



GRAND RAPIDS PUBLIC UTILITIES COMMISSION

MEETING AGENDA

Wednesday, August 16, 2023

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, August 16, 2023 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

CALL OF ROLL:

PUBLIC FORUM:

APPROVAL OF MINUTES:

1. Consider a motion to approve the July 12, 2023 Regular Commission Minutes and the July 26, 2023 Regular Work Session Minutes.

VERIFIED CLAIMS:

2. Consider a motion to approve \$3,117,110.82 of verified claims for July 2023.

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.

3. Consider a motion to confirm filling the Executive Assistant position with the preferred candidate, Ms. Megan Pehrson.
4. Consider a motion to ratify the professional services contract with MMUA for strategic planning services for \$10,000 plus approved reimbursable expenses.
5. Consider a motion to approve the 2023 MMUA Delegate Appointment Form.
6. Consider a motion to ratify the amendment to the procurement contract with Government Finance Officers Association consulting services for ERP RFP evaluation and contract negotiations not exceed \$25,000.
7. Consider a motion to ratify the procurement contract of \$750 with VIA Actuarial Solutions consulting services for GASB 75 Actuarial Services.
8. Consider a motion to authorize the sale and/or disposal of surplus property.

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.

SAFETY REPORT:

- [9.](#) Review Safety Monthly Report

ADMINISTRATION:

- [10.](#) Consider a motion to adopt Resolution Number 08-16-23-7 approving Metered Use, Drought and Water Leak policies.
- [11.](#) Review Administration Monthly Report

BUSINESS SERVICES DEPARTMENT:

- [12.](#) Consider a motion to approve reimbursement resolution 08-16-23-8 for the Grand Rapids/Cohasset Industrial Park Utility Extension Project and request the City Council to issue G.O. bonds to finance related costs.
- [13.](#) Review Business Services Monthly Report

ELECTRIC DEPARTMENT:

- [14.](#) Review Electric Utility Monthly Report

WATER AND WASTEWATER DEPARTMENT:

- [15.](#) Review Water Utility Monthly Report
- [16.](#) Review Wastewater Utility Monthly Report

DEPARTMENT HEAD PRESENTATION:

- [17.](#) Department Head Presentation - Electric Manager, Chad Troumbly

ADJOURNMENT:

The next Work Session is scheduled for Wednesday, August 30, 2023 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, September 13, 2023 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 WORK SESSION

MEETING MINUTES

Wednesday, July 26, 2023

8:00 AM

President Stanley called the meeting to order at 8:00 AM.

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

STAFF: Julie Kennedy, Jean Lane, Chad Troumbly

BUSINESS:

1. Consider a motion to approve \$616,899.47 of verified claims for June and July 2023.

Motion made by Commissioner Smith, Seconded by Commissioner Adams to approve \$616,899.47 of verified claims for June and July 2023. Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Commissioner Adams

2. Review draft Water - Wastewater policies

Commission and staff reviewed draft Water - Wastewater policies.

ADJOURNMENT:

There being no further business, the meeting adjourned at 8:46 AM.

Respectfully Submitted,

A handwritten signature in black ink that reads "Julie Kennedy". The signature is written in a cursive, flowing style.

Julie Kennedy, General Manager



GRAND RAPIDS PUBLIC UTILITIES COMMISSION

MEETING MINUTES

Wednesday, July 12, 2023
4:00 PM

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

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

STAFF: Julie Kennedy, Jean Lane, and Steve Mattson

PUBLIC FORUM:

No one from the public was present.

APPROVAL OF MINUTES:

1. Consider a motion to approve the June 7, 2023 Regular Meeting Minutes and the June 29, 2023 Regular Work Session Minutes.

A motion was made by Secretary Francisco, Seconded by Commissioner Saxhaug to approve the June 7, 2023 Regular Meeting Minutes and the June 29, 2023 Regular Work Session Minutes. Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Commissioner Adams

VERIFIED CLAIMS:

2. Consider a motion to approve \$2,905,332.87 of verified claims for June 2023.

Motion made by Commissioner Adams, Seconded by Commissioner Smith to approve \$2,905,332.87 of verified claims for June 2023. Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Commissioner Adams

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.

Commissioner Smith requested item #8 be removed from the consent agenda and placed on the regular agenda. Motion made by Commissioner Adams, Seconded by Commissioner Saxhaug to approve the consent agenda as amended with item #8 now being item #17a. Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith,

Commissioner Adams

3. Consider a motion to authorize the sale and/or disposal of surplus property.

Approved on consent agenda.

4. Consider a motion to approve the June 2023 semi-annual write off of \$3,656.31 uncollectible accounts receivable.

Approved on consent agenda.

5. Consider a motion to ratify the procurement contract with Duluth Coating Solutions Inc. for extra coating required for moisture mitigation on the red rubber floor replacement project for \$5,100.

Approved on consent agenda.

6. Consider a motion to ratify Amendment #1 to the procurement contract with Rob's Bobcat Service Inc to extend the contract for vegetation control and restoration to the expiration date of December 31, 2023.

Approved on consent agenda.

7. Consider a motion to ratify the procurement contract with Roger's Two Way Radio, a wireless solution provider, for truck radio installs for \$3,649.14.

Approved on consent agenda.

8. ~~Consider a motion to approve the procurement contract with Altec for a backyard machine for \$144,900.00 and authorize the General Manager to sign the contract.~~

Removed from consent agenda and moved to section #17a for further discussion.

9. Consider a motion to ratify the procurement contract with Kem-Group USA for aerator media for \$4,800.

Approved on consent agenda.

10. Consider a motion to ratify the procurement contract with Dakota Supply Group for a kerf cutter for repairing curb stops for \$4,873.44.

Approved on consent agenda.

11. Consider a motion to ratify the procurement contract with Quality Flow Systems for a pump for lift station 2 for \$22,800.

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 Secretary Francisco, Seconded by Commissioner Adams to approve the regular agenda as presented. Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Commissioner Adams

SAFETY REPORT:

12. Reviewed Safety Monthly Report

ADMINISTRATION:

13. Reviewed Administration Monthly Report.

BUSINESS SERVICES DEPARTMENT:

14. Consider a motion to approve the July 1, 2023 renewal of the General Liability and Commercial Property Insurance with LMCIT in the amount up to \$162,423, authorize payment of premium, and authorize the President to sign the annual Liability Coverage Waiver Form accepting the monetary limits on municipal tort liability established by MN SS 466.04.

Motion made by Commissioner Adams, Seconded by Commissioner Saxhaug to approve the July 1, 2023 renewal of the General Liability and Commercial Property Insurance with LMCIT in the amount up to \$162,423, authorize payment of premium, and authorize the President to sign the annual Liability Coverage Waiver Form accepting the monetary limits on municipal tort liability established by MN SS 466.04. Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Commissioner Adams

15. Consider a motion to adopt reimbursement resolution 07-12-23-05 Sylvan Bay Utilities Project, and reimbursement resolution 07-12-23-06 Water Treatment Renovation Project; and request the City Council issue G.O. bonds to finance related costs.

Motion made by Secretary Francisco, Seconded by Commissioner Adams to adopt reimbursement resolution 07-12-23-05 Sylvan Bay Utilities Project, and reimbursement resolution 07-12-23-06 Water Treatment Renovation Project; and request the City Council issue G.O. bonds to finance related costs. Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Commissioner Adams

16. Reviewed Business Services Monthly Report

ELECTRIC DEPARTMENT:

17. Reviewed Electric Utility Monthly Report.
- 17a. Consider a motion to approve the procurement contract with Altec for a backyard machine for \$144,900.00 and authorize the General Manager to sign the contract.

Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve the procurement contract with Altec for a backyard machine for \$144,900.00 and authorize the General Manager to sign the contract. Voting Yea: President Stanley, Secretary Francisco, Commissioner Saxhaug, Commissioner Smith, Commissioner Adams

WATER AND WASTEWATER DEPARTMENT:

18. Reviewed Water Utility Monthly Report.
19. Reviewed Wastewater Utility Monthly Report.

DEPARTMENT HEAD PRESENTATION:

20. Business Services Manager Jean Lane gave the Department Head presentation.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 5:25 PM.

Respectfully submitted,



Julie Kennedy, General Manager



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to approve \$\$3,117,110.82 of verified claims for July 2023.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

See attached check registers:

Computer check register \$2,092,803.82

Manual check register \$1,024,307.00 (including checks issued for investments)

Total \$3,117,110.82

RECOMMENDATION:

Consider a motion to approve \$\$3,117,110.82 of verified claims for July 2023.

Grand Rapids Public Utilities
Accounts Payable
July 2023
(Meeting Date: 8/16/2023)

Item 2.

NAME	AMOUNT	NAME	AMOUNT
Aqua Power	8,819.89	North Central Laboratories	271.73
Aramark	381.83	Northern Drug Screening	58.00
Arrow Embroidery	687.82	Personnel Dynamics	2,346.89
Badger State Inspection	21,054.50	Pioneer Critical	1,941.00
Burggraf's	599.60	Pitney Bowes	265.58
Cannon Technologies	10,999.48	Power Process	9,925.20
Carquest	275.31	Proclise Solutions	2,668.75
Central McGowan	2,493.85	Public Utilities	2,325.93
City of Grand Rapids	756,996.27	Quality Flow	4,272.25
Coles	1,000.52	Quality Refrigeration & Heating	294.90
Compass Minerals	8,814.48	Radtke, James	5,076.72
Cooperative Response Center	2,163.15	Rapids Welding	93.94
Core & Main	259.62	RCB Collections	83.50
Davis Oil	3,459.37	Resco	54.32
Electric Pump	20,613.64	RMB Environmental Lab	1,783.78
Fastenal	1,968.14	Rob's Bobcat	10,440.00
Ferguson	315.40	Sandstroms	1,045.04
Gopher State One Call	322.65	Schwartz Redi-Mix	672.00
Grainger	1,519.34	Stantec	6,016.00
Hach	1,294.05	Stuart Irby	1,043.79
HR Direct	292.59	TJ Towing	92.00
Innovative	507.51	Viking Electric	4,120.96
Itasca County	1,426.37	Waste Management	1,034.19
Itasca Painting	5,838.00	Wesco	8,357.20
Jamar Company	776.00	Xerox	132.35
L & M	1,639.42	Zix	18,250.25
Lake States Construction	56,654.80		
Latvala Lumber	89.85	Energy Efficiency Rebate:	
Lease Landscaping	907.22	Arlt, Rachel	70.00
Macqueen Equipment	325.00	Mostoller, Jeanette	35.00
McMaster-Carr	506.25	Murphy, Gary	1,000.00
MN Department of Labor & Industry	40.00	Shields, Russell	400.00
MN Municipal Utilities	256.50		
Minnesota Power	1,088,845.87		
Minuteman Press	2,265.99		
Mpower	3,613.50		
Nextera	608.77		
		Total	2,092,803.82

July 2023 Check Register

Item 2.

Document Date	Check #	Vendor Name	Document Amount	
7/5/2023	4904	Invoice Cloud	3,075.95	7/31/2023
7/3/2023	4905	Northeast Service Cooperative	4,050.00	7/31/2023
7/3/2023	4906	Northeast Service Cooperative	55,249.21	7/31/2023
7/17/2023	4907	WEX Health	985.65	7/31/2023
7/14/2023	4908	Public Employees Retirement Association	17,092.88	7/14/2023
7/14/2023	4909	MN Department of Revenue	4,857.22	7/14/2023
7/14/2023	4910	Wells Fargo Bank	28,877.29	7/14/2023
7/14/2023	4911	Empower Retirement	8,799.45	7/14/2023
7/17/2023	4912	WEX Health	93.50	7/31/2023
7/20/2023	4913	MN Department of Revenue	178.00	7/31/2023
7/20/2023	4914	MN Department of Revenue	88,243.00	7/31/2023
7/28/2023	4915	Public Employees Retirement Association	15,658.40	7/28/2023
7/28/2023	4916	MN Department of Revenue	4,257.73	7/28/2023
7/28/2023	4917	Wells Fargo Bank	25,518.10	7/28/2023
7/28/2023	4918	Empower Retirement	7,899.82	7/28/2023
7/31/2023	4919	WEX Health	985.65	7/31/2023
7/24/2023	4920	4M Fund	157,000.00	7/31/2023
7/24/2023	4921	4M Fund	240,000.00	7/31/2023
7/9/2023	4922	Wells Fargo Pcard	4,081.06	
7/5/2023	81717	MN Energy Resources Corporation	46.35	7/5/2023
7/5/2023	81718	First Net AT & T Mobility	322.39	7/5/2023
7/5/2023	81719	Verizon Wireless	1,589.06	7/5/2023
7/5/2023	81720	Mattson Steve	42.58	7/5/2023
7/5/2023	81721	Chad's Meat Wagon LLC	1,609.00	7/5/2023
7/11/2023	81722	UNUM Life Insurance Company of America	3,442.81	7/11/2023
7/13/2023	81747	MN Department of Health	7,856.00	7/31/2023
7/14/2023	81748	Dickie Brett	204.99	7/14/2023
7/14/2023	81749	Guertin, Ronald D	54.97	7/14/2023
7/14/2023	81750	MN Rural Water Association	500.00	7/14/2023
7/14/2023	81751	Radtke James	5,445.72	7/14/2023
7/14/2023	81752	Customer Refunds - Johnson	60.31	7/31/2023
7/14/2023	81753	Customer Refunds - D. Baldwin	160.84	7/31/2023
7/14/2023	81754	Customer Refunds - H. Koeller	57.20	7/31/2023
7/14/2023	81755	Customer Refunds - N. Shantz	112.64	7/31/2023
7/14/2023	81756	Customer Refunds - M. Sandberg	106.85	7/31/2023
7/14/2023	81757	Customer Refunds - C. Peterson	93.49	7/31/2023
7/14/2023	81758	Customer Refunds - D. Gunderson	97.33	7/31/2023
7/14/2023	81759	MN Child Support Payment Center	391.32	7/14/2023
7/14/2023	81760	NCPERS Group Life Insurance	80.00	7/14/2023
7/21/2023	81761	Postage By Phone System	5,000.00	7/21/2023
7/21/2023	81762	MN Unemployment Insurance Fund	12,293.10	7/21/2023
7/21/2023	81763	United States Treasury	297.00	7/21/2023
7/21/2023	81764	Gustafson Doug	144.00	7/21/2023
7/21/2023	81765	Thomsen Shannon	49.50	7/21/2023
7/21/2023	81766	US Bank Equipment Finance	315.73	7/21/2023
7/21/2023	81767	City of LaPrairie	16,219.01	7/31/2023

7/24/2023	81768 MN Department of Health	23.00	7/24/2023
7/24/2023	81769 Customer Refunds - N Damberg	95.77	7/31/2023
7/24/2023	81770 Customer Refunds - R. Novak	484.36	7/31/2023
7/24/2023	81771 Customer Refunds - K. Roberts	59.36	7/31/2023
7/24/2023	81772 Customer Refunds U- T. Hines	105.18	7/31/2023
7/24/2023	81773 Customer Refunds - GHX Enterprises	66.69	7/31/2023
7/26/2023	81845 UNUM Life Insurance Company of America	3,285.68	7/31/2023
7/26/2023	81846 Xerox Corporation	113.83	7/26/2023
7/26/2023	81847 Devries-Flinck Tony C Sr	126.59	7/26/2023
7/26/2023	81848 Troumbly, Chad M	40.00	7/26/2023
7/31/2023	81849 City of Grand Rapids	72,333.33	7/31/2023
7/27/2023	81850 City of Grand Rapids	117.00	7/31/2023
7/27/2023	81851 City of Grand Rapids	71,382.92	7/31/2023
7/28/2023	81852 Voided		1/1/1900
7/28/2023	81853 Voided		1/1/1900
7/28/2023	81854 MN Child Support Payment Center	391.32	7/28/2023
7/28/2023	81855 MN Council 65	1,806.00	7/28/2023
7/24/2023	EFT0000000(US Bank NA	5,195.00	7/24/2023
7/25/2023	EFT0000000(US Bank NA	13,875.00	7/25/2023
7/25/2023	EFT0000000(Computershare	131,310.87	7/25/2023

Checks Previously Approved **	0.00
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Manual Checks/EFT to be approved	1,024,307.00
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Total Manual Checks	1,024,307.00
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GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to confirm filling the Executive Assistant position with the preferred candidate, Ms. Megan Pehrson.

PREPARED BY: Chery Pierzina, Human Resources Officer.

BACKGROUND:

At the May 10, 2023, regular meeting, the Commission authorized the internal posting and external advertising for the Executive Assistant vacancy. This action was a result from an unfilled position, Administrative/HR Assistant since February 2023.

No applications were received following the internal posting. Following external advertising of the position opening, GRPUC received 23 applications. The applications were scored using a rubric, and initial interviews were conducted in June, with eleven (11) applicants. The three (3) top-ranked applicants were invited to a second interview, which was held on Tuesday, July 11, 2023. A background verification was submitted and received, and an offer of employment was made to the selection committee's preferred applicant, Ms. Megan Pehrson. The offer was accepted with a hire date of August 7, 2023.

Management staff recommends the Commission formally confirm filling the Executive Assistant position with the preferred candidate, Ms. Megan Pehrson.

RECOMMENDATION:

Consider a motion to confirm filling the Executive Assistant position with the preferred candidate, Ms. Megan Pehrson, effective August 7, 2023.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to ratify the professional services contract with MMUA for strategic planning services for \$10,000 plus approved reimbursable expenses.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

This professional services contract provides consulting services for the development of a long range strategic plan (LRSP), including in person meetings, stakeholder engagement, meeting facilitation, and production of a final LRSP.

RECOMMENDATION:

Consider a motion to ratify the professional services contract with MMUA for strategic planning services for \$10,000 plus approved reimbursable expenses.

CONSULTING AGREEMENT

CLIENT Grand Rapids Public Utilities Commission 500 SE 4th St Grand Rapids, MN 55744 (the "Client")	CONSULTANT Minnesota Municipal Utilities Association 3131 Fernbrook Ln N, Ste 200 Plymouth, MN 55447 (the "Consultant")
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BACKGROUND

- A. The Client is of the opinion that the Consultant has the necessary qualifications, experience, and abilities to provide consulting services to the Client.
- B. The Consultant is agreeable to providing such consulting services to the Client on the terms and conditions set out in this Agreement.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Client and the Consultant (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

SERVICES PROVIDED

1. The Client hereby agrees to engage the Consultant to provide the Client with the following consulting services (the "Services"):
 - a. Development of a Long Range Strategic Plan ("LRSP"), including but not limited to meeting in person with the Commission on three occasions, working with Client staff on gathering relevant stakeholder input, facilitation of planning meetings, and production of a final LRSP document, customized and branded for Client.
 - b. In person and remote coaching of relevant stakeholders on processes and steps for translating the LRSP into an annual operating plan.
2. The Services will also include any other consulting tasks to which the Parties may agree. The Consultant hereby agrees to provide such Services to the Client.

TERM OF AGREEMENT

3. The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect until the completion of the Services, subject to earlier termination as provided in this Agreement. The Term may be extended with the written consent of the Parties.

PERFORMANCE

4. The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

CURRENCY

5. Except as otherwise provided, all monetary amounts referred to in this Agreement are in USD (US Dollars).

COMPENSATION

6. The Consultant will charge the Client for the Services as follows (the "Compensation"):
 - a. Client will pay Consultant a fee of \$10,000 as follows: \$5,000 within 30 days of signing; \$5,000 within 30 days of completion and delivery of the products described in paragraph 1 of this Agreement.
 - b. Client will reimburse Consultant for reasonable travel expenses including mileage, lodging, and meals related to facilitating three in person meetings at the Client's location, provided the expenses are properly documented and receipts are provided when applicable.
7. Invoices submitted by the Consultant to the Client are due within 30 days of receipt.
8. In the event that this Agreement is terminated by the Client prior to completion of the Services but where the Services have been partially performed, the Consultant will be entitled to pro rata payment of the Compensation to the date of termination provided that there has been no breach of contract on the part of the Consultant.
9. The Consultant will not be reimbursed for any expenses incurred in connection with providing the Services of this Agreement except for those specified in item 6-b above.

CONFIDENTIALITY

10. Confidential information (the "Confidential Information") refers to any data or information relating to the business of the Client which would reasonably be considered to be proprietary to the Client including, but not limited to, accounting records, business processes, and ratepayer records, and that is not generally known in the industry of the Client and where the release of that Confidential Information could reasonably be expected to cause harm to the Client.
11. The Consultant agrees that they will not disclose, divulge, reveal, report, or use for any purpose any Confidential Information which the Consultant has obtained, except as authorized by the Client or as required by law. The obligations of confidentiality will apply during the Term and will survive indefinitely upon termination of this Agreement.

12. All written and oral information and material disclosed or provided by the Client to the Consultant under this Agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement and regardless of how it was provided to the Consultant.

OWNERSHIP OF INTELLECTUAL PROPERTY

13. All intellectual property and related material, including any trade secrets, moral rights, goodwill, relevant registrations or applications for registration, and rights in any patent, copyright, trademark, trade dress, industrial design and trade name (the "Intellectual Property") that is developed or produced under this Agreement, is a "work made for hire" and will be the sole property of the Client with the following exceptions:
 - a. Consultant retains the ownership rights to any facilitation materials including slide decks, handouts, survey designs, and related items that are used in the process of creating the LRSP but are not included in it;
 - b. Consultant retains ownership of their methods of facilitation and the right to employ them with other Clients.
14. In the use of Intellectual Property described in paragraph 13 above, but not that Intellectual Property specifically excluded in 13-a and 13-b, the Client will not be restricted in any manner.
15. The Consultant may not use the Intellectual Property owned by the Client for any purpose other than that contracted for in this Agreement except with the written consent of the Client. The Consultant will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property by the Consultant or their agents.

RETURN OF PROPERTY

16. Upon the expiration or termination of this Agreement, the Consultant will return to the Client any property, documentation, records, or Confidential Information which is the property of the Client.

