



GRAND RAPIDS PUBLIC UTILITIES COMMISSION

MEETING AGENDA

Wednesday, November 26, 2025

4:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular Meeting of the Grand Rapids Public Utilities Commission will be held on Wednesday, November 26, 2025 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

CALL OF ROLL:

PUBLIC FORUM:

APPROVAL OF MINUTES:

1. Consider a motion to approve the October 6, 2025 Joint Council/Commission Minutes, the October 8, 2025 Work Session Minutes and October 23, 2025 Regular Meeting Minutes.

VERIFIED CLAIMS:

2. Consider a motion to approve \$448,011.52 in verified claims for November 2025.

COMMISSION REPORTS:

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

3. Consider a motion to ratify change order #1 in the amount of \$13,372.30 for the Legionella Mitigation Project.
4. Consider a motion to ratify the professional services contract with MMUA for organizational development services for 2026 for \$22,000 plus approved reimbursable expenses.

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.

OPERATIONS & CAPITAL BUSINESS:

5. Consider a motion to approve the 2026 GRPUC Regular Work Session and Regular Meeting dates and times.
6. Consider a motion to approve a modification to the midpoint progression between Pay Grades 6 and 7 in the GRPU Pay Structure.
7. Consider a motion to approve the implementation of a Private Paid Family and Medical Leave (PFML) plan with Unum, effective January 1, 2026, in lieu of participating in the Minnesota state-run PFML program.

- [8.](#) Consider a motion to approve the Memorandum of Understanding (MOU) with AFSCME regarding the Minnesota Paid Leave Law and authorize the President and Secretary to sign the MOU.

CONTRACTS:

- [9.](#) Consider a motion to approve the 2025 audit statement of work, annual affordable care act reporting, and client accounting & advisory services statement of work with Clifton Larson Allen (CLA LLP) for \$35,800, plus a 5% technology and client support fee, and to authorize the General Manager and a Commissioner to sign the contract.

REPORTS:

- [10.](#) Monthly Reports

ADJOURNMENT:

The next Regular Meeting of the Commission is scheduled for Wednesday, December 17, 2025 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The next Special meeting/Work Session is scheduled for Wednesday, January 14, 2026 at 8:00 AM 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 JOINT CITY COUNCIL / PUBLIC UTILITIES COMMISSION MEETING

MEETING MINUTES

Monday, October 06, 2025

4:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Special Joint Meeting of the Grand Rapids City Council and Public Utilities Commission was held on Monday, October 6, 2025 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

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

CALL OF ROLL:

PRESENT: President Tom Stanley, Commissioner Nancy Saxhaug, Commissioner Rick Smith, Council Representative/Councilor Rick Blake, Mayor Tasha Connelly, Councilor Molly MacGregor, Councilor Dan Mertes

ABSENT: Secretary Luke Francisco, Councilor Tom Sutherland

OTHERS: Chad Troumbly, Taylor Bird, Jean Lane, Julie Kennedy, Rob Mattei, Tom Pagel, Dave Berg (remotely)

COUNCIL & COMMISSION REPORTS:

None.

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 Council and Commission members present.

Motion made by Mayor Connelly, Seconded by Commissioner Saxhaug to approve the agenda.

Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith, Council Representative/Councilor Blake, Mayor Connelly, Councilor MacGregor, Councilor Mertes.

DISCUSSION:

1. GRPU rate study update

GRPU's rate consultant, Dave Berg, gave a presentation outlining key components of a utility rate study. He highlighted important concepts, such as load factor and Time Of Use (TOU), and their impact on rate design, and discussed how rate structures can be leveraged to support economic development. The presentation was followed by a productive discussion with Councilors, Commissioners, and staff.

Note: GRPU's current rates and the most recent Rate Study are available on GRPU's website at grpuc.org.

2. GRPU new utility billing system update

GRPU staff provided an update on the new utility billing system, noting that while the initial implementation experienced some challenges, the system is now fully operational. Customers can log in to the online customer portal to view their utility bill information, enroll in paperless billing, and set up autopay using a credit card, debit card, or bank e-check. Customers enrolling in paperless billing will receive a \$10 credit on their account, and customers enrolling in autopay will receive a \$5 credit on their account.

Note: The customer portal can be accessed from the homepage of GRPU's website at grpuc.org.

ADJOURNMENT:

There being no further business, the meeting adjourned at 5:20 PM.

Respectfully submitted,



Julie Kennedy, GRPU General Manager



GRAND RAPIDS PUBLIC UTILITIES COMMISSION WORK SESSION MEETING MINUTES

Wednesday, October 08, 2025

8:00 AM

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

President Stanley called the meeting to order at 8:02 AM.

CALL OF ROLL:

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

ABSENT: Secretary Luke Francisco

OTHERS: Chad Troumbly, Taylor Bird, Mike LeClaire, Jean Lane, Steve Mattson, Julie Kennedy

BUSINESS:

1. Consider a motion to approve \$1,527,191.86 in verified claims for September and October 2025.

Motion made by Commissioner Saxhaug, Seconded by Commissioner Smith to approve \$1,527,191.86 in verified claims for September and October 2025.

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

2. Strategic and Annual Operating Plan Annual Review

GRPU staff led a discussion with the Commission on the proposed updates to the GRPU Strategic Plan based on their input from the September Work Session.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:50 AM.

Respectfully submitted,

Julie A. Kennedy

Julie Kennedy, General Manager



GRAND RAPIDS PUBLIC UTILITIES COMMISSION

MEETING MINUTES

Thursday, October 23, 2025

4:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular Meeting of the Grand Rapids Public Utilities Commission was held on Thursday, October 23, 2025 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

CALL OF ROLL:

PRESENT: President Tom Stanley, Commissioner Nancy Saxhaug, Commissioner Rick Smith

ABSENT: Secretary Luke Francisco, Council Representative Rick Blake with notice

OTHERS PRESENT: Steve Mattson, Jean Lane, Chad Troumbly, Taylor Bird, Julie Kennedy

PUBLIC FORUM:

No one from the public was present.

APPROVAL OF MINUTES:

1. Consider a motion to approve the September 10, 2025 Work Session Minutes and September 24, 2025 Regular Meeting Minutes.

Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve the September 10, 2025 Work Session Minutes and September 24, 2025 Regular Meeting Minutes.

Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith

VERIFIED CLAIMS:

2. Consider a motion to approve \$300,034.42 in verified claims for October 2025.

Motion made by Commissioner Saxhaug, Seconded by Commissioner Smith to approve \$300,034.42 in verified claims for October 2025.

Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith

COMMISSION REPORTS:

None

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

President Stanley requested Item 3, authorization of the sale of a surplus vehicle, be pulled from the consent agenda and placed on the regular agenda.

3. Consider a motion to authorize the sale of a surplus vehicle to the city or at an auction.

Moved to Item 5A on regular agenda.

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

Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve the regular agenda with the addition of Item 3 on the consent agenda, the authorization of the sale of a surplus vehicle, being added to the regular agenda item 5A.

Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith.

OPERATIONS & CAPITAL BUSINESS:

4. Operations & Capital Updates

GRPU staff presented the Operations and Capital Updates.

5. Consider a motion to approve the updated GRPU's Employee Sick and Safe Time (ESST) Policy to align with recent changes to Minnesota state law and ensure compliance with policy requirements.

Motion made by Commissioner Saxhaug, Seconded by Commissioner Smith to approve the updated GRPU's Employee Sick and Safe Time (ESST) Policy to align with recent changes to Minnesota state law and ensure compliance with policy requirements.

Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith

- 5A. Consider a motion to authorize the sale of a surplus vehicle to the city or at an auction.

Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to authorize the sale of a surplus vehicle to the city or at an auction.

Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith

CONTRACTS:

6. Consider a motion to approve change order #1 in the amount of \$12,700 for ELCP5038, Tioga Substation Expansion Project.

Motion made by Commissioner Saxhaug, Seconded by Commissioner Smith to approve change order #1 in the amount of \$12,700 for ELCP5038, Tioga Substation Expansion Project.

Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith

7. Consider a motion to approve the procurement contract with Northwestern Power Equipment for a new high service pump number 2 for the water plant for \$55,729 and authorize the General Manager to sign the contract.

Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve the procurement contract with Northwestern Power Equipment for a new high service pump number 2 for the water plant for \$55,729 and authorize the General Manager to sign the contract.

Voting Yea: President Stanley, Commissioner Saxhaug, Commissioner Smith

REPORTS:

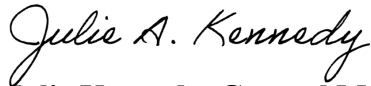
8. Monthly Reports

Reviewed the GRPU Monthly Reports.

ADJOURNMENT:

There being no further business, the meeting adjourned at 4:38 PM.

Respectfully submitted,



Julie Kennedy, General Manager



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2025

AGENDA ITEM: Consider a motion to approve \$448,011.52 in verified claims for November 2025.

PREPARED BY: Taylor Bird, Business Services Manager

BACKGROUND:

See attached check registers:

Bill list:	\$300,025.58
Bill payments with prior approval:	\$147,985.94
Total	\$448,011.52

RECOMMENDATION:

Approve \$448,011.52 in verified claims for November 2025.

Grand Rapids Public Utilities
Meeting Date: 11/26/2025

GRPU: Bill List

Item 2.

