural Industrial	Total Water Customers
2015	2,547	652	-	-	6	2	3,207
2016	2,552	677	-	-	6	2	3,237
2017	2,561	685	-	-	6	2	3,254
2018	2,565	692	-	-	6	2	3,265
2019	2,570	698	-	-	6	2	3,276
2020	2,577	697	-	-	6	2	3,282
2021	2,581	704	-	-	6	2	3,293
2022	2,585	698	-	-	6	2	3,291
2023	2,607	681	-	-	6	2	3,296
2024	2,618	684	-	-	6	2	3,310

Fiscal Year	City Residential	City Commercial	Rural Residential	Rural Commercial	City Industrial	Rural Industrial	Total Wastewater Collection Customers
2015	2,553	611	4	13	1	3	3,185
2016	2,557	626	4	13	1	3	3,204
2017	2,564	630	4	11	1	4	3,214
2018	2,573	625	4	9	1	4	3,216
2019	2,578	629	4	9	1	4	3,225
2020	2,582	626	4	9	1	4	3,226
2021	2,586	623	4	9	1	4	3,227
2022	2,590	618	4	9	1	3	3,225
2023	2,594	623	4	11	1	2	3,235
2024	2,614	678	4	11	1	3	3,310

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## WATER AND WASTEWATER COLLECTION RATES - CITY CUSTOMERS Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u> (Mar)	<u>2018</u> (Sept)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Water Rates</b>										
Base rate (meter size)										
5/8" - 3/4"	\$ 6.08	\$ 6.08	\$ 6.25	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.67	\$ 9.90	\$ 10.97
1"	8.51	8.51	8.70	11.84	11.84	11.84	11.84	12.08	13.80	15.25
1 1/4"	10.94	10.94	11.20	13.61	13.61	13.61	13.61	13.87	15.85	17.43
1 1/2"	10.94	10.94	11.20	15.24	15.24	15.24	15.24	15.54	17.76	19.67
2"	17.63	17.63	18.10	24.63	24.63	24.63	24.63	25.12	28.70	31.77
3"	66.88	66.88	68.55	93.26	93.26	93.26	93.26	95.13	108.70	120.33
4"	85.12	85.12	87.20	118.64	118.64	118.64	118.64	121.01	138.27	153.08
6"	127.68	127.68	130.85	178.02	178.02	178.02	178.02	181.58	207.48	229.70
<b>Usage rate (per 1,000 gallons)</b>										
First 10,000 gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 30,000 gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 210,000 gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 250,000 gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Residential:</b>										
First 4,000 gallons	3.58	3.58	3.65	3.72	3.72	3.72	3.72	3.79	4.36	4.80
Next 4,000 gallons	4.48	4.48	4.60	4.69	4.69	4.69	4.69	4.78	5.50	6.05
Next 22,000 gallons	5.59	5.59	5.75	5.87	5.87	5.87	5.87	5.99	6.89	7.58
All gallons over 30,000	8.95	8.95	9.20	9.38	9.38	9.38	9.38	9.57	11.01	12.11
<b>Commercial:</b>										
First 40,000 gallons	3.09	3.09	3.20	3.26	3.26	3.26	3.26	3.33	3.94	4.46
Next 360,000 gallons	3.86	3.86	3.95	4.03	4.03	4.03	4.03	4.11	4.87	5.52
All gallons over 400,000	4.94	4.94	5.05	5.15	5.15	5.15	5.15	5.25	6.22	7.05
<b>Industrial:</b>										
First 400,000 gallons	2.69	2.69	2.75	2.81	2.81	2.81	2.81	3.33	3.76	4.07
All gallons over 400,000	3.36	3.36	3.45	3.52	3.52	3.52	3.52	4.11	4.64	5.02
Wastewater Base Charge	6.56	6.56	8.00	10.80	10.80	10.80	10.80	11.02	11.50	12.00
<b>Wastewater Collection Rates (per 1,000 gallons)</b>										
Residential	3.50	3.50	4.25	4.35	4.35	4.35	4.35	4.44	4.68	4.94
Commercial	3.86	3.86	4.70	4.80	4.80	4.80	4.80	4.90	4.99	5.17

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## WATER AND WASTEWATER COLLECTION RATES - RURAL CUSTOMERS Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
			(Mar)	(Sept)				(Feb)		
Water Rates										
Base rate (meter size)										
5/8" - 3/4"	\$ 6.69	\$ 6.69	\$ 6.85	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1"	9.36	9.36	9.60	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1 1/4"	12.03	12.03	12.35	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1 1/2"	12.03	12.03	12.35	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2"	19.39	19.39	19.90	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3"	73.57	73.57	75.40	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4"	93.63	93.63	95.95	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6"	140.45	140.45	143.95	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Usage rate (per 1,000 gallons)										
First 10,000 gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 30,000 gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 210,000 gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 250,000 gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Residential:										
First 4,000 gallons	3.94	3.94	4.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 4,000 gallons	4.93	4.93	5.05	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 22,000 gallons	6.15	6.15	6.30	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All gallons over 30,000	9.85	9.85	10.05	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Commercial:										
First 40,000 gallons	3.40	3.40	3.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Next 360,000 gallons	4.25	4.25	4.35	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All gallons over 400,000	5.43	5.43	5.55	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Industrial:										
First 400,000 gallons	2.67	2.67	2.75	2.92	2.92	2.92	2.92	2.92	2.92	2.92
All gallons over 400,000	3.34	3.34	3.40	3.64	3.64	3.64	3.64	3.64	3.64	3.64
Wastewater Base Charge	7.22	7.22	8.80	11.80	11.80	11.80	11.80	12.04	12.04	12.04
Wastewater Collection Rates (per 1,000 gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Residential	3.85	3.85	4.70	4.80	4.80	4.80	4.80	4.90	4.99	5.17
Commercial	4.24	4.24	5.15	5.25	5.25	5.25	5.25	5.36	5.45	5.63

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## TEN LARGEST CUSTOMERS Current Year and Nine Years Ago

Fiscal Year 2024				
Customer	Water Revenue		Wastewater Collection Revenue	
	Amount	%	Amount	%
UPM Blandin Paper Co.	\$ 118,807	5.20%	\$ 22,979	1.18%
City of Cohasset	-	-	112,727	5.80%
Zips Car Wash LLC	93,623	4.10%	74,226	3.82%
Wastewater Treatment Plant	75,491	3.30%	-	-
City of LaPrairie	62,913	2.75%	31,474	1.62%
Grand Itasca Clinic & Hospital	45,233	1.98%	37,650	1.94%
School District 318	33,565	1.47%	25,608	1.32%
City of Grand Rapids	30,537	-	-	-
Housing and Redevelopment	29,729	1.30%	20,416	1.05%
Beacon Hill Plaza 177	21,021	0.92%	-	0.00%
Timber Ridge Property Group LLC	20,595	0.90%	-	0.00%
YNCA	-	0.00%	16,802	-
Grand Hospitality LLC	-	0.00%	16,736	-
Itasca County	-	0.00%	15,605	0.80%
Subtotal (10 largest)	531,515	23.26%	374,224	19.25%
Balance from other customers	1,753,150	76.74%	1,569,955	80.75%
Grand Totals	\$ 2,284,665	100.00%	\$ 1,944,179	100.00%

