



GRAND RAPIDS PUBLIC UTILITIES COMMISSION

MEETING AGENDA

Wednesday, December 14, 2022

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, December 14, 2022 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 minutes of the November 9, 2022 Regular Commission Meeting and the November 29, 2022 Regular Work Session Commission Meeting.

VERIFIED CLAIMS:

2. Consider a motion to approve \$1,816,316.19 of verified claims for November 2022.

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 approve the City Treasurer's Report and the Investment Activity Report for November 2022.
4. Consider a motion to confirm filling the WWTP Operator position with the preferred candidate, Jeremy Jones.
5. Consider a motion to ratify a leave of absence for IS Coordinator, Andrew Glusica.
6. Consider a motion to approve the semi-annual write off of uncollectible accounts receivable in the amount of \$560.54.
7. Consider a motion to ratify the procurement contract with Their Well Company for the repairs necessary for well number 1 for \$19,116.50.
8. Consider a motion to award the contract for 2023 Sludge Placement to JRadtke Trucking in the amount of \$65,560 and authorize Commission President to sign the contract.

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.

ADMINISTRATION:

- [9.](#) Consider a motion to accept the 2022 Electric, Water, and Wastewater Cost of Service and Rate Design Report.
- [10.](#) Consider a motion to adopt the 2023 Electric, Water, and Wastewater Utility Rates.
- [11.](#) Review Administration Department Monthly Report

BUSINESS SERVICES DEPARTMENT:

- [12.](#) Consider a motion to adopt resolution 12-14-22-10 approving the 2023 Operations and Capital Budgets.
- [13.](#) Business Services Department Monthly Report

ELECTRIC DEPARTMENT:

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

WATER AND WASTEWATER DEPARTMENT:

- [15.](#) Review Water-Wastewater Department Report

SAFETY REPORT:

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

ADJOURNMENT:

The next Special meeting/Work Session is scheduled for Wednesday, January 11, 2023 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The next Regular Meeting of the Commission is scheduled for Wednesday, January 25, 2023 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 PUBLIC UTILITIES COMMISSION

MEETING MINUTES

Wednesday, November 09, 2022

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 Wednesday, November 9, 2022 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

In President Stanley's absence, Secretary Francisco chaired the meeting.

By call of the chair, the meeting was called to order at 4:02 PM.

CALL OF ROLL:

PRESENT: Secretary Luke Francisco, Commissioner Rick Blake, Commissioner Nancy Saxhaug, Commissioner Rick Smith

ABSENT WITH NOTICE: President Tom Stanley

Also present: General Manager Julie Kennedy, Business Services Manager Jean Lane, Electric Department Manager Jeremy Goodell, Water/Wastewater Department Manager Steve Mattson, Administrative/HR Assistant Carrie Jo Kruger and ICTV Representative Cole Christianson.

PUBLIC FORUM:

None.

APPROVAL OF MINUTES:

1. Consider a motion to approve the minutes of the October 12, 2022 Regular Commission Meeting and the October 26, 2022 Regular Work Session Commission Meeting.

Motion made by Commissioner Saxhaug, Seconded by Commissioner Smith to approve the minutes of the October 12, 2022 Regular Commission Meeting and the October 26, 2022 Regular Work Session Commission Meeting.

The motion carried by the following vote:

Voting Yea: Secretary Francisco, Commissioner Blake, Commissioner Saxhaug, Commissioner Smith

VERIFIED CLAIMS:

2. Consider a motion to approve \$1,519,643.98 of verified claims for October 2022.

Motion made by Commissioner Blake, Seconded by Commissioner Saxhaug to approve \$1,519,643.98 of verified claims for October 2022.

The motion carried by the following vote:

Voting Yea: Secretary Francisco, Commissioner Blake, Commissioner Saxhaug, Commissioner Smith

COMMISSION REPORTS:

None.

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

Motion made by Commissioner Smith, Seconded by Commissioner Blake to approve the consent agenda as read.

The motion carried by the following vote:

Voting Yea: Secretary Francisco, Commissioner Blake, Commissioner Saxhaug, Commissioner Smith

3. Consider a motion to approve the City Treasurer's Report and the Investment Activity Report for October 2022

Approved by consent agenda vote.

4. Consider a motion to ratify the \$2,100.00 procurement contract with Cogsdale Corporation for 10 hours of training for delinquent collections process.

Approved by consent agenda vote.

5. Consider a motion to rescind the original Tree Trimming and Removal Policy and to adopt Resolution Number 11-09-22-9 approving the Vegetation Management Policy.

Approved by consent agenda vote.

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 Saxhaug, Seconded by Commissioner Blake to set the regular agenda as read.

The motion carried by the following vote:

Voting Yea: Secretary Francisco, Commissioner Blake, Commissioner Saxhaug, Commissioner Smith.

ADMINISTRATION:

6. Consider a motion to approve the updated Electric Department Manager position description and authorize the advertising for the position.

Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve the updated Electric Department Manager position description and authorize the advertising for the position.

The motion carried by the following vote:

Voting Yea: Secretary Francisco, Commissioner Blake, Commissioner Saxhaug, Commissioner Smith

7. Review Administration Department Monthly Report

General Manager Julie Kennedy reviewed the November Administration Department Report with the Commission.

BUSINESS SERVICES DEPARTMENT:

8. Consider a motion to accept on file the third quarter September 30, 2022 Commission Financial Report as presented.

Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to accept on file the third quarter September 30, 2022 Commission Financial Report as presented.

The motion carried by the following vote:

Voting Yea: Secretary Francisco, Commissioner Blake, Commissioner Saxhaug, Commissioner Smith

9. Business Services Department Monthly Report

Business Services Manager Jean Lane reviewed the November Business Services Department Report with the Commission.

ELECTRIC DEPARTMENT:

10. Review Electric Department Monthly Report

Electric Department Manager Jeremy Goodell reviewed the November Electric Department Report with the Commission.

WATER AND WASTEWATER DEPARTMENT:

11. Review Water-Wastewater Department Report

Water/Wastewater Department Manager Steve Mattson reviewed the November Water and Wastewater Department Report with the Commission.

12. Consider a motion to adopt Resolution Number 11-09-22-8 approving the Water Wastewater Frozen Water Lines policy.

Motion made by Commissioner Blake, Seconded by Commissioner Smith to adopt Resolution Number 11-09-22-8 approving the Water Wastewater Frozen Water Lines policy.

The motion carried by the following vote:

Voting Yea: Secretary Francisco, Commissioner Blake, Commissioner Saxhaug, Commissioner Smith.

SAFETY REPORT:

13. Review Safety Monthly Report

General Manager Julie Kennedy reviewed the November Safety Report with the Commission.

ADJOURNMENT:

The meeting was declared adjourned at 4:53 PM.

The next Regular Work Session is scheduled for Tuesday, November 29, 2022 at 8:00 AM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The next Regular Meeting of the Commission is scheduled for Wednesday, December 14, 2022 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

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GRAND RAPIDS PUBLIC UTILITIES COMMISSION REGULAR WORK SESSION MEETING MINUTES

Tuesday, November 29, 2022

8:00 AM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular Work Session Meeting of the Grand Rapids Public Utilities Commission was held on Tuesday, November 29, 2022 in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

By call of the chair, the meeting was called to order at 8:05 AM.

CALL OF ROLL:

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

ABSENT WITH NOTICE: Commissioner Rick Blake

Also present: General Manager Julie Kennedy, Business Services Manager Jean Lane, Interim Electric Department Manager Glen Hodgson, Water/Wastewater Department Manager Steve Mattson and Dave Berg from Dave Berg Consulting.

BUSINESS:

1. Consider a motion to approve \$203,898.56 of verified claims for October and November 2022.

Motion made by Commissioner Smith, Seconded by Commissioner Saxhaug to approve \$203,898.56 of verified claims for October and November 2022.

The motion carried by the following vote:

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

2. Rate Study Discussion – Part 2

Further discussion on the Rate Study.

3. Review 2023 Proposed Operations and Capital Budgets

Discussion on 2023 Proposed Operations and Capital Budgets.

ADJOURNMENT:

By call of the chair, the meeting was adjourned at 10:40 AM.

The next Regular Meeting of the Commission is scheduled for Wednesday, December 14, 2022 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The next Regular Work Session is scheduled for Wednesday, January 25, 2023 at 8:00 AM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to approve \$1,816,316.19 of verified claims for November 2022.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

See attached check registers:

Computer check register \$1,404,402.22

Manual check register \$411,913.97

Total \$1,816,316.19

RECOMMENDATION:

Consider a motion to approve \$1,816,316.19 of verified claims for November 2022.

Grand Rapids Public Utilities
 Accounts Payable
 November 2022
 (Meeting Date: 12/14/2022)

Item 2.

NAME	AMOUNT	NAME	AMOUNT
A-1 Concrete & Masonry	1,700.00	Macqueen Equipment	2,999.99
Amaril Uniform	2,525.14	Metro Sales Inc	989.69
APG Media	540.79	Minnesota Municipal Utilities	6,000.00
Aramark	93.43	Minnesota Power	942,677.42
Badger State Inspection	38,100.00	Minnesota Pollution Control Agency	1,918.00
Border States	3,507.33	Napa Auto Parts	125.70
Burgraff's	317.95	Nextera	622.38
CarQuest	114.76	Paramount Safety & Training	2,983.60
Central McGowan	610.00	Pitney Bowes	2,441.54
City of Grand Rapids	220,680.16	Procise Solutions	87.50
Cogsdale	70,995.93	Public Utilities	7,433.60
Coles	312.30	Quality Flow	23,427.00
Cooperative Response Center	1,866.50	Radtke, James	5,694.00
Dakota Supply Group	183.61	Rapids Radio	1,268.50
Dave Berg Consulting	15,000.00	Rapids Welding	912.58
Davis Petroleum	2,563.24	Resco	1,335.00
DSC Communications	1,140.00	RMB Environmental Lab	228.69
Fastenal	1,167.03	Sandstroms	386.97
Figgins Truck & Trailer	13,973.69	Stuart Irby	3,318.72
Frontier Energy	6,079.02	Team Marinucci	48.00
Gopher State One	125.55	USA Bluebook	3,697.37
Grainger	954.81	VC3	5,266.50
Graybar	201.35	Vessco	1,359.69
Innovative	634.56	Viking Electric	169.89
Itasca County Treasurer	1,695.39	Wesco	3,097.93
L&M	274.42		
		Energy Efficiency Rebate:	
		Erickson, Kelly	20.00
		Illies, John	400.00
		Ingle, Lou Ann	100.00
		Widman, Ariel	35.00
			1,404,402.22

November 2022 Check Register

Document Date	Check #	Vendor Name	Document Amount	
11/1/2022		4739 Northeast Service Cooperative	53,581.50	11/30/2022
11/1/2022		4740 Northeast Service Cooperative	3,904.00	11/30/2022
11/2/2022		4741 Invoice Cloud	2,751.55	11/30/2022
11/2/2022		4742 Further	2.41	11/30/2022
11/4/2022		4743 Further	1,078.33	11/30/2022
11/4/2022		4744 Public Employees Retirement Association	15,327.08	11/4/2022
11/4/2022		4745 MN Department of Revenue	4,408.04	11/4/2022
11/4/2022		4746 Wells Fargo Bank	25,706.53	11/4/2022
11/4/2022		4747 Empower Retirement	7,937.71	11/4/2022
11/18/2022		4748 Further	1,078.33	11/30/2022
11/21/2022		4749 MN Department of Revenue	59,684.00	11/30/2022
11/18/2022		4750 Public Employees Retirement Association	15,498.63	11/18/2022
11/18/2022		4751 MN Department of Revenue	4,466.37	11/18/2022
11/18/2022		4752 Wells Fargo Bank	26,220.55	11/18/2022
11/18/2022		4753 Empower Retirement	8,105.57	11/18/2022
11/8/2022		4754 Wells Fargo Pcard	6,001.20	
11/4/2022		80655 MN Energy Resources Corporation	18.00	11/4/2022
11/4/2022		80656 Verizon Wireless	828.02	11/4/2022
11/4/2022		80657 Mattson Steve	32.18	11/4/2022
11/4/2022		80658 Jeff's Restroom Trailer Rental	800.50	11/4/2022
11/4/2022		80659 Customer Refunds Utility Accounts	109.57	11/30/2022
11/4/2022		80660 Customer Refunds Utility Accounts	81.00	11/30/2022
11/4/2022		80661 NCPERS Group Life Insurance	80.00	11/4/2022
11/4/2022		80662 MN Child Support Payment Center	391.32	11/4/2022
11/14/2022		80707 League of MN Cities	1,000.00	11/14/2022
11/14/2022		80708 Radtke James	6,972.96	11/14/2022
11/14/2022		80709 Waste Management of WI MN	889.86	11/14/2022
11/14/2022		80710 Customer Refunds Utility Accounts	95.70	11/30/2022
11/14/2022		80711 Customer Refunds Utility Accounts	407.19	11/30/2022
11/14/2022		80712 Customer Refunds Utility Accounts	75.33	11/30/2022
11/14/2022		80713 Customer Refunds Utility Accounts	107.74	11/30/2022
11/14/2022		80714 Otis Elevator Company Incorporated	125.00	11/14/2022
11/18/2022		80715 MN Child Support Payment Center	391.32	11/18/2022
11/18/2022		80716 MN Council 65	1,700.85	11/18/2022
11/23/2022		80717 Customer Refunds Utility Accounts	450.92	11/30/2022
11/23/2022		80718 Customer Refunds Utility Accounts	125.02	11/30/2022
11/25/2022		80719 MN Department of Labor & Industry	50.00	11/25/2022
11/25/2022		80720 UPS	50.67	11/25/2022
11/25/2022		80721 NCPERS Group Life Insurance	80.00	11/25/2022
11/25/2022		80722 MN Energy Resources Corporation	442.62	11/25/2022
11/25/2022		80723 Verizon Wireless	828.28	11/25/2022
11/25/2022		80724 Kennedy Julie	380.00	11/25/2022
11/25/2022		80725 US Bank Equipment Finance	315.73	11/25/2022
11/25/2022		80726 Langer Stephen A	193.49	11/25/2022
11/25/2022		80727 Hennemann, Paula	349.95	11/25/2022



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to approve the City Treasurer’s Report and the Investment Activity Report for November 2022

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

Please see attached reports:

GRPUC Cash Receipts and Disbursements for the Month of November 2022 and Verification of City Treasurer’s Balance
GRPUC Investment Activity
Graphics – November Historical Investment Balances and Monthly Investment Balances 2002-2022

RECOMMENDATION:

Consider a motion to approve the City Treasurer’s Report and the Investment Activity Report for November 2022.

**CITY OF GRAND RAPIDS
PUBLIC UTILITIES COMMISSION
CASH RECEIPTS AND DISBURSEMENTS FOR THE MONTH OF NOVEMBER 2022**

TREASURER'S BALANCE OCTOBER 31, 2022		\$ 5,533,485.00
Deposits	2,072,363.43	
Redeposits-Checks	-	
Redeposits-ACH	-	
Bank Adjustments	-	
		2,072,363.43
Less Disbursements	(1,865,644.95)	
NSF Checks	(871.20)	
ACH Returns	(287.58)	
Bank Adjustments	-	
		(1,866,803.73)
TREASURER'S BALANCE NOVEMBER 30, 2022		\$ 5,739,044.70

VERIFICATION OF TREASURER'S BALANCE

WELLS FARGO BANK BALANCE NOVEMBER 30, 2022		\$ 6,109,408.60
Add: Deposits in Transit		10,793.66
Less: Outstanding Checks		(381,157.56)
		(381,157.56)
TREASURER'S BALANCE NOVEMBER 30, 2022		\$ 5,739,044.70

**Grand Rapids Public Utilities Commission
Investment Activity
November 2022**

Beginning Balance Cash and Investments	\$ 7,809,016.91	
 Redeemed:		
None		-
		-
 Invested:		
None		-
Change in checking account balance		205,559.70
 Total Cash and Investments	 <u>\$ 8,014,576.61</u>	
 Less: Restricted and Designated Funds		
Restricted Funds:		
Customer Deposits		390,899.26
Customer Deposits - Antenna Fees		44,296.74
Electric Capital Replacement Fund		967,339.00
Water Capital Replacement Fund		873,351.00
Sewer Capital Replacement Fund		526,932.00
 Designated Funds:		
Disaster Recovery Fund		<u>1,500,000.00</u>
Total Restricted and Designated Funds		<u>\$ 4,302,818.00</u>
 Net Cash and Investments	 <u><u>\$ 3,711,758.61</u></u>	



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to confirm filling the WWTP Operator position with the preferred candidate, Jeremy Jones.

PREPARED BY: Julie Kennedy, General Manager.

BACKGROUND:

At the October 12, 2022 regular meeting, the Commission declared a vacancy existed and authorized the internal posting and external advertising for a WWTP Operator position. Following the internal posting for the position, we collected no applications. Following external advertising of the position opening, we collected 2 applications. The applications were rated and interviews were conducted with both applicants on October 25. A background verification was submitted and received and an offer of employment was made to the selection committee's preferred applicant, Mr. Jeremy Jones. The offer was accepted with a hire date of November 8, 2022.