PUC Meeting Identifier	Vendor	Vendor Name	Payment Amount
Commission Meeting	Altec Industries Incorporated	Altec Industries Incorporated	920.40
Commission Meeting	Anixter Incorporated	Anixter Incorporated	2,825.17
Commission Meeting	Badger State Inspection LLC	Badger State Inspection LLC	5,740.00
Commission Meeting	Bolton and Menk Inc	Bolton and Menk Inc	50,798.33
Commission Meeting	Border States Electric	Border States Electric	68,285.69
Commission Meeting	Carquest Auto Parts	Carquest Auto Parts	249.00
Commission Meeting	Central McGowan	Central McGowan	691.15
Commission Meeting	City of Grand Rapids	City of Grand Rapids	42.06
Commission Meeting	Climate Makers Incorporated	Climate Makers Incorporated	373.00
Commission Meeting	Core & Main	Core & Main	6,543.68
Commission Meeting	Duncan Company	Duncan Company	7,492.83
Commission Meeting	Emergent Software LLC	Emergent Software LLC	8,081.50
Commission Meeting	Ferguson dba Pollardwater	Ferguson Waterworks	4,386.50
Commission Meeting	Figgins Truck & Trailer Repair Incorporated	Figgins Truck & Trailer Repair Incorporated	3,173.25
Commission Meeting	Grainger	Grainger	1,326.59
Commission Meeting	Hawkins Water Treatment Group	Hawkins Water Treatment Group	7,304.15
Commission Meeting	High Standards LLC	High Standards LLC	2,184.00
Commission Meeting	Hungerford & Terry Inc	Hungerford & Terry Inc	4,374.00
Commission Meeting	Johnson Killen & Seiler PA	Johnson Killen & Seiler PA	192.00
Commission Meeting	MacQueen Equipment Incorporated	MacQueen Equipment Incorporated	371.76
Commission Meeting	McCoy Construction and Forestry	McCoy Construction and Forestry	2,092.23
Commission Meeting	McMaster Carr	McMaster Carr	849.47
Commission Meeting	MESERB	MESERB	3,237.00
Commission Meeting	Northeast Technical Services	Northeast Technical Services	3,153.95
Commission Meeting	Novaspect Incorporated	Novaspect Incorporated	7,300.12
Commission Meeting	Polydyne Incorporated	Polydyne Incorporated	70,840.00
Commission Meeting	Procise Solutions Inc	Procise Solutions Inc	185.00
Commission Meeting	Public Utilities Commission	Public Utilities Commission	6,224.47
Commission Meeting	Rapids Radio	Rapids Radio	1,615.50
Commission Meeting	RMB Environmental Laboratories Incorporated	RMB Environmental Laboratories Incorporated	3,708.80
Commission Meeting	Sandstrom's Incorporated	Sandstrom's Incorporated	555.65
Commission Meeting	Temporary Vendor- Rebates	Gary Bales Jr	1,000.00
Commission Meeting	Temporary Vendor- Rebates	Jerome Pulkrabek	100.00
Commission Meeting	Temporary Vendor- Rebates	Michael Fernandez	2,000.00
Commission Meeting	TNT Aggregates LLC	TNT Aggregates LLC	15,811.00
Commission Meeting	Vestis	Vestis	377.41
Commission Meeting	Viking Electric Supply Incorporated	Viking Electric Supply Incorporated	736.21
Commission Meeting	WUSZ- FM	WUSZ- FM	460.00
Commission Meeting	Ziegler Incorporated	Ziegler Incorporated	4,423.71
Total			300,025.58

Grand Rapids Public Utilities
Meeting Date: 11/26/2025
Checks: 11/8/2025-11/21/2025
PUC: Bill Payments w/ Prior Approval

Item 2.

PUC Meeting Identifier	Name	Sum of Bill Amount
Prior Approval	V00161 MN Department of Revenue (Payroll)	5,620.64
Prior Approval	V00224 Mattson Steve	21.00
Prior Approval	V00853 Oracle America, Inc	63,179.66
Prior Approval	V01298 Postage By Phone System	5,000.00
Prior Approval	V01550 Public Employees Retirement Association	19,356.78
Prior Approval	V01900 MN Child Support Payment Center	427.31
Prior Approval	V02304 MN Energy Resources Corporation	19.32
Prior Approval	V02342 UPS	7.90
Prior Approval	V02578 WEX Health	1,258.16
Prior Approval	V02585 NCPERS Group Life Insurance	80.00
Prior Approval	V02599 Xerox Corporation	139.30
Prior Approval	V02700 Wells Fargo Bank	32,727.42
Prior Approval	V02892 Radtke James	8,197.20
Prior Approval	V03311 Rundell Eric	626.98
Prior Approval	V03357 US Bank Equipment Finance	221.01
Prior Approval	V04434 Voya Institutional Trust Company	11,103.26
Total		147,985.94



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2025

AGENDA ITEM: Consider a motion to ratify change order #1 in the amount of \$13,372.30 for the Legionella Mitigation Project.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

The attached change order request from Corona Environmental, totaling \$13,372.30, covers additional services rendered in December 2024 and January 2025 beyond the original contract scope. These services included corrosion control consultation, disinfectant residual data analysis, and final report preparation. The invoice also includes \$3,452.30 in subconsultant costs from Confluence Engineering Group. This change order is within the spending authority of the General Manager; however, it exceeds the original not-to-exceed contract amount of \$327,450 and thus requires Commission ratification.

RECOMMENDATION:

Ratify change order #1 in the amount of \$13,372.30 for the Legionella Mitigation Project.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2024

AGENDA ITEM: Consider a motion to ratify the professional services contract with MMUA for organizational development services for 2026 for \$22,000 plus approved reimbursable expenses.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

Our managers collaborate daily on interconnected tasks and projects making strong teamwork within the Lumina group essential to keeping our operations coordinated and effective. This professional services agreement with MMUA provides organizational development support to strengthen that teamwork, including assessments of each member's style and effectiveness using tools like DiSC, a tailored action plan to improve alignment and collaboration, and individual professional development plans tied to GRPUC's annual operating goals. The consultant will facilitate monthly team workshops and provide semi-monthly one-on-one leadership coaching over the next year.

RECOMMENDATION:

Ratify the professional services contract with MMUA for organizational development services for 2026 for \$22,000 plus approved reimbursable expenses.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2025

AGENDA ITEM: Consider a motion to approve the 2026 GRPUC Regular Work Session and Regular Meeting dates and times.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

As discussed during this year's strategic planning sessions, GRPUC Work Session Meetings will continue to typically be held on the second Wednesday of each month at 8:00 a.m., and GRPUC Regular Meetings will typically take place on the fourth Wednesday of each month at 4:00 p.m.

Attached are the proposed 2026 GRPUC meeting dates for your review so that we can officially publish them. As a reminder, if conflicts arise during the year, we can change a meeting date with advance public notice.

RECOMMENDATION:

Approve the 2026 GRPUC Regular Work Session and Regular Meeting dates and times.

REGULAR WORK SESSION (8:00 am) and REGULAR MEETING (4:00 pm)

2026

January

S	M	T	W	T	F	S
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

April

S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2

May

S	M	T	W	T	F	S
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

June

S	M	T	W	T	F	S
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4

July

S	M	T	W	T	F	S
28	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

August

S	M	T	W	T	F	S
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

September

S	M	T	W	T	F	S
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	1	2	3

October

S	M	T	W	T	F	S
27	28	29	30	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

December

S	M	T	W	T	F	S
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2025

AGENDA ITEM: Consider a motion to approve a modification to the midpoint progression between Pay Grades 6 and 7 in the GRPU Pay Structure, and to authorize the corresponding retroactive payment and 2026 wage adjustment for the affected employees.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

In 2023, GRPU completed its first comprehensive classification and compensation study in several decades. The utility partnered with Gallagher & Associates to conduct a full review of job classifications, internal hierarchy, and market alignment. The resulting modern pay structure, implemented at the end of 2023, was designed to strengthen internal equity, support competitive compensation, and ensure compliance with the Minnesota Local Government Pay Equity Act.

The adopted GRPU pay structure includes all positions; exempt, non-exempt, union, and non-union, across eight pay grades and utilizes the State job-match evaluation system. Gallagher recommended regular reviews of internal alignment and market trends, and then a full update at least every five to six years. As this was a significant transition to a fully modern structure, especially one that is market-based, we anticipated the possibility of future refinement. In this case, we realized that Pay Grade 7 requires correction due to an oversight during the initial implementation.

Pay Grade 7 consists solely of exempt, non-union management positions. Upon recent review, we realized that the original midpoint progression of 9.5% between Pay Grades 6 and 7 created internal inequities. Industry standards indicate differences in professional/technical duties, supervisory responsibilities, and exempt status typically require an 8–15% differential to reflect the higher levels of responsibility and, for exempt roles, the lack of eligibility for overtime.

In our case, the 9.5% was inadequate and we have some Pay Grade 6 employees earning higher base wages than Pay Grade 7 employees. It is not considered best practice for employees in a lower pay grade to have higher base salaries than those in a higher grade, even though non-exempt employees may earn more overall through overtime. Adjusting the midpoint progression

to 13% corrects this misalignment and brings the structure back in line with accepted compensation standards, unless such differences can be clearly explained by factors such as one employee being early in their career while senior another is already placed higher within their range. In addition to the internal review, an external review was completed using the proposed midpoint progression to confirm that wage-to-market comparisons remain in line with the market and that the overall structure continues to align with best practices.

The proposed modification results in lump-sum back pay for affected Pay Grade 7 employees: four in 2024 and five in 2025 (one for only part-year employment) and corrected base wages to be implemented beginning in 2026. The cost of the proposed modification is \$14,019 for 2024 backpay wages, \$17,880 for 2025 backpay wages, and \$17,229 that has been budgeted for 2026. The total cost for the is \$49,128, representing approximately 0.51% of overall payroll for these periods.

Union leadership has been informed of the proposed modification and agreed that no negotiation is required, as no union classifications are affected.

RECOMMENDATION:

Approve the modification to a midpoint progression between Pay Grades 6 and 7 in the GRPU Pay Structure, and to authorize the corresponding retroactive payment and 2026 wage adjustment for the affected employees.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: October 26, 2025

AGENDA ITEM: Consider a motion to approve the implementation of a Private Paid Family and Medical Leave (PFML) plan with Unum, effective January 1, 2026, in lieu of participating in the Minnesota state-run PFML program.

PREPARED BY: Megan Sjostrand, Executive/HR Assistant

BACKGROUND:

Beginning January 1, 2026, Minnesota will implement a Paid Family and Medical Leave (PFML) program. Public employers may participate in the state plan or select a private plan that meets or exceeds state requirements.

After reviewing options from multiple carriers, staff recommend GRPUC adopt a private PFML plan with **Unum**. This approach offers:

- **Cost Savings:** The Unum plan will save GRPUC and employees an estimated **\$8,307 annually** compared to the state plan. Unum also applied a PFML offset to our Short-Term Disability (STD) policy, reducing premiums by about **\$641/month**. The employer's PFML share is approximately **\$337/month**.
- **Administrative Efficiency:** Unum already administers GRPUC's life, STD, and LTD plans, allowing consolidated billing, simplified claims coordination, and reduced administrative burden.
- **Employee Continuity:** Employees who exhaust PFML will still have STD coverage so high earners are protected above the state's weekly benefit cap of **\$1,372**.
- **Trusted Carrier:** With over 170 years in disability management and experience administering state leave programs, Unum offers proven claims processing, strong compliance, and dedicated support.