CAPACITY/INDEPENDENT CONTRACTOR

17. In providing the Services under this Agreement it is expressly agreed that the Consultant is acting as an independent contractor and not as an employee. The Consultant and the Client acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively a contract for service. The Client is not required to pay, or make any contribution to, any social security, local, state, or federal tax, unemployment compensation, worker's compensation, insurance premium, pension, or any other employee benefit for the Consultant during the Term. The Consultant is responsible for paying, and complying with reporting requirements for all local, state, and federal taxes related to payment made to the Consultant under this Agreement.

RIGHT OF SUBSTITUTION

18. Except as otherwise provided in this Agreement, the Consultant may, at the Consultant's absolute discretion, engage a third party sub-contractor to perform some or all of the obligations of the Consultant under this Agreement.
19. In the event that the Consultant hires a sub-contractor:
- a. The Consultant will pay the sub-contractor for its services and the Compensation will remain payable by the Client to the Consultant.
 - b. For the purposes of the indemnification clause of this Agreement, the sub-contractor is an agent of the Consultant.

AUTONOMY

20. Except as otherwise provided in this Agreement, the Consultant will have full control over working time, methods, and decision-making in relation to provision of the Services in accordance with the Agreement. The Consultant will work autonomously and not at the direction of the Client. However, the Consultant will be responsive to the reasonable needs and concerns of the Client.

EQUIPMENT

21. Except as otherwise provided in this Agreement, the Consultant will provide at the Consultant's own expense, any and all equipment, software, materials, and any other supplies necessary to deliver the Services in accordance with the Agreement. Client will provide, at the Client's own expense, reasonable facilities for the in person meetings described under item 1 of this Agreement including space, furniture, fixtures, equipment, and food/beverage required by Client's stakeholders.

NO EXCLUSIVITY

22. The Parties acknowledge that this Agreement is non-exclusive and that either Party will be free, during and after the Term, to engage or contract with third parties for the provision of services similar to the Services provided in this Agreement.

NOTICE

23. All notices, requests, demands, or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:
- a. Attn: Julie Kennedy
Grand Rapids Public Utilities Commission
500 SE 4th St
Grand Rapids, MN 55744
via email to: jakennedy@grpuc.org

- b. Attn: Karleen Kos
Minnesota Municipal Utilities Association
3131 Fernbrook Ln N, Ste 200
Plymouth, MN 55447
via email to: kkos@mmua.org

or to such other address as either Party may from time to time notify the other to substitute. Communications will be deemed to be properly delivered (a) immediately upon being served personally, (b) immediately if sent by email and receipt is acknowledged via return email, (c) two days after being deposited with the postal service if served by registered mail, or (d) the following day after being deposited with an overnight courier.

INDEMNIFICATION

24. Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each Party agrees to indemnify and hold harmless the other Party, and its respective directors, members, ratepayers, affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise out of any act or omission of the indemnifying party, its respective directors, members, ratepayers, affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

MEMBERSHIP REQUIREMENT

25. Client will maintain membership in good standing with the Minnesota Municipal Utilities Association for the duration of this Agreement.

MODIFICATION OF AGREEMENT

26. Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

ASSIGNMENT

27. The Consultant will not voluntarily, or by operation of law, assign or otherwise transfer its obligations under this Agreement without the prior written consent of the Client.

ENTIRE AGREEMENT

28. It is agreed that there is no representation, warranty, collateral agreement, or condition affecting this Agreement except as expressly provided in this Agreement.

ENUREMENT

29. This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators and permitted successors and assigns.

TITLES/HEADINGS

30. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

GENDER

31. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

GOVERNING LAW

32. This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota.

SEVERABILITY

33. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

WAIVER

34. The waiver by either Party of a breach, default, delay, or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.

Dated and effective this 12th day of June, 2023

FOR CONSULTANT



Karleen Kos, CEO
Minnesota Municipal Utilities Association

FOR CLIENT



Julie Kennedy, General Manager
Grand Rapids Public Utilities Commission



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to approve the 2023 MMUA Delegate Appointment Form.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

Update the Minnesota Municipal Utilities Association (MMUA) Delegate Appointment to include Electric Department Manager Chad Troumbly as a designated alternate representative of the Grand Rapids Public Utilities Commission.

RECOMMENDATION:

Consider a motion to approve the 2023 MMUA Delegate Appointment Form.

MINNESOTA MUNICIPAL UTILITIES ASSOCIATION

DELEGATE APPOINTMENT

The Grand Rapids Public Utilities hereby designates
(Governing body of utility/city)

Julie Kennedy as its duly authorized delegated
 representative to cast its vote on all matters to come before the membership of
 the Minnesota Municipal Utilities Association. This appointment shall be valid until
 such time as it may be, from time to time, amended by this body.

The following is/are designated as alternates to the designated representative:

1. Chad Troumbly
2. Jean Lane
3. Steve Mattson
4. _____
5. _____

The above appointment(s) were duly made before me this 16th day of
August, 20 23.

Attested to: _____
(clerk, secretary, etc.)

Please return completed form to: Minnesota Municipal Utilities Association
 Attn: Rita Kelly, Director of Administration
 3131 Fernbrook Lane North, Suite 200
 Plymouth, MN 55447-5337
 Email: rkelly@mmua.org
 Fax: 763.551.0459



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to ratify the amendment to the procurement contract with Government Finance Officers Association consulting services for ERP RFP evaluation and contract negotiations not exceed \$25,000.

PREPARED BY: Jean Lane, Business Services Department Manager

BACKGROUND:

This procurement is for an approved Business Services capital project with a budget of \$25,000. \$0 has been spent to date.

This is the second stage of the ERP RFP process and GRPU already has a master services agreement approved and phase one services approved April 18, 2022 which are completed. This amendment to the original contract is for the final two phases RFP evaluation and contract negotiations.

The GRPUC Procurement Policy was followed. The cost of these services will be shared with the City of Grand Rapids as this ERP is a joint capital project.

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

RECOMMENDATION:

Consider a motion to ratify the amendment to the procurement contract with Government Finance Officers Association for ERP RFP evaluation and contract negotiations services not to exceed \$25,000.

Master Services Agreement

This MASTER SERVICES AGREEMENT ("Agreement") is entered into as of April 14, 2022 ("Effective Date") by and between Grand Rapids Public Utilities a municipal corporation with its principal place of business at 500 SE 4th Street, Grand Rapids, MN 55744 ("Government"), and the Government Finance Officers Association of the United States and Canada, an Illinois not-for-profit corporation, having its offices at 203 North LaSalle Street, Suite 2700, Chicago, Illinois 60601 ("GFOA" or "Consultant"). Government and GFOA are collectively referred to herein as the "parties" and each individually as a "party".

Recitals

WHEREAS, Government desires to contract with GFOA to provide Services, as defined herein, based on the terms and conditions as set forth in this Agreement; and GFOA agrees to provide such Services, as defined herein, to Government, based on the terms and conditions as set forth in this Agreement.

Agreement

NOW, THEREFORE, in consideration of the premises, the mutual agreements herein set forth below, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **Incorporation of Recitals.** The Recitals set forth above are incorporated in this Agreement by reference and made a part hereof.
2. **Consulting Services.**
 - a. Statements of Work. GFOA shall, in accordance with the terms of this Agreement, perform the services and provide the Deliverables (as defined below) described in, and shall invoice Government for services rendered according to the schedule outlined in, any "Statement of Work" (also referred to herein as an "SOW") executed by the parties in writing from time to time that references and incorporates the terms of this Agreement (all services that GFOA performs, or is obligated to perform, under this Agreement and any SOW are collectively referred to as the "Services"). Each SOW shall include a detailed description of the deliverables and other materials to be developed or created by GFOA for the benefit of Government (collectively, the "Deliverables"). All SOWs shall be incorporated in this Agreement immediately upon execution by both parties and shall be deemed as accepted under the terms of this Agreement as of the Effective Date. If Government and GFOA commence work prior to signing a SOW, the parties agree that the completed SOW is incorporated in this Agreement, shall be deemed as accepted under the terms of this Agreement as of the Effective Date, and shall apply to the Services provided prior to signing the SOW. The initial SOW between the parties is attached hereto as Exhibit A and incorporated herein by reference.
 - b. Change Orders. Government may, from time to time, request in writing changes to a SOW. Upon Government's written request to modify the SOW, GFOA will submit a written proposal stating whether it believes it can make the changes and, if so, the estimated cost and schedule for delivery. If Government authorizes such written proposal, the parties shall reasonably describe the change and outline the modified terms to the applicable SOW in a written change order signed by an authorized representative of each of the parties (a "Change Order"). Any Change Order shall be incorporated by reference and attached as an appendix to the applicable SOW.

c. Contacts.

- i. GFOA shall assign an engagement manager ("GFOA Engagement Manager") to serve as Government's primary contact with respect to the Services. The GFOA Engagement Manager will be responsible for overseeing the Services and addressing any issues or concerns raised by Government with respect to this Agreement or the Services. GFOA's initial GFOA Engagement Manager is Mike Mucha, GFOA Director, Research and Consulting.
- ii. Government shall appoint an appropriate employee with authority to make decisions with respect to this Agreement and the Services to serve as GFOA's primary point of contact with respect to this Agreement and the Services ("Contract Administrator"). Government's initial Contract Administration is Jean Lane, Business Services Manager.

- d. Standard of Work. GFOA shall verify that each GFOA employee or contractor assigned to perform the Services is competent and qualified to provide such Services. The performance of the Services pursuant to the terms of this Agreement shall conform to commercially acceptable professional standards in the field of public finance. GFOA shall use commercially reasonable efforts to formulate opinions and create information upon which the Government may reasonably rely. The substance of such opinions and information, however, is not guaranteed by GFOA to be free from omission or errors except insofar as such errors or omissions occur as a result of gross negligence or willful misconduct by GFOA.

- e. Order of Precedence – Services. In the event there is a conflict between this Agreement and a SOW, the applicable SOW will control if it specifically refers to the conflicting provision in this Agreement. In the event there is a conflict between a Change Order and this Agreement or a SOW, the Change Order will control if it specifically refers to the conflicting provision in this Agreement or the SOW, as applicable.

3. **Proprietary Materials.**

- a. Work Product. As used in this Agreement, "Work Product" means all Deliverables developed, produced, or created by GFOA (including its employees and contractors) for Government as part of the Services and pursuant to this Agreement and any SOW including, without limitation, all reports, presentations and related materials; provided, however, Work Product does not include any GFOA Materials included or incorporated in the Deliverables.

All Work Product (excluding any GFOA Materials included or incorporated therein), upon payment of all undisputed corresponding amounts due to GFOA hereunder, shall belong solely and exclusively to Government, and Government shall have exclusive title and ownership rights, including all intellectual property rights, in and to such Work Product. To the extent that exclusive title or ownership rights may not originally vest in Government as contemplated herein, GFOA hereby assigns to Government all right, title and interest, including all intellectual property and ownership rights, in such Work Product. To the extent permitted under the U.S. Copyright Act (17 USC §101 et seq., and any successor statute thereto), the Work Product will constitute "works made for hire," and the ownership of such Work Product will vest in Government at the time they are created. In any event, GFOA agrees to assign and transfer to Government, without separate compensation, all right, title and interest that GFOA may now or hereafter have in or to the Work Product, including, without limitation, all copyright, trademark, trade secret, patent and other intellectual property and proprietary rights therein. To the maximum extent allowed, GFOA irrevocably and unconditionally waives, in perpetuity, any rights GFOA may have with respect to the Work Product under any law relating to "the moral rights of authors" or any similar law throughout the world.

- b. Government Materials. As between the parties, Government shall own all right, title, and interest in and to all content, information, data, information, ideas, concepts, visions or other materials supplied by or on behalf of Government to GFOA in connection with this Agreement (collectively, the "Government Materials").

GFOA shall acquire no right, title, or interest hereunder to the Government Materials, except that Government grants GFOA a limited, revocable, non-exclusive, non-transferable license (strictly in accordance with this Agreement and the applicable SOW and the purposes reasonably inferable to have been intended thereby) to use the Government Materials during the term of the applicable SOW, solely as necessary and appropriate for the performance of GFOA's duties and provision of Services to Government under such SOW.

- c. Retained Rights. Government acknowledges that GFOA conducts ongoing research and consulting services for other governments and clients and has accumulated expertise in this field. Notwithstanding anything set forth in this Agreement to the contrary and the foregoing provisions of this Section 3, GFOA will retain all right, title and interest in and to all GFOA Materials and all GFOA Materials are, and shall remain, GFOA's sole and exclusive property. For purposes of this Agreement and any SOW, "GFOA Materials" means all methodologies, ideas, concepts, processes, techniques, tools, solutions, trade secrets, research data, databases of information and specialized database applications, software applications, computer programming and/or coding, and other materials, information and know-how developed by GFOA or any of its contractors or affiliates prior to the execution of this Agreement, during the Term of this Agreement or independent of the Services being provided under this Agreement or any SOW. Government shall not have or obtain any right or title to or interest in the GFOA Materials (or in any modifications or enhancements thereto) except as explicitly set forth in this Agreement. GFOA makes no express or implied warranties of any kind regarding the GFOA Intellectual Property.

- d. Licenses.

- i. Notwithstanding anything set forth herein to the contrary, GFOA hereby grants Government a perpetual, irrevocable, nontransferable and non-assignable license to publish or disseminate the GFOA Materials included in the Deliverables; provided, however, Government shall not publish or otherwise disclose or use, in any manner, any portion of the GFOA Materials constituting or including GFOA's Confidential Information (as defined below). Government does not have the right to make derivative works from or based on the GFOA Materials.
- ii. In recognition of the fact that GFOA is an educational, not-for-profit, professional membership association, Government hereby grants GFOA a perpetual, irrevocable, royalty free license to use, publish, disseminate, reproduce, prepare derivative works of, perform, modify, and display publicly the Work Product (and any Government Materials included therein) as it sees fit in its sole and absolute discretion; provided, however, GFOA shall not publish or otherwise disclose, in any manner, any portion of the Deliverables constituting or including Government's Confidential Information (as defined below).

4. **Acceptance.** Government is entitled to Review and Evaluate the Services (including each phase of the Services, as applicable) including any Deliverables that are provided to Government pursuant to an SOW. The term "Review and Evaluate" means review and evaluation performed by or on behalf of Government to determine whether Services (or any phase of the Services, as applicable), including related Deliverables, comply with any specifications, requirements, or criteria set forth in the SOW. If Government reasonably determines that such Services (or phase of Services, as applicable) comply with the foregoing or otherwise decides in its sole discretion to accept the Services, Government will notify GFOA in writing of its acceptance of the Services ("Acceptance"). Absent written notice of Acceptance, Government automatically shall be deemed to have accepted

all Services (including those in a given phase, as applicable) and the Deliverables resulting therefrom upon the earlier to occur of the following: (i) Government's payment of any invoices received from GFOA with respect to such Services (or phase); (ii) Government's use of the Services and/or any Deliverables; or (iii) the Payment Date (as defined below). Upon Acceptance, Government shall be deemed to have released Consultant from any liability resulting from such phase of the Services.

If Government determines in good faith that the relevant Services or any portion or phase thereof are not acceptable, it shall notify GFOA in writing and provide sufficient detail to GFOA describing the reasons the Services are deficient. GFOA will make such commercially reasonable revisions, corrections or changes as may be necessary at its sole cost and expense within a reasonable period of time, and within ten (10) days after such corrections have been made Government will review the relevant Services and Deliverables. If the relevant Services still fail Government's Review and Evaluation, Government will grant GFOA a reasonable amount of additional time to provide a workable solution at GFOA's sole cost and expense.

5. Government Responsibilities.

- a. Excuse for Government's Failure to Perform. Government's failure to perform its responsibilities as defined in any SOW, or in any mutually agreed upon Change Order, may result in a delay in GFOA's performance of the Services. If and to the extent such a failure by Government directly, materially, and adversely affects GFOA's ability to perform under such SOW or Change Order and GFOA promptly notifies Government thereof in writing, then: (i) such failure by Government shall excuse GFOA's failure to fulfill its related responsibilities under such SOW or Change Order, and the timeline for GFOA's performance shall be extended, on a day-for-day basis, to account for the delay caused by Government's failure; and (ii) if Government's failure to perform its responsibilities in a timely manner prevents GFOA from, or delays GFOA in, performing the Services in a manner that materially increases the cost, risk, duration, or level of effort of GFOA's performance of its obligations under the applicable SOW or Change Order, GFOA may be entitled to an equitable adjustment in the compensation otherwise payable to it under such SOW or Change Order, with any such adjustment to be addressed through a mutually agreed upon Change Order.
- b. Access. Government agrees to give GFOA and its employees and contractors access to staff and the Government owned properties as required to perform the Services. In the event GFOA (including its employees and contractors) requires access to Government's office(s) or certain Government information, source code or Government's network and servers in order to be able to effectively provide the Services the GFOA Engagement Manager shall request such access by way of a written request delivered to the Contract Administrator. Upon receipt of such request, Government shall (i) provide GFOA's employees and contractors adequate work space at one or more Government locations as may be mutually agreed upon by the GFOA Engagement Manager and Contract Administrator; and (ii) provide only such access rights as are necessary for GFOA to effectively perform the Services, including remote access, utilizing VPN or another mutually agreed upon remote access technology to access Government programs and data from remote locations or GFOA's offices. GFOA agrees that its employees and contractors shall access only that Government information which is necessary in order to fulfill GFOA's obligations hereunder and shall strictly adhere to all security protocols, including without limitation accessing Government's source code solely through the Government's source code management system, established by Government.
- c. Third Party Vendors. Government acknowledges and agrees that it is responsible for all decisions it makes based on the information and recommendations provided by GFOA and

acknowledges that (i) GFOA is not a software provider, systems integrator or other supplier or vendor; (ii) GFOA's role is solely to provide information, analysis and advisory services; and (iii) any decision made by Government with respect to engaging or contracting with any software, services or other vendor or supplier is solely that of the Government and Government bears all responsibility for such decisions. Accordingly, Government agrees that Consultant shall bear no responsibility and shall incur no liability with respect to the performance or provision of any software, hardware, or implementation services (as applicable).

6. **Term.** The term of this Agreement shall begin on the Effective Date and continue until such time as the Services are completed by GFOA in accordance with the terms of the SOW, unless terminated earlier by either party as provided in Section 7 of this Agreement ("Term").

7. **Termination.**

- a. Termination Upon Breach. Either party may terminate this Agreement by providing thirty (30) days written notice to the other party in the event: (i) the other party is in breach of any of its obligations under this Agreement and fails to remedy such breach within ten (10) days following written notice from the other party, (ii) the other party ceases to do business (in whole or in part), becomes or is declared insolvent or bankrupt or is the subject of any proceedings relating to its insolvency or liquidation, or (iii) in the event the other party is subject to a merger in which it is not the surviving or controlling party.
- b. Termination for Convenience. Either party may terminate this Agreement or any SOW hereunder at any time, with or without cause, upon thirty (30) calendar days advance written notice to the other party. Notwithstanding anything to the contrary in this Agreement or any SOW, in the event of any termination under this Section 7.b, Government will only be liable to make any payments which are due hereunder (or any applicable SOW) to GFOA for work actually performed in accordance with the terms and conditions herein (or in any applicable SOW) up to the effective date of such termination.
- c. Termination of SOW. Termination of any SOW shall not serve to terminate any other SOW or this Agreement unless expressly stated in the notice of termination. Unless specifically provided in the termination notice, termination of this Agreement shall also not terminate any SOW and, with respect to any particular SOW, the terms and conditions of this Agreement shall remain in full force and effect until the expiration or termination of such SOW.
- d. Effect of Termination. Upon termination of this Agreement for any reason GFOA shall promptly (i) promptly terminate its provision of the Services; (ii) deliver to Government all Deliverables completed at the time of termination or expiration provided Government has paid all sums due and owing GFOA in connection with this Agreement and all outstanding SOWs; and (iii) return all Government Materials and Confidential Information provided by Government to GFOA during the provision of the Services.

Upon termination of this Agreement for any reason, Government shall (i) pay GFOA all Services rendered and fees charged up to and including the effective date of such termination on a time and materials basis using the rates set forth in Exhibit A; and (ii) reimburse GFOA for all expenses incurred by GFOA in accordance with the terms of this Agreement (including, with respect to GFOA's expenses in accordance with the provisions of Section 11) up to and including the effective date of such termination. Final payment of all sums due to GFOA shall be due within fifteen (15) calendar days following the effective date of the termination of this Agreement or any SOW entered into hereunder.

Any provision of this Agreement which, by its nature, would survive termination or expiration of this Agreement will survive any such termination or expiration, including the provisions of Sections 3, 5.c, 7.d, 8, 9, 11, 13, and 14.a -c, e-g and j.