Fiscal Year 2015				
Customer	Water Revenue		Wastewater Collection Revenue	
	Amount	%	Amount	%
Blandin Paper Co.	\$ 131,316	8.75%	\$ 108,120	7.81%
City of Cohasset	-	-	74,834	5.40%
Wastewater Treatment Plant	38,648	2.58%	-	-
City of LaPrairie	41,197	2.75%	22,828	1.65%
Grand Itasca Clinic & Hospital	26,278	1.75%	23,487	1.70%
Minnesota Diversified Ind.	25,402	1.69%	20,305	1.47%
Housing and Redevelopment	23,018	1.53%	16,221	1.17%
School District 318	20,676	1.38%	19,307	1.39%
Grand Hospitality LLC	15,748	1.05%	14,422	1.04%
Wal-Mart Stores	14,704	0.98%	5,811	0.42%
Evergreen Terrace	12,441	-	12,087	0.87%
YMCA	11,325	0.75%	10,501	-
Subtotal (10 largest)	360,753	24.04%	327,923	23.68%
Balance from other customers	1,139,938	75.96%	1,056,974	76.32%
Grand Totals	\$ 1,500,691	100.00%	\$ 1,384,897	100.00%



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## WASTEWATER COLLECTION AND TREATMENT Last Ten Fiscal Years

Fiscal Year	Flow			Influent Total Suspended Solids		
	Domestic (1,000 gal.)	Industrial (1,000 gal.)	Total Flow (1,000 gal.)	Domestic (tons)	Industrial (tons)	Total Suspended Solids (tons)
2015	456,310	1,931,150	2,387,460	623	14,729	15,352
2016	500,030	1,927,860	2,427,890	533	14,335	14,868
2017	486,150	1,936,610	2,422,760	558	14,604	15,162
2018	460,390	1,557,460	2,017,850	588	11,207	11,795
2019	553,030	1,419,130	1,972,160	619	8,839	9,458
2020	516,680	1,416,590	1,933,270	568	7,357	7,925
2021	466,790	1,520,450	1,987,240	623	7,928	8,551
2022	513,820	1,539,690	2,053,510	574	9,732	10,306
2023	509,460	1,303,060	1,812,520	598	6,571	7,169
2024	492,960	1,497,730	1,990,690	573	7,538	8,111

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## WASTEWATER COLLECTION AND TREATMENT (CONTINUED) Last Ten Fiscal Years

Biochemical Oxygen Demand			Effluent			
Domestic (tons)	Industrial (tons)	Total BOD (tons)	Flow (1,000 gal.)	Total Suspended Solids (tons)	Biochemical Oxygen Demand (tons)	Landfill Solids (cubic yards)
379	6,683	7,062	2,398,538	24	22	60,084
410	4,887	5,297	2,446,389	27	27	58,956
440	7,905	8,345	2,439,620	23	25	60,874
482	5,520	6,002	2,029,600	17	27	51,312
503	3,069	3,572	1,985,330	18	28	41,136
441	2,981	3,422	1,946,180	18	33	35,928
467	4,603	5,070	1,979,620	29	78	44,700
488	6,758	7,246	2,063,990	34	65	48,612
511	4,439	4,950	1,821,690	21	33	33,912
491	5,564	6,055	1,998,170	24	27	36,972

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	General Obligation Revenue Bonds	G.O. Revenue Notes (1)	Long-Term Payable to City	Leases Payable	Total		As a Share of Personal Income
					Amount	Per Capita	
2015	7,406,386	20,315,000	223,600	268,233	28,213,219	2,595.75	N/A
2016	6,438,149	19,068,000	114,400	1,549,353	27,169,902	2,499.76	N/A
2017	5,684,912	17,785,000	-	1,492,754	24,962,666	2,183.01	N/A
2018	4,925,000	16,464,000	-	1,469,887	22,858,887	2,007.10	N/A
2019	4,135,000	15,105,000	-	1,221,038	20,461,038	1,796.56	N/A
2020	3,420,000	13,781,000	-	964,292	18,165,292	1,594.85	N/A
2021	4,767,187	12,419,000	-	-	17,186,187	1,508.88	N/A
2022	3,052,500	11,017,000	-	-	14,069,500	1,246.96	N/A
2023	7,149,000	9,575,000	-	-	16,724,000	1,474.00	N/A
2024	7,295,000	8,091,000	-	363,278	15,749,278	1,408.32	N/A

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## PLEDGED REVENUE COVERAGE Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Gross Expenses (1)	Net Revenue Available for Debt Service	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2015	25,341,316	21,191,251	4,150,065	2,323,200	892,280	3,215,480	129%
2016	25,167,258	21,484,755	3,682,503	2,476,847	865,130	3,341,977	110%
2017	26,130,624	21,694,833	4,435,791	2,341,570	797,146	3,138,716	141%
2018	24,961,381	20,838,009	4,123,372	2,338,115	736,683	3,074,798	134%
2019	24,973,471	20,741,598	4,231,873	2,397,849	681,623	3,079,472	137%
2020	25,238,556	20,352,985	4,885,571	2,295,745	607,455	2,903,200	168%
2021	27,641,962	23,584,917	4,057,045	3,167,792	609,813	3,777,605	107%
2022	27,102,618	22,926,982	4,175,636	3,030,000	465,198	3,495,198	119%
2023	26,569,010	23,947,389	2,621,621	1,920,500	338,386	2,258,886	116%
2024	28,154,094	24,116,103	4,037,991	1,968,000	457,697	2,425,697	166%

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2015	10,869	N/A	N/A	7.60%
2016	10,869	N/A	N/A	6.70%
2017	11,435	N/A	N/A	8.47%
2018	11,389	N/A	N/A	10.60%
2019	11,389	N/A	N/A	6.10%
2020	11,390	N/A	N/A	5.60%
2021	11,390	N/A	N/A	5.28%
2022	11,283	N/A	N/A	4.61%
2023	11,346	N/A	N/A	4.00%
2024	11,183	N/A	N/A	4.00%

## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ISD #318 (1)	636	1	6.75%	600	1	6.64%
Grand Itasca Clinic & Hospital	526	2	5.58%	480	3	5.31%
Itasca County	421	3	4.47%	310	4	3.43%
Northland Counseling Center, Inc.	250	4	2.65%	-	-	-
ASV Inc. (3)	250	5	2.65%	190	8	2.10%
North Homes, Inc.	250	6	2.65%	-	-	-
UPM Blandin Paper Mill	230	7	2.44%	500	2	5.53%
Arrowhead Promotion & Fulfillment	220	8	2.33%	280	5	3.10%
Wal-Mart	183	9	1.94%	185	9	2.05%
City of Grand Rapids (1)	170	10	1.80%	270	6	2.99%
Minnesota Diversified	-	-	-	205	7	2.27%
Cub Foods	-	-	-	125	10	1.38%
Total	3,136		33.27%	3,145		34.80%
All other employers	6,291		66.73%	5,892		65.20%
Total	9,427		100.00%	9,037		100.00%

Source: Minnesota Department of Employment and Economic Development

- (1) Includes full- and part-time employees.
- (2) Itasca County Nursing Home dba Grand Village
- (3) Formerly Terex Corp., Inc.
- (4) Includes all employees in the State of Minnesota

# **GRAND RAPIDS PUBLIC UTILITIES COMMISSION**

## **FULL-TIME EQUIVALENT COMMISSION EMPLOYEES BY FUNCTION** Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Administration	2	3	2	2
Customer Service and Billing	4	4	4	4
Electric	10	9	10	10
Finance and Accounting	4	4	4	4
Information Systems	0	0	0	0
Meter Reading	2	2	1	1
Wastewater Treatment	11	11	11	11
Water Distribution/Wastewater Collection	4	4	4	3
Water Treatment	2	2	2	2
Total Employees	<u>39</u>	<u>39</u>	<u>38</u>	<u>37</u>
Commissioners	5	5	5	5