Private vs. State Plan Snapshot

- **Estimated annual Cost (Employer & Employee):** Unum \$23,476 vs. State \$31,783
- **Administration:** Consolidated with existing Unum benefits vs. separate state system
- **Employee Support:** Integrated with STD/LTD vs. standalone program

Conclusion: Implementing a private PFML plan with Unum ensures cost savings, streamlined administration, and stronger continuity of benefits compared to the state plan.

RECOMMENDATION:

Approve the implementation of a Private Paid Family and Medical Leave (PFML) plan with Unum, effective January 1, 2026, in lieu of participating in the Minnesota state-run PFML program.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2025

AGENDA ITEM: Consider a motion to approve the Memorandum of Understanding (MOU) with AFSCME regarding the Minnesota Paid Leave Law and authorize the President and Secretary to sign the MOU.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

As discussed at the August Work Session, Minnesota's new Paid Leave Law will take effect on January 1, 2026, and allows for both employer and employee contributions to fund the program. Because our current labor agreement with the union has only one year remaining, staff evaluated the administrative and financial impacts of implementing cost-sharing for just the final contract year versus establishing a temporary arrangement until full negotiations occur.

After review, staff felt it was most cost-effective and efficient to have the employer (GRPU) cover the full premium for calendar year 2026, especially given the recent new payroll system implementation. Covering the premium for one year avoids complexities and positions both parties to address long-term cost sharing as part of comprehensive labor negotiations that will take place in 2026.

The attached Memorandum of Understanding reflects this mutual agreement with the union and outlines that the employer will assume the 2026 premiums, with future premium cost-sharing to be determined through the upcoming collective bargaining process.

RECOMMENDATION:

Approve the Memorandum of Understanding (MOU) with AFSCME regarding the Minnesota Paid Leave Law and authorize the President and Secretary to sign the MOU.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made and entered into between the Public Utilities Commission of the City of Grand Rapids ("Employer") and the American Federation of State, County and Municipal Employees, Local No. 3456 ("Union").

Employer and Union are parties to a collective bargaining agreement effective January 1, 2024 to December 31, 2026 ("CBA") governing certain employees of Employer.

In light of statutory changes effective January 1, 2026, the parties agree to amend Article 15 of the CBA by adding a new Section 4 as follows:

Section 4. Minnesota Paid Leave Law: Effective January 1, 2026, an employee may take paid leave as provided by the Minnesota Paid Leave Law, as amended, ("PLL") pursuant to the provisions of the PLL. The Employer shall pay 100% of the premium assessed under the PLL for the duration of this Agreement. Any accrued PTO, EIB and/or ESST shall be considered as "supplemental benefits" under the PLL and may be used to supplement leave income under the PLL, pursuant to the terms and subject to the conditions of the PLL. Specifically, the Employer shall not require an employee to supplement with PTO, EIB and/or ESST, but an employee may choose to do so. Leave taken under the PLL shall run concurrently with leave taken for the same purpose under the federal Family and Medical Leave Act and the Minnesota Pregnancy and Parenting Leave Law, other leave taken under this Agreement, and as otherwise allowed by law. Notwithstanding the foregoing: if the PLL is repealed, or if the Employer or the Union is not covered by the PLL, this Section 4 shall be of no effect; and if the effective date of the PLL is after January 1, 2026, this Section 4 shall be of no effect until that date.

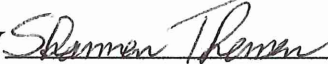
Our respective signatures below indicate the parties' agreement to the terms of this MOU.

**GRAND RAPIDS PUBLIC UTILITIES
COMMISSION**

BY _____ Date: _____
Thomas G. Stanley
President

BY _____ Date: _____
Luke Francisco
Secretary

**LOCAL UNION NO. 3456
AMERICAN FEDERATION OF
STATE, COUNTY & MUNICIPAL
EMPLOYEES, AFL-CIO**

BY  Date: 11-20-25
Shannon Thomsen
President

BY  Date: 11-21-25
Alexandra Rosa
Labor Representative



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2025

AGENDA ITEM: Consider a motion to approve the 2025 audit statement of work, annual affordable care act reporting, and client accounting & advisory services statement of work with Clifton Larson Allen (CLA LLP) for \$35,800, plus a 5% technology and client support fee, and to authorize the General Manager and a Commissioner to sign the contract.

PREPARED BY: Taylor Bird, Business Services Manager

BACKGROUND:

The Commission approved a six-year contract with CLA for audit services 2023-2028 on October 18, 2023, after a joint request for proposal for professional auditing services with the City of Grand Rapids.

The base audit fees for the 2024 audit were \$31,800.

RECOMMENDATION:

Consider a motion to approve the 2025 audit statement of work with Clifton Larson Allen (CLA LLP) for \$35,800, plus a 5% technology and client support fee, and to authorize the General Manager and a Commissioner to sign the contract.



CliftonLarsonAllen LLP
<https://www.claconnect.com>

Date: November 6, 2025

Statement of Work – Client Accounting & Advisory Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated September 9, 2023, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Grand Rapids Public Utilities Commission ("you" and "your"). The purpose of this SOW is to outline certain services you wish us to perform through March 31, 2026 in connection with that agreement.

Scope of professional services

Mary Reedy is responsible for the performance of the initial, recurring and/or consulting services identified in this agreement.

Consulting services:

- Prepare federal Form 1099 and Form 1096 from information provided by you and transmit federal Form 1099 to federal and state taxing authorities on your behalf
- Preparation of annual W-2's.

Engagement objectives, limitations, and responsibilities

CLA has not been engaged to prepare financial statements and financial statements will not be provided.

We will perform this engagement in accordance with the Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's financial statements that may not be identified as a result of misrepresentations made to us by you.

CLA personnel cannot be recognized or act in the capacity of your chief executive officer, chief financial

officer, or any other management role and accordingly, CLA cannot accept the corporate responsibility for financial reports and internal control.

For all nonattest services we may provide to you, your management team agrees to assume all management responsibilities; oversee the services within this agreement; designate an individual, preferably within senior management, who possesses suitable skills, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

CLA's relationship with you shall be solely that of an independent contractor and nothing in the MSA or a SOW shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

Your management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services, review and approve the services.

As management, you are also responsible for and the services are contingent on the following:

- Assigning a primary contact that will act as the main conduit for communications, logistics and other such interaction.
- The selection of the financial reporting framework to be applied in the preparation of the financial statements and determining that the financial reporting framework is acceptable in the circumstances.
- The design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- The prevention and detection of fraud.
- To ensure that the entity complies with the laws and regulations applicable to its activities.
- The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- Responding to requests for data, documentation or other information materials necessary to complete this engagement in a timely manner. Any delays in providing such materials may impact CLA's ability to deliver services based on previously communicated dates. CLA will have no obligation to perform services until you have provided such information. You agree to grant CLA an express, limited license to use such materials in any way necessary to the performance of the services outlined in this SOW.
- To provide us with the following:
 - Access to all information relevant to the preparation and fair presentation of the financial

statements, such as records, documentation, and other matters.

- Additional information that may be requested for the purpose of the engagement.
- Unrestricted access to persons within the entity with whom we determine it necessary to communicate.
- To the extent we are assisting management with the completion of any Federal or State regulatory filings you are responsible for ensuring the completeness and accuracy of those filings.
- You will be solely responsible for making all decisions concerning the contents of our communications and reports, for the adoption of any plans, and for implementing any plans you may develop, including any that we may discuss with you.

We will perform the engagement in accordance with the Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants.

Beneficial ownership information reporting

Under the Corporate Transparency Act (CTA), foreign entities doing business in the U.S. are required to report information to the Financial Crimes Enforcement Network (FinCEN) as to their beneficial ownership. It is your responsibility to prepare and submit any BOI report to FinCEN that is required under the CTA. We have no obligation to identify any filing requirements or provide any services related to BOI reporting.

You agree that CLA will not be providing any services that could be viewed as having control or being a beneficial owner of the entity that would require you to list CLA, its partners, principals, directors, officers, employees or agents, in any BOI report. We will not act as a corporate agent or in any capacity where we are preparing or filing legal documents on your behalf. We also will not make any management decisions that indicate substantial control of your entity, including the following decisions:

- Reorganization, dissolution or merger of the reporting company; compensation and incentives of senior officers;
- Making, terminating, fulfilling or not fulfilling significant contracts;
- Selecting, terminating business lines, ventures, or geographic focus;
- Making major expenditures, incurring significant debt, issuing securities, approving operating budgets, selling, transferring, leasing or mortgaging principal assets;
- Amending governing documents; or
- Determining the nature, scope and attributes of the business conducted.

Consulting Services Fees

Our professional fees will be billed based on the degree of responsibility and contribution of the

professionals working on the engagement.

General Fee Terms

We will also bill for expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of five percent (5%) of all professional fees billed. Any fee estimate provided is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

Employee Hire Fee

You acknowledge that the personnel provided by CLA under this Agreement possess unique skills and knowledge acquired through their work with CLA. Should you directly or indirectly hire or engage any CLA employee, whether as an employee, contractor or consultant, who has been involved in providing services under this Agreement within the preceding 12 months, you agree to pay CLA a Placement Fee. The Placement Fee shall be calculated as the greater of 30% of either 1) the CLA's employee's annual salary upon separation from CLA or 2) the individual's annual salary, bonuses and any other form of remuneration as offered by you.

The fee shall be due and payable within 30 days of the employee's commencement of work with you.

The Employee Hire Fee Provision shall not apply where the employee independently applies to a publicly advertised position or if the employee has not provided services to you within the last 12 months prior to their employment.

Failure to comply with this provision shall entitle CLA to seek legal remedies, including but not limited to injunctive relief and recovery of legal costs incurred in enforcing this clause.