8. Confidential Information.

- a. Definition. For purposes of this Agreement, "Confidential Information" shall mean all information marked as confidential, and all trade secrets, processes, works of authorship, inventions, discoveries, developments, systems, computer programs, code, algorithms, formulae, methods, ideas, know-how, functional and technical specifications, designs, passwords, analysis, research, business plans, pricing strategies, data, source code, programming code and other documentation created under this Agreement in conjunction with the Services rendered, and all other information which, if disclosed to a third party, could adversely affect the relevant party or its business interests. Confidential Information shall not include: (i) information known to the receiving party prior to entering into this Agreement; (ii) information independently developed by the receiving party without use of or reference to the other party's Confidential Information; and (iii) information in the public domain through no wrongful act or breach of this Agreement.
- b. Obligations. Government and GFOA agree to:
 - i. protect and safeguard the confidentiality of the other party's Confidential Information with at least the same degree of care as it would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care;
 - ii. not use the other's Confidential Information, or permit it to be accessed or used, for any purpose other than in connection with the provision of the Services pursuant to the terms of this Agreement;
 - iii. not disclose any such Confidential Information to any person or entity, except to their respective employees, officers, directors, partners, consultants, agents or advisors (collectively, "Representatives") who:
 1. need to know the Confidential Information in order to assist the disclosing party, as applicable, or act on its behalf, in relation to provision of the Services or to exercise its rights under this Agreement;
 2. are informed by the disclosing party of the confidential nature of the Confidential Information; and
 3. are subject to confidentiality duties or obligations to the disclosing party that are no less restrictive than the terms and conditions of this Agreement.
 - iv. be responsible for any breach of this Agreement caused by any of its Representatives, including, without limitation, the Consultants.
- c. Standard of Care. The parties agree to use all commercially reasonable best efforts to protect unauthorized use or distribution of Confidential Information. Both parties agree that any unauthorized use or disclosure of the other party's Confidential Information in a manner inconsistent with the terms of this Agreement may cause the relevant party irreparable damage for which remedies other than injunctive relief may be inadequate. The obligations outlined in this paragraph shall apply to all authorized employees, contractors and agents of each party who have access to or are in a position to obtain Confidential Information. The parties agree to return or destroy all Confidential Information that it obtained from the other

party upon expiration or termination of this Agreement without retaining copies thereof. Upon expiration or termination of this Agreement, GFOA and Government shall verify in writing that they have complied with the provisions of this section.

9. **Representations and Warranties; Indemnity.**

- a. Authority. GFOA represents and warrants that: (i) it is properly incorporated and in good standing in its state of incorporation; (ii) has the authority necessary to enter into and carry out the obligations set forth in this Agreement; and (iii) has the authority to grant the licenses and rights it purports to grant to Government in this Agreement.
- b. Services. GFOA represents and warrants that it will provide the Services in compliance with all applicable laws, rules, regulations, and ordinances, and in accordance with this Agreement and the applicable SOW, generally accepted industry standards, and all applicable policies of Government regarding confidentiality, security, and conduct on Government's premises.
- c. Non-Infringement. GFOA represents and warrants that the Deliverables and the Services, other than any third party property authorized by Government to be incorporated therein, will not infringe upon or violate any patent, copyright, trade secret, trademark or other proprietary right of any third party (or that GFOA has obtained from any such third parties the rights to use and to permit Government to own the Deliverables).
- d. Mutual Indemnification. Subject to the limitation on liability and Liability Cap set forth below in Section 13 below, each party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other party (the "Indemnified Party") and its respective officers, directors, employees and agents against any and all actions, controversies, demands, suits, proceedings, claims, causes of action, liabilities, losses, costs, interest, penalties, demands, expenses and damages of any kind whatsoever (including reasonable attorneys' fees and costs incurred in connection with the arbitration or resolution of any dispute as set forth herein) (collectively, "Losses") related to or arising, directly or indirectly, from any claims of third parties against an Indemnified Party arising out of the gross negligence or willful misconduct of the Indemnifying Party or any of its employees and/or agents.

10. **Location and Facilities.** GFOA may perform aspects of the Services at Government's offices or Government's designated sites. GFOA reserves the right to perform work at locations other than Government's offices or Government's designated sites as reasonably deemed appropriate by GFOA.

11. **Payment Terms.**

- a. Invoices. GFOA shall provide Government with an invoice setting forth GFOA's fees for the Services and any reimbursable expenses incurred, which will, unless otherwise set forth in the SOW, be billed on a project basis (i.e., fixed fee). Unless otherwise specified in the SOW, Government shall pay invoices received from GFOA within thirty (30) calendar days of Government's receipt of the invoice ("Payment Date") and invoices shall be issued upon the completion of the Services and/or phases or milestones set forth in the applicable SOW.
- b. Past Due Amounts. Undisputed past due balances in excess of forty-five (45) days, shall accrue interest at the rate of three-quarters of a percent 1.5% per month, or the highest rate permitted by law. GFOA reserves the right to delay or suspend its Services to Government in the event Government has an undisputed past due balance with GFOA.
- c. Taxes. Prices quoted for license fees and other fees are exclusive of all federal, state, municipal or other political subdivision excise, sales, use, or like taxes now in force or

enacted in the future, if any, applicable to these transactions. Payment of any such taxes, except for any taxes based on GFOA's income, are the sole responsibility of Government unless Government provides GFOA with a valid tax exempt certificate therefor.

- d. Staffing and Rates. Consultants shall perform Services in accordance with the terms of this Agreement and the SOW. Government will pay GFOA on a project basis, unless otherwise set forth in the SOW. In the event Government pays for Services on an hourly basis, GFOA's staff/contractor time will be billed at the mutually acceptable rates set forth in the applicable SOW.

- e. Expenses.

- i. Travel expenses. Unless stated otherwise in the SOW, GFOA pricing includes travel costs for expected level of travel as identified in the SOW.

- 12. **Provision of Services to Third Parties.** Government agrees that this Agreement shall not preclude GFOA from providing its services to third parties.

- 13. **Limitation on Liability and Damages.**

- a. Force Majeure. In no event shall either party or its officers, directors, employees, agents, consultants or suppliers be liable under this Agreement to the other party or any other third party for any indirect, special, incidental, punitive or consequential damages (such as damages for loss of good will, work stoppage, lost or corrupted data, computer failure or malfunction, lost profits, lost business or lost opportunity), or any other similar damages resulting from a delay in performance or any failure to perform hereunder caused in whole or in part by reason of force majeure, which with respect to GFOA shall be deemed to include the occurrence of any event beyond the control of GFOA that renders performance impossible, illegal or impracticable, which shall include Government's failure to furnish necessary information with respect to details of performance on the part of the Government, war (whether an actual declaration thereof is made or not), sabotage, terrorism, insurrection, riot and other acts of civil disobedience, action of a public enemy, failure or delays in transportation, pandemic, communicable disease, laws, regulations or acts of any national, state or local government (or any agency, subdivision or instrumentality thereof), judicial action, labor dispute, accident, fire, explosion, flood, storm or other act of God, shortage of labor, fuel, raw materials, machinery or technical failures. Government shall not withhold its Acceptance by reason of delays occasioned by force majeure. Any delay resulting from force majeure shall correspondingly on a day-by-day basis extend the time for performance by GFOA.

- b. Limitation of Liability. GFOA's liability for any matter arising under or in connection with this Agreement, an SOW or from any transaction contemplated herein, including without limitation the provision of the Services, in no event shall exceed the actual amount paid by GFOA's insurer as a result of any claim made with respect to such matter under the insurance policies maintained by GFOA in accordance with Section 14.d of this Agreement (the "Liability Cap"). Government acknowledges that the Liability Cap is a material term upon which GFOA has relied in entering into this Agreement and that GFOA would not have entered into this Agreement in the absence of such provision.

- 14. **Miscellaneous.**

- a. Governing Law. This Agreement shall be interpreted, construed and governed by the laws of the State of Illinois, without regard to its conflict of law rules.
- b. Dispute Resolution.

- i. The parties shall attempt to resolve any claim or disputes arising in connection with this Agreement or the Services provided hereunder by escalating the dispute to a senior representative of each party, and such senior representative shall use good faith efforts to resolve the dispute. The parties shall make good faith efforts to resolve any and all disputes as quickly as possible. If the senior representatives are unable to resolve the dispute, the dispute shall be decided by arbitration as set forth below.
- ii. Any claim or dispute of any nature between the parties hereto arising directly or indirectly from the relationship created by this Agreement or the Services provided hereunder shall be resolved exclusively by arbitration in Chicago, Illinois in accordance with the commercial arbitration rules of the American Arbitration Association. The arbitration shall be conducted by either: (i) a single arbitrator mutually agreed upon by the parties; or (ii) if the parties fail to agree upon an arbitrator within thirty (30) days after submission of the claim to arbitration, then a single arbitrator appointed by the American Arbitration Association. Any such arbitrator shall have reasonable experience in the area of computer software, computer programming and services agreements and issues. The fees of the arbitrator shall be paid by the party that is unsuccessful in such arbitration. Each party shall be responsible for its own costs incurred in connection with such arbitration. The decision of the arbitrator shall be final and binding upon both parties. Judgment of the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. In the event of submission of any dispute to arbitration, each party shall, not later than thirty (30) days prior to the date set for hearing, provide to the other party and to the arbitrator a copy of all exhibits upon which the party intends to rely at the hearing and a list of all persons each party intends to call at the hearing.
- c. Independent Contractors. The parties are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the parties. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee.
- d. Insurance. GFOA agrees that it will maintain in effect during the Term of this Agreement insurance policies in the amount and with the type of coverage shown below:
 - 1. Workers Compensation insurance in the form and amount required by applicable law(s).
 - 2. Commercial General Liability insurance on an "Occurrence Basis" with limits of liability not less than \$500,000 per occurrence and/or combined single-limit bodily injury and property damage.
 - 3. Motor Vehicle Liability, including No-Fault coverage, with limits of liability not less than \$500,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury and property damage. Coverage shall include all non-owned vehicles, and all hired vehicles.
 - 4. Professional Liability, with limits of liability of \$3,000,000 per claim and policy aggregate.
- e. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law but if any provision of this Agreement is held to be invalid, illegal or unenforceable under any applicable law or rule,

the validity and enforceability of the other provisions of this Agreement will not be affected or impaired thereby.

- f. Modification, Amendment, Waiver or Termination. No provision of this Agreement or an SOW may be modified, amended, waived or terminated except by an instrument in writing signed by both parties to this Agreement. No course of dealing between the parties will modify, amend, waive or terminate any provision of this Agreement or any rights or obligations of any party under or by reason of this Agreement.
- g. Assignment. Neither party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party.
- h. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.
- i. Invoices. GFOA sends invoices electronically via email. Invoices shall be sent to:

Name _____ Email: accountspayable@grpuc.org

- j. Notices. All notices, consents, requests, instructions, approvals or other communications provided for herein shall be in writing and delivered by personal delivery, overnight courier, mail, fax or e-mail addressed to the receiving party at the address set forth herein. All such communications shall be effective when received.

If to GFOA:

Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601
Attention: Mike Mucha (or the current GFOA Engagement Manager)
E-Mail: mmucha@gfoa.org

If to Government:

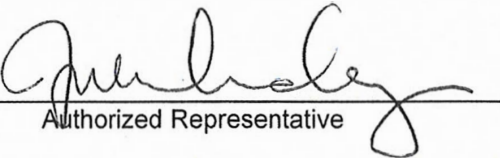
Grand Rapids Public Utilities
500 SE 4th Street
Grand Rapids, MN 55744
Attention: Jean Lane, Business Services Manager & Julie Kennedy, GM
E-Mail: jmlane@grpuc.org and jakennedy@grpuc.org

Any party may change the address set forth above by notice to each other party given as provided herein.

- k. Entire Agreement. This Agreement, including all Exhibits attached hereto and all SOWs entered into hereunder, constitute the entire agreement of the parties hereto and supersedes all prior understandings, representations, proposals, discussions and communications, whether oral or written, with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

GRAND RAPIDS PUBLIC UTILITIES

By: 
Authorized Representative

Name: Julie A. Kennedy

Date: April 18, 2022

Title: General Manager

**Government Finance Officers Association of
the United States and Canada**

By: 
Authorized Representative

Name: Michael Mucha

Date: 4/25/2022

Title: Deputy Executive Director

EXHIBIT A
FORM OF STATEMENT OF WORK

This SOW on the following page(s) incorporates all of the terms and conditions set forth in the Agreement and the Agreement governs the relationship between Government and GFOA. Any modifications to the Agreement that are agreed to by Government and GFOA must be specifically set forth in this SOW, and such modifications shall apply only to this SOW, and not to any previous or subsequent SOWs, unless expressly stated otherwise in such other SOW. All other terms and conditions of the Agreement shall remain in full force and effect. All terms not otherwise defined in this SOW shall have the meaning set forth in the Agreement. In the event of a discrepancy between this SOW and the Agreement, the terms of the Agreement shall control.



Government Finance Officers Association

Research and Consulting Center

Prepared for:



**City of Grand Rapids and
Grand Rapids Public Utilities Commission
Minnesota**

Enterprise Resource Planning (ERP) Advisory Services

March 21, 2022

REVISED April 5, 2022

AMENDED August 16, 2023



Government Finance Officers Association

203 North LaSalle Street, Suite 2700
Chicago, IL 60601-1210
312.977.9700 fax: 312.977.4806

Item 6.

April 5, 2022

City of Grand Rapids
Attn: Barbara Baird
420 N. Pokegama Avenue
Grand Rapids, MN 55744

Grand Rapids Public Utilities Commission
Attn: Jean Lane
500 SE 4th St.
Grand Rapids, MN 55744

EMAIL: bbaird@ci.grand-rapids.mn.us / jmlane@grpuc.org

Dear Barbara and Jean

The Government Finance Officers Association (GFOA) is pleased to present this revised proposal to the City of Grand Rapids and the Grand Rapids Public Utilities Commission (collectively "the City") to assist with the City's business process improvement and ERP replacement project. We understand the great opportunity that an ERP system/finance replacement project provides and focus on using that chance to make lasting improvements to policies, business processes, and outcomes for the City. We also understand the challenges of upgrading from a system that hasn't been upgraded in a while and the need to both modernize processes and policies along with technology. Our approach, focused on governance, readiness, and process improvement will meet the City's needs to get stakeholders from across the City (including from both the Public Utilities Commission and the City) engaged early, demonstrate results, and build momentum for the technology implementation.

GFOA is a 501(c)3 non-profit association with 21,000 members representing nearly 10,000 local governments. As one of the premier membership associations for public-sector professionals, GFOA can offer independent, objective, and best practice focused consulting services consistent with our mission to improve government management. Over 600 governments, have found value in our experience, expertise, and detailed approach to ERP projects.

Sincerely,

Michael J. Mucha
Director, Research and Consulting Center
Government Finance Officers Association

Phone: 312-977-9700

Fax: 312-977-4806

Email: mmucha@gfoa.org

Washington, DC Office

660 N. Capital Street, NW • Washington, DC 20001 • 202.393.8020 fax: 202.393.0780
www.gfoa.org



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Section I – GFOA Qualifications

The Government Finance Officers Association (GFOA) is the premier association for public sector finance professionals in the United States and Canada. Founded in 1906, GFOA currently has over 21,000 members that look to GFOA as the gold standard for identifying, developing, and communicating leading practices in government management. As a non-profit organization, GFOA's mission is to promote excellence in state and local government financial management. GFOA accomplishes this mission by identifying and developing policies and practices and promoting them through education, training, consulting and leadership.

GFOA's Research and Consulting Center (RCC) is nationally recognized for its comprehensive analytical and advisory services, as well as for research on issues specific to state and local governments' financial, human resource, procurement, payroll and operational management. Since beginning operations in 1977, the RCC has assisted hundreds of cities, counties, public utilities; and other forms of government to create best practice solutions to meet their unique challenges. Approximately 20 years ago, GFOA began consulting for enterprise resource planning (ERP) system assessments, procurement, contract negotiation, and implementation advisory services. GFOA has built a reputation as the unparalleled leader in the field of providing objective, independent advice for ERP procurement and implementation projects. Our approach to ERP projects focuses on business process improvement, effective governance, and building organizational readiness throughout each stage of the procurement process. In addition to our consulting projects, we frequently teach our approach as part of GFOA's training program and in some cases even other consulting firms have used GFOA templates and past consulting deliverables to leverage our lessons learned and market leading formats.

GFOA's strategic mission is to improve state and local government financial management

GFOA does not implement software. We also have no desire or incentive to make recommendations that increase our services and costs on the project. Our focus is exclusively on providing honest and unbiased recommendations to our clients and leveraging our experience to help all public-sector organizations with informed ERP guidance. The ERP market has undergone significant change in recent years and governments are increasingly more reliant on technology to implement financial management best practices. In addition, because of the growth in "cloud" and the importance of these systems on the overall administration of local government, these technologies continues to evolve. With our consulting experience and continued research, GFOA has been able to improve










its approach and generate additional value for our clients through reduced costs, reduced risk, and best practice recommendations to improve not only technology, but also business process.

GFOA's strategic plan identifies four primary roles for our organization. We are a resource, an educator, a facilitator, and an advocate. With this project, our consulting services will draw upon each role to provide value for the City and provide a unique set of services that only GFOA can bring.

Specifically for the City, we aim to mix "traditional" consulting with ongoing education sessions, coaching, and a role as a strategic guide allowing the City to take greater responsibility for tasks within the project, lowering overall consulting costs, and improving changes that the project will be successful.

 GFOA Strategic Focus	
 Resource.	GFOA brings many resources to this project. Our best practices, ever-evolving templates, lessons learned, tools, and most importantly, our knowledgeable consultants.
 Educator.	GFOA prioritizes training throughout our consulting approach. We want you to be successful and we understand that means having the information, skills, and perspective necessary at the City and for the long-term. Our consultants will provide training on the ERP market, process analysis, ERP proposal evaluation, implementation, project management, and more to help increase your change of long-term success.
 Facilitator.	GFOA's strength is in our network of past clients and overall members. We know every government is different and that every project has a unique set of circumstances. We also know that everyone can learn something from others that have just gone through something similar. GFOA's consultants will be your conduit to this network.
 Advocate.	Above all else, GFOA will be your advocate. We will champion best practices. We will work to identify and mitigate risk. We will also work hard to ensure you get the best deal possible from your vendor that allows this ERP project be an investment that the City can benefit for many years.

Other Products and Services

GFOA also provides many services to members and other government managers in addition to consulting services. Our consulting services complement and utilize much of our research knowledge and membership network to deliver current, relevant, and



proven strategies. The same consultants who regularly advise clients also research and write white papers and journal articles, author and edit publications, conduct training, coordinate GFOA's annual conference, and staff best practice committees.

- **Industry Standard Publications:** GFOA staff prepare the industry's leading publication to guide governmental accountants on all standards and financial reporting guidance. *Governmental Accounting, Auditing, and Financial Reporting* (The "Blue Book") is published by GFOA and GFOA consultants and clients have ready access to GFOA's technical experts throughout the project for any complex accounting or financial reporting questions as we work through business process change, chart of account configuration, or system set up challenges. 
- **Other Research and Publications:** GFOA conducts ongoing research with its member network and communicates information on leading practices, lessons learned, and trends in financial management such as technology utilization and governance. GFOA currently has over 40 titles available. The following is a sampling of products recently written by GFOA consultants.
 - ***Technologies for Government Transformation: ERP Systems and Beyond*** 
 - ***IT Budgeting and Decision Making: Maximizing Your Government's Technology Investments*** 
 - ***Financial Foundations for Thriving Communities*** 
- **Government Finance Review:** GFOA consultants also regularly contribute articles and serve as reviewers for GFOA's bi-monthly publication, *The Government Finance Review*, along with other leading journals, books, and white papers.
- **Best Practice Committees:** GFOA has seven standing committees made up of leading finance professionals from governments throughout the United States and Canada that meet regularly to develop best practices to promote and guide sound financial and overall government management.
- **Annual Conference and Training:** GFOA's Annual Conference attracts approximately 5,000-7,000 government finance professionals and provides a forum to discuss innovative practices, learn best practice examples, network with peers, and interact with exhibitors. GFOA also provides ongoing training seminars throughout the country to assist members with continued professional development. GFOA consultants are regular trainers at these seminars including seminars on ERP procurement, project management, and best practices in ERP implementation.



Section II – Project Staffing

All GFOA consultants assigned to this project will have multiple years of experience with similar projects, continually conduct market research, and have prior public sector work experience.

All GFOA consultants have held positions within local government and have prior experience leading ERP projects similar to this engagement.

All GFOA consultants have managed projects similar to this engagement. As a result, our consultants are able to understand your unique needs and future goals, and help provide recommendations and advice from within the team. We understand the current market and will work to transfer that knowledge to the City so it not only creates a recommended plan for implementation, but also so that implementation of that plan is successful.

All of our consultants approach projects with similar goals.

- 1) Understand your needs and challenges and work with you to meet project goals**
- 2) Provide accurate, timely, and relevant information and gain your trust as a key member of your team.**
- 3) Provide honest recommendations that are solely influenced by the best interests of the City**
- 4) Serve as the City's advocate throughout the project. In both short and long-term, we will be a passionate champion for best practice and ensuring the City gets the best possible project outcomes.**

Bios for GFOA consultants are available under the “staff directory” at www.gfoa.org.



Section III – Project Scope

ERP system implementations offer much promise for improving business processes, empowering employees with tools to become more effective, and ultimately transforming the entire organization. With improvements in technology and market trends favoring “cloud technologies,” this shift not only includes business process, but also risk management, organizational roles, and governance. However, implementation of these systems is a complex effort and many organizations struggle to realize many of the promised benefits. Organizations must be prepared to engage with software vendors by ensuring that key implementation prerequisites are complete. This “readiness” work includes making many decisions upfront on the project goals, scope, requirements, and definition of project success. For the City, we envision a project where staff from the City of Grand Rapids and the Public Utilities Commission work together to identify potential efficiencies, standardize processes (where possible), and support each other to mitigate project risks and develop a future vision that benefits both organizations. However, we also recognize that both organizations work to provide different services, and may need different business processes, project goals, or decision structures.

GFOA’s scope and services are organized into five major tasks. Within each task we have identified a scope of work that is associated with set deliverables and milestone payments. To execute each, GFOA consultants will work collaboratively with city staff relying on staff to complete work along towards information gathering, project documentation, and meeting facilitation along with GFOA consultants. GFOA views every project as a partnership with our client and we aim to work together as a team to address project risks, issues, recommendations and build momentum for realizing success.

- Task 1: Project Planning and Management - completed
- Task 2: Process Analysis / Plan of Action - completed
- Task 3: RFP Development - completed
- Task 4: System and Vendor Selection - amendment
- Task 5: Contract Negotiations - amendment

Each phase and task, along with their related deliverables is detailed below.