Source: GRPUC payroll records

Notes:

# **GRAND RAPIDS PUBLIC UTILITIES COMMISSION**

## **FULL-TIME EQUIVALENT COMMISSION EMPLOYEES BY FUNCTION (CONTINUED)** Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
2	2	2	2	2	2
5	5	5	4	4	4
9	9	9	10	10	9
5	6	6	5	6	4
0	0	0	0	0	4
0	0	0	0	0	0
11	9	9	10	10	10
3 3	2	2	2	2	2
2	3	3	3	3	3
<u>37</u>	<u>36</u>	<u>36</u>	<u>36</u>	<u>37</u>	<u>38</u>
5	5	5	5	5	5



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION

### OPERATING AND CAPITAL INDICATORS - ELECTRIC Last Ten Fiscal Years

	2015	2016	2017	2018
<u>Electric</u>				
Number of substations	5	5	5	5
Main substation capacity (MVA)	54	54	54	54
Distribution transformer capacity (KVA)	99,403	116,723	116,723	112,741
Miles of electric overhead line (not including neutral conductor)	150	149	150	149
Miles of electric underground line	205	211	211	222

Source: GRPUC mapping system

MVA = megavolt ampere - added Tioga Substation

KVA = kilovolt ampere

N/A = not available

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## OPERATING AND CAPITAL INDICATORS - ELECTRIC (CONTINUED) Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
6	6	6	6	6	6
54	54	73	73	73	73
116,723	118,396	119,632	121,437	124,460	130,340
150	150	157	157	157	157
222	222	219	221	225	231

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# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## OPERATING AND CAPITAL INDICATORS - WATER AND WASTEWATER Last Ten Fiscal Years

	2015	2016	2017	2018
<u>Water</u>				
Number of treatment plants	1	1	1	1
Treatment capacity (MGD)	3.24	3.24	3.24	3.24
Water Storage Capacity (MG)	2	2	2	2
Number of wells	5	5	5	5
Number of booster stations	1	1	1	1
Number of pressure districts	3	3	3	3
Miles of water main	81	81	81	81
<u>Wastewater</u>				
Number of treatment plants	2	2	2	2
Treatment capacity (MGD)	15.2	15.2	15.2	15.2
Number of lift stations	11	13	13	13
Number of pump stations	1	2	2	2
Miles of wastewater collection main	68	68	68	68

Source: GRPUC GIS mapping system

MGD = millions of gallons per day

MG = million gallons

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## OPERATING AND CAPITAL INDICATORS - WATER AND WASTEWATER (CONTINUED) Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
3.24	3.24	3.24	3.24	3.24	3.24
2	2	2	2	2	2
5	5	5	5	5	5
1	1	1	1	1	1
3	3	3	3	3	3
81	81	81	81	82	82
2	2	2	2	2	2
15.2	15.2	15.2	15.2	15.2	15.2
14	14	14	14	16	16
2	2	2	2	2	2
68	68	68	68	69	69

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## ELECTRIC DEPARTMENT SELECTED FINANCIAL AND OPERATING RATIOS (Unaudited)

	2024	2023	Industry Average (2024)*
<b>FINANCIAL RATIOS</b>			
Electric revenue per kWh			
All retail customers	\$ 0.106	\$ 0.107	\$ 0.102
Residential customers	\$ 0.119	\$ 0.119	\$ 0.114
Commercial customers	\$ 0.112	\$ 0.108	\$ 0.117
Industrial customers	\$ 0.086	\$ 0.088	\$ 0.083
Electric operating ratio	0.801	0.898	0.923
Net income (loss) per electric revenue dollar	\$ 0.097	\$ 0.065	\$ 0.032
Uncollectible accounts per electric revenue dollar	\$ 0.0227	\$ 0.0228	\$ 0.0005
<b>OPERATING RATIOS</b>			
Retail customers per non-power-generation employee	845	766	299
Total electric O&M expense per kWh sold	\$ 0.089	\$ 0.083	\$ 0.092
Total electric O&M expense (excluding power supply expense) per retail customer	\$ 194	\$ 170	\$ 590
Total power supply expense per kWh sold	\$ 0.094	\$ 0.081	\$ 0.075
Purchased power cost per kWh purchased	\$ 0.072	\$ 0.077	\$ 0.068
Distribution O&M expense per retail customer	\$ 197	\$ 170	\$ 192
Distribution O&M expense per circuit mile	\$ 3,860	\$ 3,447	\$ 7,479

# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## ELECTRIC DEPARTMENT SELECTED FINANCIAL AND OPERATING RATIOS (CONTINUED) (Unaudited)

	2024	2023	Industry Average (2024)*
Customer accounting, service and sales expense per retail customer	\$ 54	\$ 49	\$ 60
Administrative and general expense per retail customer	\$ 181	\$ 148	\$ 211
Energy loss percentage	5.00%	4.04%	3.42%
System load factor	73.0%	69.6%	54.4%

\* APPA "Financial and Operating Ratios of Public Power Utilities"  
published December 2022, using 2021 data.

## MINNESOTA LEGAL COMPLIANCE INDEPENDENT AUDITORS' REPORT

Grand Rapids Public Utilities Commission  
Grand Rapids Public Utilities

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Grand Rapids Public Utilities Commission as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Grand Rapids Public Utilities Commission's basic financial statements, and have issued our report thereon dated REPORT DATE.

In connection with our audit, nothing came to our attention that caused us to believe that Grand Rapids Public Utilities Commission failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Grand Rapids Public Utilities Commission's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Cities* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

St. Cloud, Minnesota  
REPORT DATE



## GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

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**AGENDA DATE:** April 30, 2025

**AGENDA ITEM:** Monthly Report

**PREPARED BY:** GRPU Staff

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### **BACKGROUND:**

Standard monthly GRPU Operating Reports.

### **RECOMMENDATION:**

None. Review Only.



# 2025 Q1 Annual Plan Scorecard Update

Item 16.

## Uninterrupted, High Quality Utility Services (US)

### Strategic Pillar: Uninterrupted, High Quality Utility Services (US)

Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Substantially operating ERP system (approximately 90% of modules functioning and collecting data)	US-1, US-4, FM-1, OE-2	Jean Lane	2025-06-30	In Process				
Substantially complete two electric undergrounding projects	US-1	Chad Troumbly	2025-12-31	In Process				6 budgeted and in planning. Low risk to not complete all
Water treatment plan (WTP) renovation project is scoped, engineered, bids received, and contractor selected	US-2	Steve Mattson	2025-09-30	In Process				BMI is busy working on the preliminary engineering.
Enhance public outage reporting and optimize customer account access, then publicly promoted	US-4, EC-2	Chad Troumbly, Michael LeClaire, Jean Lane	2025-09-30	In Process				New interface between mPower and CRC, meeting with both in April.
100% televised wastewater collection (WWC) system	US-3, NE-1	Steve Mattson	2025-09-30	In Process				Planning to start at the end of April.