Management staff recommends the Commission formally confirm filling the vacancy of WWTP Operator position with the preferred candidate, Jeremy Jones.

RECOMMENDATION:

Consider a motion to confirm filling the WWTP Operator position with the preferred candidate, Jeremy Jones.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to ratify a leave of absence for IS Coordinator, Andrew Glusica.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

GRPU personnel policies allow for an employee to request a leave of absence. Andy requested a leave for an initial period of 30 days, beginning December 5, 2022 and we have granted that request. The actual return-to-work date will be determined within the month and the details of the leave agreement are maintained in the HR files.

RECOMMENDATION:

Consider a motion to ratify a leave of absence for IS Coordinator, Andrew Glusica.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to approve the semi-annual write off of uncollectible accounts receivable in the amount of \$560.54

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

The CSR team has performed internal and external collection processes for the attached listing of uncollectible customer accounts receivable.

The attached list, with redacted customer information for privacy, show the amounts of the requested accounts to write off as uncollectible.

The request to write off uncollectible customer accounts receivable will be presented to the Grand Rapids Public Utilities Commission twice per year.

RECOMMENDATION:

Consider a motion to approve the write off of customer account receivable accounts in the amount of \$560.54

For Commission to Approve Write-off - December 2022 Meeting

Account #	Customer Name	Address	Reason	Closed	Amount
518672-118672			Deceased	9/2/2020	\$431.88
525528-118124			Deceased	11/8/2022	<u>\$128.66</u>
					<u><u>\$560.54</u></u>



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to ratify the procurement contract with Thein Well Company for the repairs necessary for well number 1 for \$19,116.50.

PREPARED BY: Steve Mattson, Water/Wastewater Department Manager

BACKGROUND:

This procurement is for an approved Water Wastewater capital project with a budget of \$35,000. \$23,050 was spent for the rehabilitation of the well to date. Upon inspection once the pump was pulled the condition of the pump and well components were in worse shape than expected. The additional funds needed to cover this expense were covered by not doing the WTP Main valve project (\$22,500 budget).

The GRPUC Procurement Policy was followed.

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

RECOMMENDATION:

Consider a motion to ratify the procurement contract with Thein Well Company for the repairs necessary for well number 1 for \$19,116.50.

Capital Plan

2023 thru 2027

Item 7.

Grand Rapids Public Utilities Commission

Project #	WATR2210
Project Name	Well 1 Rehabilitation

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 01 - Required
Status Active

Description	Total Project Cost: \$35,000
Rehabilitation Well #1. This is accomplished by de-energizing the pump, pulling the pump and cleaning out the well in attempt to resume original flow from the well. Additionally all the components are inspected for wear and replaced if necessary to ensure good water production.	

Justification
The well has not been rehabilitated in ten years.

Prior

Total

Prior

Total

Budget Impact/Other

Prior

Total

PROCUREMENT CONTRACT
Short Form B > \$10,000 to \$25,000

This Procurement Contract (“**Contract**”) is by and between the Grand Rapids Public Utilities Commission, located at 500 SE 4th St, Grand Rapids, MN 55744 (“**GRPUC**”), and Their Well, a Minnesota company, located at 11355 Highway 71 NE, Spicer, MN 56288 (“**Contractor**”). GRPUC and Contractor may be referred to jointly as the “**Parties**” or individually as a “**Party**.”

Recitals

- A. GRPUC has solicited and received quotations from contractors for rehabilitation of well number 1 (“**Solicitation**”);
- B. Contractor provided a response to the Solicitation indicating its interest in and ability to provide the goods or services requested in the Solicitation; and
- C. Subsequent to an evaluation in accordance with the terms of the Solicitation and negotiation, the Parties desire to enter into a contract.

Accordingly, the Parties agree as follows:

Contract

1. **Term.** The effective date of this Contract is October 13, 2022. The Contractor must not begin work under this Contract until this Contract is fully executed and the Contractor has been notified by GRPUC’s Authorized Representative to begin the work. This Contract will terminate upon the first of the following to occur:
- 1.1 December 31, 2022
 - 1.2 All of Contractor’s obligations have been satisfactorily fulfilled.
 - 1.3 GRPUC may cancel this Contract at any time, with or without cause, upon ten (10) days’ written notice to the Contractor.
 - 1.4 GRPUC may terminate this Contract immediately in the event of a breach by Contractor.
 - 1.5 The Parties may terminate this Contract at any time by mutual written agreement.

Upon receipt of any notice of termination Contractor shall immediately stop performance to the extent specified in such notice. In no event shall GRPUC be liable for any loss of revenue or profit incurred by Contractor as a result of any termination. Upon termination of this Contract, or earlier upon GRPUC’s request, Contractor shall deliver to GRPUC all items requested by GRPUC containing any confidential information or work product information or make such other disposition thereof as GRPUC may direct in writing.

2. Contractor's Duties

2.1 The Contractor shall:

Provide services to continue to rehabilitate Well number 1 in Grand Rapids. Procure, deliver and install new permanent pump, new motor, new check valve, new submersible cable and new pipe..

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

2.2 GRPUC may make changes to the general scope of Goods and Services by written or oral notice to Contractor. If such changes affect the cost of or the time required to provide the Goods and Services, an equitable adjustment in the schedule and compensation under this Contract shall be made. GRPUC and Contractor may agree to additional Services or Goods by written amendment to this Contract.

2.3 Contractor agrees that all Goods and Services shall be provided, and all of Contractor's obligations performed, in accordance with all applicable laws and other legal requirements without extra charge or expense. Contractor will be responsible for a violation of any such legal requirements and will indemnify, defend, and hold harmless GRPUC from and against any expense or cost incurred by reason of any such violation by Contractor.

2.4 Contractor warrants and represents that the Goods and Services will be provided in a manner that is consistent with the level of care and skill exercised by members of Contractor's profession currently working under similar conditions. All Goods and Services not conforming to this standard will be considered defective and Contractor shall, at no cost to GRPUC, promptly and satisfactorily correct all such defective Goods and Services. Payment shall be withheld for Goods or Services found by GRPUC to be unsatisfactory or in violation of legal requirements.

2.5 Contractor shall be responsible for all its employees, agents, subcontractors, and invitees and their health and safety. Contractor shall ensure that all persons who perform the Services or produce or deliver the Goods are professionally competent and properly qualified and will remove any person GRPUC deems incompetent, careless, or otherwise objectionable.

2.6 Contractor is solely responsible and assumes full and exclusive liability for the payment of all contributions or taxes to be paid on or to persons employed by Contractor, and for payment of all sales, use, or other taxes of whatever nature levied or assessed against GRPUC arising out of the furnishing of the Services or production or delivery of the Goods, and will indemnify, defend, and hold harmless GRPUC from any such liability.

3. Consideration and Payment

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

3.1.1 Compensation. The contractor will be paid Nineteen Thousand One Hundred Sixteen Dollars and Fifty Cents (\$19,116.50) in accordance with **Exhibit C**.

3.1.2 Total obligation. The total obligation and liability of GRPUC under this Contract will not exceed Nineteen Thousand One Hundred Sixteen Dollars and Fifty Cents (\$19,116.50)

3.2 Payment.

3.2.1 Invoices. GRPUC will pay the Contractor within thirty (30) days following receipt of an undisputed invoice that complies with **Exhibit C**. GRPUC may pay the Contractor in advance in its sole discretion. Payment will only be made for Goods received or Services actually performed that have been accepted by GRPUC.

3.2.2 Retainage. No more than ninety percent (90%) of the amount due under this Contract may be paid until Contractor has performed all of its obligations under this Contract to GRPUC's satisfaction.

4. Authorized Representative

GRPUC's Authorized Representative is Steve Mattson at the following business address: 500 SE 4th Street, Grand Rapids, MN, 55744 and the following telephone number: 218-326-7195, or his/her successor or delegate, and has the responsibility to monitor the Contractor's performance.

Contractor's Authorized Representative is Zack Thein at the following business address: 11355 Highway 71 NE, Spicer, MN 56288, and the following telephone number: 800-450-8000, or his/her successor. If the Contractor's Authorized Representative changes at any time during this Contract, the Contractor must immediately notify GRPUC.

5. **Indemnification.** Contractor will indemnify, defend, and hold harmless GRPUC, its agents, and employees, in relation to any expenses, damages, claims or causes of action, including reasonable attorney's fees, to the extent caused by any negligent or wrongful act, error or omission, breach of contract, or infringement of any intellectual property right by Contractor, any third party that Contractor has a business relationship with, or any of Contractor's agents or employees.

6. **Subcontracting.** Contractor may not subcontract all or any portion of this Contract without GRPUC's prior written consent, which GRPUC may grant or withhold in its sole discretion. If an approved subcontractor is determined to be performing unsatisfactorily by GRPUC, Contractor will ensure that the subcontractor is no longer used for this Contract. The provisions of the Contract shall apply with equal force and effect to all approved subcontractors and no subcontract will terminate the primary responsibility of Contractor hereunder. Contractor will pay all subcontractors in accordance with applicable law and the agreement between Contractor and the subcontractor.

7. **Ownership.** Contractor agrees that all legal right, title, and interest to intellectual property, data, documents, photographs, drawings, analyses, graphs, reports, physical property or other subject matter (“**GRPUC Property**”) prepared, delivered, procured, or produced in relation to Contractor’s obligations under this Contract shall vest in GRPUC. Contractor will perform all acts necessary to ensure that all GRPUC Property is the sole property of GRPUC, and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the GRPUC Property.

8. **Miscellaneous.**

8.1 **General.** No provision of this Contract may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by all the Parties. No waiver by a Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by any Party which are not expressly set forth in this Contract. The validity, interpretation, construction and performance of this Contract shall be governed by the internal laws of Minnesota. If any provision of this Contract shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Contract shall not be affected thereby. This Contract shall be binding on, and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Contractor may not assign Contractor’s rights or obligations hereunder without the prior written consent of GRPUC. This Contract may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Contract in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Contract. In the event a Party institutes any legal proceeding against another Party regarding this Contract, the prevailing Party is entitled to receive the costs incurred by such Party, including reasonable attorneys’ fees. In performing its obligations under this Contract, Contractor and its employees and agents shall act in the capacity of independent contractors and not as an employee, partner, joint venturer, or agent of GRPUC. When Contractor’s employees are working on the premises of GRPUC, wherever located, they shall observe the working rules, policies, and procedures of GRPUC, including, but not limited to, its respectful workplace policy. The Parties must comply with the Minnesota Government Data Practices Act in relation to this Contract. Contractor certifies that neither it nor its principals are presently debarred or suspended by any federal, state, or local government or agency or political subdivision thereof. Neither Party will publicize anything in relation to this Contract without the other Party’s prior written consent. Contractor shall not use or disclose any confidential information it receives from GRPUC except as is necessary to perform under this Contract. The obligations of Contractor hereunder shall survive the expiration or earlier termination of this Contract. Each of the Parties shall take such further actions as may be reasonably required to carry out the provisions of this Contract.

8.2 **Notices.** Any notice or other communication to any Party in connection with this Contract shall be in writing and shall be sent by hand-delivery, email, fax, overnight courier, or United States mail (postage prepaid) addressed to the address set forth below. All periods of notice shall be measured from the date of delivery thereof if hand-delivered, from the date of sending

thereof if sent by email or fax (effective upon confirmation of receipt), from the first day after the date of sending if sent by overnight courier, or from three (3) business days after the date of mailing if mailed. Any Party may change such Party's address for notices by notice given not less than ten (10) calendar days prior to the effective date of the change.

GRPUC
Address:
500 SE 4th Street
Grand Rapids, MN 55744
Attn: Steve Mattson
Email: srmattton@grpuc.org

Contractor
Address:
11355 Highway 71 NE
Spicer, MN 56288
Attn: Zack Thein
Email: zack@theinwell.com

9. Exhibits


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

- Exhibit A: Insurance Requirements
- Exhibit B: Specifications, Duties, and Scope of Work
- Exhibit C: Price and Payment Schedule

IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have executed this Contract effective as of the effective date set forth above.

Thein Well

Grand Rapids Public Utilities Commission

By: 

By: 10/14/2022

Print Name: Zack Thein

Print Name: Julie A. Kennedy

Title: Manager

Title: General Manager

Date: 10/14/22


Date: 

Exhibit A: Insurance Requirements

- 1 **Notice to Contractor and Insurer.** Contractor shall not commence work under the Contract until it has obtained all the insurance described below and GRPUC has approved such insurance. Contractor shall maintain such insurance throughout the term of this Contract. GRPUC reserves the right to immediately terminate this Contract if the Contractor is not in compliance with the insurance requirements. All insurance policies must be open to inspection by GRPUC, and copies of policies must be submitted to GRPUC's Authorized Representative upon written request. The Contractor's insurance companies waive the right to assert the immunity of GRPUC as a defense to any claims made under said insurance.

- 2 **Additional Insurance Conditions.** The following apply to the Contractor and Contractor's subcontractor: Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to GRPUC. Contractor agrees to notify GRPUC within five (5) business days of receipt of any insurance cancellation notice. Contractor is responsible for payment of Contract-related insurance premiums and deductibles. Contractor's policy(ies) shall include legal defense fees in addition to its policy limits with the exception of professional liability. Contractor's insurance companies must either (1) have an AM Best rating of A- (minus) and a Financial Size Category of VII or better, and be authorized to do business in Minnesota, or (2) be domiciled in Minnesota and have a Certificate of Authority/Compliance from the Minnesota Department of Commerce if they are not rated by AM Best. An Umbrella or Excess Liability insurance policy may be used to supplement the Contractor's policy limits to satisfy the full policy limits required by the Contract.

- 3 **Coverages.** Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:
 - 3.1 **Commercial General Liability Insurance** coverage that would be maintained by a reasonable contractor in Contractor's profession performing a similar contract, with the following minimum limits:
 - \$1,500,000 – per occurrence
 - \$1,500,000 – annual aggregate
 - \$1,500,000 – annual aggregate – applying to Products/Completed Operations

 - 3.2 **Commercial Automobile Liability Insurance** coverage that would be maintained by a reasonable contractor in Contractor's profession performing a similar contract, with the following minimum limits:
 - \$1,500,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

The following coverages should be included: Owned, Hired, and Non-owned Automobile.

3.3 **Workers' Compensation Insurance.** Contractor shall obtain and maintain for the duration of the Contract, statutory workers' compensation insurance and employer's liability insurance as required under the laws of the State of Minnesota.

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

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

\$2,000,000 - annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of GRPUC.

3.5 **Property of Others Insurance (or equivalent).** The Contractor shall maintain a property insurance policy covering "All Risk" of direct physical loss or damage, or equivalent, including the perils of theft, flood, transit, earthquake, and pollution clean-up expense for property owned by GRPUC that is in the Contractor's care, custody, and control. Any deductible shall be the sole responsibility of the Contractor. Insurance **minimum** limits are as follows: The Contractor is solely responsible for the coverage equal to that of the actual cash value of GRPUC-owned property in the Contractor's care, custody, and control at any given point in time.

Exhibit B: Specifications, Duties, and Scope of Work

-Procure, deliver and install new permanent pump, new motor, new check valve, new submersible cable and new pipe.

Exhibit C: Price and Payment Schedule

Price for new 25 hp Submersible Motor is Four Thousand Seven Hundred Dollars (\$4,700)

Price for new Submersible Pump is Four Thousand Nine Hundred and Fifty Dollars (\$4,950)

Price 6" T&C Drop Pipe is Two Thousand Eight Hundred Sixty Dollars (\$2,860)

Price for a 6" Check Valve is Nine Hundred Ninety-Nine Dollars (\$999)

Price for New Submersible Cable is Three Hundred Fifty-Seven Dollars and Fifty Cents (\$357.50)

Price for Misc. (pipe, wrap, tape, chlorine, splice kit) is Two Hundred Fifty Dollars (\$250)

Price for Equipment and Labor is Five Thousand Dollars (\$5000)

The Total obligation and liability of GRPUC under this Contract will not exceed Nineteen Thousand One Hundred Sixteen Dollars and Fifty Cents (\$19,116.50)



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to award the contract for 2023 Sludge Placement to JRadtke Trucking in the amount of \$65,560 and authorize Commission President to sign the contract

PREPARED BY: Steve Mattson

BACKGROUND:

JRadtke Trucking is a responsible bidder and has won this contract for the last decade.

RECOMMENDATION:

Consider a motion to award the contract for 2023 Sludge Placement to JRadtke Trucking in the amount of \$65,560 and authorize Commission President to sign the contract.



500 SE Fourth Street • Grand Rapids, Minnesota 55744

**ACCEPTANCE OF QUOTE FOR
2023 Sludge Placement**

Pursuant to an advertisement for the - 2023 Sludge Placement - project, which includes the placing of hauled sludge into the open landfill of Phases 5-8 with a bulldozer, quotes were requested, received, and tabulated, and the following quotes were received complying with the advertisement:

<u>Bidder</u>	<u>Base Bid</u>
Engineer’s Estimate	\$65,500
JRadtke Trucking	\$65,560

The Water Wastewater Manager is recommending the Base Bid be awarded to JRadtke Trucking (Jim Radtke) who appears to be a responsible bidder.