Task 1: Project Planning and Management - Completed

No project can be successful without proper planning and tools to manage the effort. Working together, the GFOA and the City project manager will prepare the following tools that will be essential to project coordination.

- **Governance Support** – GFOA recognizes that the success of any large enterprise project depends on the ability to adapt to the changes that technology brings to both business process and organizational culture. We also understand that any



enterprise system is not owned or controlled by one department in the organization, or in the case of the City – one legal entity (assuming potential for one joint system). We are proposing to assist the City with the development of a governance structure for the project that would work to describe executive leadership, cooperation expectations between various departments and leadership for the City and Public Utilities Commission.

This would include identifying the model for a steering committee, project team, and any business process improvement functions. GFOA will utilize recent research as part of our “Financial Foundations for Thriving Communities” Initiative to help inform the governance structure and change management



function for this project. Our Financial Foundations Framework identifies five (5) key pillars of effective and sustainable management. Each pillar includes different leadership strategies and/or institutional design principles that we have found translate exceptionally well to ERP governance. Understanding that local governments cannot order people to collaborate, leadership strategies help inspire pride and public support for a strong financial foundation. Institutional design principles, meanwhile, are the “rules of the road.” They provide the context for leadership strategies and ensure continuity of good financial practices through changes in leadership. For more information, please visit <http://gfoa.org/financial-foundations>.

- **Project Team Set Up** - GFOA will help the City prepare for analysis meetings by providing resources to assist in identifying process investigation teams (“PIT Crews”). These PIT Crews will be made up of representative stakeholders from various departments to help bring an “enterprise-wide” focus to existing business processes and system functions. We consider this approach a critical element in the long-term success of the project and will help initiate teams and begin planning for overall involvement throughout the City’s project.
- **Project Plan** – GFOA will prepare a project plan in Microsoft Project. This document identifies all the detailed tasks for the project, the person responsible for executing those tasks, the estimated time required to complete them, and any dependencies that a given task may have relative to other tasks.
- **Project Documentation** - If the City uses a website or other collaboration tool for project and document management, we will discuss early on in the project how we can use this for sharing documents and information across the larger project team. If desired, GFOA can also host a website with collaboration tools specifically for this project.



- **Project Management / Transformation Governance** – GFOA will participate in regular project management meetings and provide a regular (monthly) status report for the project. We expect our project manager to serve as a coach, guide, and advisor throughout the project. They will maintain regular communication to address issues, point out risks, provide lessons learned, and ultimately work to help the project be a success. As part of our ongoing project management services, we will help prepare any communications, attend council meetings, or help delivery key messages to City stakeholders throughout the project to help reinforce key messages or provide support to identified business process improvements.

Project Deliverables

1. Project Management Documents - COMPLETED
 - a. Project Charter
 - b. Project Goals
 - c. Project Plan
 - d. Staffing Readiness
 - e. Collaboration Website (Basecamp)
 - f. Status Report Template
 - g. Ongoing Readiness and Project Support

Recommendations

Task 2: Process Analysis / Plan of Action - COMPLETED

Many consulting firms take the approach to wait on business process improvement activities until after the software vendor is on board. GFOA strongly disagrees with this approach. Relying 100% on software vendors to develop a to-be definition requires the City to buy software prior to truly identifying its needs. Software vendors also will focus on configuring software and are prone to re-creating existing (bad or outdated) processes in the new system. Our experience with software vendors can point to countless examples where this has occurred. We very much commend the City on beginning business process documentation efforts. Our proposal includes services for GFOA to assist City staff in identifying major business process changes and preparing to-be documentation that can be used to communicate scope for a new system. For this effort, we will use the City's current "as-is" process documentation or can coach the City on completing documentation (if not already complete). GFOA will facilitate meetings, convene focus groups, and interview staff individually to discuss and help determine the future state (to-be) process. Throughout this phase, we expect City participation in providing feedback, making decisions, and beginning to work on potential process changes.

GFOA will provide analysis on the processes listed below.



Process List	
Process	Task / Topics
Accounting	<ul style="list-style-type: none">• Chart of Accounts• Funds Management• General Ledger Transactions• Grant / Project Tracking• Financial Reporting
Budget	<ul style="list-style-type: none">• Operating Budget• Capital Improvement Planning (CIP)• Capital Budget• Budget Adjustments / Amendments
Procure – Pay	<ul style="list-style-type: none">• Vendors• Purchase Requisitions<ul style="list-style-type: none">○ RFP / RFI / RFQ• Purchase Orders / Contracts• P-cards• Change Order• Receiving<ul style="list-style-type: none">○ Inventory / Warehouse• Accounts Payable• Travel Reimbursement
Customer Billing	<ul style="list-style-type: none">• Customer File• Online Bill Pay• Billing• Accounts Receivable
Treasury	<ul style="list-style-type: none">• Cash Receipts<ul style="list-style-type: none">○ Online payments• Interface to External Systems (Parks and Rec)• Disbursements• Interest Allocation• Bank Reconciliation
Asset Management	<ul style="list-style-type: none">• Asset Acquisition• Asset Tracking• Transfer / Disposal / Retirement• Work Order<ul style="list-style-type: none">○ Service Requests○ Work Orders / Scheduling○ Preventative Maintenance○ Asset History
Human Resources	<ul style="list-style-type: none">• Positions• Employee File• Benefit Enrollment• Personnel Evaluations• Disciplinary Actions / Grievance



Process List	
	<ul style="list-style-type: none">• Risk Management (Injury / Workers Comp)
Personnel Actions	<ul style="list-style-type: none">• Recruitment• New Hire• Personnel Actions (Salary Adjustment / Position Change)
Time Entry – Payroll	<ul style="list-style-type: none">• Time Entry• Time Approval• Payroll Calculations• Payroll Processing• Leave Management (FMLA)
Utility Billing	<ul style="list-style-type: none">• Customer Service• Service Billing<ul style="list-style-type: none">○ Electric○ Water○ Solid Waste• Customer Payments• Service Requests / Work Orders

Project Deliverables - COMPLETED

2. Process Analysis and Action Plan
 - a. Observations and Recommendations (Review of Existing Documentation)
 - b. To-Be Project Documentation for RFP

Task 3: Develop Request for Proposal (RFP) - COMPLETED

In this phase, GFOA will provide a completed detailed Request for Proposals (RFP) template for the City to use for both the City and Public Utilities Commission. The GFOA RFP format is designed to remove disparity between proposals and to provide as close to an apples-to-apples comparison as possible. In addition, GFOA develops all RFP's with the end goal in mind – a successful contract that mitigates risk and leads to a successful project.

When complete, the RFP document will incorporate information developed with many of the other deliverables from this project including:

- 1) Procurement terms and conditions
- 2) Detailed vendor response templates
- 3) Templates to build core elements of vendor statement of work
- 4) Functional Requirements
- 5) Interface Definition
- 6) Technical Documentation



- 7) Key Objectives / Goals / Critical Success Factors for the Project
- 8) Service Level Agreements
- 9) Other information necessary for vendors to prepare detailed response that meets the City's needs.

GFOA maintains a list of ERP vendors, implementation partners, and others in the industry. We will help publicize the City's RFP to get the most competitive response.

A key part of the RFP will be the development of detailed functional requirements that will be important throughout the selection project and throughout implementation. For the processes that are determined to be in scope, GFOA consultants will work with City staff to review, validate and ultimately make decisions on the high-level to-be process definition and those requirements that will serve as a tool for accountability going forward.

GFOA focuses functional requirements development on business process and will prepare requirements in the form of testable use cases that will have value beyond the procurement phase. At each step in the business process we will determine both the system requirements and implementation requirements and document those using a Microsoft Excel template that is aligned to our process maps that will be included in the eventual RFP. Requirements development focuses on functional requirements that define "what" needs to be completed (such as tasks, outputs, interfaces, calculations, processing, etc.) and not on "how" the system or the organization handles tasks currently. This allows for future improvement and full utilization of the system tools and built in processes to make the City more efficient. Where possible, we will work to complete requirements that work and can be managed between both organizations, but expect requirements to apply to the City, Public Utilities Commission, or both.

At this stage in the process, it is important for the business process improvement decisions to be made so the RFP can present a clear direction for the City's project. While every ERP system has slightly different ways of completing business process transactions and the full business process can't be defined at a fine level of detail without the assistance of system consultants, the overall direction and high-level understanding of the process is important to communicate.

It is expected then that the requirements serve as the base document that establishes a template for proposal comparisons, the scope of the implementation project, the base level criteria for user acceptance testing, and the standard for post implementation warranty.

Note: GFOA is currently planning on issuing one RFP that would serve both the City and Public Utilities Commission. However, if the City and Public Utilities Commission determine that it is in its best interest to issue two separate RFPs for an ERP system, GFOA can prepare both documents at no additional charge as long as documents are being prepared at the same time.



Project Deliverables - COMPLETED

3. RFP Package
 - a. RFP Document
 - b. Functional Requirements

Task 4: Evaluation and Selection of Vendor - AMENDMENT

GFOA will assist with Task 4 as directed by City staff. All services proposed under Task 4 will be billed at an hourly rate and GFOA will communicate with the City on where GFOA can have the most value in assisting with vendor selection activities. The following description identifies the approach that GFOA recommends the City take and provides options for how GFOA could be involved.

GFOA's system selection and procurement methodology relies on principles of fairness, attention to detail, and competition, yet remains flexible enough to adapt to local procurement laws or other unique situations. In addition, the approach is continually enhanced by feedback from the hundreds of public sector clients that we work with, our own staff experience, and the vendor community. We strive to get the best deals for our clients and often go against what the vendor's describe as "industry standards."

Through defined steps, vendors will be evaluated and scored according to pre-defined criteria with the top vendors moving on to compete at the next step. Each step is an opportunity to negotiate terms, address risks, and provide methods for holding stakeholders accountable. Overall, our approach is focused on identifying and mitigating risks throughout the procurement process. GFOA's RFP template provides the opportunity to focus the evaluation on key risk factors in the implementation and separates actual proposal from marketing buzzwords. GFOA's standard evaluation process includes the three steps described below.

Step 1: Initial Proposal Assessment and Base Presentation

Upon receiving the written proposals from vendors, the City's project team will begin an assessment and analysis of all proposals. GFOA will assist with this assessment by reviewing proposals and providing initial comments on potential risks, issues, and any significant weaknesses/gaps and/or strengths. The purpose of this initial analysis is to determine which vendors will be elevated for the "Base presentation" to highlight aspects of the proposal. Each "Base Presentation" will consist of a short (60-90 minute) presentation and question and answer session with each vendor. This purpose of this is to provide an initial opportunity for interaction, clarify any necessary proposal



information, and provide an opportunity for vendors to highlight differentiating features.

GFOA expects that after this initial presentation, the City will elevate a limited number of proposals for demos and more extensive interviews.

Step 2: Demos and Interviews / Thorough Proposal Assessment

After elevation, GFOA will provide a thorough analysis of any elevated proposals and work to prepare develop detailed demo scripts for each vendor. Demo scripts are based heavily on the requirements and business process decisions built in early tasks. Also, GFOA's approach to software demos provides a focus on implementation activities. Typically time devoted to implementation and demo is split 50/50. GFOA believes that it is critical for vendors to explain HOW the software will be implemented along with the features of the software. The greatest system in the world will not be useful if it is not configured and implemented correctly to meet the needs of the organization.

Our approach to software demos and interviews differentiates GFOA and demonstrates our dedication to continually evolve our approach to a changing ERP market. As software features become more mature, it is less important for governments to evaluate "if" it will work. However, since most of the risk comes from implementation, we work through a series of business process case studies, sample "workshops," and implementation resource interviews to make sure you can effectively evaluate the knowledge and skills of the proposed implementation team.

GFOA will work with the City's project manager to facilitate the demos and interviews with each vendor. In this role, GFOA would participate in demos to ask questions, take notes, and provide feedback to the City. However, we would expect the City's assistance in facilitating the demos. GFOA expects that after this first round of software demos and interviews, the City elevate two vendors.

Step 3: Discovery

Discovery acts as the City's final opportunity to clarify unresolved issues before it makes its final elevation. Prior to Discovery, GFOA will develop a Request for Clarification (RFC) letter for each vendor that was elevated. Then, during Discovery, each remaining vendor is invited back on-site for one more day of presentation. During this presentation, any remaining issues with software functionality, implementation approach, data conversion, or scope are clarified and vendors are asked to make any necessary revisions to their proposal. The main focus of this session is to plan the implementation so that the City and vendor can later develop a detailed statement of work. GFOA will facilitate the Discovery session for two proposal teams. Additionally, by clarifying outstanding issues at Discovery, development of the statement of work becomes easier. At the conclusion of Discovery, the City will enter contract negotiations with one vendor.



GFOA expects that after Discovery, the City identify a finalist vendor. If it is not possible for the City to identify a finalist vendor, GFOA will facilitate additional clarification rounds.

Project Deliverables

4. System and Vendor Selection
 - a. Evaluation Criteria
 - b. Initial Proposal Assessment
 - c. Base Presentations
 - d. Demo Scripts
 - e. Demo Facilitation and Notes
 - f. Request for Clarification Letters

Task 5: Contract Negotiations - AMENDMENT

GFOA can be involved with the negotiation of any applicable software license contract, software maintenance agreement, hosting / SaaS agreement or implementation services agreement. In addition, GFOA can lead the development of the statement of work. The statement of work is the critical document that outlines responsibility for the implementation. GFOA will ensure that the City's statement of work is defined to a fine level of detail to prevent any unnecessary issues or misunderstandings during implementation.

Also, for cloud contracts, it is essential that the City identify and negotiate appropriate service level agreements and other contractual provisions that establish performance standards and identify role responsibility. GFOA will take the lead in establishing this documentation. GFOA assumes that the City will be negotiating one contract (or a contract for one proposal if that proposal contains multiple contracts for software, implementation, hosting, etc.).

Project Deliverables

5. Contract Negotiations
 - a. Completed Contract Documents



Section IV – Cost and Timeline

GFOA is available to begin projects when the City would be ready. Based on the timeline identified by the City, we anticipate a late April / Early May project start which would allow for RFP release winter 2022/2023. Implementation of a new system would begin in early 2024.

We start every project by gather documents and becoming more familiar with the City's policies, structure, and overall background information while we are preparing the project plan an initial agendas.

Proposed Schedule	Project Start = May 2022															
	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
Task 1: Project Planning - completed																
Task 2: Process Analysis - completed																
Task 3: RFP Development - completed																
Task 4: Vendor Selection - amendment																
Task 5: Contract Negotiations - amendment																
Task 6: Implementation - out of scope														T	B	D



Pricing

Unless noted, all pricing is provided as a fixed fee based on completion of milestones. GFOA will invoice for project deliverables upon completion of project deliverables. We also understand that projects may face delays, require additional analysis than what was originally planned, or may require additional effort to address risks as they come up during the project. We commit to honoring our fixed price to deliver a successful project.

Tasks 4-5 AMENDMENT

Task/Deliverable	Milestone	Price
4	Evaluation and Selection of Vendor	
HOURLY	Hourly at \$250/hour	NTE \$15,000
5	Contract Negotiations	
5	Contract Negotiations	\$7,500
-	Travel	
	Travel Reimbursement	\$2,500
TOTAL NOT-TO-EXCEED PRICE for Tasks 4-5		\$25,000

Note: GFOA's pricing includes a travel estimate of \$5,000 for the entire project. At the conclusion of Tasks 4-5, GFOA would bill the City of actual travel costs up to a not-to-exceed limit of \$2,500. Any travel costs in excess of \$2,500 for each phase grouping would be the responsibility of GFOA.

Use of the Ongoing Project Management resources (NTE \$15,000) would be for additional requests or unique tasks outside of the scope listed in this proposal related to ongoing project governance, business process improvement, policy development, or change management concerns on the project. Prior to using any resources in this area, GFOA would get approval from the City or Grand Rapids Public Utility and price separately costs for the City and Public Utility.



Contract Requirements

GFOA would like to add the following to any future agreement.

- GFOA is a nonprofit membership association made up of members representing organizations like the City. Therefore, the GFOA's liability and indemnification under any agreement reached with your organization will be limited to the extent of claims paid by insurance coverage currently in force.
- The City's staff will be reasonably available for interviews and will participate in the project as agreed upon and appropriate. The City agrees not to cancel meetings once established (which would increase our travel costs).
- Unless otherwise stated, the City agrees to confirm acceptance of deliverables within a mutually agreed upon number of business days. If a deliverable is not accepted, the City must state in writing to the GFOA Project Manager the changes needed to the deliverable to gain acceptance.
- The GFOA conducts the majority of the engagement work on a fixed-fee engagement, where payment is due upon completion of deliverables. If any work is to be billed using a time and expense method, the time and expense portion of the engagement will be billed on a monthly basis at the hourly rate of \$250/hour, unless otherwise noted.
- When performing work on-site, GFOA staff will be provided appropriate workspace and access to copiers, projectors, workspace, and miscellaneous office supplies if necessary.
- GFOA is scoped to prepare one RFP document and conduct the evaluation process for that one RFP. If it is determined to be in the City's best interested to release multiple RFPs, GFOA will develop those RFPs at no additional cost. Proposal evaluation and system selection services for multiple RFPs may require additional cost depending on timing.
- As an educational, nonprofit, professional membership association, the GFOA reserves the right to publish non-confidential documents describing the results of, or created during, the services described in this scope of work. The GFOA will not publish any item with the name of the City without obtaining prior written consent of the government.
- The City recognizes that GFOA's role is to provide information, analysis and advisory services. As such, GFOA bears no responsibility for the performance of the software, hardware, or implementation service suppliers.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement as of the effective date.

GRAND RAPIDS PUBLIC UTILITIES

Government Finance Officers Association
of the United States and Canada

By: Julie Kennedy

By: Michael Mucha

Name: Julie A Kennedy

Name: Michael Mucha

Date: August 11 2023

Date: August 9 2023

Title: General Manager

Title: Deputy Executive Director



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to ratify the procurement contract of \$750 with VIA Actuarial Solutions consulting services for GASB 75 Actuarial Services.

PREPARED BY: Jean Lane, Business Services Department Manager

BACKGROUND:

This procurement is for an approved Business Services operating cost with a budget of \$1,000. \$0 has been spent to date.

These actuarial services are required by Government Accounting Standards Board (GASB) for other postemployment benefits (OPEB).

The GRPUC Procurement Policy was followed.

RECOMMENDATION:

Consider a motion to ratify the \$750 procurement contract with VIA Actuarial Solutions for GASB 75 Actuarial Services.



July 31, 2023

Jean Lane
Business Services Manager
Grand Rapids Public Utilities Commission
500 SE 4th St.
Grand Rapids, MN 55744

Re: Engagement Letter for GASB 75 Actuarial Services – Grand Rapids Public Utilities Commission

Dear Jean:

Thank you for this opportunity to provide GASB 75 Other Postemployment Benefit (OPEB) actuarial services to Grand Rapids Public Utilities Commission (the Commission). This letter documents the services we will provide for the Commission's retiree health plan and our fees for those services. This letter and attachments (collectively, the "Agreement") document the Scope of Services ("Services") that Northern Consulting Actuaries, Inc. d/b/a VIA Actuarial Solutions (hereafter, "VIA" or "we" or "our") will provide to the Grand Rapids Public Utilities Commission (hereafter "Commission" or "you" or "yours" or "Client") and the Grand Rapids Public Utilities Commission retiree healthcare plan (hereafter "Plan"). It also describes our fees, expenses, and the Terms and Conditions for those services.

After reviewing the enclosed Scope of Services and Terms and Conditions, please sign and date the Acknowledgement and Consent form. Future actuarial services will be provided under this same engagement letter for a fee agreed to by both parties, or we can provide an updated engagement letter if you prefer.

Please feel free to contact us if you have any questions about the proposed actuarial engagement. We will commence work under this engagement upon receipt of a signed copy of this Agreement.

Thank you again for choosing VIA Actuarial Solutions to be your trusted actuarial consultant.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron J. Driessen".

Aaron J. Driessen
Actuarial Manager

L/D/C/R: 3/dmk/ajd

Scope of Services

The GASB 75 accounting rules require a “full” actuarial valuation every two years, while a simplified roll-forward report is required in the “off years”. Our proposed scope and fees outlined below only cover an estimate of the liabilities to be reported in a “full” valuation. A separate engagement letter will be provided to cover full and roll-forward valuations if the Commission, in consultation with its auditors, determines the liability is material and annual reports are needed.

Services Provided	Fixed Fee
FYE 2023 OPEB liability estimate under GASB 75 Alternative Measurement Method (AMM)	\$750

Out-of-scope projects will be billed separately based on the time and expense needed to complete these projects. For calendar year 2023, our hourly rates are \$125 to \$225 for actuarial analysts and managers and \$335 to \$385 for consulting actuaries. We are glad to estimate fees for additional projects as requested. Out-of-scope projects may include time spent on:

- meetings and preparation, and
- cleanup of inaccurate data or data not provided in the form requested.

Out-of-pocket expenses will be passed on to you without markup. Bills are sent as often as monthly, and your payment is due within 30 days of the invoice date. Interest will accrue on the unpaid balance at the rate of ½% per month. If we receive your payment within 30 days, the interest will be waived.

Terms and Conditions

COOPERATION AND WARRANTY REGARDING DOCUMENTS AND INFORMATION.

You understand that in order for us to provide the Services to you we will require your assistance and cooperation. You agree to provide us with all documents and information reasonably requested by us in order for us to perform the Services and you warrant that such documents and information are true and accurate to the best of your knowledge after due inquiry. We will not be liable for any inaccurate results of our Services due to our reliance upon incorrect or incomplete documents or information.