# 2025 Q1 Annual Plan Scorecard Update

## Strategic and Sustainable Fiscal Management (FM)

Strategic Pillar: Strategic and Sustainable Fiscal Management (FM)

Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Substantially operating ERP system (approximately 90% of modules functioning and collecting data)	US-1, US-4, FM-1, OE-2	Jean Lane	2025-06-30	In Process				
Develop reporting metrics in the new ERP system to provide timely and actionable financial insights for decision-making	FM-1, FM-2	Jean Lane	2025-12-31	In Process				
Final adoption of operating reserve policy (includes emergency funding)	FM-1, FM-2	Jean Lane	2025-06-30	In Process				
Complete cost-of-service rate studies for electric, water, and wastewater utilities	FM-3	Jean Lane	2025-09-30	Not Started				
Focus on tracking and reporting in project management software to improve efficiencies	FM-1, OE-1	Julie Kennedy	2025-12-31	In Process				

# 2025 Q1 Annual Plan Scorecard Update

## Engaging and Educating the Community (EC)

### Strategic Pillar: Engaging and Educating the Community (EC)

Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Continue the monthly customer campaign plan (incl. fact sheets and legal notices)	EC-1	Megan Sjostrand, Julie Kennedy, Jean Lane	2025-12-31	In Process				
Publish annual report summarizing projects and financial results	EC-2	Julie Kennedy, Jean Lane, Megan Sjostrand	2025-06-30	Not Started				
Plan and carry out website content updates	EC-2, EC-1, EC-3	Julie Kennedy, Megan Sjostrand		Ongoing				
Enhance public outage reporting and optimize customer account access, then publicly promoted	US-4, EC-2	Chad Troumbly, Michael LeClaire, Jean Lane	2025-09-30	In Process				New interface between mPower and CRC, meeting with both in April.
Present at the 2025 home show and host 1 open house to educate the community on rebates and utility programs	EC-2, EC-1, NE-3	Chad Troumbly, Steve Mattson, Julie Kennedy	2025-06-30	Completed				
Hold two joint council and commission meetings to align City of GR and GRPU on collaborative opportunities	OE-2, EC-3	Julie Kennedy	2025-04-25	In Process				

# 2025 Q1 Annual Plan Scorecard Update

## Use and Stewardship of the Natural Environment (NE)

### Strategic Pillar: Use and Stewardship of the Natural Environment (NE)

Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Relocate the septic hauler station from old to new WWTP	NE-3	Steve Mattson	2025-12-31	In Process				Gathering data and information on receiving stations.
100% televised wastewater collection (WWC) system	US-3, NE-1	Steve Mattson	2025-09-30	In Process				Planning to start at the end of April.
Present at the 2025 home show and host 1 open house to educate the community on rebates and utility programs	EC-2, EC-1, NE-3	Chad Troumbly, Steve Mattson, Julie Kennedy	2025-06-30	Completed				
WWTP landfill cover reconstruction is substantially complete and new sludge demand agreements are in place	NE-2, US-5	Steve Mattson, Jean Lane, Julie Kennedy	2025-12-31	In Process				Construction pushed into 2026 per customer request. Meetings started to address demand agreements.

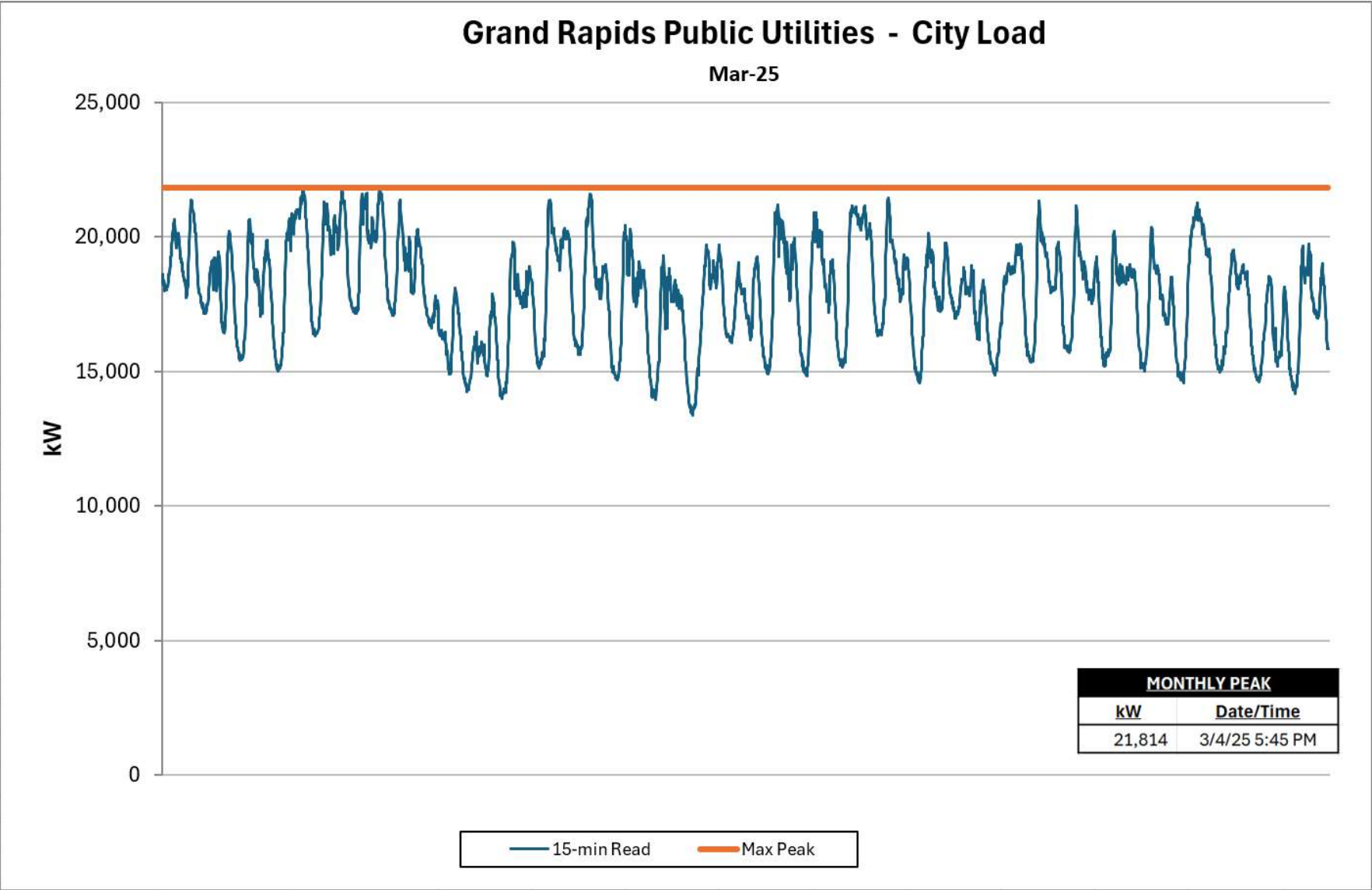
# 2025 Q1 Annual Plan Scorecard Update

Item 16.