NOW, THEREFORE, THE GRAND RAPIDS PUBLIC UTILITIES COMMISSION:

Now therefore, the Grand Rapids Public Utilities Commission hereby authorizes and directs the President and Secretary to enter into a contract with JRadtke Trucking in the name of the Grand Rapids Public Utilities Commission for a total contract amount of \$1.49 / cubic yard (estimated to be \$65,560 for 2023) and in accordance to the plans and specifications therefore approved by the Grand Rapids Public Utilities Commission.

2023 Sludge Placement
Grand Rapids Public Utilities Industrial Sludge Landfill
December 14, 2022

DOCUMENT 00 01 10**TABLE OF CONTENTS**

Number	Document
00 01 10	Introductory Information Table of Contents
00 43 38 00 52 00	Contract Forms List of Contractor's Equipment Standard Form of Agreement
00 72 00 00 73 00	Conditions of the Contract Standard General Conditions Supplementary Conditions

DIVISION 1 - GENERAL REQUIREMENTS

01 77 00	Summary Closeout Procedures
----------	---------------------------------------

DIVISION 2 - EXISTING CONDITIONS

02 12 00	Sludge Placement
----------	------------------

DOCUMENT 00 43 38

LIST OF CONTRACTOR'S EQUIPMENT

Please list all equipment to be used on this project.

Sludge Placement

2003 New Holland DC150 Low Ground Pressure dozer

DOCUMENT 00 52 00

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

THIS AGREEMENT is by and between the Grand Rapids Public Utilities Commission
(Owner) and James Radtke Trucking (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: 2023 Sludge Placement.

ARTICLE 2 – THE PROJECT

2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: Sludge Placement.

ARTICLE 3 – ENGINEER

3.01 The Project has been designed by Grand Rapids Public Utilities Commission.

ARTICLE 4 – CONTRACT TIMES4.01 *Time of the Essence*

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

4.02 *Contract Times: Dates*

A. The Work will be completed in monthly increments after the date when the Contract Times commence January 1, 2023 and end on December 31, 2023.

4.03 *Liquidated Damages*

A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

1. Substantial Completion: Contractor shall pay Owner \$ 0.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$ 0.00 for each day that expires after such time until the Work is completed and ready for final payment.

ARTICLE 5 – CONTRACT PRICE

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

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

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

The Estimated Total of All Unit Price Work is: \$ 65,560

- B. For all Unit Price Work, an amount equal to the sum of the extended prices (established for each separately identified item of Unit Price Work by multiplying the unit price times the actual quantity of that item).

Unit Price Work					
Item No.	Description	Unit	Estimated Quantity	Unit Price	Extended Price
	Sludge Placement	CY	44,000	\$1.49	\$65,560
Total of all Extended Prices for Unit Price Work (subject to final adjustment based on actual quantities)					\$65,560

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

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

6.02 *Progress Payments; Retainage*

- A. Subject to the provisions of SC-15.01.C, Owner shall make monthly progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications of Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract:

- 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract:

- a. Five (5) percent of Work completed (with the balance being retainage).

6.03 *Final Payment*

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

ARTICLE 7 – INTEREST

7.01 All amounts not paid when due shall bear interest at the rate of five (5) percent per annum.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

8.01 In order to induce Owner to enter into this Contract, Contractor makes the following representations:

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

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 *Contents*

- A. The Contract Documents consist of the following:
 - 1. This Agreement (pages 00 52 00-1 to 00 52 00-6, inclusive).
 - 2. General Conditions (pages 00 72 00-1 to 00 72 00-65, inclusive).
 - 3. Supplementary Conditions (pages 00 73 00-1 to 00 73 00-4, inclusive).

4. Specifications as listed in the table of contents of the Quotation Packet.
 5. Exhibits to this Agreement (enumerated as follows).
 - a. Contractor's Quotation Form.
 - b. Documentation submitted by Contractor prior to Notice of Award (pages ___ to ___, inclusive).
 - c. Certificate of Insurance.
 6. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Field Order(s).
 - c. Work Change Directive(s).
 - d. Change Order(s).
- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 10 – MISCELLANEOUS

10.01 *Terms*

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

10.02 *Assignment of Contract*

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

10.03 *Successors and Assigns*

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

10.04 *Severability*

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

10.05 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 10.05:

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

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

This Agreement will be effective on January 1, 2023 (which is the Effective Date of the Contract).

OWNER:

Grand Rapids Public Utilities

By: _____

Title: Thomas Stanley, President

CONTRACTOR:

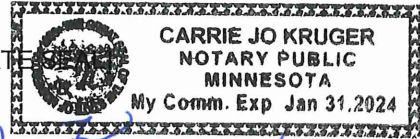
JRadtke Trucking

By: James Radtke

Title: James Radtke, OWNER

[CORPORATE SEAL]

[CORPORATE SEAL]



Attest: _____

Title: Luke Francisco, Secretary

Attest: Carrie J. Kruger

Title: Admin/HR Assistant

Address for Giving Notices:

500 SE 4th Street

Grand Rapids, MN 55744

Address for Giving Notices:

4457 Hwy 99

Aurora, MN 55705

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

License No. _____
(Where Applicable)

Agent for service of process: _____

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

Designated Representative:

Name: Julie Kennedy

Title: General Manager

Address: 500 SE 4th Street

Grand Rapids, MN 55744

Phone: 218-326-7687

Facsimile: 218-326-7499

Designated Representative:

Name: James Radtke

Title: OWNER

Address: 4457 Hwy 99

Aurora, MN 55705

Phone: 218.780.2213

Facsimile: _____

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

Prepared by



Issued and Published Jointly by



These General Conditions have been prepared for use with the Agreement Between Owner and Contractor for Construction Contract (EJCDC® C-520, Stipulated Sum, or C-525, Cost-Plus, 2013 Editions). Their provisions are interrelated and a change in one may necessitate a change in the other.

To prepare supplementary conditions that are coordinated with the General Conditions, use EJCDC's Guide to the Preparation of Supplementary Conditions (EJCDC® C-800, 2013 Edition). The full EJCDC Construction series of documents is discussed in the Commentary on the 2013 EJCDC Construction Documents (EJCDC® C-001, 2013 Edition).

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ARTICLE 1 – DEFINITIONS AND TERMINOLOGY

1.01 *Defined Terms*

- A. Wherever used in the Bidding Requirements or Contract Documents, a term printed with initial capital letters, including the term's singular and plural forms, will have the meaning indicated in the definitions below. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.
 2. *Agreement*—The written instrument, executed by Owner and Contractor, that sets forth the Contract Price and Contract Times, identifies the parties and the Engineer, and designates the specific items that are Contract Documents.
 3. *Application for Payment*—The form acceptable to Engineer which is to be used by Contractor during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents.
 4. *Bid*—The offer of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
 5. *Bidder*—An individual or entity that submits a Bid to Owner.
 6. *Bidding Documents*—The Bidding Requirements, the proposed Contract Documents, and all Addenda.
 7. *Bidding Requirements*—The advertisement or invitation to bid, Instructions to Bidders, Bid Bond or other Bid security, if any, the Bid Form, and the Bid with any attachments.
 8. *Change Order*—A document which is signed by Contractor and Owner and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, or other revision to the Contract, issued on or after the Effective Date of the Contract.
 9. *Change Proposal*—A written request by Contractor, duly submitted in compliance with the procedural requirements set forth herein, seeking an adjustment in Contract Price or Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Contract Documents or the acceptability of Work under the Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Contract.
 10. *Claim*—(a) A demand or assertion by Owner directly to Contractor, duly submitted in compliance with the procedural requirements set forth herein: seeking an adjustment of Contract Price or Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Contract Documents or the acceptability of Work under the Contract Documents; contesting Engineer's decision regarding a Change Proposal; seeking resolution of a contractual issue that Engineer has declined to address; or seeking other relief with respect to the terms of the Contract; or (b) a demand or assertion by Contractor directly to Owner, duly submitted in compliance with the procedural requirements set forth herein, contesting Engineer's decision regarding a Change Proposal; or seeking resolution of a contractual issue that Engineer

has declined to address. A demand for money or services by a third party is not a Claim.

11. *Constituent of Concern*—Asbestos, petroleum, radioactive materials, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. (“CERCLA”); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5501 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. (“RCRA”); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, state, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.
12. *Contract*—The entire and integrated written contract between the Owner and Contractor concerning the Work.
13. *Contract Documents*—Those items so designated in the Agreement, and which together comprise the Contract.
14. *Contract Price*—The money that Owner has agreed to pay Contractor for completion of the Work in accordance with the Contract Documents. .
15. *Contract Times*—The number of days or the dates by which Contractor shall: (a) achieve Milestones, if any; (b) achieve Substantial Completion; and (c) complete the Work.
16. *Contractor*—The individual or entity with which Owner has contracted for performance of the Work.
17. *Cost of the Work*—See Paragraph 13.01 for definition.
18. *Drawings*—The part of the Contract that graphically shows the scope, extent, and character of the Work to be performed by Contractor.
19. *Effective Date of the Contract*—The date, indicated in the Agreement, on which the Contract becomes effective.
20. *Engineer*—The individual or entity named as such in the Agreement.
21. *Field Order*—A written order issued by Engineer which requires minor changes in the Work but does not change the Contract Price or the Contract Times.
22. *Hazardous Environmental Condition*—The presence at the Site of Constituents of Concern in such quantities or circumstances that may present a danger to persons or property exposed thereto. The presence at the Site of materials that are necessary for the execution of the Work, or that are to be incorporated in the Work, and that are controlled and contained pursuant to industry practices, Laws and Regulations, and the requirements of the Contract, does not establish a Hazardous Environmental Condition.
23. *Laws and Regulations; Laws or Regulations*—Any and all applicable laws, statutes, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

24. *Liens*—Charges, security interests, or encumbrances upon Contract-related funds, real property, or personal property.
25. *Milestone*—A principal event in the performance of the Work that the Contract requires Contractor to achieve by an intermediate completion date or by a time prior to Substantial Completion of all the Work.
26. *Notice of Award*—The written notice by Owner to a Bidder of Owner’s acceptance of the Bid.
27. *Notice to Proceed*—A written notice by Owner to Contractor fixing the date on which the Contract Times will commence to run and on which Contractor shall start to perform the Work.
28. *Owner*—The individual or entity with which Contractor has contracted regarding the Work, and which has agreed to pay Contractor for the performance of the Work, pursuant to the terms of the Contract.
29. *Progress Schedule*—A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising the Contractor’s plan to accomplish the Work within the Contract Times.
30. *Project*—The total undertaking to be accomplished for Owner by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the Work to be performed under the Contract Documents is a part.
31. *Project Manual*—The written documents prepared for, or made available for, procuring and constructing the Work, including but not limited to the Bidding Documents or other construction procurement documents, geotechnical and existing conditions information, the Agreement, bond forms, General Conditions, Supplementary Conditions, and Specifications. The contents of the Project Manual may be bound in one or more volumes.
32. *Resident Project Representative*—The authorized representative of Engineer assigned to assist Engineer at the Site. As used herein, the term Resident Project Representative or “RPR” includes any assistants or field staff of Resident Project Representative.
33. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and that establish the standards by which such portion of the Work will be judged.
34. *Schedule of Submittals*—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements for Engineer’s review of the submittals and the performance of related construction activities.
35. *Schedule of Values*—A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor’s Applications for Payment.
36. *Shop Drawings*—All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Contract Documents.

37. *Site*—Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements, and such other lands furnished by Owner which are designated for the use of Contractor.
38. *Specifications*—The part of the Contract that consists of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable to the Work.
39. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work.
40. *Substantial Completion*—The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion thereof.
41. *Successful Bidder*—The Bidder whose Bid the Owner accepts, and to which the Owner makes an award of contract, subject to stated conditions.
42. *Supplementary Conditions*—The part of the Contract that amends or supplements these General Conditions.
43. *Supplier*—A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or a Subcontractor.
44. *Technical Data*—Those items expressly identified as Technical Data in the Supplementary Conditions, with respect to either (a) subsurface conditions at the Site, or physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities) or (b) Hazardous Environmental Conditions at the Site. If no such express identifications of Technical Data have been made with respect to conditions at the Site, then the data contained in boring logs, recorded measurements of subsurface water levels, laboratory test results, and other factual, objective information regarding conditions at the Site that are set forth in any geotechnical or environmental report prepared for the Project and made available to Contractor are hereby defined as Technical Data with respect to conditions at the Site under Paragraphs 5.03, 5.04, and 5.06.
45. *Underground Facilities*—All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including but not limited to those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, fiber optic transmissions, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.
46. *Unit Price Work*—Work to be paid for on the basis of unit prices.
47. *Work*—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning, all as required by the Contract Documents.

48. *Work Change Directive*—A written directive to Contractor issued on or after the Effective Date of the Contract, signed by Owner and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

1.02 Terminology

- A. The words and terms discussed in the following paragraphs are not defined but, when used in the Bidding Requirements or Contract Documents, have the indicated meaning.
- B. *Intent of Certain Terms or Adjectives:*
1. The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Engineer as to the Work. It is intended that such exercise of professional judgment, action, or determination will be solely to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility contrary to the provisions of Article 10 or any other provision of the Contract Documents.
- C. *Day:*
1. The word “day” means a calendar day of 24 hours measured from midnight to the next midnight.
- D. *Defective:*
1. The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
 - a. does not conform to the Contract Documents; or
 - b. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or
 - c. has been damaged prior to Engineer’s recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 15.03 or 15.04).
- E. *Furnish, Install, Perform, Provide:*
1. The word “furnish,” when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
 2. The word “install,” when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use.

3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.
 4. If the Contract Documents establish an obligation of Contractor with respect to specific services, materials, or equipment, but do not expressly use any of the four words “furnish,” “install,” “perform,” or “provide,” then Contractor shall furnish and install said services, materials, or equipment complete and ready for intended use.
- F. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

ARTICLE 2 – PRELIMINARY MATTERS

2.01 *Delivery of Bonds and Evidence of Insurance*

- A. *Bonds*: When Contractor delivers the executed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner such bonds as Contractor may be required to furnish.
- B. *Evidence of Contractor’s Insurance*: When Contractor delivers the executed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner, with copies to each named insured and additional insured (as identified in the Supplementary Conditions or elsewhere in the Contract), the certificates and other evidence of insurance required to be provided by Contractor in accordance with Article 6.
- C. *Evidence of Owner’s Insurance*: After receipt of the executed counterparts of the Agreement and all required bonds and insurance documentation, Owner shall promptly deliver to Contractor, with copies to each named insured and additional insured (as identified in the Supplementary Conditions or otherwise), the certificates and other evidence of insurance required to be provided by Owner under Article 6.

2.02 *Copies of Documents*

- A. Owner shall furnish to Contractor four printed copies of the Contract (including one fully executed counterpart of the Agreement), and one copy in electronic portable document format (PDF). Additional printed copies will be furnished upon request at the cost of reproduction.
- B. Owner shall maintain and safeguard at least one original printed record version of the Contract, including Drawings and Specifications signed and sealed by Engineer and other design professionals. Owner shall make such original printed record version of the Contract available to Contractor for review. Owner may delegate the responsibilities under this provision to Engineer.

2.03 *Before Starting Construction*

- A. *Preliminary Schedules*: Within 10 days after the Effective Date of the Contract (or as otherwise specifically required by the Contract Documents), Contractor shall submit to Engineer for timely review:
 1. a preliminary Progress Schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract;
 2. a preliminary Schedule of Submittals; and

3. a preliminary Schedule of Values for all of the Work which includes quantities and prices of items which when added together equal the Contract Price and subdivides the Work into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

2.04 *Preconstruction Conference; Designation of Authorized Representatives*

- A. Before any Work at the Site is started, a conference attended by Owner, Contractor, Engineer, and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to in Paragraph 2.03.A, procedures for handling Shop Drawings, Samples, and other submittals, processing Applications for Payment, electronic or digital transmittals, and maintaining required records.
- B. At this conference Owner and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities under the Contract. Such individuals shall have the authority to transmit and receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

2.05 *Initial Acceptance of Schedules*

- A. At least 10 days before submission of the first Application for Payment a conference, attended by Contractor, Engineer, and others as appropriate, will be held to review for acceptability to Engineer as provided below the schedules submitted in accordance with Paragraph 2.03.A. Contractor shall have an additional 10 days to make corrections and adjustments and to complete and resubmit the schedules. No progress payment shall be made to Contractor until acceptable schedules are submitted to Engineer.
 1. The Progress Schedule will be acceptable to Engineer if it provides an orderly progression of the Work to completion within the Contract Times. Such acceptance will not impose on Engineer responsibility for the Progress Schedule, for sequencing, scheduling, or progress of the Work, nor interfere with or relieve Contractor from Contractor's full responsibility therefor.
 2. Contractor's Schedule of Submittals will be acceptable to Engineer if it provides a workable arrangement for reviewing and processing the required submittals.
 3. Contractor's Schedule of Values will be acceptable to Engineer as to form and substance if it provides a reasonable allocation of the Contract Price to the component parts of the Work.