Indemnity

For the services described in this SOW, you agree to indemnify and hold harmless CLA, its successors and affiliates, officers, employees, and agents from any claims brought or asserted by any other person, third party, or governmental body for any loss, damages, liabilities, remedies, or cause of action, and from any reasonable expenses incurred in defending against any such claims or actions (including attorney fees) arising from or relating to the services performed by any CLA party.

Termination of SOW

Either party (you or CLA) may terminate this particular SOW at any time by giving 30 days written notice to the other party. Upon termination of this particular SOW, the provisions of this SOW and the existing MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Mary Reedy

Principal

(320) 203-5534

mary.reedy@claconnect.com

Response

This SOW correctly sets forth the understanding of Grand Rapids Public Utilities Commission and is accepted by:

CLA
CLA

Client
Grand Rapids Public Utilities Commission

SIGN: _____
Mary Reedy, Principal

SIGN: _____
Julie Kennedy, General Manager

DATE: _____

DATE: _____

Outlaw ID	Current Status	Generated
-OdQ1N7-U9NRWeI6B3Ou	Review	11/11/2025, 12:11:20 PM CST

Audit log

11/6/2025, 3:19:03 PM CST	Contract created from Outlaw API
11/6/2025, 3:20:43 PM CST	Joanna Atkins-Collins (joanna.atkins-collins@claconnect.com) edited [Include Daily Activity Responsibility Owner]
11/6/2025, 3:20:48 PM CST	Joanna Atkins-Collins (joanna.atkins-collins@claconnect.com) edited [Include Daily Activity Responsibility Owner]
11/6/2025, 3:20:51 PM CST	Joanna Atkins-Collins (joanna.atkins-collins@claconnect.com) edited [Include Daily Activity Responsibility Owner]
11/6/2025, 3:22:49 PM CST	Joanna Atkins-Collins (joanna.atkins-collins@claconnect.com) viewed contract
11/6/2025, 3:23:08 PM CST	Joanna Atkins-Collins (joanna.atkins-collins@claconnect.com) edited [Indemnity and Non-Solicitation Location]
11/6/2025, 3:23:14 PM CST	Joanna Atkins-Collins (joanna.atkins-collins@claconnect.com) edited [Initial Services]
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11/6/2025, 3:23:35 PM CST	Joanna Atkins-Collins (joanna.atkins-collins@claconnect.com) edited [Initial Services]
11/9/2025, 1:25:13 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Expiration Date]
11/9/2025, 1:25:18 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Independence]
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11/9/2025, 1:26:04 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Recurring]
11/9/2025, 1:26:07 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Include Consulting Services]
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11/9/2025, 1:26:40 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Conducting Services]
11/9/2025, 1:26:51 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Initial Scope Format]
11/11/2025, 10:25:39 AM CST	Sara Phillippi (sara.phillippi@claconnect.com) viewed contract
11/11/2025, 10:29:56 AM CST	Sara Phillippi (sara.phillippi@claconnect.com) edited [Conducting Services]
11/11/2025, 10:30:04 AM CST	Sara Phillippi (sara.phillippi@claconnect.com) edited [Recurring]
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11/11/2025, 11:45:17 AM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Prepare-federal-Form-1099-and-Form-1096]
11/11/2025, 11:45:23 AM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Assist management with cash flow analysis]
11/11/2025, 11:45:25 AM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Assist management with the budgeting/forecasting process]
11/11/2025, 11:45:27 AM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Prepare grant billings and budget]
11/11/2025, 11:45:30 AM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Assist management in preparation for annual financial statement]

audit]

11/11/2025, 11:45:33
AM CST

Mary Reedy (mary.reedy@claconnect.com) edited [Gather information necessary for the entity's annual tax return]

11/11/2025, 11:45:43
AM CST

Mary Reedy (mary.reedy@claconnect.com) edited [Fee Structure]

11/11/2025, 11:45:56
AM CST

Mary Reedy (mary.reedy@claconnect.com) edited [Include Daily Activity Responsibility Owner]

11/11/2025, 11:45:59
AM CST

Mary Reedy (mary.reedy@claconnect.com) viewed contract

11/11/2025, 11:46:37
AM CST

Mary Reedy (mary.reedy@claconnect.com) edited Section ☒

Variables(162)

#MSA Date: 2023-09-09T00:00:00.000Z

#Expiration Date: 3/31/2026

#Purchase Limit: null

#Client Cash Access Responsibility
Owner: null

#Fixed-Fee-Amount: null

#Retainer Amount: null

#CLA Client ID: A833228

#CLA Location: 091 - Northern
Minnesota

#Multiple Entities: No

#Date: 11/6/2025

#Independence: Independent

#Include Second Signature: No

#Does this replace a previously
signed SOW: No

#Fee Structure: Fixed Fee

#Initial Services: No

#Recurring: No

#Include Consulting Services: Yes

#Addendum A Date: null

#Service to supersede: null

#OldSOWDate: null

#Conducting Services: Recurring
Team

#Initial Scope Format: Templated

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#Consultant 3: null	#Consultant 4: null	#Consultant 5: null
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#Overtime: null	#Travel: null	#Number of Services: null
#Assist with Prep: null	#Include Project Engagement Leader: null	#Daily Activity Responsibility Owner: null
#Include Project Leader: null	#Number of Consultants: null	#Develop implementation project plan considering needs of organization and current state of accounting department: null
#Develop accounting policies and procedures related to ongoing tasks listed below: null	#Assess system setup, integrations, and chart of accounts: null	#Assist with system implementations as needed: null
#Design financial reporting package: null	#Hourly services as needed: null	#Begin-Date: null
#Hours Per Week: null	#Number of Hours Range: null	#Publicly Traded Company: No
#Indemnity and Non-Solicitation Location: Outlaw SOW	#Advanced Notice of Intent to Release Consultant: null	#Fixed-Fee-Amount-: null
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#Service-Fee-2--: null	#Fee Structure: Other	#Recurring-Fee-: null
#Number-of-Services--: null	#Retainer: No	#Enter accounts payable for management's approval: null
#Prepare billings, record billings, and enter cash receipts: null	#Prepare payroll calculations: null	#Reconcile accounts and prepare journal entries: null
#Participate in management meetings: null	#Assist management with cash flow analysis: No	#Assist management with the budgeting/forecasting process: No
#Prepare grant billings and budget: No	#Assist management in preparation for annual financial statement audit: No	#Gather information necessary for the entity's annual tax return: No
#Prepare-federal-Form-1099-and-Form-1096: Yes	#Cash Access: null	#Authorize-Sig-Stamp: null
#Authorize Access Sigs Draft Payments: null	#Authorize Prep Checks and Wires: null	#Authorize Access Company Credit: null
#Authorize Admin Access to Bank Accounts: null	#Authorization Cash Deposit to the Bank: null	#Authorize Access to Cash-In-Kind Assets: null
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#Agreement-Type: sow	#Authorize Initiate Payroll DD or Sign Payroll Checks: null	#Batch ID: null
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#Client Software Subscriptions: null	#Fee Structure: null	#Fixed-Fee-Amount---: null
#Frequency---: null	#Number-of-Services---: null	#Prepare and analyze financial statement reporting packages: null
#Recurring-Fee--: null	#Recurring Scope Format: null	#Top-Range-Amount---: null



CliftonLarsonAllen LLP
<https://www.claconnect.com>

November 11, 2025

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated September 20, 2023, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Grand Rapids Public Utilities Commission ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2025.

Mary Reedy is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the business-type activities, which collectively comprise the basic financial statements of Grand Rapids Public Utilities Commission, and the related notes to the financial statements as of and for the year ended December 31, 2025.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.
- Preparation of GASB 87/96 tool, if necessary

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

As part of our audit, we will also perform the procedures and provide the report required by the Minnesota Legal Compliance Audit Guide for Political Subdivisions.

It is our understanding that our auditors' report will be included in your annual report which is comprised of the financial statements and that your annual report will be issued June 30, 2026. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our

auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the entity and its environment, including the system of internal control, relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management Override of Controls
- Improper Revenue Recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities and safeguarding assets. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations, and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party

relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have

received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

Professional standards require us to be independent with respect to you in the performance of these

services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Fees

Our professional fee is \$33,800.00. We will also bill for expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of Grand Rapids Public Utilities Commission.

CLA

Client

CLA

Grand Rapids Public Utilities Commission

SIGN:

SIGN:

Mary Reedy, Principal

Julie Kennedy, General Manager

DATE:

DATE:

Grand Rapids Public Utilities Commission

SIGN:

Board Member

DATE:

Outlaw ID	Current Status	Generated
-OdoErdSYZ08zIOnXVS9	Review	11/11/2025, 1:21:26 PM CST

Audit log		
11/11/2025, 12:48:30 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) started contract	
11/11/2025, 12:48:46 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [CLA-Location]	
11/11/2025, 12:51:04 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [CLA-Client-ID]	
11/11/2025, 12:52:56 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [MSA Date]	
11/11/2025, 12:53:02 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Date]	
11/11/2025, 12:53:05 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Period or Year]	
11/11/2025, 12:53:08 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Period or Year]	
11/11/2025, 12:53:16 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [End Date]	
11/11/2025, 12:53:22 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Type of Entity]	
11/11/2025, 12:53:45 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Performance Standards - SLG]	
11/11/2025, 12:53:54 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Who will be responsible for the performance of the services?]	
11/11/2025, 12:54:12 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Engagement-Leader]	
11/11/2025, 12:54:42 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [For GAAP S&L Govt, Homeowners Associations or Insurance, select one of the reporting options for RSI:]	
11/11/2025, 12:57:38 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Is this a S&L Govt K-12 school?]	
11/11/2025, 12:58:22 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Is this a MN S&L Govt audit or MN Government Building Fund audit?]	
11/11/2025, 12:58:48 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Is this a Florida state & local governmental entity?]	
11/11/2025, 12:59:14 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Does supplementary information accompany the FS?]	
11/11/2025, 12:59:30 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Does CLA plan to use an auditor's specialist?]	
11/11/2025, 12:59:38 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Is this a healthcare entity choice?]	
11/11/2025, 12:59:58 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Does CLA plan to use entity's internal audit function to assist us?]	
11/11/2025, 1:00:14 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Include-Date-to-Begin-Services]	
11/11/2025, 1:00:40 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [SLG FS Description]	
11/11/2025, 1:00:57 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Supplementary Information Options]	
11/11/2025, 1:01:10 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Does CLA plan to use personnel from entity's internal audit function to assist us?]	
11/11/2025, 1:01:44 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Will CLA be engaged to include in our report a section that discusses key audit matters?]	
11/11/2025, 1:02:04 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Will there be nonaudit services provided?]	
11/11/2025, 1:02:16 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Will there be component auditors?]	
11/11/2025, 1:02:57 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Will CLA's auditor's report be included in the client's annual report?]	
11/11/2025, 1:03:19 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Will SOW indicate the date we will observe inventory?]	
11/11/2025, 1:03:54 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Preparation of your financial statements and the related notes]	
11/11/2025, 1:04:06 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Preparation of the required supplementary information (RSI)]	
11/11/2025, 1:04:16 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Preparation of the supplementary information]	
11/11/2025, 1:04:29 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Preparation of depreciation schedules]	
11/11/2025, 1:04:44 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Converting cash basis accounting records to accrual basis]	
11/11/2025, 1:04:53 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Additional Nonaudit Services]	
11/11/2025, 1:06:09 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Additional nonaudit service]	