## Operational Excellence (OE)

### Strategic Pillar: Operational Excellence (OE)

Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Tracking/reporting in project management software to improve efficiencies	FM-1, OE-1	Julie Kennedy	2025-12-31	In Process				
Quarterly all employee meetings to improve clear communication process and lead to improved NPS per annual survey	OE-1	Julie Kennedy, Jean Lane, Megan Sjostrand	2025-12-31	In Process				
Implement employee resource portal in new ERP software and Laserfiche	OE-1	Jean Lane	2025-06-30	In Process				
Substantially operating ERP system (approximately 90% of modules functioning and collecting data)	US-1, US-4, FM-1, OE-2	Jean Lane	2025-06-30	In Process				
Succession planning for business services manager transition	OE-1	Megan Sjostrand, Julie Kennedy	2025-12-31	In Process				
Implement comprehensive employee training and development program	OE-1	Megan Sjostrand, Julie Kennedy	2025-12-31	Not Started				
Implement employee success sharing program	OE-1	Julie Kennedy, Megan Sjostrand	2025-01-31	In Process				
Finalize electronic document retention conversion	OE-1	Megan Sjostrand, Julie Kennedy	2025-12-31	In Process				





# Electric Reliability Report

04/1  
Item 16.

Date Range  
03/03/2025 - 03/28/2025

SAIDI:	1.90	Avg Minutes / Customers Served	CAIDI:	68.20	Avg Minutes / Customer Out	Total Customers Out:	213
SAIFI:	0.03	Cust Outages / Customers Served	CAIFI:	0.042	Avg Outages / Customer Out	Total Reported Hours:	1
Active:	7639	Active Electric Customers	Outages:	9	Total Number of Outages	Total Customer Hours Out:	4
ASAI:	99.99964	Average Percent System Available					

Outage Time	Restored Time	Outage Type	Duration (Hours)	Customers Out	Customer Hours
3/3/2025 10:20:09 AM	3/3/2025 11:23:28 AM	Unknown -r-	1.05	1	1.05
3/15/2025 8:15:32 AM	3/15/2025 11:05:26 AM	Tree -r-	2.83	1	2.83
3/15/2025 5:41:41 PM	3/15/2025 7:37:48 PM	Tree -r-	1.93	17	32.87
3/17/2025 9:32:28 AM	3/17/2025 10:17:44 AM	Unknown -r-	0.75	181	135.75
3/20/2025 8:52:32 AM	3/20/2025 8:53:53 AM	Equipment -r-	0.02	8	0.13
3/21/2025 1:05:16 PM	3/21/2025 1:51:02 PM	Scheduled -r-	0.77	1	0.77
3/22/2025 9:00:00 PM	3/22/2025 9:10:00 PM	Equipment -r-	0.17	1	0.17
3/28/2025 12:55:12 PM	3/28/2025 1:42:48 PM	Equipment -r-	0.78	2	1.57
3/28/2025 1:47:06 PM	3/31/2025 8:46:36 AM	Weather -r-	66.98	1	66.98



# Electric Reliability Report

04/1

Item 16.

Date Range  
03/03/2025 - 03/28/2025

Outages Total by Outage Type					Top 10 Outages by Duration		Top 10 Outages by Customer Hours	
Outage Type	Outages	Duration	Customers	Customer Hours	Outage ID	Hours	Outage ID	Hours
Equipment -r-	3	1.87	11	1.87	SW 3rd Ave, 201	242.12	Mishawaka Rd, 1618	1.05
Scheduled -r-	1	0.77	1	0.77				
Tree -r-	2	35.70	18	35.70				
Unknown -r-	2	136.80	182	136.80				
Weather -r-	1	66.98	1	66.98				



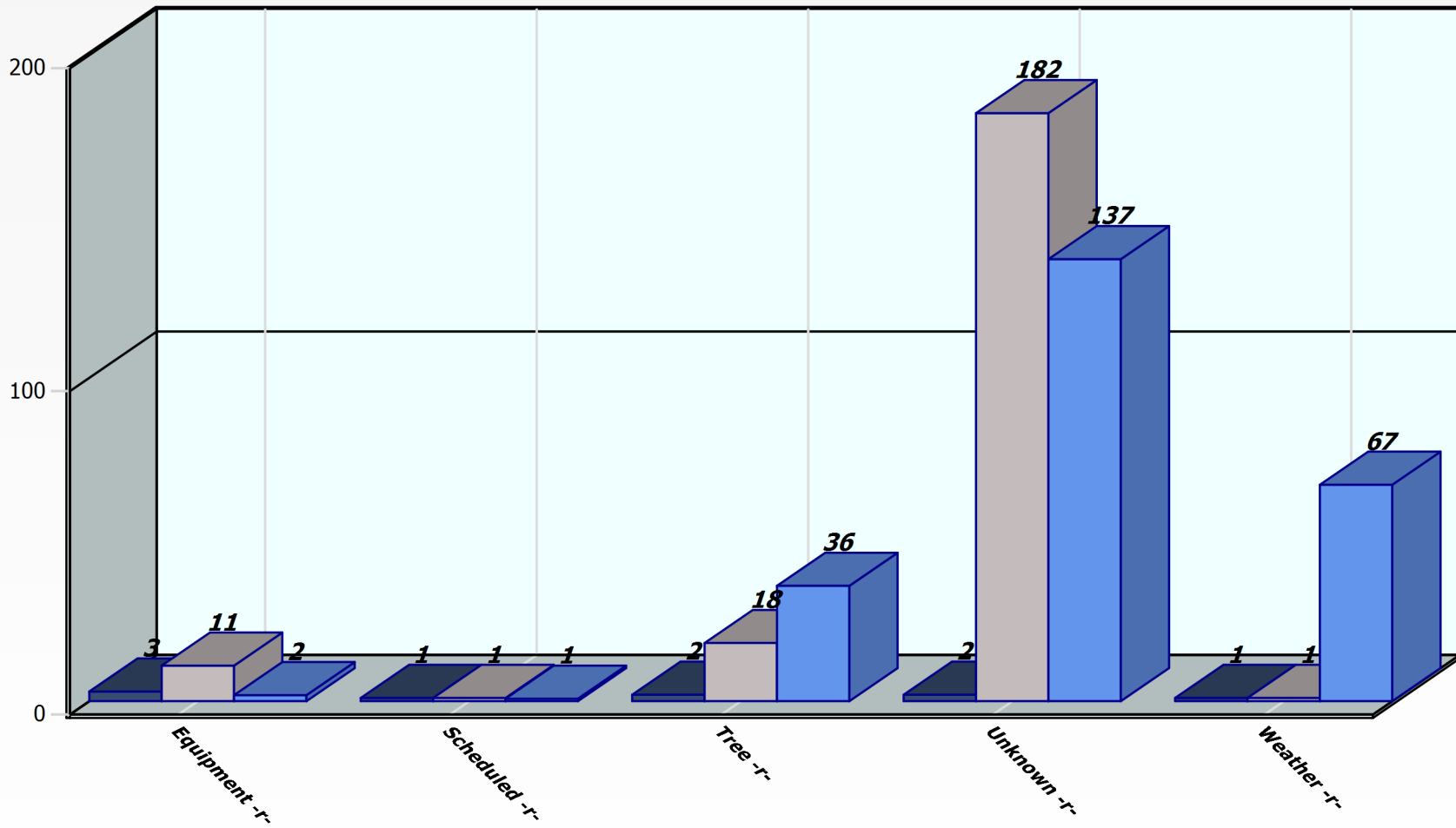


# Electric Reliability Report

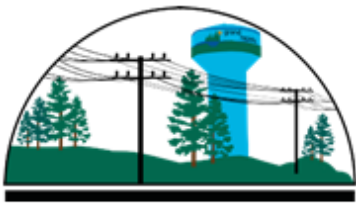
04/1  
Item 16.