2.06 *Electronic Transmittals*

- A. Except as otherwise stated elsewhere in the Contract, the Owner, Engineer, and Contractor may transmit, and shall accept, Project-related correspondence, text, data, documents, drawings, information, and graphics, including but not limited to Shop Drawings and other submittals, in electronic media or digital format, either directly, or through access to a secure Project website.
- B. If the Contract does not establish protocols for electronic or digital transmittals, then Owner, Engineer, and Contractor shall jointly develop such protocols.
- C. When transmitting items in electronic media or digital format, the transmitting party makes no representations as to long term compatibility, usability, or readability of the items resulting from the recipient's use of software application packages, operating systems, or

computer hardware differing from those used in the drafting or transmittal of the items, or from those established in applicable transmittal protocols.

ARTICLE 3 – DOCUMENTS: INTENT, REQUIREMENTS, REUSE

3.01 *Intent*

- A. The Contract Documents are complementary; what is required by one is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete project (or part thereof) to be constructed in accordance with the Contract Documents.
- C. Unless otherwise stated in the Contract Documents, if there is a discrepancy between the electronic or digital versions of the Contract Documents (including any printed copies derived from such electronic or digital versions) and the printed record version, the printed record version shall govern.
- D. The Contract supersedes prior negotiations, representations, and agreements, whether written or oral.
- E. Engineer will issue clarifications and interpretations of the Contract Documents as provided herein.

3.02 *Reference Standards*

- A. Standards Specifications, Codes, Laws and Regulations
 - 1. Reference in the Contract Documents to standard specifications, manuals, reference standards, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, shall mean the standard specification, manual, reference standard, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Contract if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
 - 2. No provision of any such standard specification, manual, reference standard, or code, or any instruction of a Supplier, shall be effective to change the duties or responsibilities of Owner, Contractor, or Engineer, or any of their subcontractors, consultants, agents, or employees, from those set forth in the part of the Contract Documents prepared by or for Engineer. No such provision or instruction shall be effective to assign to Owner, Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the part of the Contract Documents prepared by or for Engineer.

3.03 *Reporting and Resolving Discrepancies*

- A. *Reporting Discrepancies:*
 - 1. *Contractor's Verification of Figures and Field Measurements:* Before undertaking each part of the Work, Contractor shall carefully study the Contract Documents, and check and verify pertinent figures and dimensions therein, particularly with respect to applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error, ambiguity, or discrepancy that Contractor discovers, or has actual knowledge of, and shall not proceed with any Work affected thereby until the conflict,

error, ambiguity, or discrepancy is resolved, by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract Documents issued pursuant to Paragraph 11.01.

2. *Contractor's Review of Contract Documents:* If, before or during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) actual field conditions, (c) any standard specification, manual, reference standard, or code, or (d) any instruction of any Supplier, then Contractor shall promptly report it to Engineer in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 7.15) until the conflict, error, ambiguity, or discrepancy is resolved, by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract Documents issued pursuant to Paragraph 11.01.
 3. Contractor shall not be liable to Owner or Engineer for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.
- B. *Resolving Discrepancies:*
1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the part of the Contract Documents prepared by or for Engineer shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between such provisions of the Contract Documents and:
 - a. the provisions of any standard specification, manual, reference standard, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference as a Contract Document); or
 - b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

3.04 *Requirements of the Contract Documents*

- A. During the performance of the Work and until final payment, Contractor and Owner shall submit to the Engineer all matters in question concerning the requirements of the Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Contract Documents, as soon as possible after such matters arise. Engineer will be the initial interpreter of the requirements of the Contract Documents, and judge of the acceptability of the Work thereunder.
- B. Engineer will, with reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or initiate an amendment or supplement to the Contract Documents. Engineer's written clarification, interpretation, or decision will be final and binding on Contractor, unless it appeals by submitting a Change Proposal, and on Owner, unless it appeals by filing a Claim.
- C. If a submitted matter in question concerns terms and conditions of the Contract Documents that do not involve (1) the performance or acceptability of the Work under the Contract Documents, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, then Engineer will promptly give written notice to Owner and Contractor that Engineer is unable to provide a decision or interpretation. If Owner and Contractor are unable to agree on resolution of such a matter in question, either party may pursue resolution as provided in Article 12.

3.05 *Reuse of Documents*

- A. Contractor and its Subcontractors and Suppliers shall not:
1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or its consultants, including electronic media editions, or reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and Engineer and specific written verification or adaptation by Engineer; or
 2. have or acquire any title or ownership rights in any other Contract Documents, reuse any such Contract Documents for any purpose without Owner's express written consent, or violate any copyrights pertaining to such Contract Documents.
- B. The prohibitions of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein shall preclude Contractor from retaining copies of the Contract Documents for record purposes.

ARTICLE 4 – COMMENCEMENT AND PROGRESS OF THE WORK

4.01 *Commencement of Contract Times; Notice to Proceed*

- A. The Contract Times will commence to run on the thirtieth day after the Effective Date of the Contract or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Contract. In no event will the Contract Times commence to run later than the sixtieth day after the day of Bid opening or the thirtieth day after the Effective Date of the Contract, whichever date is earlier.

4.02 *Starting the Work*

- A. Contractor shall start to perform the Work on the date when the Contract Times commence to run. No Work shall be done at the Site prior to such date.

4.03 *Reference Points*

- A. Owner shall provide engineering surveys to establish reference points for construction which in Engineer's judgment are necessary to enable Contractor to proceed with the Work. Contractor shall be responsible for laying out the Work, shall protect and preserve the established reference points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Engineer whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

4.04 *Progress Schedule*

- A. Contractor shall adhere to the Progress Schedule established in accordance with Paragraph 2.05 as it may be adjusted from time to time as provided below.
1. Contractor shall submit to Engineer for acceptance (to the extent indicated in Paragraph 2.05) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times.

2. Proposed adjustments in the Progress Schedule that will change the Contract Times shall be submitted in accordance with the requirements of Article 11.

B. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, or during any appeal process, except as permitted by Paragraph 16.04, or as Owner and Contractor may otherwise agree in writing.

4.05 *Delays in Contractor's Progress*

A. If Owner, Engineer, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in the Contract Times and Contract Price. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.

B. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delay, disruption, or interference caused by or within the control of Contractor. Delay, disruption, and interference attributable to and within the control of a Subcontractor or Supplier shall be deemed to be within the control of Contractor.

C. If Contractor's performance or progress is delayed, disrupted, or interfered with by unanticipated causes not the fault of and beyond the control of Owner, Contractor, and those for which they are responsible, then Contractor shall be entitled to an equitable adjustment in Contract Times. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times. Such an adjustment shall be Contractor's sole and exclusive remedy for the delays, disruption, and interference described in this paragraph. Causes of delay, disruption, or interference that may give rise to an adjustment in Contract Times under this paragraph include but are not limited to the following:

1. severe and unavoidable natural catastrophes such as fires, floods, epidemics, and earthquakes;
2. abnormal weather conditions;
3. acts or failures to act of utility owners (other than those performing other work at or adjacent to the Site by arrangement with the Owner, as contemplated in Article 8); and
4. acts of war or terrorism.

D. Delays, disruption, and interference to the performance or progress of the Work resulting from the existence of a differing subsurface or physical condition, an Underground Facility that was not shown or indicated by the Contract Documents, or not shown or indicated with reasonable accuracy, and those resulting from Hazardous Environmental Conditions, are governed by Article 5.

E. Paragraph 8.03 governs delays, disruption, and interference to the performance or progress of the Work resulting from the performance of certain other work at or adjacent to the Site.

F. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for any delay, disruption, or interference if such delay is concurrent with a delay, disruption, or interference caused by or within the control of Contractor.

- G. Contractor must submit any Change Proposal seeking an adjustment in Contract Price or Contract Times under this paragraph within 30 days of the commencement of the delaying, disrupting, or interfering event.

ARTICLE 5 – AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS

5.01 *Availability of Lands*

- A. Owner shall furnish the Site. Owner shall notify Contractor of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work.
- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which permanent improvements are to be made and Owner's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.
- C. Contractor shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

5.02 *Use of Site and Other Areas*

A. *Limitation on Use of Site and Other Areas:*

1. Contractor shall confine construction equipment, temporary construction facilities, the storage of materials and equipment, and the operations of workers to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and such other adjacent areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for (a) damage to the Site; (b) damage to any such other adjacent areas used for Contractor's operations; (c) damage to any other adjacent land or areas; and (d) for injuries and losses sustained by the owners or occupants of any such land or areas; provided that such damage or injuries result from the performance of the Work or from other actions or conduct of the Contractor or those for which Contractor is responsible.
2. If a damage or injury claim is made by the owner or occupant of any such land or area because of the performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible, Contractor shall (a) take immediate corrective or remedial action as required by Paragraph 7.12, or otherwise; (b) promptly attempt to settle the claim as to all parties through negotiations with such owner or occupant, or otherwise resolve the claim by arbitration or other dispute resolution proceeding, or at law; and (c) to the fullest extent permitted by Laws and Regulations, indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against any such claim, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused directly or indirectly, in whole or in part

by, or based upon, Contractor's performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible.

- B. *Removal of Debris During Performance of the Work:* During the progress of the Work the Contractor shall keep the Site and other adjacent areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris shall conform to applicable Laws and Regulations.
- C. *Cleaning:* Prior to Substantial Completion of the Work Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work Contractor shall remove from the Site and adjacent areas all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.
- D. *Loading of Structures:* Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent structures or land to stresses or pressures that will endanger them.

5.03 *Subsurface and Physical Conditions*

- A. *Reports and Drawings:* The Supplementary Conditions identify:
 1. those reports known to Owner of explorations and tests of subsurface conditions at or adjacent to the Site;
 2. those drawings known to Owner of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities); and
 3. Technical Data contained in such reports and drawings.
- B. *Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely upon the accuracy of the Technical Data (as defined in Article 1) contained in any geotechnical or environmental report prepared for the Project and made available to Contractor. Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:
 1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
 2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
 3. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions, or information.

5.04 *Differing Subsurface or Physical Conditions*

- A. *Notice by Contractor:* If Contractor believes that any subsurface or physical condition that is uncovered or revealed at the Site either:
1. is of such a nature as to establish that any Technical Data on which Contractor is entitled to rely as provided in Paragraph 5.03 is materially inaccurate; or
 2. is of such a nature as to require a change in the Drawings or Specifications; or
 3. differs materially from that shown or indicated in the Contract Documents; or
 4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except with respect to an emergency) until receipt of a written statement permitting Contractor to do so.

- B. *Engineer's Review:* After receipt of written notice as required by the preceding paragraph, Engineer will promptly review the subsurface or physical condition in question; determine the necessity of Owner's obtaining additional exploration or tests with respect to the condition; conclude whether the condition falls within any one or more of the differing site condition categories in Paragraph 5.04.A above; obtain any pertinent cost or schedule information from Contractor; prepare recommendations to Owner regarding the Contractor's resumption of Work in connection with the subsurface or physical condition in question and the need for any change in the Drawings or Specifications; and advise Owner in writing of Engineer's findings, conclusions, and recommendations.
- C. *Owner's Statement to Contractor Regarding Site Condition:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the subsurface or physical condition in question, addressing the resumption of Work in connection with such condition, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations, in whole or in part.
- D. *Possible Price and Times Adjustments:*
1. Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times, or both, to the extent that the existence of a differing subsurface or physical condition, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:
 - a. such condition must fall within any one or more of the categories described in Paragraph 5.04.A;
 - b. with respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03; and,

- c. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.
2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times with respect to a subsurface or physical condition if:
 - a. Contractor knew of the existence of such condition at the time Contractor made a commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract, or otherwise; or
 - b. the existence of such condition reasonably could have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas expressly required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such commitment; or
 - c. Contractor failed to give the written notice as required by Paragraph 5.04.A.
 3. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, or both, then any such adjustment shall be set forth in a Change Order.
 4. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, or both, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the subsurface or physical condition in question.

5.05 *Underground Facilities*

- A. *Contractor's Responsibilities:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or adjacent to the Site is based on information and data furnished to Owner or Engineer by the owners of such Underground Facilities, including Owner, or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:
 1. Owner and Engineer do not warrant or guarantee the accuracy or completeness of any such information or data provided by others; and
 2. the cost of all of the following will be included in the Contract Price, and Contractor shall have full responsibility for:
 - a. reviewing and checking all information and data regarding existing Underground Facilities at the Site;
 - b. locating all Underground Facilities shown or indicated in the Contract Documents as being at the Site;
 - c. coordination of the Work with the owners (including Owner) of such Underground Facilities, during construction; and
 - d. the safety and protection of all existing Underground Facilities at the Site, and repairing any damage thereto resulting from the Work.
- B. *Notice by Contractor:* If Contractor believes that an Underground Facility that is uncovered or revealed at the Site was not shown or indicated in the Contract Documents, or was not shown or indicated with reasonable accuracy, then Contractor shall, promptly after

becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), identify the owner of such Underground Facility and give written notice to that owner and to Owner and Engineer.

- C. *Engineer's Review:* Engineer will promptly review the Underground Facility and conclude whether such Underground Facility was not shown or indicated in the Contract Documents, or was not shown or indicated with reasonable accuracy; obtain any pertinent cost or schedule information from Contractor; prepare recommendations to Owner regarding the Contractor's resumption of Work in connection with the Underground Facility in question; determine the extent, if any, to which a change is required in the Drawings or Specifications to reflect and document the consequences of the existence or location of the Underground Facility; and advise Owner in writing of Engineer's findings, conclusions, and recommendations. During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.
- D. *Owner's Statement to Contractor Regarding Underground Facility:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the Underground Facility in question, addressing the resumption of Work in connection with such Underground Facility, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations in whole or in part.
- E. *Possible Price and Times Adjustments:*
1. Contractor shall be entitled to an equitable adjustment in the Contract Price or Contract Times, or both, to the extent that any existing Underground Facility at the Site that was not shown or indicated in the Contract Documents, or was not shown or indicated with reasonable accuracy, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:
 - a. Contractor did not know of and could not reasonably have been expected to be aware of or to have anticipated the existence or actual location of the Underground Facility in question;
 - b. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03;
 - c. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times; and
 - d. Contractor gave the notice required in Paragraph 5.05.B.
 2. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, or both, then any such adjustment shall be set forth in a Change Order.
 3. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, or both, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the Underground Facility in question.

5.06 *Hazardous Environmental Conditions at Site*

- A. *Reports and Drawings*: The Supplementary Conditions identify:
1. those reports and drawings known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site; and
 2. Technical Data contained in such reports and drawings.
- B. *Reliance by Contractor on Technical Data Authorized*: Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely on the accuracy of the Technical Data (as defined in Article 1) contained in any geotechnical or environmental report prepared for the Project and made available to Contractor. Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:
1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor and safety precautions and programs incident thereto; or
 2. other data, interpretations, opinions and information contained in such reports or shown or indicated in such drawings; or
 3. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions or information.
- C. Contractor shall not be responsible for removing or remediating any Hazardous Environmental Condition encountered, uncovered, or revealed at the Site unless such removal or remediation is expressly identified in the Contract Documents to be within the scope of the Work.
- D. Contractor shall be responsible for controlling, containing, and duly removing all Constituents of Concern brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible, and for any associated costs; and for the costs of removing and remediating any Hazardous Environmental Condition created by the presence of any such Constituents of Concern.
- E. If Contractor encounters, uncovers, or reveals a Hazardous Environmental Condition whose removal or remediation is not expressly identified in the Contract Documents as being within the scope of the Work, or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, then Contractor shall immediately: (1) secure or otherwise isolate such condition; (2) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 7.15); and (3) notify Owner and Engineer (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any. Promptly after consulting with Engineer, Owner shall take such actions as are necessary to permit Owner to timely obtain required permits and provide Contractor the written notice required by Paragraph 5.06.F. If Contractor or anyone for whom Contractor is responsible created the Hazardous Environmental Condition in question, then Owner may remove and remediate the Hazardous Environmental Condition, and impose a set-off against payments to account for the associated costs.