11/11/2025, 1:09:28
PM CST

	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Identify documents that make up the annual report]
11/11/2025, 1:09:47 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Identify planned timing and method used to issue these documents]
11/11/2025, 1:10:57 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Number of significant risks]
11/11/2025, 1:11:07 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Describe significant risk(s) identified]
11/11/2025, 1:11:12 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Describe significant risk(s) identified2]
11/11/2025, 1:11:29 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Additional Services]
11/11/2025, 1:11:33 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Predecessor auditor communications]
11/11/2025, 1:11:53 PM CST	Dancer, Kayla (kayla.dancer@claconnect.com) edited [Retainer]
11/11/2025, 1:17:10 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Will CLA be engaged to provide a report on compliance with aspects of contractual or regulatory requirements of a bond/loan agreement?]
11/11/2025, 1:18:43 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Base-Audit-Fee]
11/11/2025, 1:18:46 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Are the financial statements prepared in accordance with GASB?]
11/11/2025, 1:18:51 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Are the financial statements prepared in accordance with GASB?]
11/11/2025, 1:18:54 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [GASB 101 – Compensated Absences]
11/11/2025, 1:18:59 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [GASB 102 – Certain Risk Disclosures]
11/11/2025, 1:19:04 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Are the financial statements prepared in accordance with GASB?]
11/11/2025, 1:19:08 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Do we assist in preparing the clients financial statements]
11/11/2025, 1:19:11 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Single Audit Cyber procedures]
11/11/2025, 1:19:18 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Additional-Services_]
11/11/2025, 1:19:23 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Additional-Services_]
11/11/2025, 1:19:34 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Fixed-Fee-Amount]
11/11/2025, 1:19:40 PM CST	Mary Reedy (mary.reedy@claconnect.com) edited [Include Billing Options]
11/11/2025, 1:19:45 PM CST	Mary Reedy (mary.reedy@claconnect.com) viewed contract
Variables(237)	

#Engagement-Leader: Mary Reedy

#CRL: null

#Period or Year: year

#End Date: 12/31/2025	#Supplementary information that will be audited: null	#Supplementary information that will NOT be audited3: null
#Additional nonaudit service: Preparation of GASB 87/96 tool, if necessary	#Name of Component(s): null	#Name of Component Auditor: null
#Prior-Year-End-Date: null	#Identify documents that make up the annual report: the financial statements	#Identify planned timing and method used to issue these documents: June 30, 2026
#Creditor Name: null	#Describe significant risk(s) identified: Management Override of Controls	#Describe planned use of the internal auditor's work: null
#Describe the planned use of the internal audit personnel: null	#Identify nature and extent of specialized skills needed to perform planned audit procedures or evaluate audit results: null	#Begin Date: null
#Inventory count date: null	#Retainer Amount: null	#Who will be responsible for the performance of the services?: Engagement leader only
#SLG FS Description: business-type activities	#Type of Entity: State & Local Government	#Performance Standards - Banks & Credit Union: null
#Performance Standards - For Profit & Nonprofit: null	#Performance Standards - SLG: U.S. GAAS only	#Supplementary Information Options: We are engaged to report on ALL supplementary information
#Number of supplementary information items that will be audited?: null	#Supplementary information that will be audited2: null	#Supplementary information that will be audited3: null
#Supplementary information that will be audited4: null	#Supplementary information that will NOT be audited: null	#Supplementary information that will NOT be audited2: null
#Supplementary information that will NOT be audited4: null	#Number of supplementary information NOT audited: null	#For GAAP S&L Govt, Homeowners Associations or Insurance, select one of the reporting options for RSI:: Includes RSI
#Future major repairs and replacements: null	#Incurred and paid claims development information by accident year on a net basis after risk mitigation through reinsurance for the years preceding the current year: null	#Historical average annual percentage payout of incurred claims by age, net of reinsurance, for the current year: null

#Is this a S&L Govt K-12 school?: No	#Will the document include a transmittal letter of facilitate the entity's application for the ASBO Certificate of Excellence?: null	#Will we also audit the statement of cash receipts and disbursements of student activity accounts?: null
#Will there be nonaudit services provided?: Yes	#Preparation of your financial statements and the related notes: Yes	#Preparation of the required supplementary information (RSI): Yes
#Preparation of the supplementary information: Yes	#Preparation of depreciation schedules: No	#Converting cash basis accounting records to accrual basis: No
#Additional Nonaudit Services: Yes - 1 additional service	#Additional nonaudit service 2: null	#Control criteria: null
#Other Basis of accounting: null	#Is this a rural electric coop subject to the reporting requirements of the Rural Utilities Services (RUS)?: null	#Will there be component auditors?: No
#Will another firm audit the component and will we make reference to that other firm?: null	#Will CLA be engaged to perform a member account verification?: null	#Is this an initial year audit?: No
#Initial Year Audit: null	#Is this a MN S&L Govt audit or MN Government Building Fund audit?: Yes	#Is this a Florida state & local governmental entity?: No
#Will CLA be engaged to include in our report a section that discusses key audit matters?: No	#Will CLA's auditor's report be included in the client's annual report?: Yes	#Will CLA be engaged to provide a report on compliance with aspects of contractual or regulatory requirements, such as a loan agreement?: null
#Is this a homeowners association?: null	#Number of significant risks: 2	#Describe significant risk(s) identified2: Improper Revenue Recognition
#Describe significant risk(s) identified3: null	#Describe significant risk(s) identified4: null	#Does CLA plan to use entity's internal audit function to assist us?: No
#Does CLA plan to use personnel from entity's internal audit function to assist us?: No	#Does CLA plan to use an auditor's specialist?: No	#Include-Date-to-Begin-Services: No

#Will SOW indicate the date we will observe inventory?: No	#Is this a healthcare entity choice?: No	#Retainer: No
#Date: 11/11/2025	#Number of FS: null	#Financial-Statement-1: null
#Financial-Statement-8: null	#Financial-Statement-7: null	#Financial-Statement-6: null
#Financial-Statement-3: null	#Financial-Statement-2: null	#Financial-Statement-5: null
#Financial-Statement-4: null	#Financial-Statement-10: null	#Financial-Statement-9: null
#Identify criteria used in our audit of internal control over financial reporting: null	#Does supplementary information accompany the FS?: Yes	#Will we also perform a review of exemption report?: null
#Will there be additional supplementary information items that will be audited?: null	#CLA-Location: 091 - Northern Minnesota	#Predecessor auditor communications: No
#Are we performing tax services?: null	#Describe tax service 1: null	#Describe tax service 2: null
#CU Begin: null	#CU-Reports: null	#Additional nonaudit service 3: null
#Additional nonaudit service 4: null	#Describe-significant-risk-s--identified5: null	#Describe-significant-risk-s--identified6: null
#Describe-significant-risk-s--identified7: null	#Describe-significant-risk-s--identified9: null	#Describe-significant-risk-s--identified8: null
#Describe-significant-risk-s--identified10: null	#OldSOWDate: null	#CLA-Client-ID: A833228
#Multiple Entities: No	#MSA Date: 9/20/2023	#Does this replace a previously signed SOW: No
#Fee Structure: Fixed Fee	#Fixed-Fee-Amount: 33800	#Bottom-Range-Amount: null
#Top-Range-Amount: null	#FS Audit Fee: null	#Choose Billing Option: null
#Multiple-Entities-Table: null	#Other-Reg-Fee: null	#Intangibles Fee: null
#Business Combinations Fee: null	#GASB-Fee-3: null	#GASB Fee 2: null
#ERP-Fee: null	#FS Prep: null	#Restated FS Fee: null
#Base-Audit-Fee: null	#Are the financial statements prepared in accordance with FASB?: No	#Number of Services: null

#Additional Services: No	#Service-1: null	#Service-Fee-1: null
#Service-2: null	#Service-Fee-2: null	#Service-3: null
#Service-Fee-3: null	#Service-4: null	#Service-Fee-4: null
#Service-5: null	#Service-Fee-5: null	#Service-6: null
#Service-Fee-6: null	#Service-7: null	#Service-Fee-7: null
#Service-8: null	#Service-Fee-8: null	#Service-9: null
#Service-Fee-9: null	#Service-10: null	#Service-Fee-10: null
#Investments Fee: null	#Option1Date: null	#Option1Bill: null
#Option2Date1: null	#Option2Bill1: null	#Option2Date2: null
#Option2Bill2: null	#Option3Date1: null	#Option3Bill1: null
#Option3Date2: null	#Option3Bill2: null	#Option3Date3: null
#Option3Bill3: null	#Overhead Audit: No	#CA Charter School (No Single Audit): No
#Additional-Services_: No	#Are the financial statements prepared in accordance with GASB?: null	#Investments – Equity Method and Joint Ventures: null
#Business Combinations – Joint Ventures: null	#Intangibles – Crypto Assets Valuation: null	#Income Taxes: null
#GASB 101 – Compensated Absences: null	#GASB 102 – Certain Risk Disclosures: null	#Include Billing Options: No
#CRLYears: null	#WI Stat Insurance: No	#Statutory Statement of Admitted Assets, Liabilities, and Policyholders' Surplus: Yes
#Statutory Statement of Operations: Yes	#Statutory Statement of Policyholders' Surplus: Yes	#Statutory Statement of Cash Flows: Yes
#Additional FS to Include: No	#Preparation of adjusting journal entries: null	#Are the financial statements prepared in accordance with Statutory Accounting Principles: No
#Compensated Absences: null	#Certain Risk Disclosures: null	#Single Audit Cyber procedures: null