Date Range  
03/03/2025 - 03/28/2025

Outage Type  
Customer Hours Without Power



Outage Type Customers Out Customer Hours Without Power



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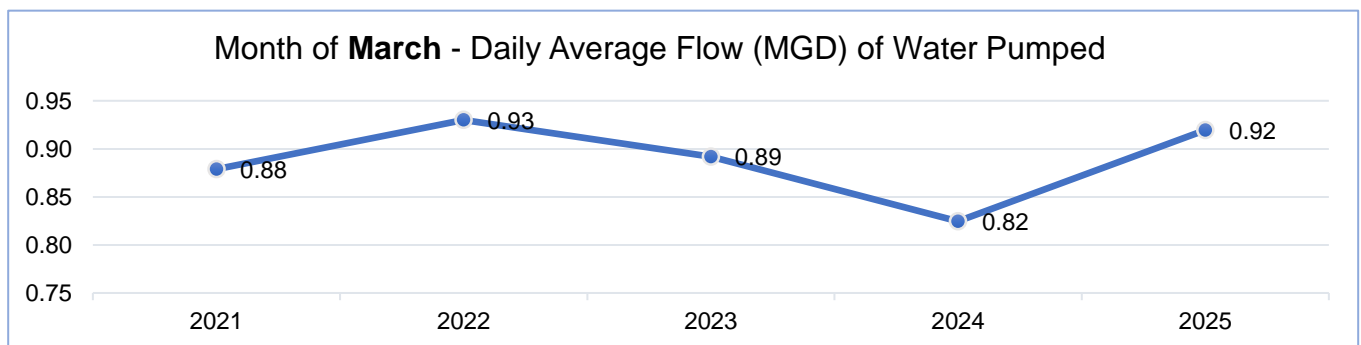
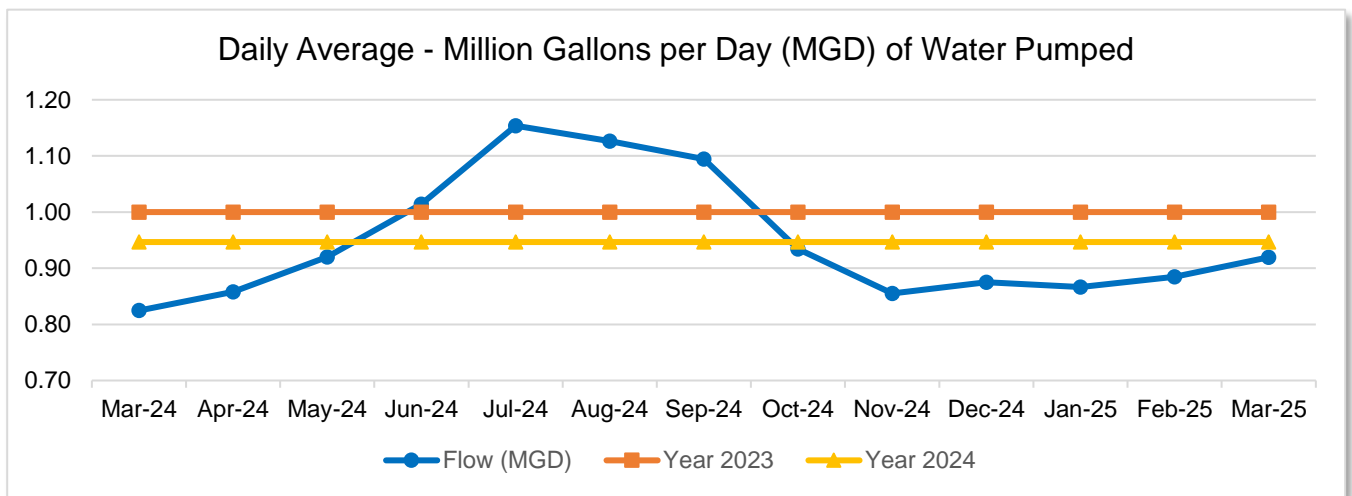
Item 16.

500 SE Fourth Street • Grand Rapids, Minnesota 55744

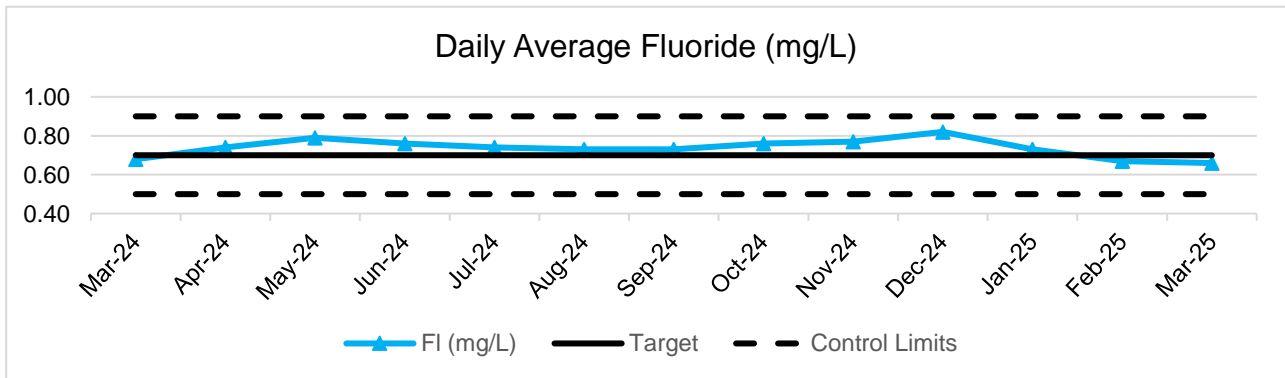
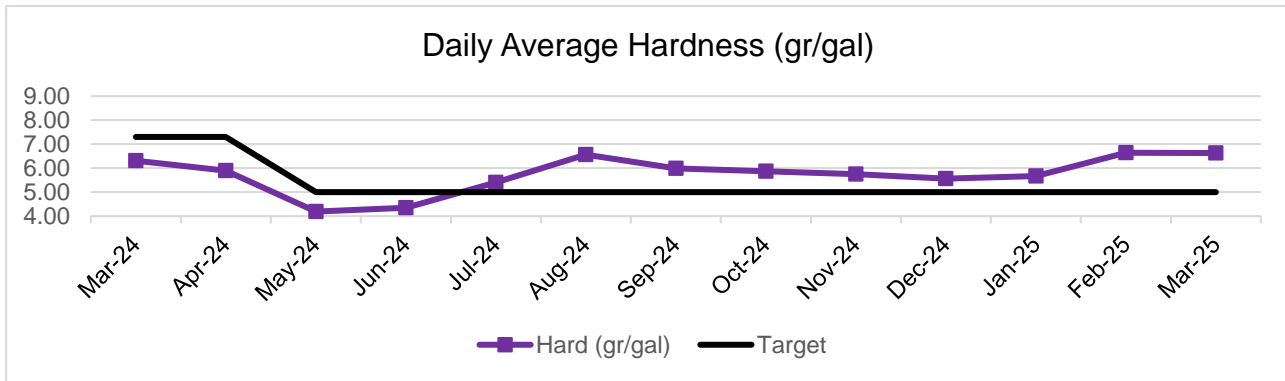
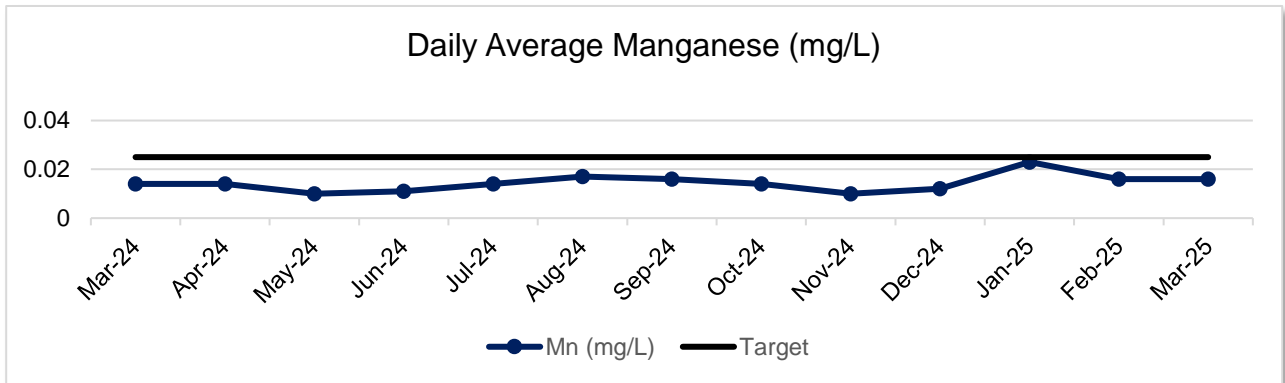
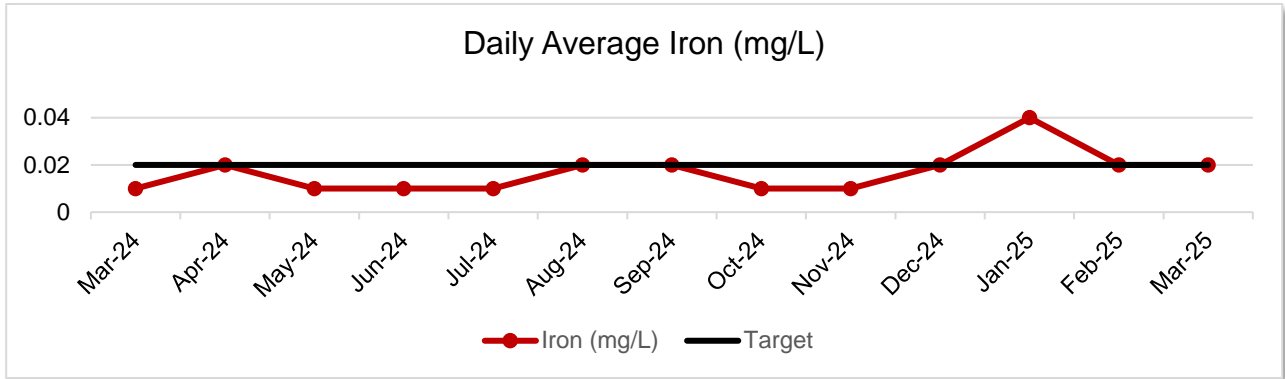
## WATER MONTHLY ANALYSIS REPORT March 2025