- F. Contractor shall not resume Work in connection with such Hazardous Environmental Condition or in any affected area until after Owner has obtained any required permits related thereto, and delivered written notice to Contractor either (1) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work, or (2) specifying any special conditions under which such Work may be resumed safely.
- G. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, or both, as a result of such Work stoppage or such special conditions under which Work is agreed to be resumed by Contractor, then within 30 days of Owner's written notice regarding the resumption of Work, Contractor may submit a Change Proposal, or Owner may impose a set-off.
- H. If after receipt of such written notice Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work, following the contractual change procedures in Article 11. Owner may have such deleted portion of the Work performed by Owner's own forces or others in accordance with Article 8.
- I. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition (1) was not shown or indicated in the Drawings, Specifications, or other Contract Documents, identified as Technical Data entitled to limited reliance pursuant to Paragraph 5.06.B, or identified in the Contract Documents to be included within the scope of the Work, and (2) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.H shall obligate Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- J. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the failure to control, contain, or remove a Constituent of Concern brought to the Site by Contractor or by anyone for whom Contractor is responsible, or to a Hazardous Environmental Condition created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.J shall obligate Contractor to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- K. The provisions of Paragraphs 5.03, 5.04, and 5.05 do not apply to the presence of Constituents of Concern or to a Hazardous Environmental Condition uncovered or revealed at the Site.

ARTICLE 6 – BONDS AND INSURANCE

6.01 *Performance, Payment, and Other Bonds*

- A. Contractor shall furnish a performance bond and a payment bond, each in an amount at least equal to the Contract Price, as security for the faithful performance and payment of all of Contractor's obligations under the Contract. These bonds shall remain in effect until one year after the date when final payment becomes due or until completion of the correction period specified in Paragraph 15.08, whichever is later, except as provided otherwise by Laws or Regulations, the Supplementary Conditions, or other specific provisions of the Contract. Contractor shall also furnish such other bonds as are required by the Supplementary Conditions or other specific provisions of the Contract.
- B. All bonds shall be in the form prescribed by the Contract except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (as amended and supplemented) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury. A bond signed by an agent or attorney-in-fact must be accompanied by a certified copy of that individual's authority to bind the surety. The evidence of authority shall show that it is effective on the date the agent or attorney-in-fact signed the accompanying bond.
- C. Contractor shall obtain the required bonds from surety companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue bonds in the required amounts.
- D. If the surety on a bond furnished by Contractor is declared bankrupt or becomes insolvent, or its right to do business is terminated in any state or jurisdiction where any part of the Project is located, or the surety ceases to meet the requirements above, then Contractor shall promptly notify Owner and Engineer and shall, within 20 days after the event giving rise to such notification, provide another bond and surety, both of which shall comply with the bond and surety requirements above.
- E. If Contractor has failed to obtain a required bond, Owner may exclude the Contractor from the Site and exercise Owner's termination rights under Article 16.
- F. Upon request, Owner shall provide a copy of the payment bond to any Subcontractor, Supplier, or other person or entity claiming to have furnished labor or materials used in the performance of the Work.

6.02 *Insurance—General Provisions*

- A. Owner and Contractor shall obtain and maintain insurance as required in this Article and in the Supplementary Conditions.
- B. All insurance required by the Contract to be purchased and maintained by Owner or Contractor shall be obtained from insurance companies that are duly licensed or authorized, in the state or jurisdiction in which the Project is located, to issue insurance policies for the required limits and coverages. Unless a different standard is indicated in the Supplementary Conditions, all companies that provide insurance policies required under this Contract shall have an A.M. Best rating of A-VII or better.
- C. Contractor shall deliver to Owner, with copies to each named insured and additional insured (as identified in this Article, in the Supplementary Conditions, or elsewhere in the Contract), certificates of insurance establishing that Contractor has obtained and is

maintaining the policies, coverages, and endorsements required by the Contract. Upon request by Owner or any other insured, Contractor shall also furnish other evidence of such required insurance, including but not limited to copies of policies and endorsements, and documentation of applicable self-insured retentions and deductibles. Contractor may block out (redact) any confidential premium or pricing information contained in any policy or endorsement furnished under this provision.

- D. Owner shall deliver to Contractor, with copies to each named insured and additional insured (as identified in this Article, the Supplementary Conditions, or elsewhere in the Contract), certificates of insurance establishing that Owner has obtained and is maintaining the policies, coverages, and endorsements required of Owner by the Contract (if any). Upon request by Contractor or any other insured, Owner shall also provide other evidence of such required insurance (if any), including but not limited to copies of policies and endorsements, and documentation of applicable self-insured retentions and deductibles. Owner may block out (redact) any confidential premium or pricing information contained in any policy or endorsement furnished under this provision.
- E. Failure of Owner or Contractor to demand such certificates or other evidence of the other party's full compliance with these insurance requirements, or failure of Owner or Contractor to identify a deficiency in compliance from the evidence provided, shall not be construed as a waiver of the other party's obligation to obtain and maintain such insurance.
- F. If either party does not purchase or maintain all of the insurance required of such party by the Contract, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage.
- G. If Contractor has failed to obtain and maintain required insurance, Owner may exclude the Contractor from the Site, impose an appropriate set-off against payment, and exercise Owner's termination rights under Article 16.
- H. Without prejudice to any other right or remedy, if a party has failed to obtain required insurance, the other party may elect to obtain equivalent insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and the Contract Price shall be adjusted accordingly.
- I. Owner does not represent that insurance coverage and limits established in this Contract necessarily will be adequate to protect Contractor or Contractor's interests.
- J. The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the indemnities granted to Owner and other individuals and entities in the Contract.

6.03 Contractor's Insurance

- A. *Workers' Compensation:* Contractor shall purchase and maintain workers' compensation and employer's liability insurance for:
 1. claims under workers' compensation, disability benefits, and other similar employee benefit acts.
 2. United States Longshoreman and Harbor Workers' Compensation Act and Jones Act coverage (if applicable).
 3. claims for damages because of bodily injury, occupational sickness or disease, or death of Contractor's employees (by stop-gap endorsement in monopolist worker's compensation states).

4. Foreign voluntary worker compensation (if applicable).
- B. *Commercial General Liability—Claims Covered:* Contractor shall purchase and maintain commercial general liability insurance, covering all operations by or on behalf of Contractor, on an occurrence basis, against:
1. claims for damages because of bodily injury, sickness or disease, or death of any person other than Contractor's employees.
 2. claims for damages insured by reasonably available personal injury liability coverage.
 3. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom.
- C. *Commercial General Liability—Form and Content:* Contractor's commercial liability policy shall be written on a 1996 (or later) ISO commercial general liability form (occurrence form) and include the following coverages and endorsements:
1. Products and completed operations coverage:
 - a. Such insurance shall be maintained for three years after final payment.
 - b. Contractor shall furnish Owner and each other additional insured (as identified in the Supplementary Conditions or elsewhere in the Contract) evidence of continuation of such insurance at final payment and three years thereafter.
 2. Blanket contractual liability coverage, to the extent permitted by law, including but not limited to coverage of Contractor's contractual indemnity obligations in Paragraph 7.18.
 3. Broad form property damage coverage.
 4. Severability of interest.
 5. Underground, explosion, and collapse coverage.
 6. Personal injury coverage.
 7. Additional insured endorsements that include both ongoing operations and products and completed operations coverage through ISO Endorsements CG 20 10 10 01 and CG 20 37 10 01 (together); or CG 20 10 07 04 and CG 20 37 07 04 (together); or their equivalent.
 8. For design professional additional insureds, ISO Endorsement CG 20 32 07 04, "Additional Insured—Engineers, Architects or Surveyors Not Engaged by the Named Insured" or its equivalent.
- D. *Automobile liability:* Contractor shall purchase and maintain automobile liability insurance against claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle. The automobile liability policy shall be written on an occurrence basis.
- E. *Umbrella or excess liability:* Contractor shall purchase and maintain umbrella or excess liability insurance written over the underlying employer's liability, commercial general liability, and automobile liability insurance described in the paragraphs above. Subject to industry-standard exclusions, the coverage afforded shall follow form as to each and every one of the underlying policies.

- F. *Contractor's pollution liability insurance*: Contractor shall purchase and maintain a policy covering third-party injury and property damage claims, including clean-up costs, as a result of pollution conditions arising from Contractor's operations and completed operations. This insurance shall be maintained for no less than three years after final completion.
- G. *Additional insureds*: The Contractor's commercial general liability, automobile liability, umbrella or excess, and pollution liability policies shall include and list as additional insureds Owner and Engineer, and any individuals or entities identified in the Supplementary Conditions; include coverage for the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of all such additional insureds; and the insurance afforded to these additional insureds shall provide primary coverage for all claims covered thereby (including as applicable those arising from both ongoing and completed operations) on a non-contributory basis. Contractor shall obtain all necessary endorsements to support these requirements.
- H. *Contractor's professional liability insurance*: If Contractor will provide or furnish professional services under this Contract, through a delegation of professional design services or otherwise, then Contractor shall be responsible for purchasing and maintaining applicable professional liability insurance. This insurance shall provide protection against claims arising out of performance of professional design or related services, and caused by a negligent error, omission, or act for which the insured party is legally liable. It shall be maintained throughout the duration of the Contract and for a minimum of two years after Substantial Completion. If such professional design services are performed by a Subcontractor, and not by Contractor itself, then the requirements of this paragraph may be satisfied through the purchasing and maintenance of such insurance by such Subcontractor.
- I. *General provisions*: The policies of insurance required by this Paragraph 6.03 shall:
1. include at least the specific coverages provided in this Article.
 2. be written for not less than the limits of liability provided in this Article and in the Supplementary Conditions, or required by Laws or Regulations, whichever is greater.
 3. contain a provision or endorsement that the coverage afforded will not be canceled, materially changed, or renewal refused until at least 10 days prior written notice has been given to Contractor. Within three days of receipt of any such written notice, Contractor shall provide a copy of the notice to Owner, Engineer, and each other insured under the policy.
 4. remain in effect at least until final payment (and longer if expressly required in this Article) and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work as a warranty or correction obligation, or otherwise, or returning to the Site to conduct other tasks arising from the Contract Documents.
 5. be appropriate for the Work being performed and provide protection from claims that may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable.
- J. The coverage requirements for specific policies of insurance must be met by such policies, and not by reference to excess or umbrella insurance provided in other policies.

6.04 *Owner's Liability Insurance*

- A. In addition to the insurance required to be provided by Contractor under Paragraph 6.03, Owner, at Owner's option, may purchase and maintain at Owner's expense Owner's own liability insurance as will protect Owner against claims which may arise from operations under the Contract Documents.
- B. Owner's liability policies, if any, operate separately and independently from policies required to be provided by Contractor, and Contractor cannot rely upon Owner's liability policies for any of Contractor's obligations to the Owner, Engineer, or third parties.

6.05 *Property Insurance*

- A. *Builder's Risk:* Unless otherwise provided in the Supplementary Conditions, Contractor shall purchase and maintain builder's risk insurance upon the Work on a completed value basis, in the amount of the full insurable replacement cost thereof (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). This insurance shall:
 1. include the Owner and Contractor as named insureds, and all Subcontractors, and any individuals or entities required by the Supplementary Conditions to be insured under such builder's risk policy, as insureds or named insureds. For purposes of the remainder of this Paragraph 6.05, Paragraphs 6.06 and 6.07, and any corresponding Supplementary Conditions, the parties required to be insured shall collectively be referred to as "insureds."
 2. be written on a builder's risk "all risk" policy form that shall at least include insurance for physical loss or damage to the Work, temporary buildings, falsework, and materials and equipment in transit, and shall insure against at least the following perils or causes of loss: fire; lightning; windstorm; riot; civil commotion; terrorism; vehicle impact; aircraft; smoke; theft; vandalism and malicious mischief; mechanical breakdown, boiler explosion, and artificially generated electric current; earthquake; volcanic activity, and other earth movement; flood; collapse; explosion; debris removal; demolition occasioned by enforcement of Laws and Regulations; water damage (other than that caused by flood); and such other perils or causes of loss as may be specifically required by the Supplementary Conditions. If insurance against mechanical breakdown, boiler explosion, and artificially generated electric current; earthquake; volcanic activity, and other earth movement; or flood, are not commercially available under builder's risk policies, by endorsement or otherwise, such insurance may be provided through other insurance policies acceptable to Owner and Contractor.
 3. cover, as insured property, at least the following: (a) the Work and all materials, supplies, machinery, apparatus, equipment, fixtures, and other property of a similar nature that are to be incorporated into or used in the preparation, fabrication, construction, erection, or completion of the Work, including Owner-furnished or assigned property; (b) spare parts inventory required within the scope of the Contract; and (c) temporary works which are not intended to form part of the permanent constructed Work but which are intended to provide working access to the Site, or to the Work under construction, or which are intended to provide temporary support for the Work under construction, including scaffolding, form work, fences, shoring, falsework, and temporary structures.
 4. cover expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects).

5. extend to cover damage or loss to insured property while in temporary storage at the Site or in a storage location outside the Site (but not including property stored at the premises of a manufacturer or Supplier).
 6. extend to cover damage or loss to insured property while in transit.
 7. allow for partial occupation or use of the Work by Owner, such that those portions of the Work that are not yet occupied or used by Owner shall remain covered by the builder's risk insurance.
 8. allow for the waiver of the insurer's subrogation rights, as set forth below.
 9. provide primary coverage for all losses and damages caused by the perils or causes of loss covered.
 10. not include a co-insurance clause.
 11. include an exception for ensuing losses from physical damage or loss with respect to any defective workmanship, design, or materials exclusions.
 12. include performance/hot testing and start-up.
 13. be maintained in effect, subject to the provisions herein regarding Substantial Completion and partial occupancy or use of the Work by Owner, until the Work is complete.
- B. *Notice of Cancellation or Change:* All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained in accordance with this Paragraph 6.05 will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least 10 days prior written notice has been given to the purchasing policyholder. Within three days of receipt of any such written notice, the purchasing policyholder shall provide a copy of the notice to each other insured.
- C. *Deductibles:* The purchaser of any required builder's risk or property insurance shall pay for costs not covered because of the application of a policy deductible.
- D. *Partial Occupancy or Use by Owner:* If Owner will occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work as provided in Paragraph 15.04, then Owner (directly, if it is the purchaser of the builder's risk policy, or through Contractor) will provide notice of such occupancy or use to the builder's risk insurer. The builder's risk insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy; rather, those portions of the Work that are occupied or used by Owner may come off the builder's risk policy, while those portions of the Work not yet occupied or used by Owner shall remain covered by the builder's risk insurance.
- E. *Additional Insurance:* If Contractor elects to obtain other special insurance to be included in or supplement the builder's risk or property insurance policies provided under this Paragraph 6.05, it may do so at Contractor's expense.
- F. *Insurance of Other Property:* If the express insurance provisions of the Contract do not require or address the insurance of a property item or interest, such as tools, construction equipment, or other personal property owned by Contractor, a Subcontractor, or an employee of Contractor or a Subcontractor, then the entity or individual owning such property item will be responsible for deciding whether to insure it, and if so in what amount.

6.06 Waiver of Rights

- A. All policies purchased in accordance with Paragraph 6.05, expressly including the builder's risk policy, shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any insureds thereunder, or against Engineer or its consultants, or their officers, directors, members, partners, employees, agents, consultants, or subcontractors. Owner and Contractor waive all rights against each other and the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Engineer, its consultants, all Subcontractors, all individuals or entities identified in the Supplementary Conditions as insureds, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, under such policies for losses and damages so caused. None of the above waivers shall extend to the rights that any party making such waiver may have to the proceeds of insurance held by Owner or Contractor as trustee or fiduciary, or otherwise payable under any policy so issued.
- B. Owner waives all rights against Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, for:
1. loss due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by, arising out of, or resulting from fire or other perils whether or not insured by Owner; and
 2. loss or damage to the completed Project or part thereof caused by, arising out of, or resulting from fire or other insured peril or cause of loss covered by any property insurance maintained on the completed Project or part thereof by Owner during partial occupancy or use pursuant to Paragraph 15.04, after Substantial Completion pursuant to Paragraph 15.03, or after final payment pursuant to Paragraph 15.06.
- C. Any insurance policy maintained by Owner covering any loss, damage or consequential loss referred to in Paragraph 6.06.B shall contain provisions to the effect that in the event of payment of any such loss, damage, or consequential loss, the insurers will have no rights of recovery against Contractor, Subcontractors, or Engineer, or the officers, directors, members, partners, employees, agents, consultants, or subcontractors of each and any of them.
- D. Contractor shall be responsible for assuring that the agreement under which a Subcontractor performs a portion of the Work contains provisions whereby the Subcontractor waives all rights against Owner, Contractor, all individuals or entities identified in the Supplementary Conditions as insureds, the Engineer and its consultants, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, relating to, or resulting from any of the perils or causes of loss covered by builder's risk insurance and any other property insurance applicable to the Work.

6.07 *Receipt and Application of Property Insurance Proceeds*

- A. Any insured loss under the builder's risk and other policies of insurance required by Paragraph 6.05 will be adjusted and settled with the named insured that purchased the policy. Such named insured shall act as fiduciary for the other insureds, and give notice to such other insureds that adjustment and settlement of a claim is in progress. Any other insured may state its position regarding a claim for insured loss in writing within 15 days after notice of such claim.
- B. Proceeds for such insured losses may be made payable by the insurer either jointly to multiple insureds, or to the named insured that purchased the policy in its own right and as fiduciary for other insureds, subject to the requirements of any applicable mortgage clause. A named insured receiving insurance proceeds under the builder's risk and other policies of insurance required by Paragraph 6.05 shall distribute such proceeds in accordance with such agreement as the parties in interest may reach, or as otherwise required under the dispute resolution provisions of this Contract or applicable Laws and Regulations.
- C. If no other special agreement is reached, the damaged Work shall be repaired or replaced, the money so received applied on account thereof, and the Work and the cost thereof covered by Change Order, if needed.