CONFIDENTIALITY. All data, records, and information concerning the Plan and the participants of the Plan provided by you or on your behalf to VIA in connection with this Agreement, other than information that is either in the public domain, obtained from third parties, or which is otherwise developed by VIA shall be considered "Confidential Client Information." VIA agrees to use reasonable efforts to protect all Confidential Client Information and has reasonable safeguards to protect against the disclosure or misuse of Confidential Client Information that is in VIA's care or custody. VIA will protect the Confidential Client Information with the same degree of care that it uses to protect and safeguard VIA's own like information, but not less than the degree of care that would be exercised by a prudent person given the sensitivity of the Confidential Client Information. In preserving the confidentiality of Client communications and information, it is important that we have your agreement on the methods we will use in communicating with you. Unless you tell us otherwise, you agree that it is appropriate to use mail and emails in the course of our providing the Services to you without encryption or other special measures. The exception is transmission of participant census data which must be transmitted using our secure data transfer site or similar method. Please let us know if you have special requests or requirements for the methods of communication or persons to be included in such communications.

RETENTION OF RECORDS. We will retain final copies of actuarial work products for seven years after completion of each project. Although we keep copies of the work we perform for you for seven years, these copies are solely for our files. The plan sponsor is responsible for keeping copies of all documents needed for the Plan's permanent records, including copies of the work we perform for you and the information we send to you.

INDEMNIFICATION. You agree as part of this engagement to indemnify and hold harmless VIA from and against any and all claims, losses, damages, liabilities, costs, and other expenses of any kind whatsoever (including, without limitation, all reasonable attorneys' fees and collection or court costs) arising from or in connection with the operation of the Plan or the rendering of plan-related services by the Client, the Plan Administrator, or any third party. This indemnification does not include claims, losses, damages, liabilities, costs, and expenses attributable solely to any gross negligence or willful misconduct by VIA in the performance of our responsibilities under this engagement.

We agree as part of this Agreement to indemnify and hold harmless the Client and the Plan from and against any and all claims, losses, damages, liabilities, costs, and other expenses of any kind whatsoever (including, without limitation, all reasonable attorneys' fees and collection or court costs) (collectively "Claims") arising from or in connection with the operation of the Plan or the rendering of plan-related services by VIA, to the extent that such Claims are attributable solely to gross negligence or willful misconduct by VIA in the performance of our responsibilities under this engagement.

Terms and Conditions *(continued)*

REPRESENTATIONS AND WARRANTIES. We represent and warranty that we (a) have the right, power and authority to enter into this Agreement and to fully perform all of our obligations hereunder; and (b) will use commercially reasonable efforts to provide all services required of us under the Agreement in accordance with prevailing industry standards. You represent and warranty that you have the right, power, and authority to enter into this Agreement and to fully perform all of your obligations hereunder.

NO ASSIGNMENT OR DELEGATION. Neither VIA nor you may assign this Agreement in whole or in part, nor delegate any part or all of its duties, without the other's prior written consent.

SEVERABILITY. If any provision of this Agreement is held to be or is invalid or unenforceable, the validity and/or enforceability of the remaining portions shall not be impaired or affected in any way. A waiver of any provision of this Agreement does not likewise waive any other provision of this Agreement.

MODIFYING THIS ENGAGEMENT. The terms of this engagement between you and us represented by this Agreement shall not be subject to modification (except with regard to fees, as outlined above), except as agreed upon in writing by both you and us.

TERM AND TERMINATION. This engagement letter is effective beginning July 31, 2023 and expires on July 31, 2024.

You have the right to terminate our services with 60 days prior written notice. Termination of our services will not relieve you of the obligation to pay for all accrued charges and expenses for work through the end of our engagement. We will have the same right of termination, subject to our obligation to give you 60 days prior written notice. If our billing statements are not timely paid, however, we will have the right to terminate our Services upon 5 days prior written notice following a default in the payment of our fees and expenses, upon the expiration of which notice period we will have the right to not provide any Services or advance any expenses until all amounts due are paid in full. Furthermore, if we are required to take action to collect our fees and expenses, you agree to pay all professional fees (including reasonable attorneys' fees) and expenses incurred by us in such collection action.

ENTIRE AGREEMENT. Our performance of the Services is subject to the terms of this letter, including our Terms and Conditions ("Terms and Conditions"). This letter, together with the Scope of Services and these Terms and Conditions, constitute the entire Agreement between VIA Actuarial Solutions and you and supersede all previous agreements between us whether written or oral. Should the scope of our Services change, you agree that we will either amend the Scope of Services or we will execute a new engagement letter incorporating such changes. We will not be required to provide Services not included in the Scope of Services agreed to in this letter.

Minnesota Actuarial Disclosure

VIA Actuarial Solutions is the actuarial advisor to the Minnesota Legislative Commission on Pensions and Retirement (LCPR). In this role, we assist the LCPR in reviewing actuarial valuations, assumptions, and cost estimates for the three statewide retirement systems: TRA, PERA, and MSRS.

Our professional standards require that we disclose any actual or potential conflict of interest to our clients, and that our clients expressly agree to these services. Although the work we prepare for the LCPR does not directly relate to your GASB 75 OPEB reporting, we believe it's prudent to disclose our assignment to all of our Minnesota public sector clients since you probably have members in at least one of the statewide pension plans that we'll be reviewing. Your approval of this engagement letter is an affirmative response that you agree to our OPEB work with the Commission along with our LCPR assignment.

Acknowledgement and Consent

The undersigned authorized representative of Grand Rapids Public Utilities Commission (the Commission) has read this letter from VIA Actuarial Solutions, understands its contents, and agrees on behalf of the Commission to the Scope of Services; fees and expenses; and Terms and Conditions set forth in the Agreement. I also expressly agree to VIA Actuarial Solutions' ongoing work for us as well as their LCPR assignment.

Date: August 11, 2023

By Julie Kennedy



Title General Manager



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to authorize the sale and/or disposal of surplus property.

PREPARED BY: Chad Troumbly, Electric Department Manager and Steve Mattson, Water and Wastewater Department Manager

BACKGROUND:

The items listed below are no longer of use to the utility and are considered surplus property (vehicles). In accordance with MN Statutes and Rules, we would like to sell, recycle, dispose of, or donate the items through means of public auction.

Truck #79A – 1997 GMC 3/4 ton 1GTGC24R6VZ507966– mileage 99,923

Truck #64 – 1999 Chevrolet Blazer 4x4 1GNDT13W3X2254063 – mileage 110,530

Truck #68A – 2001 Ford F350 4x4 1FTSF31L21ED79749 – mileage 101,034

Grand Rapids Public Utilities will sell used surplus vehicles by sealed bid at the GRPU Service Center, 500 SE 4th Street, Grand Rapids, MN. Items will be available for inspection Thursday, August 24 – Thursday, September 7, 2023 between the hours of 9:00 AM – 4:00 PM. Items are being sold as is. Some items will require minimum bids. Bid forms will be received until 9:00 AM on Friday, September 8, 2023 at which time they will be publicly opened and read aloud. Successful bidders will be notified by phone if not present. The expense to remove the bid item(s) and the liability in moving the same is the sole responsibility of the successful bidder. Unless special arrangements are made, all bid items must be removed between the hours of 9:00 AM to 4:30 PM on Friday, September 15, 2023. Grand Rapids Public Utilities reserves the right to reject any or all bids or award upon such basis as they may deem to be in Grand Rapids Public Utilities' best interest.

RECOMMENDATION:

Consider a motion to authorize the sale and/or disposal of surplus property.

GRAND RAPIDS PUBLIC UTILITIES SURPLUS EQUIPMENT SALE

Grand Rapids Public Utilities will sell used surplus vehicles by sealed bid at the GRPU Service Center, 500 SE 4th Street, Grand Rapids, MN. Items will be available for inspection Thursday, August 24 – Thursday, September 7, 2023 between the hours of 9:00 AM – 4:00 PM. Items are being sold as is. Some items will require minimum bids. Bid forms will be received until 9:00 AM on Friday, September 8, 2023 at which time they will be publicly opened and read aloud. Successful bidders will be notified by phone if not present. The expense to remove the bid item(s) and the liability in moving the same is the sole responsibility of the successful bidder. Unless special arrangements are made, all bid items must be removed between the hours of 9:00 AM to 4:30 PM on Friday, September 15, 2023. Grand Rapids Public Utilities reserves the right to reject any or all bids or award upon such basis as they may deem to be in Grand Rapids Public Utilities' best interest.

GRPU SURPLUS EQUIPMENT BID FORM

Item: Truck #79A – 1997 GMC 3/4 ton 1GTGC24R6VZ507966 – mileage 99,923 – No reverse

Bidder Information

Name: _____

Phone Number: _____

Quantity: _____

Bid Amount per Unit _____
(minimum Bid \$400)



Item: Truck #64 – 1999 Chevrolet Blazer 4x4 1GNDT13W3X2254063 – mileage 110,530

Bidder Information

Name: _____

Phone Number: _____

Quantity: _____

Bid Amount per Unit: _____
(minimum Bid \$850)



Item: Truck #68A – 2001 Ford F350 4x4 1FTSF31L21ED79749 – mileage 101,034 Does not run

Bidder Information

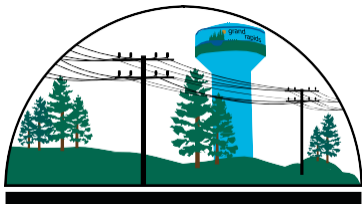
Name: _____

Phone Number: _____

Quantity: _____

Bid Amount per Unit: _____
(minimum Bid \$400)





GRAND RAPIDS
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500 SE Fourth Street • Grand Rapids, Minnesota 55744

SAFETY REPORT August 2023 Commission Meeting

Safety Topic Last Month

Safety Brad conducted training on drug and alcohol requirements for all CDL holders and bucket truck rescue training for all on-call employees including City Public Works on July 20.

Safety Topic This Month

Safety Brad will be training on confined space for all field employees on August 16.

Incidents Reported last Month by Department

Administration: None Electric: None
Business Services: None Water-Wastewater: None

Cumulative Incidents for 2023

Recordable Incidents	1
Lost Time Days 2023	0
Restricted Days 2023	0
First Aid Only (not recordable)	0

Total FROI 1

Recordable Incident 5-year History

	2019	2020	2021	2022	2023
ADMIN	0	0	0	0	0
BUS SVCS	4	0	0	0	1
ELEC	1	0	0	0	0
W-WW	5	3	1	0	0
TOTAL	10	3	1	0	1



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to adopt Resolution Number 08-16-23-7 approving Metered Use, Drought and Water Leak policies.

PREPARED BY: Steve Mattson, Water/Wastewater Department Manager

BACKGROUND:

It is good practice for government to formally adopt customer related policies. These policies are central to a strategic, long-term approach to customer interaction and clarification of utility services provide and expectations of the GRPU and customers.

The attached Water Wastewater policies were reviewed and discussed with the GRPU Commission at the July 26 2023 work session meeting. The comments from the Commission, General Manager and staff have been incorporated into the attached policies which includes some revised language for clarification and reference to other GRPU policies.

RECOMMENDATION:

Consider a motion to adopt Resolution Number 08-16-23-7 approving Metered Use, Drought and Water Leak policies.

GRAND RAPIDS PUBLIC UTILITIES COMMISSION

RESOLUTION NO. 08-16-23-7

ADOPT DROUGHT, METERED USE AND WATER LEAK POLICY AND DELEGATE
AUTHORITY

WHEREAS, it is the Grand Rapids Public Utilities Commission (GRPUC) philosophy to adopt written policies which are central to a strategic long-term approach to customer interaction, and clarification of GRPUC utility services and expectation of customers; and

WHEREAS, the Water Wastewater policy delegates to the General Manager the ability to change the details of process if determined to be a change within the best practices for municipal utilities, accounting standards, federal law, and/or Minnesota state statutes as long as such changes are in accordance with Water Wastewater policies; and

WHEREAS, the GRPUC has reviewed and discussed the Drought, Metered Use and Water Leak Policy at the July 26, 2023 work session;

NOW, THEREFORE BE IT RESOLVED, THAT the Grand Rapids Public Utilities Commission has reviewed and adopts the Drought, Metered Use and Water Leak Policy

Adopted this 16th day of August, 2023.

GRPUC President

Witness:

GRPUC



COMMISSION POLICY

Drought

Category: Water	Subcategory: Operations	Policy Number: 5.2.011
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Section I - Introduction

This policy was developed to be used as a guide by Grand Rapids Public Utilities (GRPU) personnel and to provide GRPU customers the greatest practicable latitude in the use of utilities services consistent with reliable, economical and safe service to all customers. The result of using this policy should be consistent, logical and fair treatment of GRPU customers in regard to water and wastewater (sanitary sewer) discussions.

Section 2 – Policy

The state of Minnesota defines drought as a period of abnormally dry and/or unusually hot weather sufficiently prolonged for the corresponding deficiency of water to cause a serious hydrologic imbalance. Drought impacts soil moisture, surface water, ground water as well as aquifers. Water usage and availability in the Grand Rapids area is critical for well-being, fire protection and life itself. In the event of drought conditions, GRPU reserves the right to be able to impart water restrictions to its customers, which includes other government public authorities.

GRPU accesses the public water supply via permitting through the Minnesota Department of Natural Resources (DNR). Because water is determined to be a state asset, the MN DNR must carefully steward the water resources through all climate conditions. Therefore, the MN DNR has the authority to mandate water conservation measures (restrictions) through water suppliers (permittees) such as the GRPU.

Minnesota has a [statewide drought plan](#). This plan details a drought plan matrix that contains the drought phases (triggers) with the corresponding action for water users and suppliers. The phases are: non-drought, drought watch, drought warning, restrictive and emergency. The state maintains the current drought conditions through their [website](#). GRPU is part of the Mississippi Headwaters (0701) watershed.

There are actions required for water suppliers for every phase of the drought plan. Restrictions can come in many forms such as voluntary measures early on to an irrigation/sprinkling schedule all the way to limiting water usage to highest priorities defined by [Minnesota Statutes 103G.261](#).

GRPU will follow the required water suppliers' actions as dictated by the state of Minnesota and will communicate those requirements to its customers.

GRPU customers will be required to abide by said actions or face possible consequences. GRPU will use a three-step process to enforce any necessary measures. The first step will be education and communication; the second step will be education, communication and financial penalties. The third step will be education, communication, and shut-off of water services. The General Manager will approve the three-step enforcement process and can make an exception to the three-step process for unique and extraordinary valid purposes.

Tom Stanley
GRPU President

Luke Francisco
GRPUC Secretary

POLICY HISTORY:

Adopted: August 16, 2023



COMMISSION POLICY

Metered Use

Category: Business Services	Subcategory: Customer Billing and Programs	Policy Number: 3.2.101
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Section I - Introduction

This policy was developed to be used as a guide by Grand Rapids Public Utilities (GRPU) personnel and to provide GRPU customers the greatest practicable latitude in the use of utilities services consistent with reliable, economical and safe service to all customers. The result of using this policy should be consistent, logical and fair treatment of GRPU customers in regard to electric, water and wastewater (sanitary sewer) discussions.

Legal ramifications of these policies are addressed in various parts of the Municipal Code.

Section 2 – Policy

All electric, water and wastewater connections must have a meter and auxiliary equipment before receiving any GRPU services. The meter and auxiliary equipment are provided and owned by GRPU. Wastewater usage is calculated based on water usage. Customers with a private well that are connected to the wastewater collection system must have a water meter and auxiliary equipment installed on their water line. Current customers receiving services without a meter and auxiliary equipment must comply with this policy and will have an approved written agreement to have GRPU services metered within a reasonable time. The general manager will review and approve these agreements.

Non-metered electric, water, or wastewater usage is considered theft and will be prosecuted to the full extent of the law. The only exceptions to the meter requirement are those required by law, water for fire-fighting purposes, street lighting and GRPU owned security lights. On rare occasions, the general manager can also make an exception, for unique and extraordinary valid purposes.

Tom Stanley
GRPU President

Luke Francisco
GRPUC Secretary

POLICY HISTORY:

Adopted: August 16, 2023



COMMISSION POLICY

Water Leak

Category: Business Services Water	Subcategory: Customer Billing and Programs General	Policy Number: 3.2.003 5.1.004
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Section I - Introduction

This policy was developed to be used as a guide by Grand Rapids Public Utilities (GRPU) personnel and to provide GRPU customers the greatest practicable latitude in the use of utilities services consistent with reliable, economical and safe service to all customers. The result of using this policy should be consistent, logical and fair treatment of GRPU customers in regard to water and wastewater (sanitary sewer) discussions.

Legal ramifications of these policies are addressed in various parts of the Municipal Code.

Section 2 – Policy

It is the responsibility of the customer or property owner to maintain the service line from the curb stop to the building as dictated in Water Policy 5.1.000 Jurisdictional Boundaries. Therefore, any leaks found on private property are the responsibility of the customer to locate and repair. Water leaks can be costly and quickly cause damage so customers shall repair them expeditiously. Customers shall notify GRPU within 24 hours of any water leak found on private property. GRPU staff is prepared to work with customer and contractor to help isolate water leaks within the distribution system.

Water leaks that are detected after the curb stop but before the water meter will take a coordinated effort between GRPU and the customers contractor. The costs associated with the water repair are the responsibility of the customer, however, the customer will not be billed for the water that was lost before the water meter. Once the leak is determined, the customer will have 72 hours to provide a plan to GRPU Water-Wastewater manager for the necessary repair. The time frame allowed for said repair will vary depending on the severity of the leak and what time of the year the leak is detected.

At its discretion, GRPU may shut off water service if it is determined that property or system infrastructure damage is likely to result from the leak or if there is a threat to public safety or water quality.

Water leaks that are detected after the meter have a high likelihood of causing damage to customer building and will require immediate attention. Customers should locate and close

the main shut off valve in the building and make the appropriate repair. If there is not a main shutoff valve or the customer cannot locate it, GRPU can shut off the water at the curb so the repair can take place.

Customers are required to pay for the quantity of water and the wastewater charges associated with any water leak that was metered. GRPU does offer a one-time wastewater billing adjustment per residential customer at the leak location in the form of a credit applied to the customer utility bill when a significant increase in water consumption occurs due to a pipe break, fixture leak, vandalism or similar situation.

Customers must provide document(s) that the leak was repaired and document that the water did not go into the wastewater collection system for treatment. The customer must provide repair or parts receipt, pictures of leak area, written narrative of the request and explanation of the leak. Additionally, the following criteria must be met:

- The customer's utility account must be current (can't have an outstanding balance).
- Consumption on the utility bill in question must be at least three times more than the average of the previous two months.
- Permanent repairs must be made within 60 days of the due date of the utility bill in question and one-time wastewater billing adjustment submitted within 60 days of the due date
- Properties under construction, being renovated, abandoned or vacant without proper care do not qualify.

If all the criteria are met, then the one-time wastewater billing adjustment for that month will be reduced to the average of the previous two months and billed accordingly. The General Manager has the discretion to waive a criterion with an unusual or extraordinary circumstance.

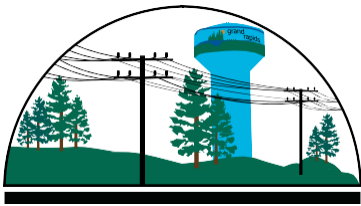
Any damage done to a hydrant meter, water meter, node, hydrant, valves, valve boxes, or water main or any other component of the water distribution system will be repaired by GRPU (with its own or hired contractor). The cost of such repair will be billed to the party or parties responsible for the damage.

Tom Stanley
GRPU President

Luke Francisco
GRPUC Secretary

POLICY HISTORY:

Adopted: August 16, 2023



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ADMINISTRATION DEPARTMENT MONTHLY REPORT August 2023 Commission Meeting

Human Resources

- Megan Pehrson began August 7 as our new Executive Assistant
- Q3 all-employee meeting scheduled for August 31

Community Involvement

- GRPU staff participated in the Tall Timber Days parade on August 6, 2023.



Strategic Planning

- Tues, Sept 26 – 1 to 5 PM - Strategic Planning Session #1 – Location TBD
- Wed, Sept 27 – 8:30 to 12:30 PM - Strategic Planning Session #2 – Location TBD
- Stakeholder engagement survey through Sept 5, 2023 on website [here](#) or use qr code



Governance

- Wed, Sept 26 – 5 to 7 PM – MMUA Regional Commissioners Workshop – GRPU Conf Room (attachment)
- Tue, Oct 10 – 4 to 7 PM - joint Council/Commission work session – meet at GRPU then bus tour

2023 Regional Commissioners Workshop



Interacting on the Issues

- **Unpack legislation**
- **Safeguard your utility**
- **Share local experience**
- **Look to the future**

Intended for: commissioners, utility leaders

Hometown utilities are unique community assets, and challenges come from all over. New laws resulting from Minnesota's 2023 legislative session, permitting reform, MISO vulnerabilities, grant funding, and a host of other issues: they are all happening right now. Addressing the challenges while still keeping the lights on every day can be dizzying for local leaders.

Join the MMUA government relations team and peers from your region to discuss the implications of new laws, explore solution opportunities, and network with others committed to protecting, promoting, and strengthening hometown utilities.

Registration is free. Encourage your whole commission to attend and learn about how commissioners can help champion hometown utilities.