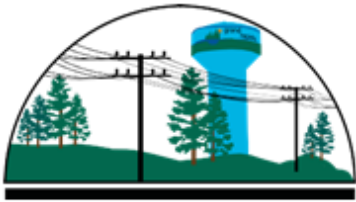
### Water Operations

The water plant pumped an average of 0.92 million gallons of water per day (MGD) with a peak of 1.07 million gallons during last month which is normal for this time of the year.



Hardness was a little elevated for the month due to operational issues. The rest of the water quality analysis was normal for the month as seen in the graphs below.





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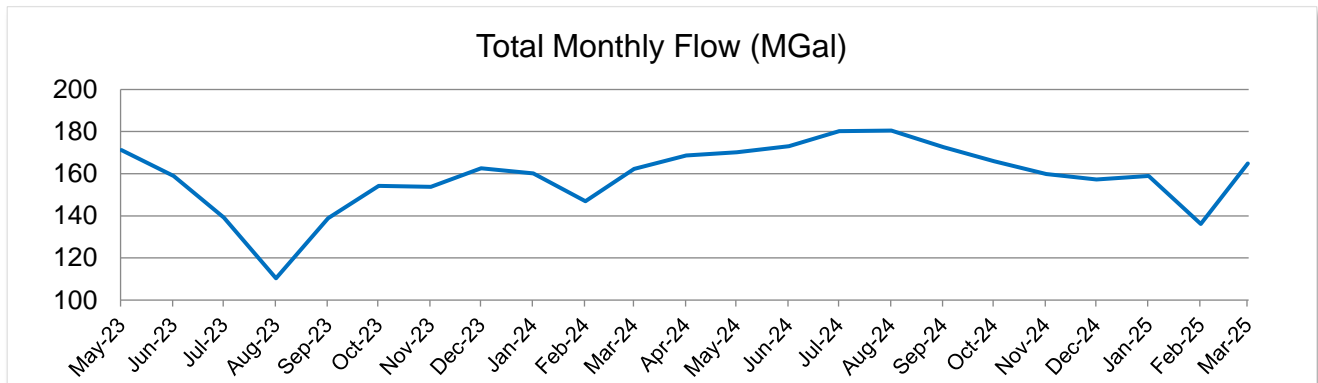
Item 16.

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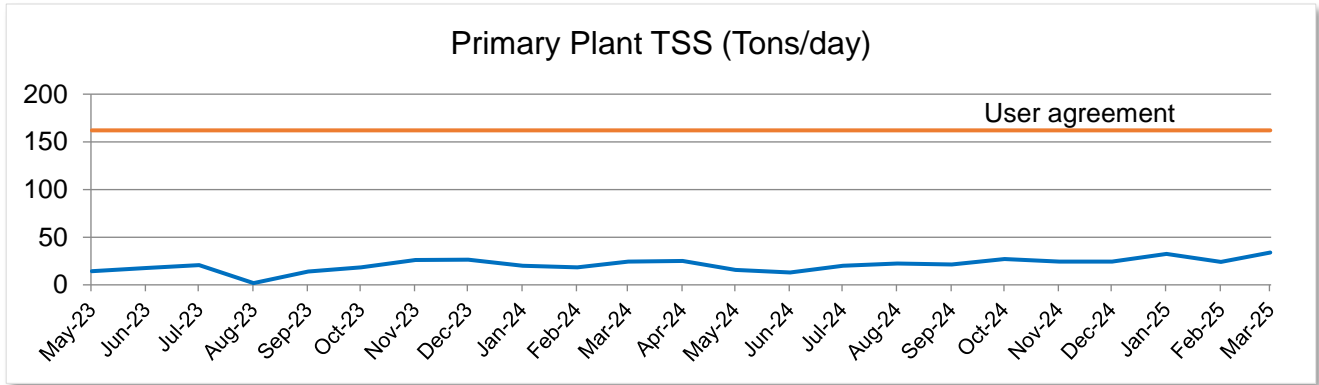
## WASTEWATER MONTHLY ANALYSIS REPORT March 2025