#Federal single audit: No	#State single audit: No	#Do we perform other regulatory procedures: No
#Is a restatement contemplated: No	#Do we assist in preparing the clients financial statements: null	#Are other significant organization changes present: No
#Compensated Absences Fee: null	#Certain Risk Disclosures Fee: null	#Wisconsin: No
#Management's discussion and analysis: null	#Budgetary comparison schedules: null	#GASB-required supplementary pension, OPEB, and/or infrastructure information under modified reporting: null
#Income Taxes Fee: null	#Single Audit Cyber procedures Fee: null	#Federal-Audit-Fee: null
#State-Audit-Fee: null	#Will CLA be engaged to provide a report on compliance with aspects of contractual or regulatory requirements of a bond/loan agreement?: No	#Agreement-Type: sow
#Basis of accounting: null	#Batch ID: null	#Business Acquisitions: null
#Business acquisitions (Topic 805): null	#CA Charter School: No	#CT Federal SSA: No
#Completion of the HUD Financial Assessment Subsystem Submission (FASSUB) template: null	#Convertible debt, Derivatives and Hedging (Topics 470 & 815): null	#Debt Der Hedge Fee: null
#Does regulator have the right to obtain access to CLA workpapers?: null	#GASB-required supplementary pension and OPEB schedules : null	#GASB-required supplementary pension and OPEB information: null
#Is engagement subject to HUD Uniform Financial Reporting Standards?: null	#Is this a HUD client?: null	#Name of Regulator(s): null
#Our-Review-Date: null	#Partial Termination: Based on Standard Hourly Rates	#Party Leases Fee: null
#Preparation of ERISA-required supplemental schedule: null	#Preparation of data collection form: null	#Preparation of schedule of federal awards: null

#Preparation of schedule of federal awards and schedule of state financial assistance: null

#Related party leases (Topic 842): null

#WI DPI and SSA: No

#Will CLA prepare Form 5500?: null

#Preparation of schedule of state financial assistance: null

%Total Fees: null

#WI UG SA Tax 16: No

#Will quarterly review services also be provided?: null

#Preparation of supplementary information required by HUD: null

#WI DPI: No

#WIUGSA: No

#Will we also perform an agreed-upon procedures regarding the Form SIPC-7?: null



CliftonLarsonAllen LLP
<https://www.claconnect.com>

Date: September 5, 2025

Statement of Work - Annual Affordable Care Act Reporting

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated September 29, 2003, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Grand Rapids Public Utilities Commission ("you," "your," or "the entity"). The purpose of this SOW is to confirm our understanding of the scope of services, responsibilities, limitations, and related terms of our engagement for the year ended December 31, 2025.

Our responsibility to you

We will provide reporting services to help satisfy your obligations under Internal Revenue Code sections 6056 and 6055 and, if applicable, state taxing authorities. Our services will include the following:

Prepare Forms 1094-B and 1095-B ("information returns").

Mail Forms 1095-B forms to employees by applicable tax authority due date of the year following the year to which the Form 1095-B relates

E-file Form 1094-B and 1095-B with the IRS and required state taxing authorities by the applicable due dates to which the Forms 1094-B and 1095-B relate, provided we receive the requested information at least 20 days prior to the date.

We will prepare the entity's information returns in accordance with the applicable income tax laws of the IRS and applicable state taxing authorities. The forms will be completed based on employee demographic and insurance premium data received from the entity.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the returns, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information.

Your responsibilities

It is your responsibility to provide us with all of the information needed to prepare and complete accurate returns. We will have no obligation to prepare the returns until you have provided such information to us. Management agrees it is solely responsible for the accuracy, completeness, and reliability of the data and information that it provides to us for the engagement.

Management is also responsible for the determination of employee status, for health coverage offerings,

and for providing data to us in an agreed-upon format in accordance with current laws and regulations.

Management is responsible to determine which employees and taxing authorities are required to receive the information returns. If management requires assistance in determining the recipients, we can provide guidance and suggestions which will need to be approved in writing by management.

We have no responsibility to ensure the entity's practices, systems, or reports comply with applicable laws or regulations, all of which remain your sole responsibility.

Our e-file services will include electronically transmitting Forms 1094-B and 1095-B to the federal and state taxing authorities on your behalf with written approval and authorization. (An email is acceptable documentation.)

For all nonattest services we may provide to you, including these reporting services, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services. You are responsible to carefully review the returns that we prepare on your behalf.

Tax examinations

All returns and filings are subject to potential examination by the IRS and state taxing authorities. In the event of an examination, we will be available, at your request, to assist or represent you. Services in connection with tax examinations are not included in our fee for preparation of your returns and filings. Our fee for such services will be billed to you, along with any direct costs.

Record retention

You are responsible for retaining all documents, records, canceled checks, receipts, or other evidence in support of information and amounts reported on your returns and filings. These items may be necessary in the event a taxing authority examines or challenges your returns or filings. These records should be kept for at least seven years. Your copy of the returns and filings should be retained indefinitely.

In preparing the returns and filings, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

All of the records, other than electronic documents, that you provide to us to prepare your returns and filings will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for your records.

Tax consulting services

This statement of work also covers tax consulting services that may arise for which you seek our consultation and advice, both written and oral, that are not the subject of a separate statement of work. These additional services are not included in our fees for the preparation of the federal and state returns and filings. Our fee for such services will be billed to you, along with any direct costs.

We will base our tax analysis and conclusions on the facts you provide to us and will not independently verify those facts. We will review the applicable tax law, tax regulations, and other tax authorities, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for your information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax law and regulations, or to the related judicial and administrative interpretations.

Fees

We estimate that our professional fees will range from \$1,500.00 to \$2,000.00.

Our customary billing practice is to invoice up to 50% of the estimated professional services fees upon receipt of your 1095 information. We will continue to periodically bill for our time as work progresses.

Additional charges may apply if you request a paper copy of your return(s), your circumstances are complex, changes to the tax law occur, or unexpected circumstances require additional time. We may apply a 20% surcharge (based on prior year invoice) if you do not provide accurate and complete 1095 information at least 20 days prior to the federal filing deadline.

We will bill for all expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees. Our invoices, including applicable state and local taxes, are payable on presentation.

If the Forms 1094-B and 1095-B require any corrections (during the electronic filing process with the IRS or state taxing authorities), we will correct, file and bill per form at the rates detailed in the fee table below.

This statement of work does not include responding to IRS notices or inquiries. If you wish for us to assist you in responding to notices, the services requested would be billed at our normal hourly rate.

Information return preparation services

*Prepare Forms 1094 and 1095 (information returns)	Included
*Mail 1095 forms to employees	Included
*E-File information returns with the Internal Revenue Service (IRS)	Included

*File information returns with required state
taxing authorities (if applicable)

Direct charge based on count of forms transmitted

Correct and resubmit for E-filing (if applicable)

*Form 1094

\$350 per form

*Form 1095

\$50 per form

Termination of statement of work

Either party (you or CLA) may terminate this SOW at any time by giving written notice to the other party. In that event, the provisions of this SOW and the MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to provide the services described in this SOW under the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

CLA
CLA

Mary K Spanier

Mary K. Spanier, Signing Director

SIGNED 9/5/2025, 1:59:28 PM CDT

Client

Grand Rapids Public Utilities Commission

Julie A. Kennedy

Julie Kennedy

SIGNED 10/17/2025, 12:11:51 PM CDT



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 26, 2025

AGENDA ITEM: Monthly Reports

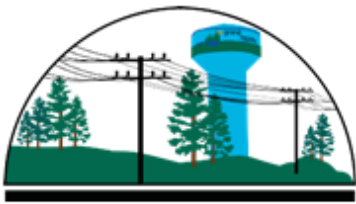
PREPARED BY: GRPU Staff

BACKGROUND:

Standard monthly GRPU Operating Reports.

RECOMMENDATION:

None. Review Only.



GRAND RAPIDS
PUBLIC UTILITIES

Service is Our Nature

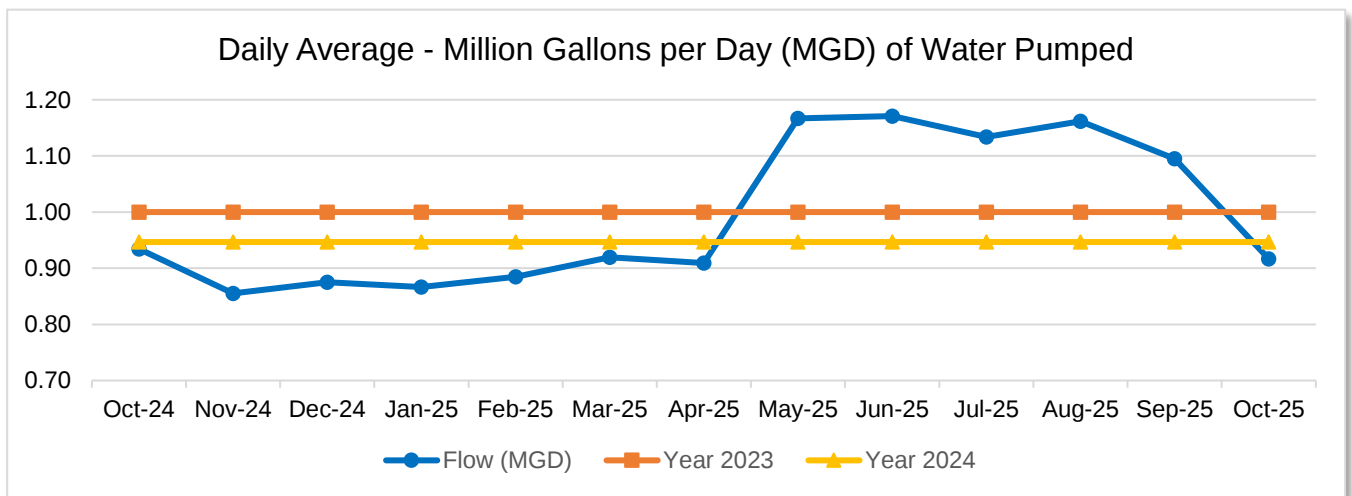
Item 10.