ARTICLE 7 – CONTRACTOR'S RESPONSIBILITIES

7.01 *Supervision and Superintendence*

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction.
- B. At all times during the progress of the Work, Contractor shall assign a competent resident superintendent who shall not be replaced without written notice to Owner and Engineer except under extraordinary circumstances.

7.02 *Labor; Working Hours*

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall at all times maintain good discipline and order at the Site.
- B. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours, Monday through Friday. Contractor will not perform Work on a Saturday, Sunday, or any legal holiday. Contractor may perform Work outside regular working hours or on Saturdays, Sundays, or legal holidays only with Owner's written consent, which will not be unreasonably withheld.

7.03 *Services, Materials, and Equipment*

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and

incidentals necessary for the performance, testing, start up, and completion of the Work, whether or not such items are specifically called for in the Contract Documents.

- B. All materials and equipment incorporated into the Work shall be of good quality and new, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications shall expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

7.04 "Or Equals"

- A. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the Contract Price has been based upon Contractor furnishing such item as specified. The specification or description of such an item is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or equal" item is permitted, Contractor may request that Engineer authorize the use of other items of material or equipment, or items from other proposed suppliers under the circumstances described below.
 - 1. If Engineer in its sole discretion determines that an item of material or equipment proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, Engineer shall deem it an "or equal" item. For the purposes of this paragraph, a proposed item of material or equipment will be considered functionally equal to an item so named if:
 - a. in the exercise of reasonable judgment Engineer determines that:
 - 1) it is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;
 - 2) it will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole;
 - 3) it has a proven record of performance and availability of responsive service; and
 - 4) it is not objectionable to Owner.
 - b. Contractor certifies that, if approved and incorporated into the Work:
 - 1) there will be no increase in cost to the Owner or increase in Contract Times; and
 - 2) it will conform substantially to the detailed requirements of the item named in the Contract Documents.
- B. *Contractor's Expense:* Contractor shall provide all data in support of any proposed "or equal" item at Contractor's expense.

- C. *Engineer's Evaluation and Determination:* Engineer will be allowed a reasonable time to evaluate each "or-equal" request. Engineer may require Contractor to furnish additional data about the proposed "or-equal" item. Engineer will be the sole judge of acceptability. No "or-equal" item will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an "or-equal", which will be evidenced by an approved Shop Drawing or other written communication. Engineer will advise Contractor in writing of any negative determination.
- D. *Effect of Engineer's Determination:* Neither approval nor denial of an "or-equal" request shall result in any change in Contract Price. The Engineer's denial of an "or-equal" request shall be final and binding, and may not be reversed through an appeal under any provision of the Contract Documents.
- E. *Treatment as a Substitution Request:* If Engineer determines that an item of material or equipment proposed by Contractor does not qualify as an "or-equal" item, Contractor may request that Engineer considered the proposed item as a substitute pursuant to Paragraph 7.05.

7.05 *Substitutes*

- A. Unless the specification or description of an item of material or equipment required to be furnished under the Contract Documents contains or is followed by words reading that no substitution is permitted, Contractor may request that Engineer authorize the use of other items of material or equipment under the circumstances described below. To the extent possible such requests shall be made before commencement of related construction at the Site.
 - 1. Contractor shall submit sufficient information as provided below to allow Engineer to determine if the item of material or equipment proposed is functionally equivalent to that named and an acceptable substitute therefor. Engineer will not accept requests for review of proposed substitute items of material or equipment from anyone other than Contractor.
 - 2. The requirements for review by Engineer will be as set forth in Paragraph 7.05.B, as supplemented by the Specifications, and as Engineer may decide is appropriate under the circumstances.
 - 3. Contractor shall make written application to Engineer for review of a proposed substitute item of material or equipment that Contractor seeks to furnish or use. The application:
 - a. shall certify that the proposed substitute item will:
 - 1) perform adequately the functions and achieve the results called for by the general design,
 - 2) be similar in substance to that specified, and
 - 3) be suited to the same use as that specified.
 - b. will state:
 - 1) the extent, if any, to which the use of the proposed substitute item will necessitate a change in Contract Times,

- 2) whether use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with Owner for other work on the Project) to adapt the design to the proposed substitute item, and
 - 3) whether incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty.
- c. will identify:
- 1) all variations of the proposed substitute item from that specified, and
 - 2) available engineering, sales, maintenance, repair, and replacement services.
- d. shall contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including but not limited to changes in Contract Price, shared savings, costs of redesign, and claims of other contractors affected by any resulting change.
- B. *Engineer's Evaluation and Determination:* Engineer will be allowed a reasonable time to evaluate each substitute request, and to obtain comments and direction from Owner. Engineer may require Contractor to furnish additional data about the proposed substitute item. Engineer will be the sole judge of acceptability. No substitute will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an acceptable substitute. Engineer's determination will be evidenced by a Field Order or a proposed Change Order accounting for the substitution itself and all related impacts, including changes in Contract Price or Contract Times. Engineer will advise Contractor in writing of any negative determination.
- C. *Special Guarantee:* Owner may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- D. *Reimbursement of Engineer's Cost:* Engineer will record Engineer's costs in evaluating a substitute proposed or submitted by Contractor. Whether or not Engineer approves a substitute so proposed or submitted by Contractor, Contractor shall reimburse Owner for the reasonable charges of Engineer for evaluating each such proposed substitute. Contractor shall also reimburse Owner for the reasonable charges of Engineer for making changes in the Contract Documents (or in the provisions of any other direct contract with Owner) resulting from the acceptance of each proposed substitute.
- E. *Contractor's Expense:* Contractor shall provide all data in support of any proposed substitute at Contractor's expense.
- F. *Effect of Engineer's Determination:* If Engineer approves the substitution request, Contractor shall execute the proposed Change Order and proceed with the substitution. The Engineer's denial of a substitution request shall be final and binding, and may not be reversed through an appeal under any provision of the Contract Documents. Contractor may challenge the scope of reimbursement costs imposed under Paragraph 7.05.D, by timely submittal of a Change Proposal.

7.06 *Concerning Subcontractors, Suppliers, and Others*

- A. Contractor may retain Subcontractors and Suppliers for the performance of parts of the Work. Such Subcontractors and Suppliers must be acceptable to Owner.
- B. Contractor shall retain specific Subcontractors, Suppliers, or other individuals or entities for the performance of designated parts of the Work if required by the Contract to do so.

- C. Subsequent to the submittal of Contractor's Bid or final negotiation of the terms of the Contract, Owner may not require Contractor to retain any Subcontractor, Supplier, or other individual or entity to furnish or perform any of the Work against which Contractor has reasonable objection.
- D. Prior to entry into any binding subcontract or purchase order, Contractor shall submit to Owner the identity of the proposed Subcontractor or Supplier (unless Owner has already deemed such proposed Subcontractor or Supplier acceptable, during the bidding process or otherwise). Such proposed Subcontractor or Supplier shall be deemed acceptable to Owner unless Owner raises a substantive, reasonable objection within five days.
- E. Owner may require the replacement of any Subcontractor, Supplier, or other individual or entity retained by Contractor to perform any part of the Work. Owner also may require Contractor to retain specific replacements; provided, however, that Owner may not require a replacement to which Contractor has a reasonable objection. If Contractor has submitted the identity of certain Subcontractors, Suppliers, or other individuals or entities for acceptance by Owner, and Owner has accepted it (either in writing or by failing to make written objection thereto), then Owner may subsequently revoke the acceptance of any such Subcontractor, Supplier, or other individual or entity so identified solely on the basis of substantive, reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor, Supplier, or other individual or entity.
- F. If Owner requires the replacement of any Subcontractor, Supplier, or other individual or entity retained by Contractor to perform any part of the Work, then Contractor shall be entitled to an adjustment in Contract Price or Contract Times, or both, with respect to the replacement; and Contractor shall initiate a Change Proposal for such adjustment within 30 days of Owner's requirement of replacement.
- G. No acceptance by Owner of any such Subcontractor, Supplier, or other individual or entity, whether initially or as a replacement, shall constitute a waiver of the right of Owner to the completion of the Work in accordance with the Contract Documents.
- H. On a monthly basis Contractor shall submit to Engineer a complete list of all Subcontractors and Suppliers having a direct contract with Contractor, and of all other Subcontractors and Suppliers known to Contractor at the time of submittal.
- I. Contractor shall be fully responsible to Owner and Engineer for all acts and omissions of the Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work just as Contractor is responsible for Contractor's own acts and omissions.
- J. Contractor shall be solely responsible for scheduling and coordinating the work of Subcontractors, Suppliers, and all other individuals or entities performing or furnishing any of the Work.
- K. Contractor shall restrict all Subcontractors, Suppliers, and such other individuals or entities performing or furnishing any of the Work from communicating with Engineer or Owner, except through Contractor or in case of an emergency, or as otherwise expressly allowed herein.
- L. The divisions and sections of the Specifications and the identifications of any Drawings shall not control Contractor in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.

- M. All Work performed for Contractor by a Subcontractor or Supplier shall be pursuant to an appropriate contractual agreement that specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract Documents for the benefit of Owner and Engineer.
- N. Owner may furnish to any Subcontractor or Supplier, to the extent practicable, information about amounts paid to Contractor on account of Work performed for Contractor by the particular Subcontractor or Supplier.
- O. Nothing in the Contract Documents:
 1. shall create for the benefit of any such Subcontractor, Supplier, or other individual or entity any contractual relationship between Owner or Engineer and any such Subcontractor, Supplier, or other individual or entity; nor
 2. shall create any obligation on the part of Owner or Engineer to pay or to see to the payment of any money due any such Subcontractor, Supplier, or other individual or entity except as may otherwise be required by Laws and Regulations.

7.07 *Patent Fees and Royalties*

- A. Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if, to the actual knowledge of Owner or Engineer, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by Owner in the Contract Documents.
- B. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, and its officers, directors, members, partners, employees, agents, consultants, and subcontractors from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device specified in the Contract Documents, but not identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.
- C. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents.

7.08 *Permits*

- A. Unless otherwise provided in the Contract Documents, Contractor shall obtain and pay for all construction permits and licenses. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and

inspection fees necessary for the prosecution of the Work which are applicable at the time of the submission of Contractor's Bid (or when Contractor became bound under a negotiated contract). Owner shall pay all charges of utility owners for connections for providing permanent service to the Work

7.09 *Taxes*

- A. Contractor shall pay all sales, consumer, use, and other similar taxes required to be paid by Contractor in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

7.10 *Laws and Regulations*

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work or takes any other action knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all resulting costs and losses, and shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work or other action. It shall not be Contractor's responsibility to make certain that the Work described in the Contract Documents is in accordance with Laws and Regulations, but this shall not relieve Contractor of Contractor's obligations under Paragraph 3.03.
- C. Owner or Contractor may give notice to the other party of any changes after the submission of Contractor's Bid (or after the date when Contractor became bound under a negotiated contract) in Laws or Regulations having an effect on the cost or time of performance of the Work, including but not limited to changes in Laws or Regulations having an effect on procuring permits and on sales, use, value-added, consumption, and other similar taxes. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times resulting from such changes, then within 30 days of such notice Contractor may submit a Change Proposal, or Owner may initiate a Claim.

7.11 *Record Documents*

- A. Contractor shall maintain in a safe place at the Site one printed record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, written interpretations and clarifications, and approved Shop Drawings. Contractor shall keep such record documents in good order and annotate them to show changes made during construction. These record documents, together with all approved Samples, will be available to Engineer for reference. Upon completion of the Work, Contractor shall deliver these record documents to Engineer.

7.12 *Safety and Protection*

- A. Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. Such responsibility does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with applicable safety Laws and Regulations.

Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:

1. all persons on the Site or who may be affected by the Work;
 2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
 3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.
- B. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. Contractor shall notify Owner; the owners of adjacent property, Underground Facilities, and other utilities; and other contractors and utility owners performing work at or adjacent to the Site, when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property or work in progress.
- C. Contractor shall comply with the applicable requirements of Owner's safety programs, if any. The Supplementary Conditions identify any Owner's safety programs that are applicable to the Work.
- D. Contractor shall inform Owner and Engineer of the specific requirements of Contractor's safety program with which Owner's and Engineer's employees and representatives must comply while at the Site.
- E. All damage, injury, or loss to any property referred to in Paragraph 7.12.A.2 or 7.12.A.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by Contractor at its expense (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of Owner or Engineer or anyone employed by any of them, or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them).
- F. Contractor's duties and responsibilities for safety and protection shall continue until such time as all the Work is completed and Engineer has issued a notice to Owner and Contractor in accordance with Paragraph 15.06.B that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).
- G. Contractor's duties and responsibilities for safety and protection shall resume whenever Contractor or any Subcontractor or Supplier returns to the Site to fulfill warranty or correction obligations, or to conduct other tasks arising from the Contract Documents.

7.13 *Safety Representative*

- A. Contractor shall designate a qualified and experienced safety representative at the Site whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

7.14 Hazard Communication Programs

- A. Contractor shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

7.15 Emergencies

- A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to act to prevent threatened damage, injury, or loss. Contractor shall give Engineer prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby or are required as a result thereof. If Engineer determines that a change in the Contract Documents is required because of the action taken by Contractor in response to such an emergency, a Work Change Directive or Change Order will be issued.

7.16 Shop Drawings, Samples, and Other Submittals

A. Shop Drawing and Sample Submittal Requirements:

1. Before submitting a Shop Drawing or Sample, Contractor shall have:
 - a. reviewed and coordinated the Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;
 - b. determined and verified all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect thereto;
 - c. determined and verified the suitability of all materials and equipment offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and
 - d. determined and verified all information relative to Contractor's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto.
2. Each submittal shall bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review of that submittal, and that Contractor approves the submittal.
3. With each submittal, Contractor shall give Engineer specific written notice of any variations that the Shop Drawing or Sample may have from the requirements of the Contract Documents. This notice shall be set forth in a written communication separate from the Shop Drawings or Sample submittal; and, in addition, in the case of Shop Drawings by a specific notation made on each Shop Drawing submitted to Engineer for review and approval of each such variation.

- B. *Submittal Procedures for Shop Drawings and Samples:* Contractor shall submit Shop Drawings and Samples to Engineer for review and approval in accordance with the accepted Schedule of Submittals. Each submittal will be identified as Engineer may require.

1. Shop Drawings:

- a. Contractor shall submit the number of copies required in the Specifications.

- b. Data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Engineer the services, materials, and equipment Contractor proposes to provide and to enable Engineer to review the information for the limited purposes required by Paragraph 7.16.D.
2. *Samples:*
 - a. Contractor shall submit the number of Samples required in the Specifications.
 - b. Contractor shall clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as Engineer may require to enable Engineer to review the submittal for the limited purposes required by Paragraph 7.16.D.
 3. Where a Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Engineer's review and approval of the pertinent submittal will be at the sole expense and responsibility of Contractor.
- C. *Other Submittals:* Contractor shall submit other submittals to Engineer in accordance with the accepted Schedule of Submittals, and pursuant to the applicable terms of the Specifications.
- D. *Engineer's Review:*
1. Engineer will provide timely review of Shop Drawings and Samples in accordance with the Schedule of Submittals acceptable to Engineer. Engineer's review and approval will be only to determine if the items covered by the submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
 2. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions or programs incident thereto.
 3. Engineer's review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.
 4. Engineer's review and approval of a Shop Drawing or Sample shall not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 7.16.A.3 and Engineer has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample. Engineer will document any such approved variation from the requirements of the Contract Documents in a Field Order.
 5. Engineer's review and approval of a Shop Drawing or Sample shall not relieve Contractor from responsibility for complying with the requirements of Paragraph 7.16.A and B.
 6. Engineer's review and approval of a Shop Drawing or Sample, or of a variation from the requirements of the Contract Documents, shall not, under any circumstances, change the Contract Times or Contract Price, unless such changes are included in a Change Order.

7. Neither Engineer's receipt, review, acceptance or approval of a Shop Drawing, Sample, or other submittal shall result in such item becoming a Contract Document.
8. Contractor shall perform the Work in compliance with the requirements and commitments set forth in approved Shop Drawings and Samples, subject to the provisions of Paragraph 7.16.D.4.

E. *Resubmittal Procedures:*

1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous submittals.
2. Contractor shall furnish required submittals with sufficient information and accuracy to obtain required approval of an item with no more than three submittals. Engineer will record Engineer's time for reviewing a fourth or subsequent submittal of a Shop Drawings, sample, or other item requiring approval, and Contractor shall be responsible for Engineer's charges to Owner for such time. Owner may impose a set-off against payments due to Contractor to secure reimbursement for such charges.
3. If Contractor requests a change of a previously approved submittal item, Contractor shall be responsible for Engineer's charges to Owner for its review time, and Owner may impose a set-off against payments due to Contractor to secure reimbursement for such charges, unless the need for such change is beyond the control of Contractor.