### Wastewater Operations

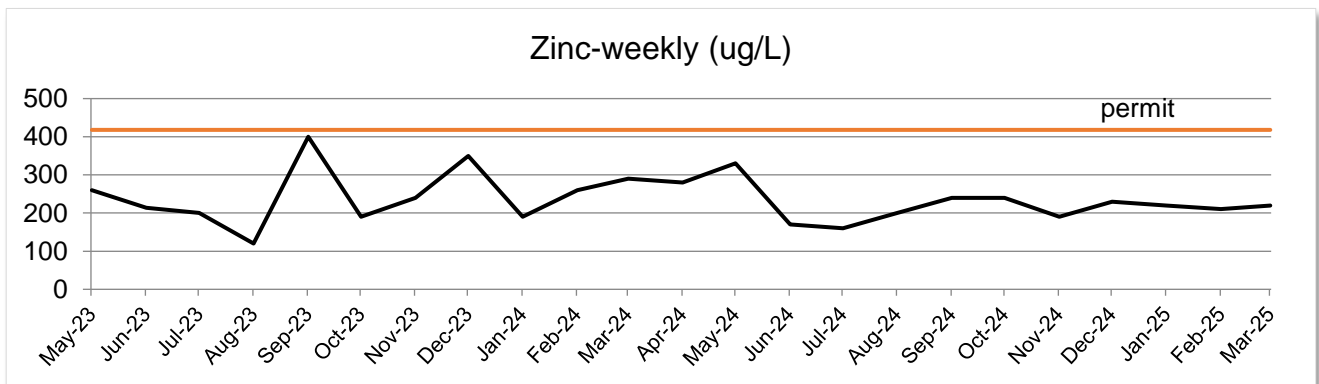
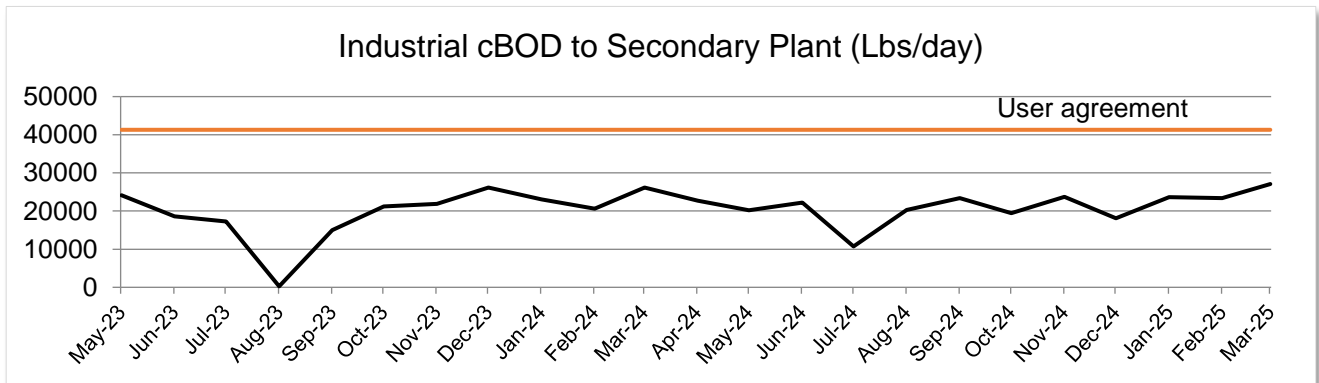
The Wastewater Treatment Plant (WWTP) met all National Pollutant Discharge Elimination System (NPDES) permit requirements last month while treating 165 million gallons of water removing 99.8% of the Total Suspended Solids (TSS) and 99.1% Biochemical Oxygen Demand (cBOD).



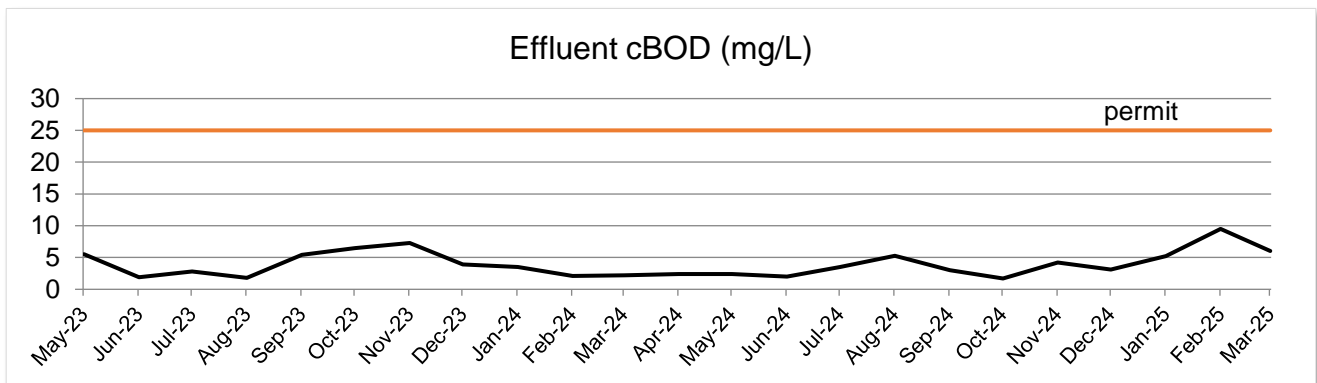
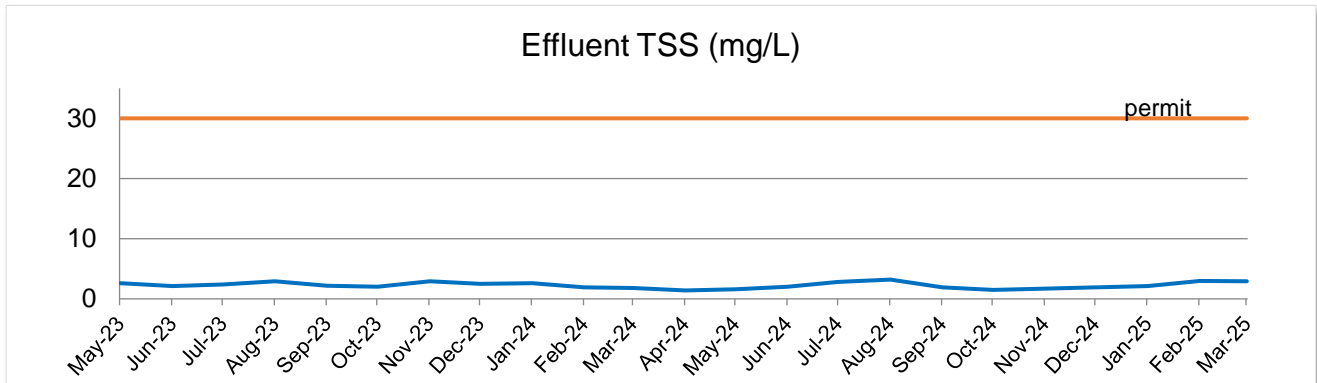
	Design Limits (monthly AVG)	Actual Results
<u>Primary Plant</u>		
Flow (MGD)	13.25	4.1
TSS (Tons/day)	162	33.9
TSS Peak (Tons/Day)	284	55.9



	Design Limits (monthly AVG)	Actual Results
<b>Secondary Plant</b>		
Flow (MGD)	15.25	5.3
cBOD (lbs/Day)	41,300	27,212
Peak cBOD (lbs/Day)	57,350	40,492
Zinc-weekly (ug/L)	418	220
% GRPUC		27.1%



<u>Effluent</u>	Permit Limits (monthly AVG)	Actual Results
TSS (mg/L) – monthly average	30	2.9
cBOD (mg/L) – monthly average	25	6.0
Dissolved Oxygen (mg/L)	>1.0	8.2



### **Sludge Landfill Operations**

- 0.18 million gallons of leachate were hauled last month which is normal.
- 3360 cubic yards of sludge solids were hauled to the landfill