500 SE Fourth Street • Grand Rapids, Minnesota 55744

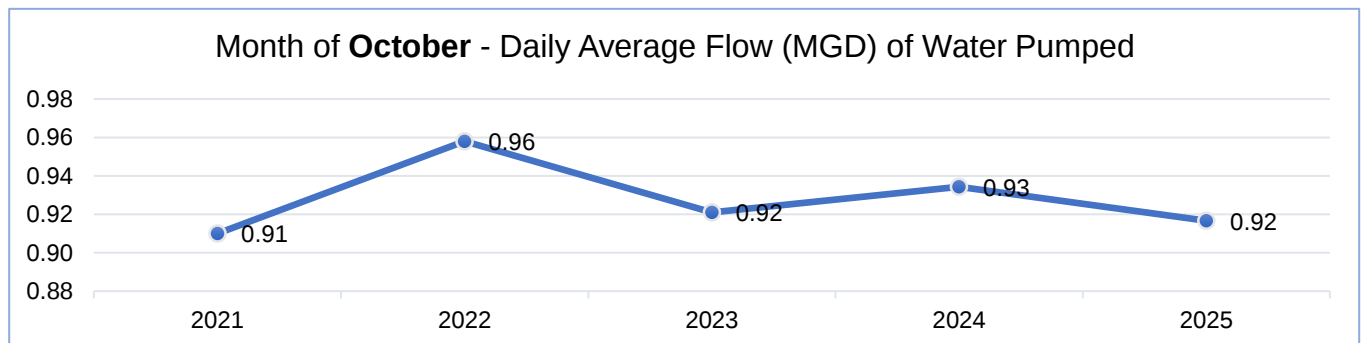
WATER MONTHLY ANALYSIS REPORT October 2025

Water Operations

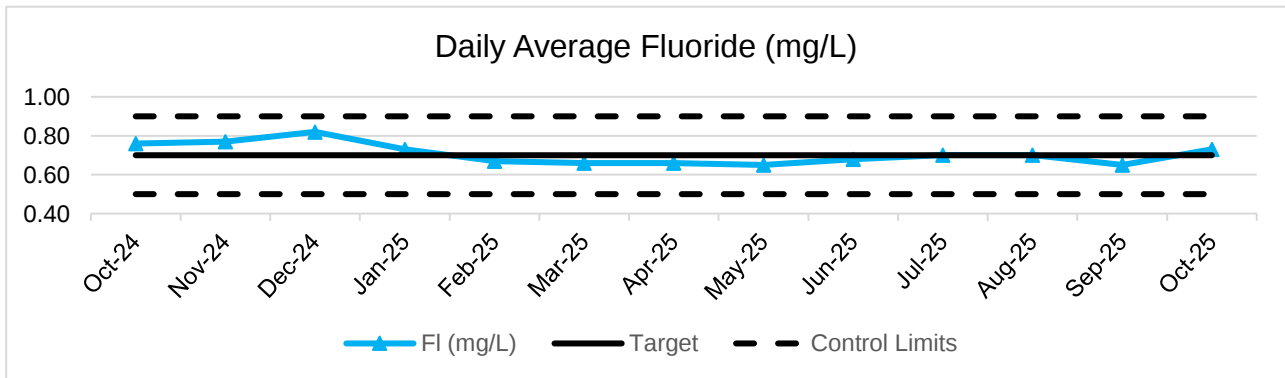
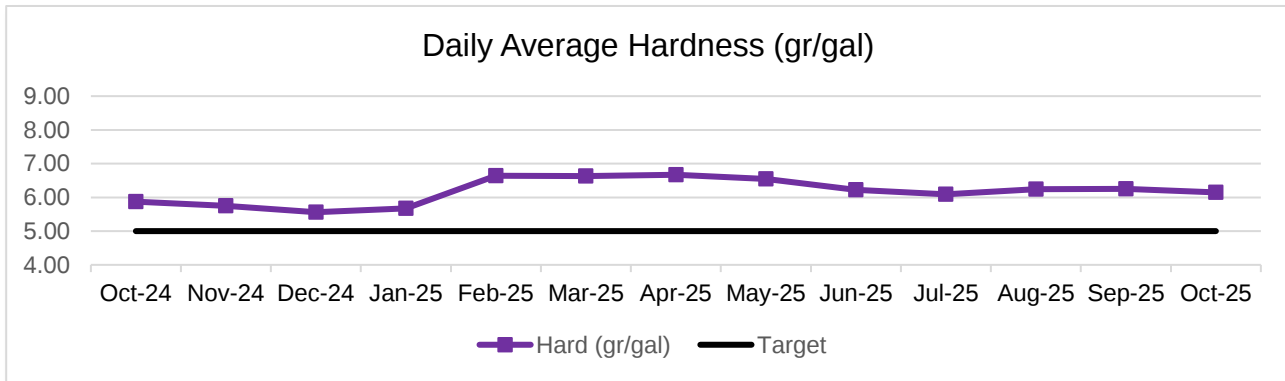
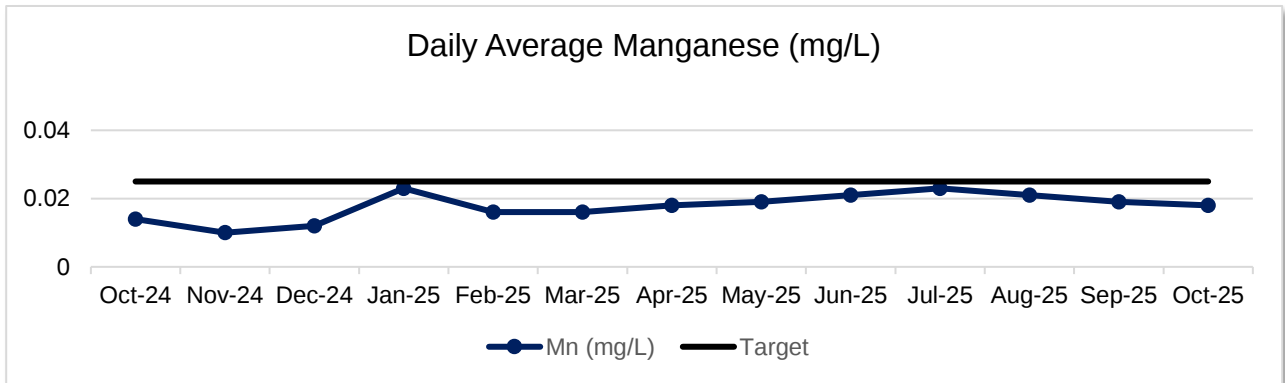
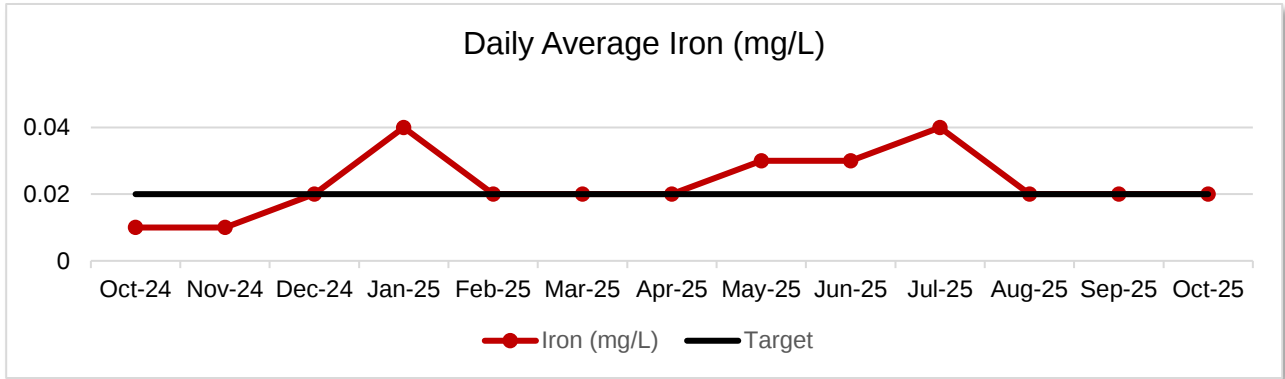
The water plant pumped an average of 0.92 million gallons of water per day (MGD) with a peak of 1.12 million gallons during the month which is normal for this time of the year.



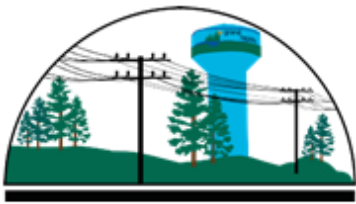
The above graph illustrates the annual cycle of water demand/usage monthly (blue line). Additionally, it displays the general trend of water usage (conservation) by our customers.



The above graph illustrates how the current month's demand/usage compares to the same month of previous years.



Water quality analysis was normal for the month as displayed in the graphs above.



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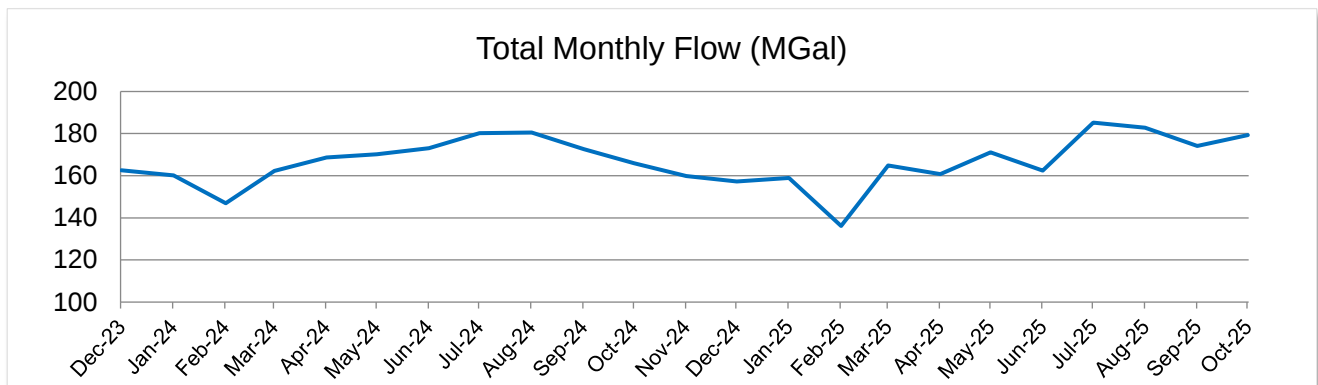
Item 10.