7.17 *Contractor's General Warranty and Guarantee*

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer and its officers, directors, members, partners, employees, agents, consultants, and subcontractors shall be entitled to rely on Contractor's warranty and guarantee.
- B. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
 1. abuse, modification, or improper maintenance or operation by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
 2. normal wear and tear under normal usage.
- C. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents:
 1. observations by Engineer;
 2. recommendation by Engineer or payment by Owner of any progress or final payment;
 3. the issuance of a certificate of Substantial Completion by Engineer or any payment related thereto by Owner;
 4. use or occupancy of the Work or any part thereof by Owner;
 5. any review and approval of a Shop Drawing or Sample submittal;
 6. the issuance of a notice of acceptability by Engineer;
 7. any inspection, test, or approval by others; or

8. any correction of defective Work by Owner.

- D. If the Contract requires the Contractor to accept the assignment of a contract entered into by Owner, then the specific warranties, guarantees, and correction obligations contained in the assigned contract shall govern with respect to Contractor's performance obligations to Owner for the Work described in the assigned contract.

7.18 *Indemnification*

- A. To the fullest extent permitted by Laws and Regulations, and in addition to any other obligations of Contractor under the Contract or otherwise, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom but only to the extent caused by any negligent act or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts any of them may be liable.
- B. In any and all claims against Owner or Engineer or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors by any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 7.18.A shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.
- C. The indemnification obligations of Contractor under Paragraph 7.18.A shall not extend to the liability of Engineer and Engineer's officers, directors, members, partners, employees, agents, consultants and subcontractors arising out of:
1. the preparation or approval of, or the failure to prepare or approve maps, Drawings, opinions, reports, surveys, Change Orders, designs, or Specifications; or
 2. giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

7.19 *Delegation of Professional Design Services*

- A. Contractor will not be required to provide professional design services unless such services are specifically required by the Contract Documents for a portion of the Work or unless such services are required to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable Laws and Regulations.
- B. If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of Contractor by the Contract Documents, Owner and Engineer will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed professional, whose signature and seal shall appear on all drawings, calculations,

specifications, certifications, and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to Engineer.

- C. Owner and Engineer shall be entitled to rely upon the adequacy, accuracy, and completeness of the services, certifications, or approvals performed by such design professionals, provided Owner and Engineer have specified to Contractor all performance and design criteria that such services must satisfy.
- D. Pursuant to this paragraph, Engineer's review and approval of design calculations and design drawings will be only for the limited purpose of checking for conformance with performance and design criteria given and the design concept expressed in the Contract Documents. Engineer's review and approval of Shop Drawings and other submittals (except design calculations and design drawings) will be only for the purpose stated in Paragraph 7.16.D.1.
- E. Contractor shall not be responsible for the adequacy of the performance or design criteria specified by Owner or Engineer.

ARTICLE 8 – OTHER WORK AT THE SITE

8.01 *Other Work*

- A. In addition to and apart from the Work under the Contract Documents, the Owner may perform other work at or adjacent to the Site. Such other work may be performed by Owner's employees, or through contracts between the Owner and third parties. Owner may also arrange to have third-party utility owners perform work on their utilities and facilities at or adjacent to the Site.
- B. If Owner performs other work at or adjacent to the Site with Owner's employees, or through contracts for such other work, then Owner shall give Contractor written notice thereof prior to starting any such other work. If Owner has advance information regarding the start of any utility work at or adjacent to the Site, Owner shall provide such information to Contractor.
- C. Contractor shall afford each other contractor that performs such other work, each utility owner performing other work, and Owner, if Owner is performing other work with Owner's employees, proper and safe access to the Site, and provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of Engineer and the others whose work will be affected.
- D. If the proper execution or results of any part of Contractor's Work depends upon work performed by others under this Article 8, Contractor shall inspect such other work and promptly report to Engineer in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.

8.02 *Coordination*

- A. If Owner intends to contract with others for the performance of other work at or adjacent to the Site, to perform other work at or adjacent to the Site with Owner's employees, or to arrange to have utility owners perform work at or adjacent to the Site, the following will be set forth in the Supplementary Conditions or provided to Contractor prior to the start of any such other work:
1. the identity of the individual or entity that will have authority and responsibility for coordination of the activities among the various contractors;
 2. an itemization of the specific matters to be covered by such authority and responsibility; and
 3. the extent of such authority and responsibilities.
- B. Unless otherwise provided in the Supplementary Conditions, Owner shall have sole authority and responsibility for such coordination.

8.03 *Legal Relationships*

- A. If, in the course of performing other work at or adjacent to the Site for Owner, the Owner's employees, any other contractor working for Owner, or any utility owner causes damage to the Work or to the property of Contractor or its Subcontractors, or delays, disrupts, interferes with, or increases the scope or cost of the performance of the Work, through actions or inaction, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times, or both. Contractor must submit any Change Proposal seeking an equitable adjustment in the Contract Price or the Contract Times under this paragraph within 30 days of the damaging, delaying, disrupting, or interfering event. The entitlement to, and extent of, any such equitable adjustment shall take into account information (if any) regarding such other work that was provided to Contractor in the Contract Documents prior to the submittal of the Bid or the final negotiation of the terms of the Contract. When applicable, any such equitable adjustment in Contract Price shall be conditioned on Contractor assigning to Owner all Contractor's rights against such other contractor or utility owner with respect to the damage, delay, disruption, or interference that is the subject of the adjustment. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.
- B. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of Owner, any other contractor, or any utility owner performing other work at or adjacent to the Site. If Contractor fails to take such measures and as a result damages, delays, disrupts, or interferes with the work of any such other contractor or utility owner, then Owner may impose a set-off against payments due to Contractor, and assign to such other contractor or utility owner the Owner's contractual rights against Contractor with respect to the breach of the obligations set forth in this paragraph.
- C. When Owner is performing other work at or adjacent to the Site with Owner's employees, Contractor shall be liable to Owner for damage to such other work, and for the reasonable direct delay, disruption, and interference costs incurred by Owner as a result of Contractor's failure to take reasonable and customary measures with respect to Owner's other work. In response to such damage, delay, disruption, or interference, Owner may impose a set-off against payments due to Contractor.

- D. If Contractor damages, delays, disrupts, or interferes with the work of any other contractor, or any utility owner performing other work at or adjacent to the Site, through Contractor's failure to take reasonable and customary measures to avoid such impacts, or if any claim arising out of Contractor's actions, inactions, or negligence in performance of the Work at or adjacent to the Site is made by any such other contractor or utility owner against Contractor, Owner, or Engineer, then Contractor shall (1) promptly attempt to settle the claim as to all parties through negotiations with such other contractor or utility owner, or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law, and (2) indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against any such claims, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such damage, delay, disruption, or interference.

ARTICLE 9 – OWNER'S RESPONSIBILITIES

9.01 *Communications to Contractor*

- A. Except as otherwise provided in these General Conditions, Owner shall issue all communications to Contractor through Engineer.

9.02 *Replacement of Engineer*

- A. Owner may at its discretion appoint an engineer to replace Engineer, provided Contractor makes no reasonable objection to the replacement engineer. The replacement engineer's status under the Contract Documents shall be that of the former Engineer.

9.03 *Furnish Data*

- A. Owner shall promptly furnish the data required of Owner under the Contract Documents.

9.04 *Pay When Due*

- A. Owner shall make payments to Contractor when they are due as provided in the Agreement.

9.05 *Lands and Easements; Reports, Tests, and Drawings*

- A. Owner's duties with respect to providing lands and easements are set forth in Paragraph 5.01.
- B. Owner's duties with respect to providing engineering surveys to establish reference points are set forth in Paragraph 4.03.
- C. Article 5 refers to Owner's identifying and making available to Contractor copies of reports of explorations and tests of conditions at the Site, and drawings of physical conditions relating to existing surface or subsurface structures at the Site.

9.06 *Insurance*

- A. Owner's responsibilities, if any, with respect to purchasing and maintaining liability and property insurance are set forth in Article 6.

9.07 *Change Orders*

- A. Owner's responsibilities with respect to Change Orders are set forth in Article 11.

9.08 *Inspections, Tests, and Approvals*

- A. Owner's responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 14.02.B.

9.09 *Limitations on Owner's Responsibilities*

- A. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.

9.10 *Undisclosed Hazardous Environmental Condition*

- A. Owner's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 5.06.

9.11 *Evidence of Financial Arrangements*

- A. Upon request of Contractor, Owner shall furnish Contractor reasonable evidence that financial arrangements have been made to satisfy Owner's obligations under the Contract Documents (including obligations under proposed changes in the Work).

9.12 *Safety Programs*

- A. While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed.
- B. Owner shall furnish copies of any applicable Owner safety programs to Contractor.

ARTICLE 10 – ENGINEER'S STATUS DURING CONSTRUCTION

10.01 *Owner's Representative*

- A. Engineer will be Owner's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in the Contract.

10.02 *Visits to Site*

- A. Engineer will make visits to the Site at intervals appropriate to the various stages of construction as Engineer deems necessary in order to observe as an experienced and qualified design professional the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. Engineer will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. Engineer's efforts will be directed toward providing for Owner a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, Engineer will keep Owner informed of the progress of the Work and will endeavor to guard Owner against defective Work.

- B. Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 10.08. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work, Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

10.03 *Project Representative*

- A. If Owner and Engineer have agreed that Engineer will furnish a Resident Project Representative to represent Engineer at the Site and assist Engineer in observing the progress and quality of the Work, then the authority and responsibilities of any such Resident Project Representative will be as provided in the Supplementary Conditions, and limitations on the responsibilities thereof will be as provided in Paragraph 10.08. If Owner designates another representative or agent to represent Owner at the Site who is not Engineer's consultant, agent, or employee, the responsibilities and authority and limitations thereon of such other individual or entity will be as provided in the Supplementary Conditions.

10.04 *Rejecting Defective Work*

- A. Engineer has the authority to reject Work in accordance with Article 14.

10.05 *Shop Drawings, Change Orders and Payments*

- A. Engineer's authority, and limitations thereof, as to Shop Drawings and Samples, are set forth in Paragraph 7.16.
- B. Engineer's authority, and limitations thereof, as to design calculations and design drawings submitted in response to a delegation of professional design services, if any, are set forth in Paragraph 7.19.
- C. Engineer's authority as to Change Orders is set forth in Article 11.
- D. Engineer's authority as to Applications for Payment is set forth in Article 15.

10.06 *Determinations for Unit Price Work*

- A. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor as set forth in Paragraph 13.03.

10.07 *Decisions on Requirements of Contract Documents and Acceptability of Work*

- A. Engineer will render decisions regarding the requirements of the Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth herein for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to Owner or Contractor, and will not be liable to Owner, Contractor, or others in connection with any proceedings, interpretations, decisions, or judgments conducted or rendered in good faith.

10.08 *Limitations on Engineer's Authority and Responsibilities*

- A. Neither Engineer's authority or responsibility under this Article 10 or under any other provision of the Contract, nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer, shall create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any

Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.

- B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.
- D. Engineer's review of the final Application for Payment and accompanying documentation and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Paragraph 15.06.A will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals, that the results certified indicate compliance with the Contract Documents.
- E. The limitations upon authority and responsibility set forth in this Paragraph 10.08 shall also apply to the Resident Project Representative, if any.

10.09 *Compliance with Safety Program*

- A. While at the Site, Engineer's employees and representatives will comply with the specific applicable requirements of Owner's and Contractor's safety programs (if any) of which Engineer has been informed.

ARTICLE 11 – AMENDING THE CONTRACT DOCUMENTS; CHANGES IN THE WORK

11.01 *Amending and Supplementing Contract Documents*

- A. The Contract Documents may be amended or supplemented by a Change Order, a Work Change Directive, or a Field Order.
 - 1. *Change Orders:*
 - a. If an amendment or supplement to the Contract Documents includes a change in the Contract Price or the Contract Times, such amendment or supplement must be set forth in a Change Order. A Change Order also may be used to establish amendments and supplements of the Contract Documents that do not affect the Contract Price or Contract Times.
 - b. Owner and Contractor may amend those terms and conditions of the Contract Documents that do not involve (1) the performance or acceptability of the Work, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, without the recommendation of the Engineer. Such an amendment shall be set forth in a Change Order.
 - 2. *Work Change Directives:* A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the modification ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order, following negotiations by the parties as to the Work Change Directive's effect, if any, on the Contract Price and Contract Times; or, if

negotiations are unsuccessful, by a determination under the terms of the Contract Documents governing adjustments, expressly including Paragraph 11.04 regarding change of Contract Price. Contractor must submit any Change Proposal seeking an adjustment of the Contract Price or the Contract Times, or both, no later than 30 days after the completion of the Work set out in the Work Change Directive. Owner must submit any Claim seeking an adjustment of the Contract Price or the Contract Times, or both, no later than 60 days after issuance of the Work Change Directive.

3. *Field Orders*: Engineer may authorize minor changes in the Work if the changes do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such changes will be accomplished by a Field Order and will be binding on Owner and also on Contractor, which shall perform the Work involved promptly. If Contractor believes that a Field Order justifies an adjustment in the Contract Price or Contract Times, or both, then before proceeding with the Work at issue, Contractor shall submit a Change Proposal as provided herein.

11.02 *Owner-Authorized Changes in the Work*

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work. Such changes shall be supported by Engineer's recommendation, to the extent the change involves the design (as set forth in the Drawings, Specifications, or otherwise), or other engineering or technical matters. Such changes may be accomplished by a Change Order, if Owner and Contractor have agreed as to the effect, if any, of the changes on Contract Times or Contract Price; or by a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved; or, in the case of a deletion in the Work, promptly cease construction activities with respect to such deleted Work. Added or revised Work shall be performed under the applicable conditions of the Contract Documents. Nothing in this paragraph shall obligate Contractor to undertake work that Contractor reasonably concludes cannot be performed in a manner consistent with Contractor's safety obligations under the Contract Documents or Laws and Regulations.

11.03 *Unauthorized Changes in the Work*

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents, as amended, modified, or supplemented, except in the case of an emergency as provided in Paragraph 7.15 or in the case of uncovering Work as provided in Paragraph 14.05.

11.04 *Change of Contract Price*

- A. The Contract Price may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Price shall comply with the provisions of Paragraph 11.06. Any Claim for an adjustment of Contract Price shall comply with the provisions of Article 12.
- B. An adjustment in the Contract Price will be determined as follows:
 1. where the Work involved is covered by unit prices contained in the Contract Documents, then by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 13.03); or
 2. where the Work involved is not covered by unit prices contained in the Contract Documents, then by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 11.04.C.2); or

3. where the Work involved is not covered by unit prices contained in the Contract Documents and the parties do not reach mutual agreement to a lump sum, then on the basis of the Cost of the Work (determined as provided in Paragraph 13.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 11.04.C).
- C. *Contractor's Fee*: When applicable, the Contractor's fee for overhead and profit shall be determined as follows:
1. a mutually acceptable fixed fee; or
 2. if a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
 - a. for costs incurred under Paragraphs 13.01.B.1 and 13.01.B.2, the Contractor's fee shall be 15 percent;
 - b. for costs incurred under Paragraph 13.01.B.3, the Contractor's fee shall be five percent;
 - c. where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 11.01.C.2.a and 11.01.C.2.b is that the Contractor's fee shall be based on: (1) a fee of 15 percent of the costs incurred under Paragraphs 13.01.A.1 and 13.01.A.2 by the Subcontractor that actually performs the Work, at whatever tier, and (2) with respect to Contractor itself and to any Subcontractors of a tier higher than that of the Subcontractor that actually performs the Work, a fee of five percent of the amount (fee plus underlying costs incurred) attributable to the next lower tier Subcontractor; provided, however, that for any such subcontracted work the maximum total fee to be paid by Owner shall be no greater than 27 percent of the costs incurred by the Subcontractor that actually performs the work;
 - d. no fee shall be payable on the basis of costs itemized under Paragraphs 13.01.B.4, 13.01.B.5, and 13.01.C;
 - e. the amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in cost will be the amount of the actual net decrease in cost plus a deduction in Contractor's fee by an amount equal to five percent of such net decrease; and
 - f. when both additions and credits are involved in any one change, the adjustment in Contractor's fee shall be computed on the basis of the net change in accordance with Paragraphs 11.04.C.2.a through 11.04.C.2.e, inclusive.

11.05 *Change of Contract Times*

- A. The Contract Times may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Times shall comply with the provisions of Paragraph 11.06. Any Claim for an adjustment in the Contract Times shall comply with the provisions of Article 12.
- B. An adjustment of the Contract Times shall be subject to the limitations set forth in Paragraph 4.05, concerning delays in Contractor's progress.