Workshop dates and locations

All times 5–7 pm

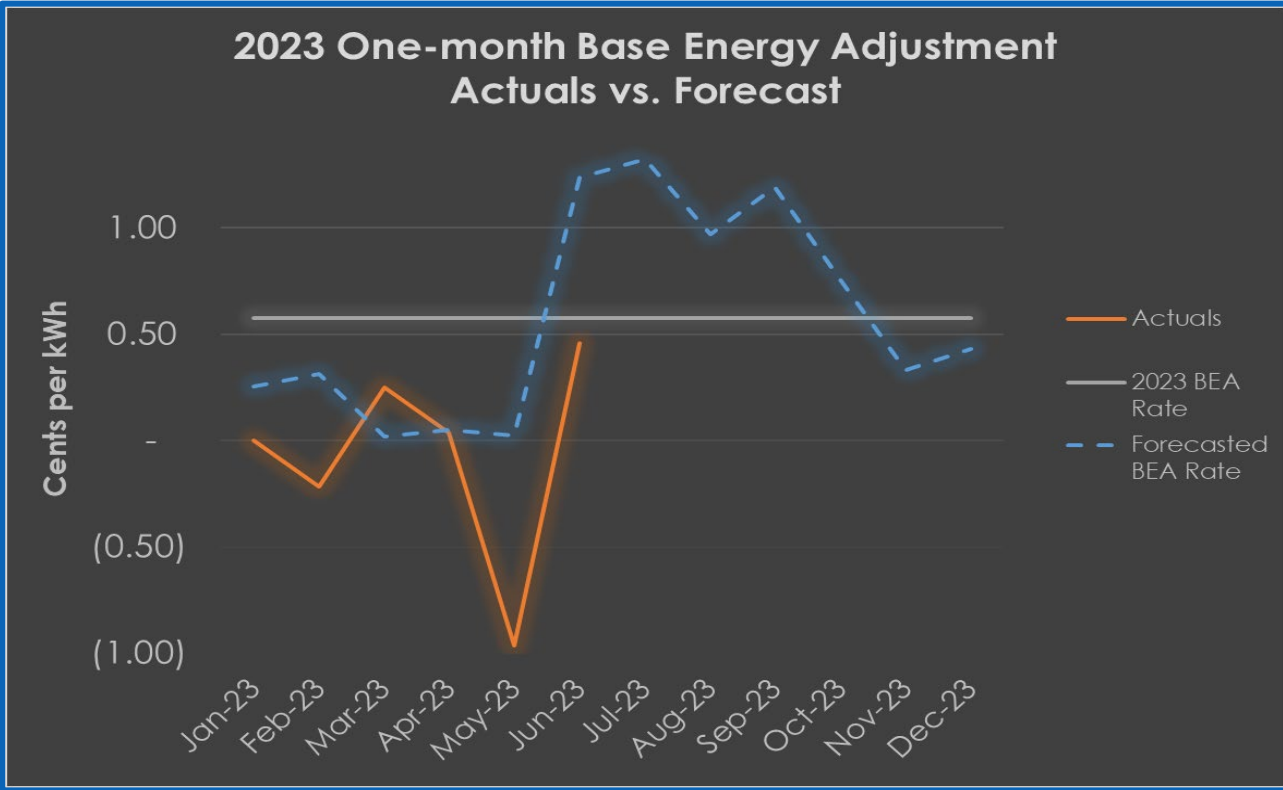
September 18, 2023
New Ulm

September 27, 2023
Grand Rapids

October 3, 2023
Detroit Lakes

October 4, 2023
Marshall

To learn more and register, visit the calendar page on MMUA's website at mmua.org/events/calendar.



Base Energy Adjustment (BEA) Drivers

Actual BEA costs for April – June 2023 were below forecast due to the U.S. stock supply of natural gas exceeding what was forecasted due to the mild winter. This led to a softening of the LNG market this quarter which in turn helped bring MISO market prices below what was originally forecasted. Of note, the significant dip in the month of May was due to a MISO excess congestion fund credit and will also contribute to lower actuals over the year.

MP is forecasting the remainder of the 2023 year to be at or below the current forecasted rate, due to expectations of continued low prices. Should that trend continue there would be a credit to your true-up for contract year 2024. We plan to share the potential credit number along with the 2024 BEA forecasted rate at this years' Annual NEMMPA Customer meeting in October.

Coming Attractions

MMUA Summer Conference: August 21 -23, Duluth, MN

- The MMUA's mission and values are what make it such a great organization, and we are pleased to be able to support the MMUA through their Summer Conference being held in Duluth, MN in August this year. Many members of our team will be attending and hope to connect with you at some point during the conference!

Annual NEMMPA Customer Meeting: Wednesday, October 18th, 2023 (tentative) – AHQ

- We look forward to hosting you again this year for your annual NEMMPA meeting to share valuable MP/Industry Updates and 2024 cost estimates - more information to come in the coming months.

UMD Muni Hockey Night : January or February 2024

- We will be having another UMD MUNI hockey night in the Suites at Amsoil Arena this winter, as a way to unwind, socialize, and have some fun together. Once we have the game suite schedule available, we will get a Save the Date out to you as soon as possible to get on your calendars. We hope you can join us this winter!



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: August 16, 2023

AGENDA ITEM: Consider a motion to approve reimbursement resolution 08-16-23-8 for the Grand Rapids/Cohasset Industrial Park Utility Extension Project and request the City Council to issue G.O. bonds to finance related costs.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

Grand Rapids/Cohasset Industrial Park Utility Extension (Watermain Loop)

The Grand Rapids/Cohasset Industrial Park Utility Extension (watermain loop) Project is being constructed this summer. The project is to provide sanitary sewer and water to the Ainsworth property. The project includes approximately \$884,118 for sanitary sewer improvements, \$957,794 water improvements, and no costs for street improvements for a total project cost of \$1,841,912 from the GRPUC. The sanitary sewer and water improvements are GRPUC assets and will increase the value of the appropriate sewer and water infrastructure.

This project also will provide future resiliency for the water system to the southwest part of the town including the hospital and elementary school.

The 2023 approved GRPUC capital budget has zero for the water improvements and zero for the sanitary sewer improvements (wastewater collection). Overtime this City project has had scope and construction schedule changes.

The current water capital replacement fund has a balance of \$981,636 at beginning 2023 and the sewer capital replacement fund has a balance of \$526,815 at the beginning 2023. The sewer capital replacement fund does not have enough available funds and the water capital replacement funds would almost completely deplete the fund balance; therefore, additional funding source(s) is/are required.

On August 14, City Engineering, Community Development, and Finance and GRPUC Business Service, Electric, Water/WW Collection/Treatment managers met to discuss this project. After the August 14 discussion, the City has re-evaluated the City funding sources for this project and

GRPU determined debt to be the funding source. The GRPU will bond for this project at the same time as the bond to be obtained for the Sylvan Bay project.

Therefore, the GRPUC needs action items to (1) approve a resolution signaling the intent to use bond proceeds to pay for the Grand Rapids/Cohasset Industrial Park Utility Extension Project, and (2) request the City Council to issue general obligation (G.O.) bonds to finance the costs related to the improvements which language is included in the resolution.

The dollar value in the resolution signaling the intent to use bond proceeds is always projected higher than the actual project costs in case there are any unforeseen cost over runs which the issuer (City/GRPUC) would want covered by the bonds.

RECOMMENDATION:

Consider a motion to approve reimbursement resolution 08-16-23-8 for the Grand Rapids/Cohasset Industrial Park Utility Extension Project and request the City Council to issue G.O. bonds to finance related costs.

**GRAND RAPIDS PUBLIC UTILITIES COMMISSION
RESOLUTION NO. 08-16-23-08**

**DECLARING THE OFFICIAL INTENT OF GRAND RAPIDS PUBLIC UTILITIES
COMMISSION TO REIMBURSE
CERTAIN EXPENDITURES FROM THE PROCEEDS
OF BONDS TO BE ISSUED BY THE CITY OF GRAND RAPIDS
FOR THE GRAND RAPIDS/COHASSET INDUSTRIAL PARK
UTILITY EXTENSION PROJECT**

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the Grand Rapids Public Utilities Commission (GRPUC) expects to incur certain expenditures that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of a tax-exempt bond;

WHEREAS, the GRPUC has determined to make this declaration of official intent (“Declaration”) to reimburse certain costs from proceeds of bonds in accordance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE GRAND RAPIDS PUBLIC UTILITIES COMMISSION AS FOLLOWS:

1. The GRPUC proposes to undertake the following project in the City in 2023 (the “Project”): **Grand Rapids/Cohasset Industrial Park Utility Extension Project**
2. The GRPUC reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of bonds in an estimated maximum principal amount of \$2,500,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.
3. This Declaration has been made not later than 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or 5 percent of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of 20 percent of the aggregate issue price of the issue or issues that finance or are reasonably expected by the GRPUC to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and

similar costs incident to commencement of construction.

4. This Declaration is an expression of the reasonable expectations of the GRPUC based on the facts and circumstances known to the GRPUC as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the bonds described in paragraph 2 are consistent with the GRPUC's budgetary and financial circumstances. No sources other than proceeds of bonds to be issued by the GRPUC are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the GRPUC's budget or financial policies to pay such Project expenditures.

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

6. The GRPUC requests the City Council of the City of Grand Rapids to issue general obligation bonds to finance costs related to the above project.

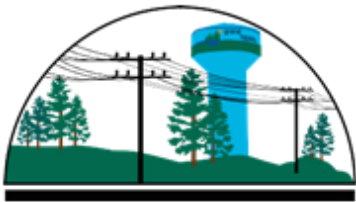
Approved by the Grand Rapids Public Utilities Commission 16th day of August 2023.

GRAND RAPIDS, MINNESOTA

President

Attest:

Secretary



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BUSINESS SERVICES DEPARTMENT MONTHLY REPORT August 2023 Commission Meeting

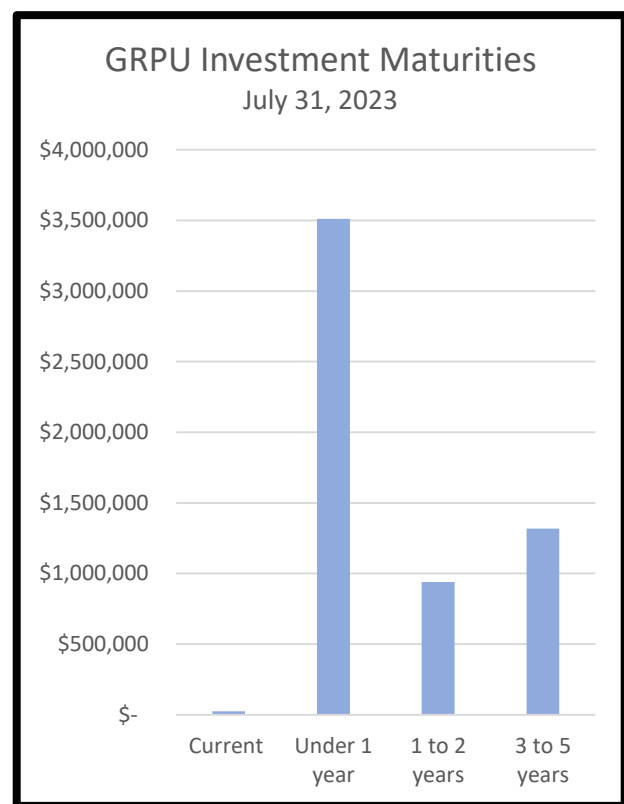
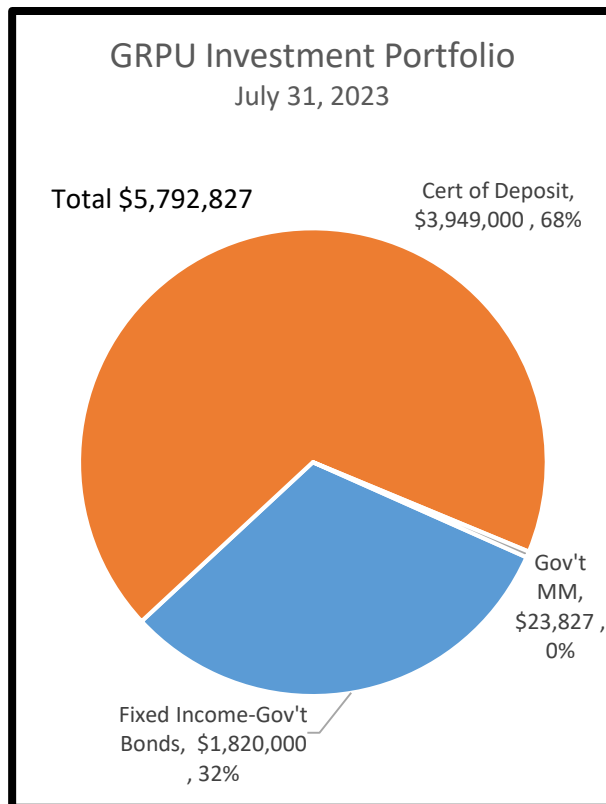
SAFETY

RELIABILITY

CUSTOMER SERVICE

Governments have a fiduciary responsibility in managing their funds, including the ongoing management and monitoring of investment activity. Investments increased from \$2,658,837 at EOY 2022 to \$5,792,927 as of July 31, 2023.

SAFETY OF ASSETS – INVESTMENTS



CUSTOMER SERVICE – CUSTOMER FOCUSED COMMUNICATION CAMPAIGNS

July and August 2023 focused communications – Lawn Watering and Community Survey

Radio ads informing community about the Community Survey. Click [here](#) on the above PDF to review the Lawn Watering Fact Sheet.

RELIABILITY – UPDATE ON NEW ENTERPRISE RESOURCES PLANNING SOFTWARE

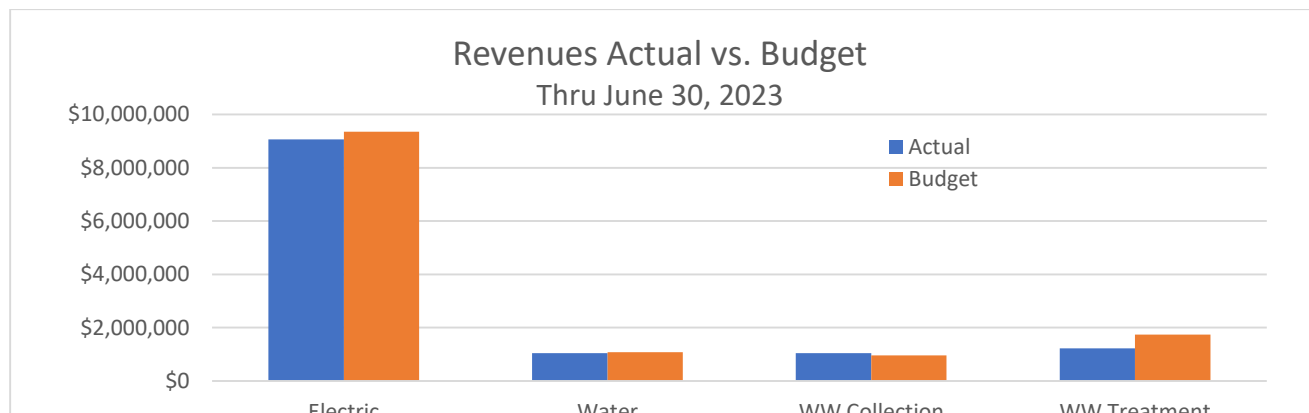
City and GRPU ERP software themes: (1) importance of transparency and customer interactions; (2) self-service portals for customers; (3) interface with utility billing, OMS, AML, and GIS.

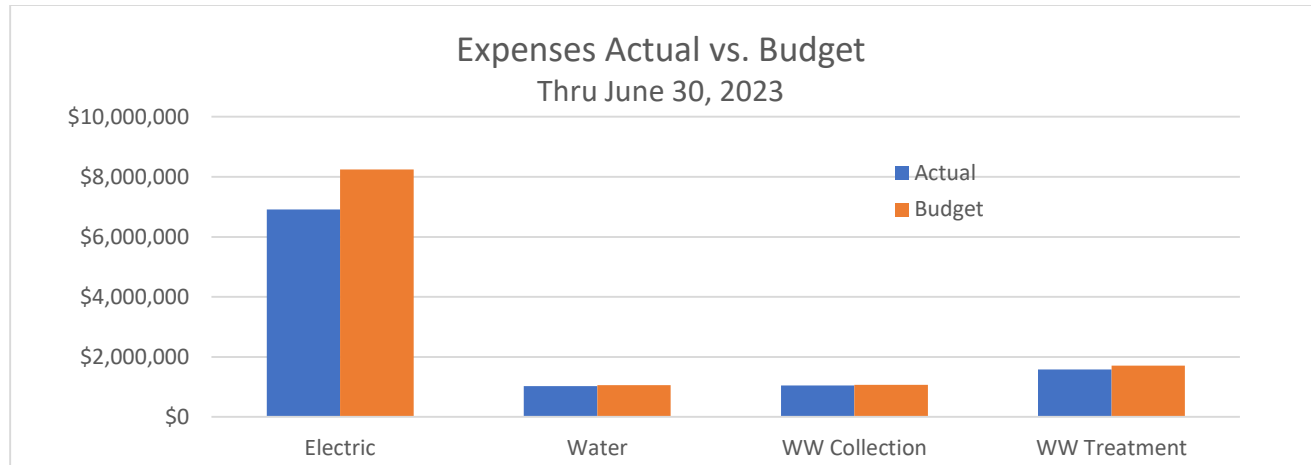
The new ERP software will allow the City and GRPU to have data which is easier to access and increased reliability.

The evaluation team decided to invite the three software vendors to the discovery evaluation stage which is the final stage before contract negotiations. The team is represented by 6 City and 10 GRPU team members who have actively participated in each stage of the evaluation process.

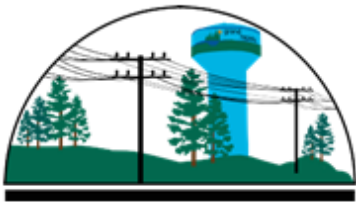
The discovery evaluation stage has given the evaluation team additional information. The evaluation team will rank vendor responses and recommend a solution on August 10. The GFOA consultant will then negotiate a contract with the selected vendor(s). The goal is to have the City Council and Grand Rapids Public Utilities Commission to approve the software purchase in early fall.

FINANCIAL HEALTH – Through June 30, 2023 – overall within budget parameters





GRAND RAPIDS PUBLIC UTILITIES COMMISSION											
Combining Schedule of Revenues and Expenses versus Budget											
For the Six Months Ended June 30, 2023											
	ELECTRIC		WATER		WASTEWATER COLLECTION		WASTEWATER TREATMENT		TOTALS		
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
OPERATING REVENUES											
Utility services - city	\$7,272,332	\$7,648,948	\$963,085	\$929,587	\$841,922	\$821,989	-	-	\$9,077,338	\$9,400,524	
Utility services - rural	958,015	1,017,715	-	-	2,812	2,791	-	-	960,826	1,020,506	
Public Authorities	-	-	21,369	21,969	79,583	76,651	-	-	100,951	98,620	
Security lighting	20,273	31,545	-	-	-	-	-	-	20,273	31,545	
Total Retail Sales	8,250,619	8,698,208	984,453	951,556	924,316	901,431	-	-	10,159,389	10,551,195	
Purchasing power adjustment	671,073	539,679	-	-	-	-	-	-	671,073	539,679	
Total Utility Revenue	8,921,692	9,237,887	984,453	951,556	924,316	901,431	-	-	10,830,461	11,090,873	
Other operating revenue	147,428	116,139	62,238	125,393	110,919	55,596	\$1,223,984	\$1,741,357	1,544,569	2,038,485	
Total Operating Revenues	9,069,120	9,354,026	1,046,691	1,076,949	1,035,235	957,027	1,223,984	1,741,357	12,375,031	13,129,358	
OPERATING EXPENSES											
Purchased power	5,175,457	6,254,781	-	-	-	-	-	-	5,175,457	6,254,781	
Production	-	-	334,588	311,977	-	-	-	-	334,588	311,977	
Distribution/collection	540,657	700,243	217,235	249,914	127,425	367,339	-	-	885,318	1,317,496	
Customer accounts	169,605	188,339	52,276	60,516	38,699	43,553	-	-	260,580	292,408	
Administrative and general	514,239	578,850	201,892	210,491	133,839	169,619	-	-	849,971	958,960	
Service Center	50,653	54,998	50,653	54,998	50,653	54,998	50,653	54,998	202,611	219,993	
Domestic wastewater treatment	-	-	-	-	50,390	42,266	(520,095)	(272,181)	(469,706)	(229,915)	
Industrial wastewater treatment	-	-	-	-	520,201	272,181	2,048,028	1,920,507	2,568,228	2,192,688	
Depreciation and amortization	460,917	472,992	166,073	167,645	122,338	117,134	-	-	749,329	757,771	
Total Operating Expenses	6,911,529	8,250,203	1,022,718	1,055,541	1,043,545	1,067,091	1,578,585	1,703,324	10,556,377	12,076,159	
NET OPERATING INCOME (LOSS)	2,157,592	1,103,823	23,973	21,408	(8,310)	(110,064)	(354,601)	38,033	1,818,654	1,053,200	
NONOPERATING REVENUES (EXPENSES)	(416,578)	(449,100)	(2,034)	(10,357)	(1,149)	(23,831)	133,977	19,084	(285,784)	(464,204)	
INCOME (LOSS)	\$1,741,014	\$654,723	\$21,940	\$11,051	\$(9,459)	\$(133,895)	\$220,625	\$57,116	\$1,532,869	\$588,996	



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ELECTRIC DEPARTMENT MONTHLY REPORT Aug 2023 Commission Meeting

Reliability Report Last Month

In July, we had a scheduled outage related to the new roundabout on SE 7th Ave and River Road. This outage was planned for the very early morning to limit the effect on our customers. We had a tree cut down by a customer that cut service to several homes. We are willing to work with customers on these types of jobs and encourage people to call the office. Other issues with squirrels and birds have caused a few outages.