500 SE Fourth Street • Grand Rapids, Minnesota 55744

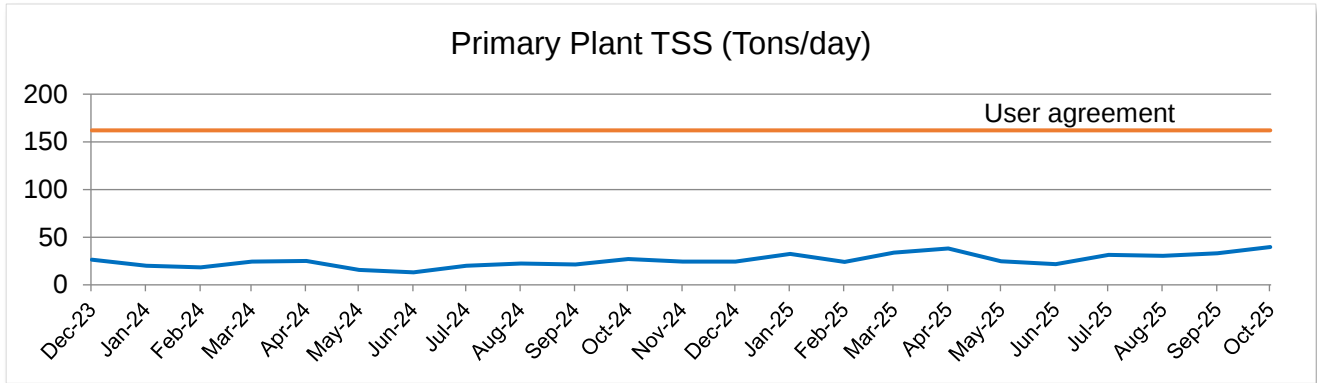
WASTEWATER MONTHLY ANALYSIS REPORT October 2025

Wastewater Operations

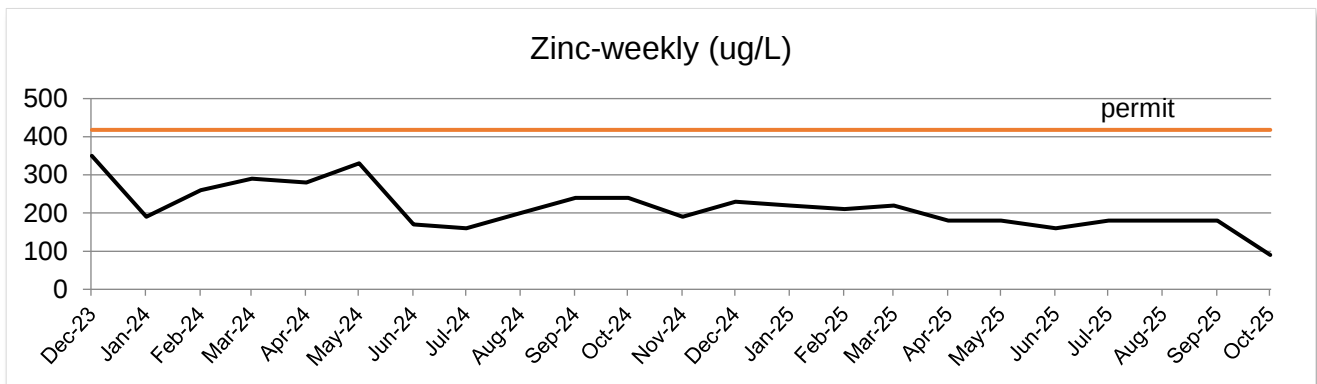
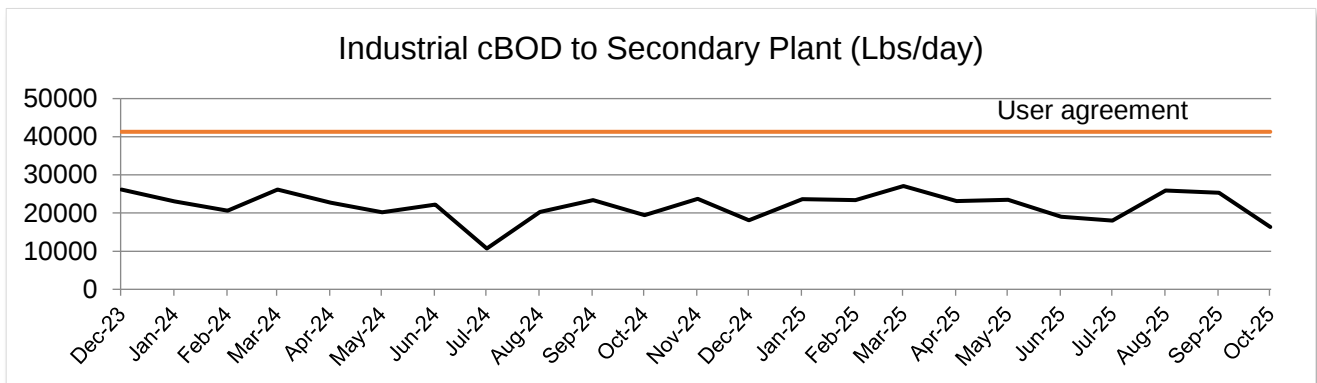
The Wastewater Treatment Plant (WWTP) met all National Pollutant Discharge Elimination System (NPDES) permit requirements last month while treating 179 million gallons of water removing 99.9% of the Total Suspended Solids (TSS) and 99.4% Biochemical Oxygen Demand (cBOD).



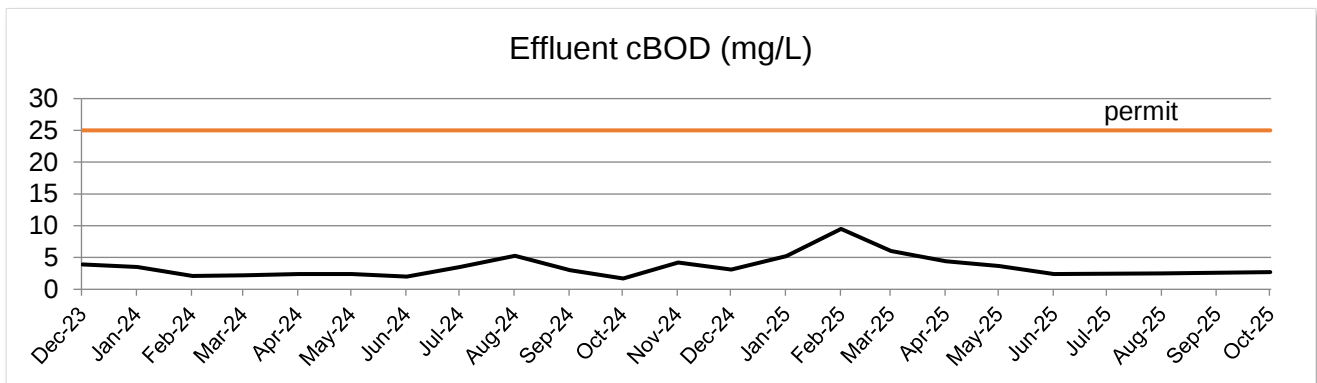
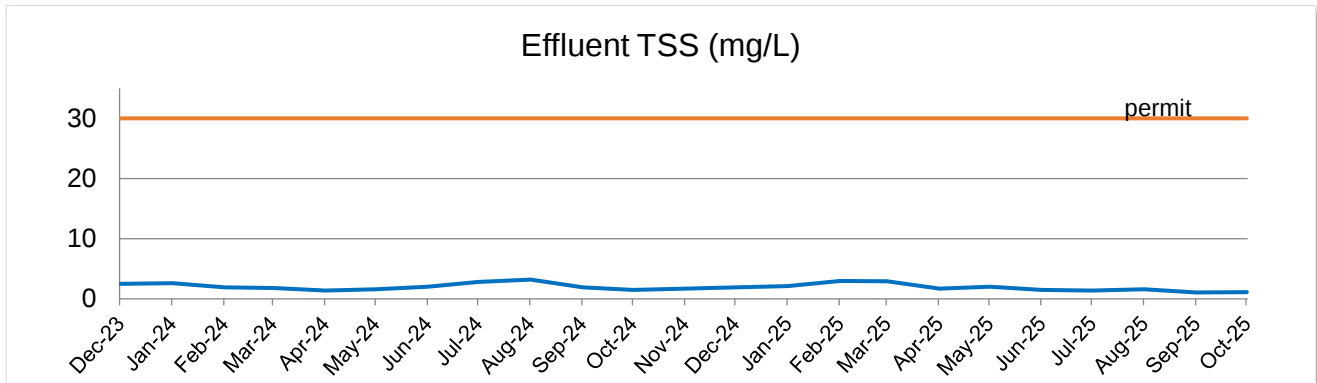
	Design Limits (monthly AVG)	Actual Results
<u>Primary Plant</u>		
Flow (MGD)	13.25	4.4
TSS (Tons/day)	162	39.6
TSS Peak (Tons/Day)	284	73.9



	Design Limits (monthly AVG)	Actual Results
Secondary Plant		
Flow (MGD)	15.25	5.8
cBOD (lbs/Day)	41,300	19,417
Peak cBOD (lbs/Day)	57,350	30,784
Zinc-weekly (ug/L)	418	90
% GRPUC		26.0%



<u>Effluent</u>	Permit Limits (monthly AVG)	Actual Results
TSS (mg/L) – monthly average	30	1.1
cBOD (mg/L) – monthly average	25	2.7
Dissolved Oxygen (mg/L)	>1.0	7.7



Sludge Landfill Operations

- 0.07 million gallons of leachate were hauled last month
- 4968 cubic yards of sludge solids were hauled to the landfill