Electric Reliability Report

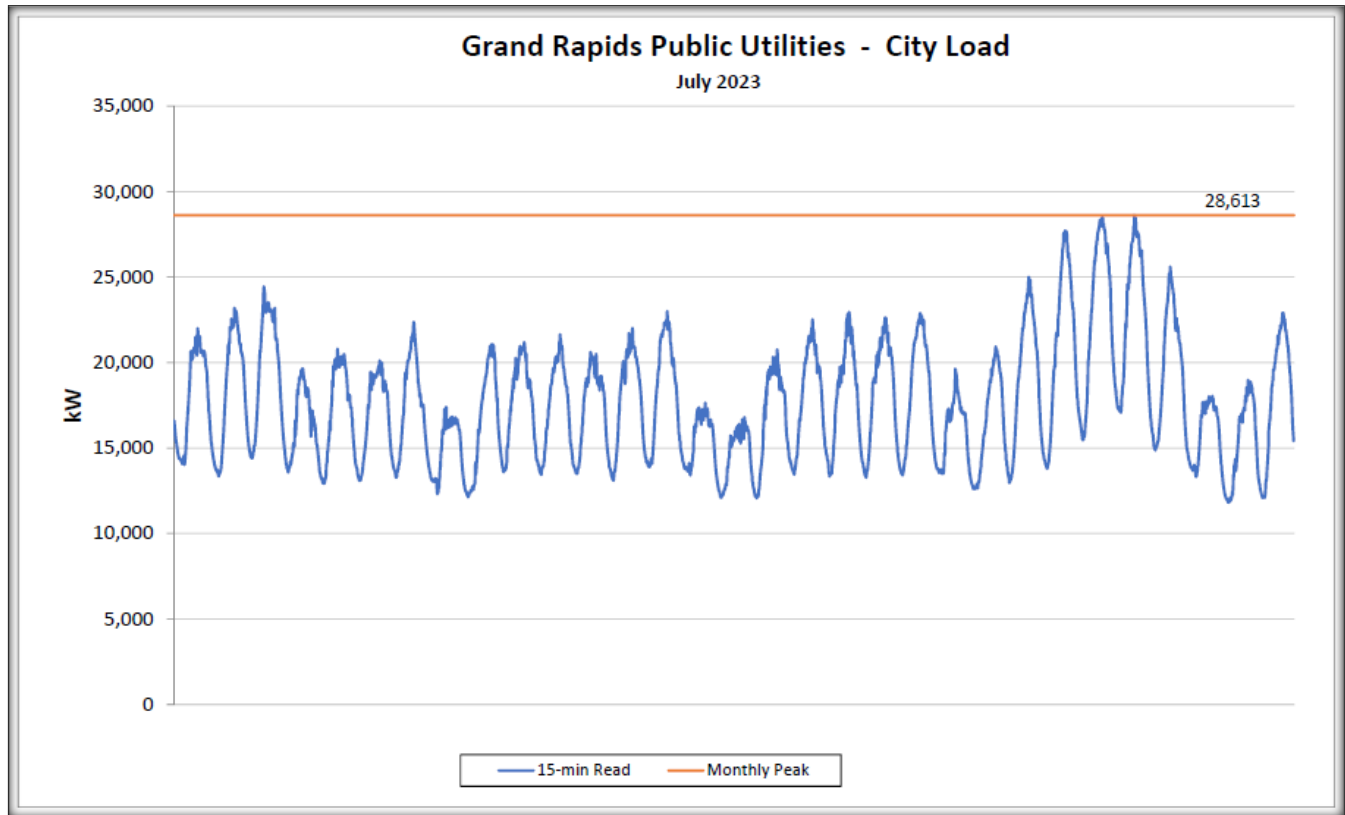
08/10/2023

Date Range
07/03/2023 - 07/25/2023

SAIDI:	0.16	Avg Minutes / Customers Served	CAIDI:	2.02	Avg Minutes / Customer Out	Total Customers Out:	593
SAIFI:	0.08	Cust Outages / Customers Served	CAIFI:	0.029	Avg Outages / Customer Out	Total Reported Hours:	20
Active:	7690	Active Electric Customers	Outages:	17	Total Number of Outages	Total Customer Hours Out:	824
ASAI:	99.99877	Average Percent System Available					

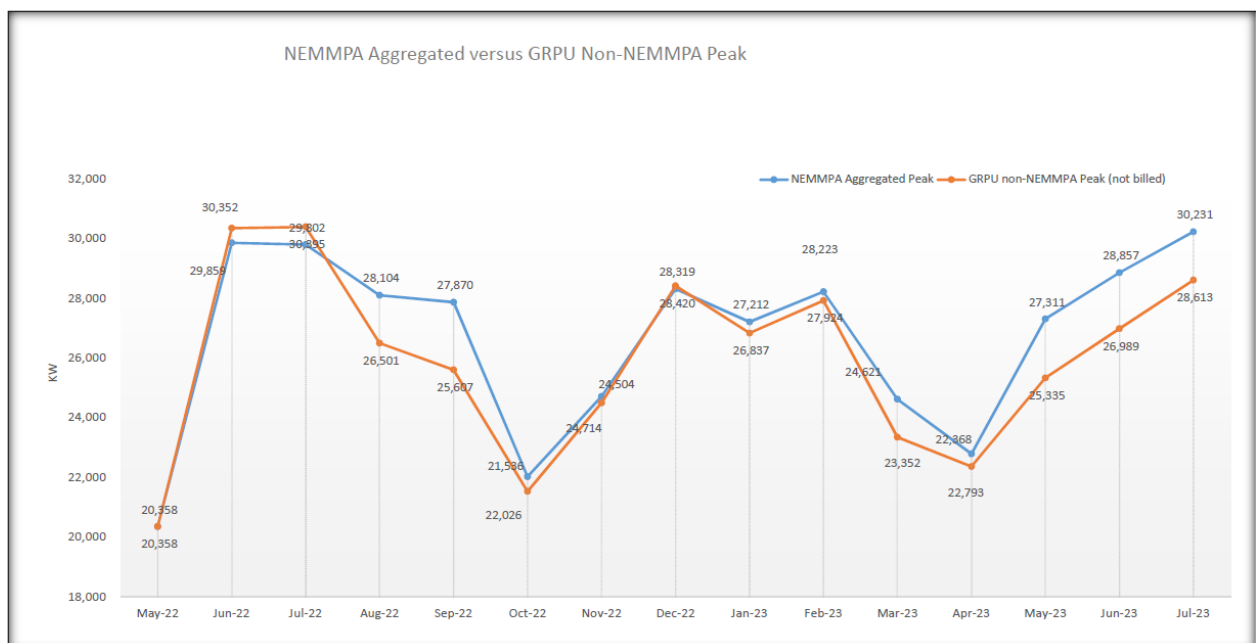
Electric Load Graph Last Month

Peak load on July 27th.



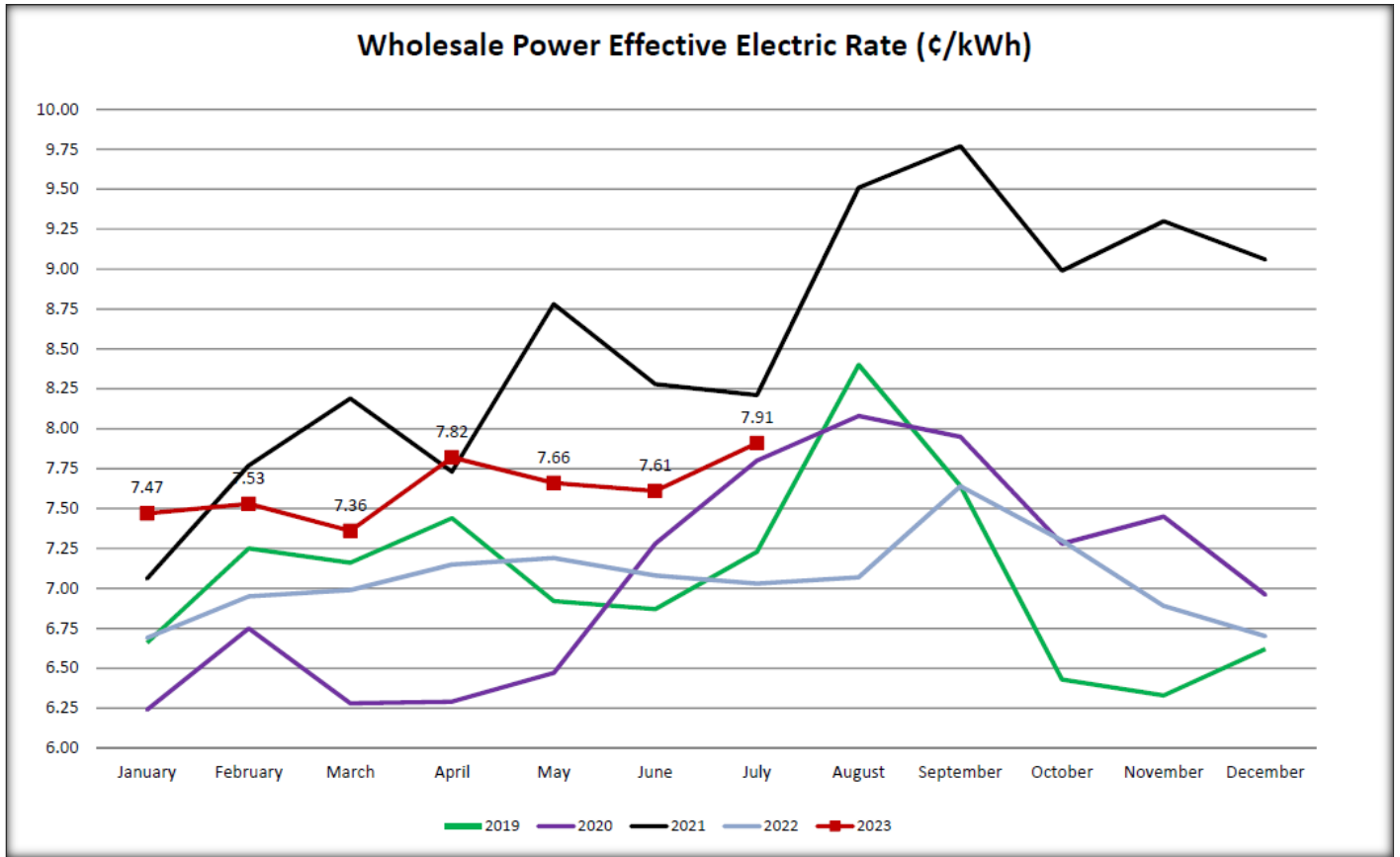
NEMMPA vs. non-NEMMPA Peak Last Month

The attached graph shows the aggregated NEMMPA peak versus non-NEMMPA peak.



Effective Wholesale Electric Power Rate Last Month

The attached graph shows the effective wholesale electric rate.



Capital and Operations Project Summary

COMMISSION REPORT CONTENTS									
Agency Lead	Dept	Proj Desc	Proj #	Budget	Amount Spent	Percent Spent (calc'd)	Percent Completed	Status	Noted Issues / Highlights
GRPU	ELEC	Distribution System Transformers	ELEC2306	\$150,000	\$0	0%	10%	In Progress	Larger order
GRPU	ELEC	Crystal Springs Conversion	ELEC2135	\$146,000	\$0	0%	0%	On Hold	trx supply chain issues - pushed to 2024
GRPU	ELEC	Reliability Upgrades	ELEC2314	\$100,000	\$0	0%	0%	Not Started	
GRPU	ELEC	Tree Trimming	EOPS	\$100,000	\$59,173	59%	0%	Not Started	
GRPU	ELEC	Backyard Machine	ELEC2318	\$90,000	\$90,000	100%	100%	Completed	
GRPU	ELEC	OH Replacements	ELEC2304	\$60,000	\$9,425	16%	0%	Not Started	
GRPU	ELEC	Power Pole Replacement	ELEC2311	\$50,000	\$0	0%	0%	Not Started	
GRPU	ELEC	Distribution System Services	ELEC2301	\$40,000	\$0	0%	0%	Not Started	
GRPU	ELEC	SW 1st Avenue Conversion	ELEC2317	\$30,000	\$0	0%	0%	On Hold	trx supply chain issues - pushed to 2024
GRPU	ELEC	UG Replacements	ELEC2305	\$30,000	\$29,526	98%	1%	In Progress	
GRPU	ELEC	Maple Street Conversion	ELEC2316	\$29,000	\$0	0%	0%	On Hold	trx supply chain issues - pushed to 2024
GRPU	ELEC	AMI Meters	ELEC2307	\$25,000	\$5,422	22%	1%	In Progress	
GRPU	ELEC	Security Lighting	ELEC2303	\$13,996	\$1,118	8%	0%	Not Started	
GRPU	ELEC	Duel Fuel Services	ELEC2302	\$2,560	\$0	0%	0%	Not Started	
City	ELEC	21st St & Forest Hills Dr	EOPS			#DIV/0!		In Progress	
Developer	ELEC	Ainsworth Site Transformer	EOPS		\$62,283	#DIV/0!	75%	In Progress	
GRPU	ELEC	CSC Generator	EOPS			#DIV/0!		In Progress	2024 delivery
GRPU	ELEC	East Sub Rewire	EOPS		\$0	#DIV/0!	0%	Not Started	
City	ELEC	Forest Lake School Site Housing	EOPS			#DIV/0!		Not Started	
Developer	ELEC	Newman Campground - LaPrairie	EOPS		\$33,000	#DIV/0!	100%	Completed	
City	ELEC	Sylvan Bay Area Reconstruction	EOPS			#DIV/0!		Not Started	

Status Definitions

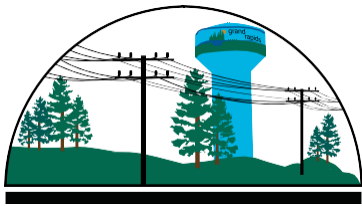
Not Started - no human or financial resources utilized

In Progress - time or money spent on the project

In Service - operational but final close out needed

Completed - done and closed out

On Hold - waiting on some type of significant action



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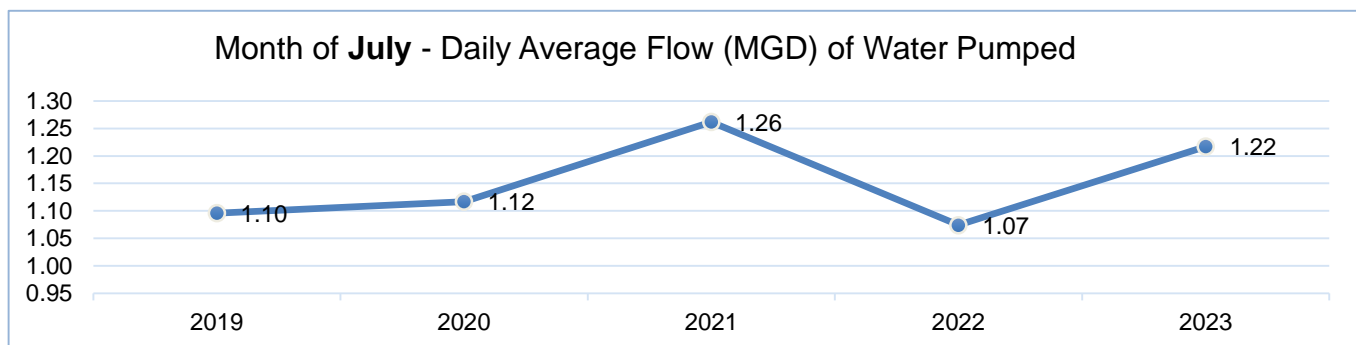
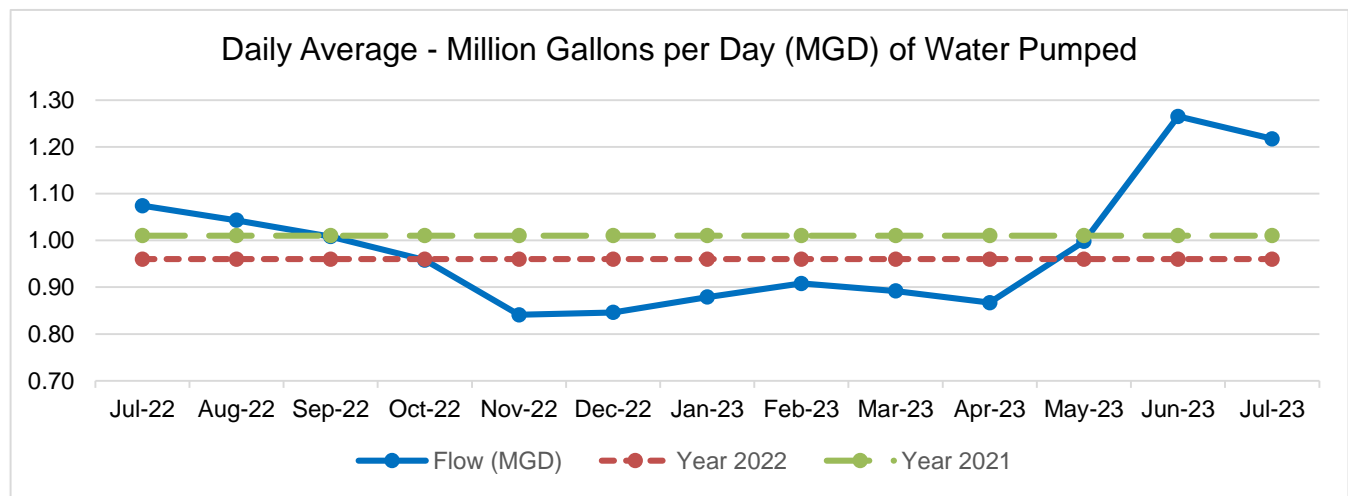
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WATER UTILITY MONTHLY REPORT August 2023 Commission Meeting

Water Operations

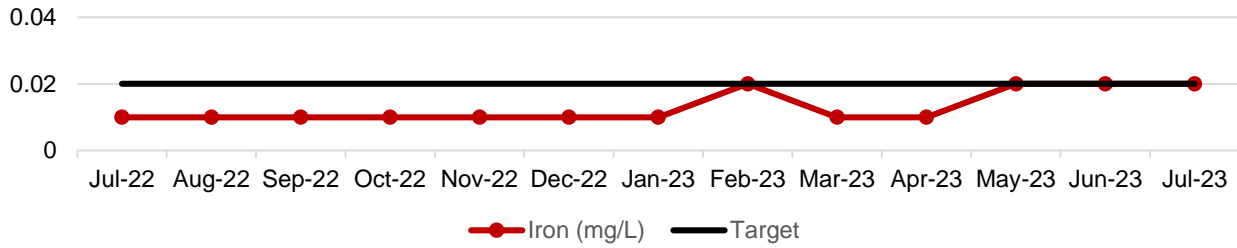
The water plant pumped an average of 1.22 million gallons of water per day (MGD) with a peak of 1.49 million gallons during last month which is a little higher than typical for this time of the year.

Mississippi Headwaters watershed is now in the Drought Warning Response Phase. All water suppliers in this watershed are required to implement water conservation measures. Look for future correspondence on reducing non-essential water use.

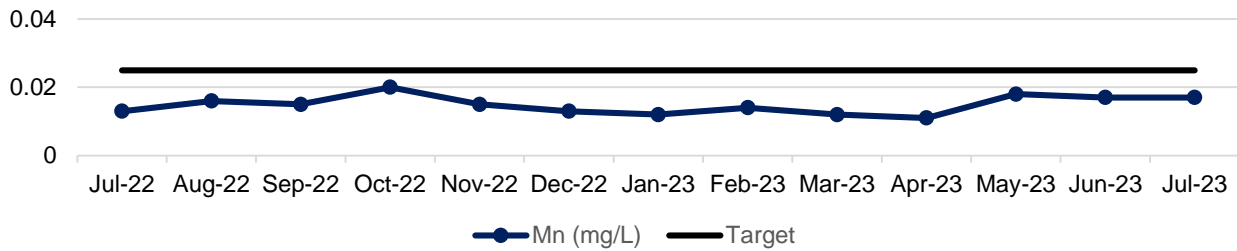


All water quality analysis was normal for the month as seen in the graphs below.

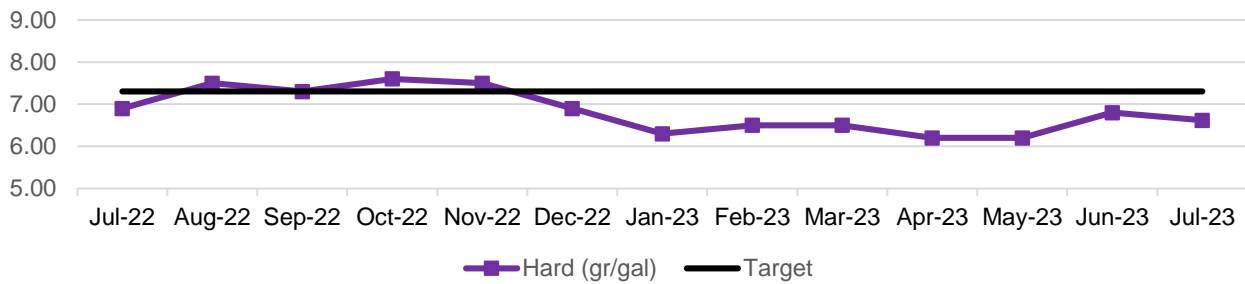
Daily Average Iron (mg/L)



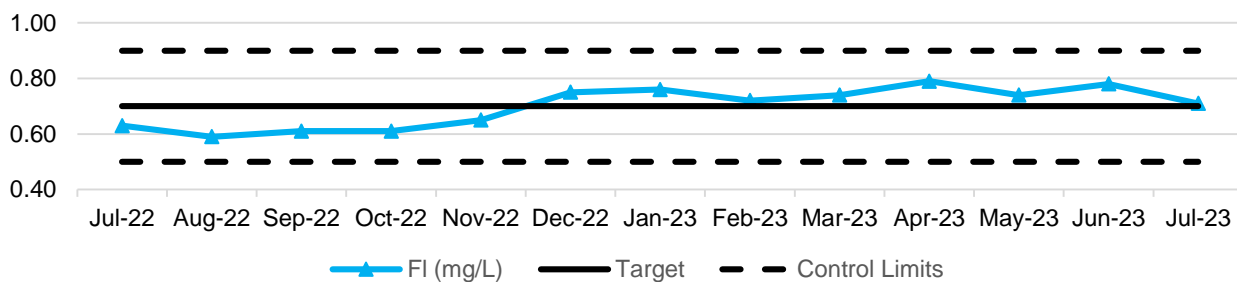
Daily Average Manganese (mg/L)



Daily Average Hardness (gr/gal)



Daily Average Fluoride (mg/L)



Capital and Operations Project Summary

WTP Renovation Project Update:

Requests for qualifications were sent out to regional engineering firms. We are in the process of reviewing those qualifications in hopes of finding a good match for the project.

COMMISSION REPORT CONTENTS										
Agency Lead	Dept	Proj Desc	Proj #	Budget	Amount Spent	Percent Spent (calc'd)	Percent Complete	Status	Noted Issues / Highlights	
GRPU	WATER	Water Plant Renovations	WATR2213	\$4,943,400	\$0	0%	1%	In Progress		
City	WATER	Sylvan Overlays	WATR2306	\$1,202,000	\$20,000	2%	80%	In Progress		
GRPU	WATER	Category 1 - Piping Repairs	WATR2312	\$350,000	\$0	0%	0%	Not Started		
GRPU	WATER	South Tower Coating Repairs	WATR2310	\$150,000	\$0	0%	0%	Not Started		
GRPU	WATER	Curb Stop Replacements	WATR2305	\$100,000	\$15,000	15%	5%	In Progress		
City	WATER	Paradise Park	WATR2313	\$85,000	\$0	0%	0%	Not Started		
City	WATER	River Road Roundabout	WATR2311	\$82,455	\$0	0%	80%	In Progress		
GRPU	WATER	High Service Pump Controls	WATR2005	\$60,000	\$2,000	3%	25%	In Progress		
GRPU	WATER	Well 2 Rehabilitation	WATR2004	\$55,000	\$20,055	36%	5%	In Progress		
GRPU	WATER	WTP Security	WATR2108	\$43,000	\$20,874	49%	50%	In Progress		
GRPU	WATER	Mid-Tower Coating Repairs	WATR2107	\$38,000	\$0	0%	60%	In Progress		
GRPU	WATER	Fire Hydrant Repairs	WATR2209	\$35,000	\$0	0%	0%	Not Started		
GRPU	WATER	Radio Communication Upgrades	WATR2308	\$30,000	\$0	0%	0%	Not Started		
GRPU	WATER	Booster Station Panel View	WATR2302	\$30,000	\$0	0%	5%	In Progress		
GRPU	WATER	WTP Turbidity Meters	WATR2207	\$30,000	\$26,238	87%	35%	In Progress		
GRPU	WATER	WTP Flow Meters	WATR2204	\$30,000	\$22,030	73%	35%	In Progress		
GRPU	WATER	WTP Main Valve	WATR2212	\$22,500	\$13,403	60%	35%	In Progress		
GRPU	WATER	WTP Valve Updates	WATR2304	\$20,000	\$0	0%	5%	In Progress		
GRPU	WATER	WTP Sewage Ejector System	WATR2206	\$20,000	\$0	0%	0%	Not Started		
GRPU	WATER	Replace Fiber (SH to City Hall)	WATR2309	\$15,000	\$0	0%	0%	Not Started		
GRPU	WATER	WTP Communication with Wells	WATR2211	\$15,000	\$0	0%	0%	Not Started		
GRPU	WATER	WTP Aerator Media	WATR2208	\$12,000	\$4,800	40%	75%	In Progress		
GRPU	WATER	WTP Sludge Pump	WATR2205	\$11,000	\$9,923	90%	35%	In Progress		
GRPU	WATER	Hydrant Meters	WATR2203	\$8,700	\$2,800	32%	40%	In Progress		
GRPU	WATER	WTP Backwash Valve	WATR2307	\$5,000	\$0	0%	0%	Not Started		

Status Definitions

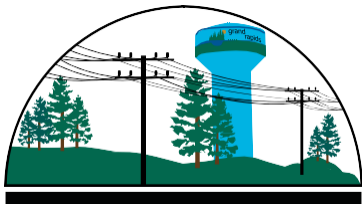
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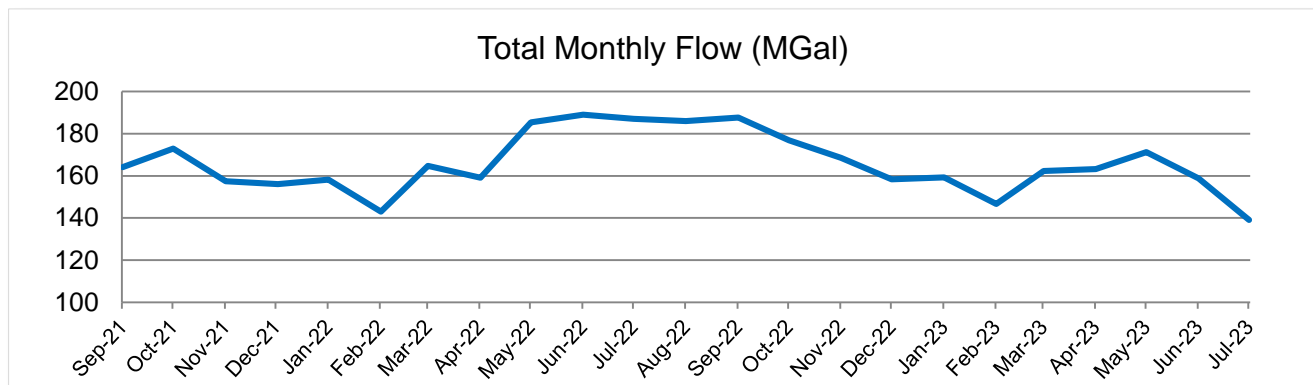
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WASTEWATER UTILITY MONTHLY REPORT August 2023 Commission Meeting

Wastewater Operations

The Wastewater Treatment Plant (WWTP) met all National Pollutant Discharge Elimination System (NPDES) permit requirements last month. We treated 139 million gallons of water removing 99.5% of the Total Suspended Solids (TSS) and 98.7% Biochemical Oxygen Demand (cBOD).

WWTP is managing primary solids to be able to continue to operate while the paper mill is on strike. WWTP operators are busy hauling leachate to get the surface water down to required level.



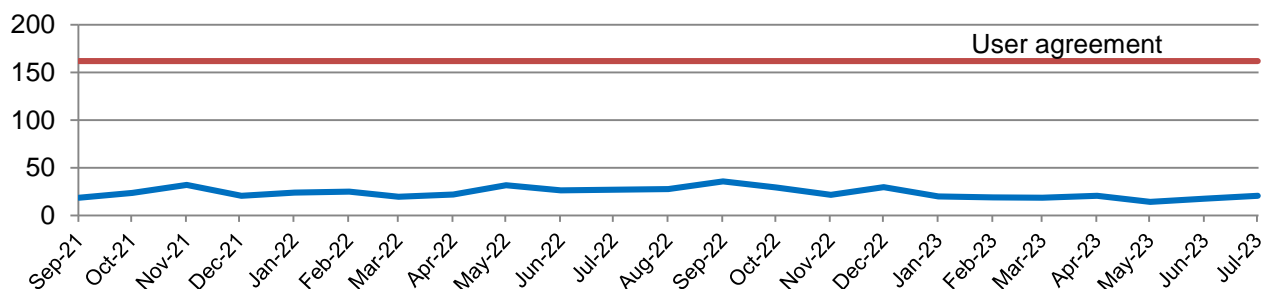
Design Limits
(monthly AVG)

Actual Results

Primary Plant

Flow (MGD)	13.25	3.0
TSS (Tons/day)	162	20.7
TSS Peak (Tons/Day)	284	58.1

Primary Plant TSS (Tons/day)

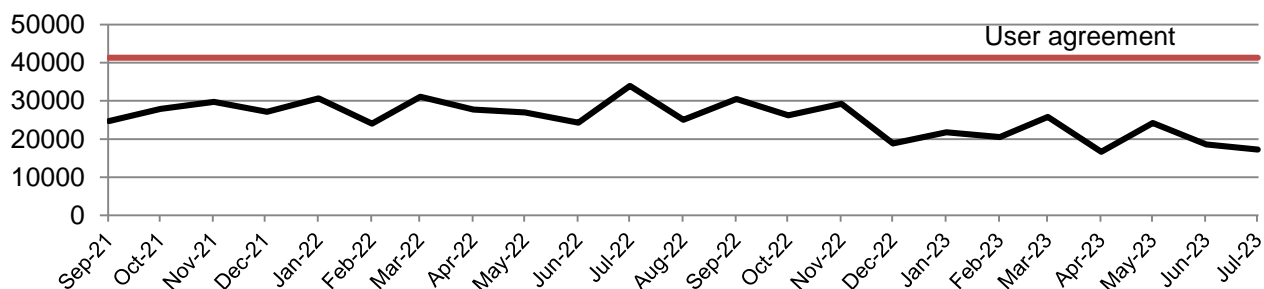
Design Limits
(monthly AVG)

Actual Results

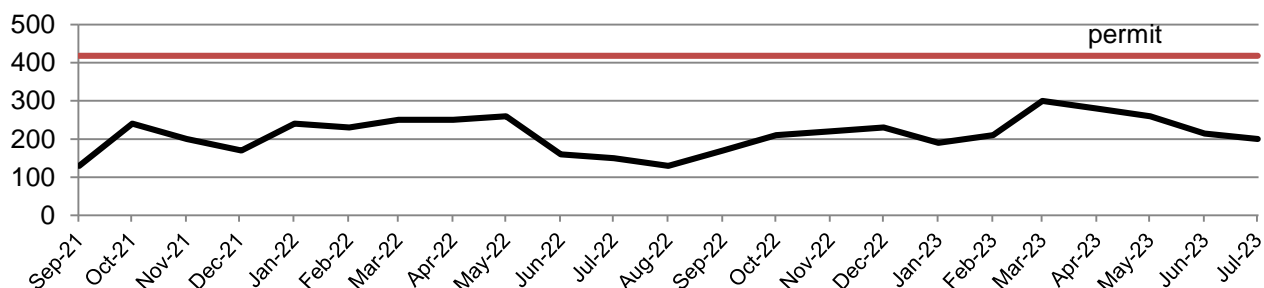
Secondary Plant

Flow (MGD)	15.25	4.5
cBOD (lbs/Day)	41,300	20,797
Peak cBOD (lbs/Day)	57,350	47,655
Zinc-weekly (ug/L)	418	200
% GRPUC		30.0%

Industrial cBOD to Secondary Plant (Lbs/day)



Zinc-weekly (ug/L)

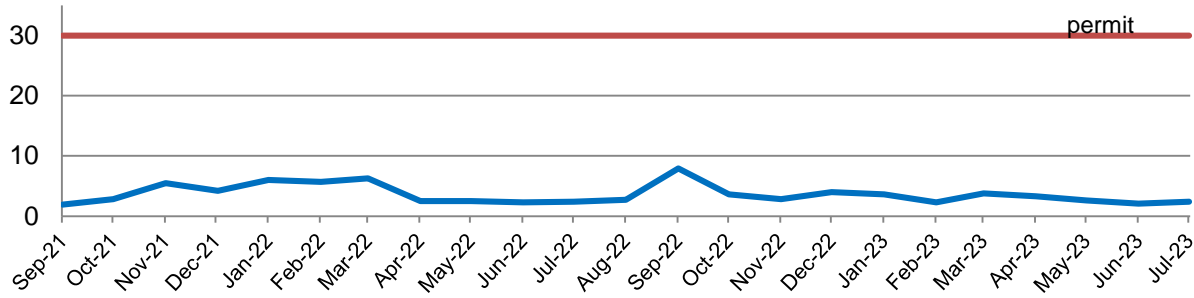
Permit Limits
(monthly AVG)

Actual Results

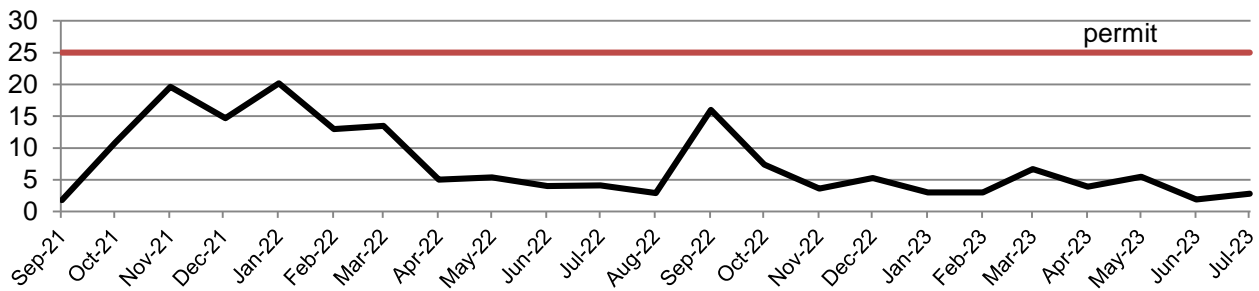
Effluent

TSS (mg/L) – monthly average	30	2.4
cBOD (mg/L) – monthly average	25	2.8
Dissolved Oxygen (mg/L)	>1.0	5.2

Effluent TSS (mg/L)



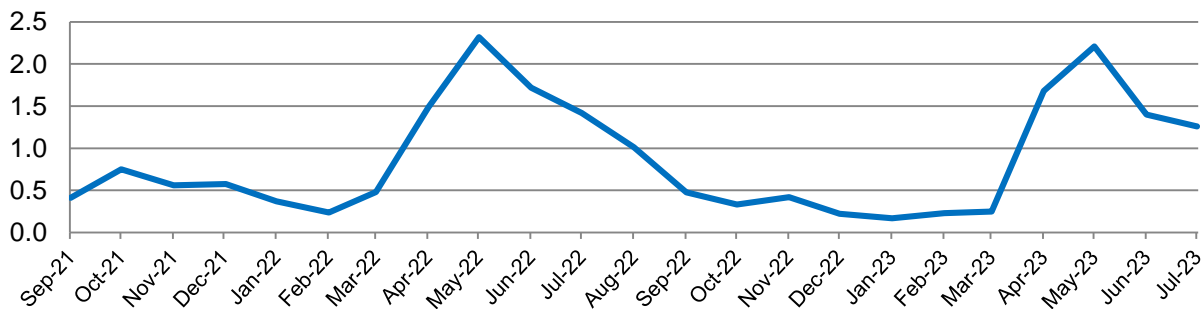
Effluent cBOD (mg/L)



Sludge Landfill Operations

- 1.26 million gallons of leachate were hauled last month which is typical for summer.
- 2,892 cubic yards of sludge solids were hauled to the landfill

Total Monthly Leachate Hauled (MGal)



Capital and Operations Project Summary

COMMISSION REPORT CONTENTS

Agency						Amount	Percent Spent	Percent		
Lead	Dept	Proj Desc	Proj #	Budget	Spent	(calc'd)	Comple	Status	Noted Issues / Highlights	
City	WWC	Sylvan Overlays	WWCO2310	\$1,010,000	\$0	0%	80%	In Progress		
GRPU	WWC	Category 1 - Piping Repairs	WWCO2308	\$350,000	\$0	0%	0%	Not Started		
City	WWC	River Road Roundabout	WWCO2312	\$210,959	\$0	0%	80%	In Progress		
GRPU	WWC	Jetting		\$150,000	\$55,000	37%	50%	In Progress		
GRPU	WWC	Jetting Camera	WWCO2303	\$60,000	\$55,000	92%	100%	Completed		
City	WWC	6th Ave NW (4th-5th)	WWCO2302	\$52,000	\$0	0%	0%	Not Started		
GRPU	WWC	Lift Station 2 - Generator and Switch	WWCO2207	\$36,490	\$36,490	100%	95%	In Progress		
GRPU	WWC	Lift Station Pumps	WWCO2005	\$35,000	\$34,460	98%	100%	Completed		
GRPU	WWC	Lift Station 8 Controls Update	WWCO2601	\$35,000	\$20,250	58%	60%	In Progress		
GRPU	WWC	Lift Station 6 I/I Repairs	WWCO2307	\$35,000	\$0	0%	10%	In Progress		
GRPU	WWC	Lift Station 9 Controls Update	WWCO2304	\$35,000	\$19,250	55%	60%	In Progress		
GRPU	WWC	Lift Station 3 - Generator and Switch	WWCO2208	\$32,825	\$32,825	100%	95%	In Progress		
GRPU	WWC	Lift Station 2 Pump	WWCO2305	\$25,000	\$22,800	91%	100%	Completed		
GRPU	WWC	Clinic Lift Alarm Agent	WWCO2103	\$20,000	\$8,085	40%	80%	In Progress		
GRPU	WWC	Manhole Replacements	WWCO1805	\$20,000	\$0	0%	0%	Not Started		
GRPU	WWC	Mains and Services	WWCO1804	\$15,000	\$0	0%	0%	Not Started		
GRPU	WWC	Lift Station 2 Flow Meter	WWCO2309	\$8,000	\$0	0%	0%	Not Started		
GRPU	WWT	Septic Hauler Dump Station	WWSP2301	\$350,000	\$0	0%	0%	Not Started		
GRPU	WWT	Landfill Cover Work Ph 1-4, Ket D	WWSD2301	\$250,000	\$23,940	10%	90%	In Progress		
GRPU	WWT	Secondary Aeration Basin Mixer Repa	WWSP1804	\$175,000	\$10,000	6%	20%	In Progress		
GRPU	WWT	Rebuild Domestic Screen	WWDO1801	\$150,000	\$98,750	66%	100%	Completed		
GRPU	WWT	Replace Fiber ASV to CSC	WWSC2301	\$54,000	\$0	0%	0%	Not Started		
GRPU	WWT	Bleach Tank Replacement	WWSP2302	\$50,000	\$43,300	87%	95%	In Progress		
GRPU	WWT	Sludge Screw Conveyor - Screw	WWPP2103	\$50,000	\$0	0%	50%	In Progress		
GRPU	WWT	Demo of old Primary Plant	WWPP2001	\$50,000	\$0	0%	0%	Not Started		
GRPU	WWT	Trash Compactor	WWDO2302	\$50,000	\$0	0%	20%	In Progress		
GRPU	WWT	Painting Primary Clarifiers	WWPP2003	\$40,000	\$30,185	75%	100%	Completed		
GRPU	WWT	Primary Plant Sludge Pumps	WWPP2303	\$28,000	\$0	0%	15%	In Progress		
GRPU	WWT	Primary Sludge Pump VFD	WWPP2301	\$24,000	\$0	0%	0%	Not Started		
GRPU	WWT	Landfill Phase Pumps	WWSD2302	\$18,000	\$0	0%	0%	Not Started		
GRPU	WWT	Forks for Front End Loader	WWPP2202	\$12,000	\$9,500	79%	100%	Completed		
GRPU	WWT	Replace Fiber Segment 1	WWSH2302	\$12,000	\$0	0%	0%	Not Started		
GRPU	WWT	VFD Upgrades for Lift Pumps	WWSH2301	\$12,000	\$0	0%	15%	In Progress		
GRPU	WWT	Leachate Phase Pump	WWSD2101	\$8,000	\$0	0%	0%	Not Started		
GRPU	WWT	Screw Press VFD	WWPP2302	\$8,000	\$0	0%	0%	Not Started		
GRPU	WWT	Flow Meter for Domestic Flow	WWDO2301	\$7,000	\$0	0%	0%	Not Started		
GRPU	WWT	WWTP Alarm Agent	WWPP2304	\$6,500	\$6,000	92%	75%	In Progress		

Status Definitions

Not Started - no human or financial resources utilized

In Progress - time or money spent on the project

In Service - operational but final close out needed

Completed - done and closed out

On Hold - waiting on some type of significant action

Grand Rapids Public Utilities

August 16, 2023 Commission Meeting

Department Head Presentation

Chad Troumbly– Electric Department Manager



APPA- Key Performance Indicators (KPI)

- 21 Categories
 - Financial and Operating Ratios
- Grouped
 - Compares Sizes
 - Regions
 - With/Without Generation
- Influences
 - Policies
 - Customer Composition
 - Location
 - Population Density
 - Sources of Power

FINANCIAL RATIOS	UTILITIES	MEDIAN
1. Revenue per KWH		
a. All Retail Customers	158	\$0.097
b. Residential Customers	151	\$0.113
c. Commercial Customers	151	\$0.103
d. Industrial Customers	132	\$0.071
2. Debt to Total Assets	154	0.296
3. Operating Ratio	128	0.837
4. Current Ratio	156	3.07
5a. Times Interest Earned	128	5.27
5b. Debt Service Coverage	127	3.45
6. Net Income per Revenue Dollar	155	\$0.066
7. Uncollectible Accounts per Revenue Dollar	155	\$0.0014
OPERATING RATIOS		
8. Retail Customer per Non-Power Generation Employee	154	332
9. Total O&M Expense per KWH Sold	129	\$0.081
10. Total O&M Expense (Excluding Power Supply Exp.) per Retail Customer	125	\$575
11. Total Power Supply Expense per KWH Sold	128	\$0.062
12. Purchased Power Cost per KWH	151	\$0.061
13. Retail Customers per Meter Reader*	94	8,686
14. Distribution O&M Expense per Retail Customer	143	\$191
15. Distribution O&M Expense per Circuit Mile	143	\$8,268
16. Customer Accounting, Service, and Sales Expense per Retail Customer	143	\$70
17. Administrative and General Expense per Retail Customer	143	\$193
OTHER RATIOS		
18. Labor Expense per Worker-Hour	158	\$45.19
19. Energy Loss Percentage	145	3.11%
20. System Load Factor	151	57.4%
21. Capital Expenditures to Depreciation Expense	155	1.20

*Only includes utilities with at least one meter reader. For changes to the methodology of this ratio, see the detailed breakdown in Section III.

Deeper Dives – Discussion

- Engineer Hat
 - 19 Energy Loss Percentage
 - 20 System Load Factor
- Accountant Hat
 - 10 Total Operation and Maintenance Expense (Excluding Pwr Supply Expense)
 - Costs per Retail Customer



Questions / Comments

August 16, 2023 Commission Meeting

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