11.06 Change Proposals

- A. Contractor shall submit a Change Proposal to Engineer to request an adjustment in the Contract Times or Contract Price; appeal an initial decision by Engineer concerning the requirements of the Contract Documents or relating to the acceptability of the Work under the Contract Documents; contest a set-off against payment due; or seek other relief under the Contract. The Change Proposal shall specify any proposed change in Contract Times or Contract Price, or both, or other proposed relief, and explain the reason for the proposed change, with citations to any governing or applicable provisions of the Contract Documents.
1. *Procedures:* Contractor shall submit each Change Proposal to Engineer promptly (but in no event later than 30 days) after the start of the event giving rise thereto, or after such initial decision. The Contractor shall submit supporting data, including the proposed change in Contract Price or Contract Time (if any), to the Engineer and Owner within 15 days after the submittal of the Change Proposal. The supporting data shall be accompanied by a written statement that the supporting data are accurate and complete, and that any requested time or price adjustment is the entire adjustment to which Contractor believes it is entitled as a result of said event. Engineer will advise Owner regarding the Change Proposal, and consider any comments or response from Owner regarding the Change Proposal.
 2. *Engineer's Action:* Engineer will review each Change Proposal and, within 30 days after receipt of the Contractor's supporting data, either deny the Change Proposal in whole, approve it in whole, or deny it in part and approve it in part. Such actions shall be in writing, with a copy provided to Owner and Contractor. If Engineer does not take action on the Change Proposal within 30 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of Engineer's inaction the Change Proposal is deemed denied, thereby commencing the time for appeal of the denial under Article 12.
 3. *Binding Decision:* Engineer's decision will be final and binding upon Owner and Contractor, unless Owner or Contractor appeals the decision by filing a Claim under Article 12.
- B. *Resolution of Certain Change Proposals:* If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties that the Engineer is unable to resolve the Change Proposal. For purposes of further resolution of such a Change Proposal, such notice shall be deemed a denial, and Contractor may choose to seek resolution under the terms of Article 12.

11.07 Execution of Change Orders

- A. Owner and Contractor shall execute appropriate Change Orders covering:
1. changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive;
 2. changes in Contract Price resulting from an Owner set-off, unless Contractor has duly contested such set-off;
 3. changes in the Work which are: (a) ordered by Owner pursuant to Paragraph 11.02, (b) required because of Owner's acceptance of defective Work under Paragraph 14.04 or Owner's correction of defective Work under Paragraph 14.07, or (c) agreed to by the parties, subject to the need for Engineer's recommendation if the change in the Work

involves the design (as set forth in the Drawings, Specifications, or otherwise), or other engineering or technical matters; and

4. changes in the Contract Price or Contract Times, or other changes, which embody the substance of any final and binding results under Paragraph 11.06, or Article 12.
- B. If Owner or Contractor refuses to execute a Change Order that is required to be executed under the terms of this Paragraph 11.07, it shall be deemed to be of full force and effect, as if fully executed.

11.08 *Notification to Surety*

- A. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.

ARTICLE 12 – CLAIMS

12.01 *Claims*

- A. *Claims Process:* The following disputes between Owner and Contractor shall be submitted to the Claims process set forth in this Article:
1. Appeals by Owner or Contractor of Engineer's decisions regarding Change Proposals;
 2. Owner demands for adjustments in the Contract Price or Contract Times, or other relief under the Contract Documents; and
 3. Disputes that Engineer has been unable to address because they do not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters.
- B. *Submittal of Claim:* The party submitting a Claim shall deliver it directly to the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto; in the case of appeals regarding Change Proposals within 30 days of the decision under appeal. The party submitting the Claim shall also furnish a copy to the Engineer, for its information only. The responsibility to substantiate a Claim shall rest with the party making the Claim. In the case of a Claim by Contractor seeking an increase in the Contract Times or Contract Price, or both, Contractor shall certify that the Claim is made in good faith, that the supporting data are accurate and complete, and that to the best of Contractor's knowledge and belief the amount of time or money requested accurately reflects the full amount to which Contractor is entitled.
- C. *Review and Resolution:* The party receiving a Claim shall review it thoroughly, giving full consideration to its merits. The two parties shall seek to resolve the Claim through the exchange of information and direct negotiations. The parties may extend the time for resolving the Claim by mutual agreement. All actions taken on a Claim shall be stated in writing and submitted to the other party, with a copy to Engineer.
- D. *Mediation:*
1. At any time after initiation of a Claim, Owner and Contractor may mutually agree to mediation of the underlying dispute. The agreement to mediate shall stay the Claim submittal and response process.

2. If Owner and Contractor agree to mediation, then after 60 days from such agreement, either Owner or Contractor may unilaterally terminate the mediation process, and the Claim submittal and decision process shall resume as of the date of the termination. If the mediation proceeds but is unsuccessful in resolving the dispute, the Claim submittal and decision process shall resume as of the date of the conclusion of the mediation, as determined by the mediator.
 3. Owner and Contractor shall each pay one-half of the mediator's fees and costs.
- E. *Partial Approval:* If the party receiving a Claim approves the Claim in part and denies it in part, such action shall be final and binding unless within 30 days of such action the other party invokes the procedure set forth in Article 17 for final resolution of disputes.
- F. *Denial of Claim:* If efforts to resolve a Claim are not successful, the party receiving the Claim may deny it by giving written notice of denial to the other party. If the receiving party does not take action on the Claim within 90 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of the inaction, the Claim is deemed denied, thereby commencing the time for appeal of the denial. A denial of the Claim shall be final and binding unless within 30 days of the denial the other party invokes the procedure set forth in Article 17 for the final resolution of disputes.
- G. *Final and Binding Results:* If the parties reach a mutual agreement regarding a Claim, whether through approval of the Claim, direct negotiations, mediation, or otherwise; or if a Claim is approved in part and denied in part, or denied in full, and such actions become final and binding; then the results of the agreement or action on the Claim shall be incorporated in a Change Order to the extent they affect the Contract, including the Work, the Contract Times, or the Contract Price.

ARTICLE 13 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK

13.01 *Cost of the Work*

- A. *Purposes for Determination of Cost of the Work:* The term Cost of the Work means the sum of all costs necessary for the proper performance of the Work at issue, as further defined below. The provisions of this Paragraph 13.01 are used for two distinct purposes:
1. To determine Cost of the Work when Cost of the Work is a component of the Contract Price, under cost-plus-fee, time-and-materials, or other cost-based terms; or
 2. To determine the value of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price. When the value of any such adjustment is determined on the basis of Cost of the Work, Contractor is entitled only to those additional or incremental costs required because of the change in the Work or because of the event giving rise to the adjustment.
- B. *Costs Included:* Except as otherwise may be agreed to in writing by Owner, costs included in the Cost of the Work shall be in amounts no higher than those prevailing in the locality of the Project, shall not include any of the costs itemized in Paragraph 13.01.C, and shall include only the following items:
1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor. Such employees shall include, without limitation, superintendents, foremen, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the

Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits, which shall include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, and vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, shall be included in the above to the extent authorized by Owner.

2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to Contractor unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts shall accrue to Owner. All trade discounts, rebates, and refunds and returns from sale of surplus materials and equipment shall accrue to Owner, and Contractor shall make provisions so that they may be obtained.
3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, who will then determine, with the advice of Engineer, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 13.01.
4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed for services specifically related to the Work.
5. Supplemental costs including the following:
 - a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
 - b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.
 - c. Rentals of all construction equipment and machinery, and the parts thereof, whether rented from Contractor or others in accordance with rental agreements approved by Owner with the advice of Engineer, and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs shall be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts shall cease when the use thereof is no longer necessary for the Work.
 - d. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations.
 - e. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.

- f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of property insurance established in accordance with Paragraph 6.05), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses shall be included in the Cost of the Work for the purpose of determining Contractor's fee.
 - g. The cost of utilities, fuel, and sanitary facilities at the Site.
 - h. Minor expenses such as communication service at the Site, express and courier services, and similar petty cash items in connection with the Work.
 - i. The costs of premiums for all bonds and insurance that Contractor is required by the Contract Documents to purchase and maintain.
- C. *Costs Excluded:* The term Cost of the Work shall not include any of the following items:
- 1. Payroll costs and other compensation of Contractor's officers, executives, principals (of partnerships and sole proprietorships), general managers, safety managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 13.01.B.1 or specifically covered by Paragraph 13.01.B.4. The payroll costs and other compensation excluded here are to be considered administrative costs covered by the Contractor's fee.
 - 2. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
 - 3. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
 - 4. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.
 - 5. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraph 13.01.B.
- D. *Contractor's Fee:* When the Work as a whole is performed on the basis of cost-plus, Contractor's fee shall be determined as set forth in the Agreement. When the value of any Work covered by a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price is determined on the basis of Cost of the Work, Contractor's fee shall be determined as set forth in Paragraph 11.04.C.
- E. *Documentation:* Whenever the Cost of the Work for any purpose is to be determined pursuant to this Article 13, Contractor will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in a form acceptable to Engineer an itemized cost breakdown together with supporting data.

13.02 Allowances

- A. It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to Owner and Engineer.
- B. *Cash Allowances*: Contractor agrees that:
 - 1. the cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and
 - 2. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances have been included in the Contract Price and not in the allowances, and no demand for additional payment on account of any of the foregoing will be valid.
- C. *Contingency Allowance*: Contractor agrees that a contingency allowance, if any, is for the sole use of Owner to cover unanticipated costs.
- D. Prior to final payment, an appropriate Change Order will be issued as recommended by Engineer to reflect actual amounts due Contractor on account of Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

13.03 Unit Price Work

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement.
- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Payments to Contractor for Unit Price Work will be based on actual quantities.
- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Engineer will review with Contractor the Engineer's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Engineer's written decision thereon will be final and binding (except as modified by Engineer to reflect changed factual conditions or more accurate data) upon Owner and Contractor, subject to the provisions of the following paragraph.
- E. Within 30 days of Engineer's written decision under the preceding paragraph, Contractor may submit a Change Proposal, or Owner may file a Claim, seeking an adjustment in the Contract Price if:
 - 1. the quantity of any item of Unit Price Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the Agreement;
 - 2. there is no corresponding adjustment with respect to any other item of Work; and
 - 3. Contractor believes that it is entitled to an increase in Contract Price as a result of having incurred additional expense or Owner believes that Owner is entitled to a

decrease in Contract Price, and the parties are unable to agree as to the amount of any such increase or decrease.

ARTICLE 14 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

14.01 *Access to Work*

- A. Owner, Engineer, their consultants and other representatives and personnel of Owner, independent testing laboratories, and authorities having jurisdiction will have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's safety procedures and programs so that they may comply therewith as applicable.

14.02 *Tests, Inspections, and Approvals*

- A. Contractor shall give Engineer timely notice of readiness of the Work (or specific parts thereof) for all required inspections and tests, and shall cooperate with inspection and testing personnel to facilitate required inspections and tests.
- B. Owner shall retain and pay for the services of an independent inspector, testing laboratory, or other qualified individual or entity to perform all inspections and tests expressly required by the Contract Documents to be furnished and paid for by Owner, except that costs incurred in connection with tests or inspections of covered Work shall be governed by the provisions of Paragraph 14.05.
- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Engineer the required certificates of inspection or approval.
- D. Contractor shall be responsible for arranging, obtaining, and paying for all inspections and tests required:
 1. by the Contract Documents, unless the Contract Documents expressly allocate responsibility for a specific inspection or test to Owner;
 2. to attain Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work;
 3. by manufacturers of equipment furnished under the Contract Documents;
 4. for testing, adjusting, and balancing of mechanical, electrical, and other equipment to be incorporated into the Work; and
 5. for acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work.

Such inspections and tests shall be performed by independent inspectors, testing laboratories, or other qualified individuals or entities acceptable to Owner and Engineer.

- E. If the Contract Documents require the Work (or part thereof) to be approved by Owner, Engineer, or another designated individual or entity, then Contractor shall assume full responsibility for arranging and obtaining such approvals.

- F. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, Contractor shall, if requested by Engineer, uncover such Work for observation. Such uncovering shall be at Contractor's expense unless Contractor had given Engineer timely notice of Contractor's intention to cover the same and Engineer had not acted with reasonable promptness in response to such notice.

14.03 *Defective Work*

- A. *Contractor's Obligation:* It is Contractor's obligation to assure that the Work is not defective.
- B. *Engineer's Authority:* Engineer has the authority to determine whether Work is defective, and to reject defective Work.
- C. *Notice of Defects:* Prompt notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor.
- D. *Correction, or Removal and Replacement:* Promptly after receipt of written notice of defective Work, Contractor shall correct all such defective Work, whether or not fabricated, installed, or completed, or, if Engineer has rejected the defective Work, remove it from the Project and replace it with Work that is not defective.
- E. *Preservation of Warranties:* When correcting defective Work, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.
- F. *Costs and Damages:* In addition to its correction, removal, and replacement obligations with respect to defective Work, Contractor shall pay all claims, costs, losses, and damages arising out of or relating to defective Work, including but not limited to the cost of the inspection, testing, correction, removal, replacement, or reconstruction of such defective Work, fines levied against Owner by governmental authorities because the Work is defective, and the costs of repair or replacement of work of others resulting from defective Work. Prior to final payment, if Owner and Contractor are unable to agree as to the measure of such claims, costs, losses, and damages resulting from defective Work, then Owner may impose a reasonable set-off against payments due under Article 15.

14.04 *Acceptance of Defective Work*

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner prefers to accept it, Owner may do so (subject, if such acceptance occurs prior to final payment, to Engineer's confirmation that such acceptance is in general accord with the design intent and applicable engineering principles, and will not endanger public safety). Contractor shall pay all claims, costs, losses, and damages attributable to Owner's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness), and for the diminished value of the Work to the extent not otherwise paid by Contractor. If any such acceptance occurs prior to final payment, the necessary revisions in the Contract Documents with respect to the Work shall be incorporated in a Change Order. If the parties are unable to agree as to the decrease in the Contract Price, reflecting the diminished value of Work so accepted, then Owner may impose a reasonable set-off against payments due under Article 15. If the acceptance of defective Work occurs after final payment, Contractor shall pay an appropriate amount to Owner.

14.05 *Uncovering Work*

- A. Engineer has the authority to require special inspection or testing of the Work, whether or not the Work is fabricated, installed, or completed.
- B. If any Work is covered contrary to the written request of Engineer, then Contractor shall, if requested by Engineer, uncover such Work for Engineer's observation, and then replace the covering, all at Contractor's expense.
- C. If Engineer considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, then Contractor, at Engineer's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Engineer may require, that portion of the Work in question, and provide all necessary labor, material, and equipment.
 - 1. If it is found that the uncovered Work is defective, Contractor shall be responsible for all claims, costs, losses, and damages arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and pending Contractor's full discharge of this responsibility the Owner shall be entitled to impose a reasonable set-off against payments due under Article 15.
 - 2. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times, or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, then Contractor may submit a Change Proposal within 30 days of the determination that the Work is not defective.

14.06 *Owner May Stop the Work*

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, then Owner may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work shall not give rise to any duty on the part of Owner to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

14.07 *Owner May Correct Defective Work*

- A. If Contractor fails within a reasonable time after written notice from Engineer to correct defective Work, or to remove and replace rejected Work as required by Engineer, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, then Owner may, after seven days written notice to Contractor, correct or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 14.07, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, and incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner's representatives, agents and employees, Owner's other contractors, and Engineer and Engineer's consultants access to the Site to enable Owner to exercise the rights and remedies under this paragraph.

- C. All claims, costs, losses, and damages incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 14.07 will be charged against Contractor as set-offs against payments due under Article 15. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.
- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 14.07.

ARTICLE 15 – PAYMENTS TO CONTRACTOR; SET-OFFS; COMPLETION; CORRECTION PERIOD

15.01 Progress Payments

- A. *Basis for Progress Payments:* The Schedule of Values established as provided in Article 2 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Engineer. Progress payments on account of Unit Price Work will be based on the number of units completed during the pay period, as determined under the provisions of Paragraph 13.03. Progress payments for cost-based Work will be based on Cost of the Work completed by Contractor during the pay period.
- B. *Applications for Payments:*
 1. At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to Engineer for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice, or other documentation warranting that Owner has received the materials and equipment free and clear of all Liens, and evidence that the materials and equipment are covered by appropriate property insurance, a warehouse bond, or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner.
 2. Beginning with the second Application for Payment, each Application shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied on account to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
 3. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.
- C. *Review of Applications:*
 1. Engineer will, within 10 days after receipt of each Application for Payment, including each resubmittal, either indicate in writing a recommendation of payment and present the Application to Owner, or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
 2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to Owner, based on Engineer's observations of the executed Work as an experienced and qualified design

professional, and on Engineer's review of the Application for Payment and the accompanying data and schedules, that to the best of Engineer's knowledge, information and belief:

- a. the Work has progressed to the point indicated;
 - b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, the results of any subsequent tests called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraph 13.03, and any other qualifications stated in the recommendation); and
 - c. the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work.
3. By recommending any such payment Engineer will not thereby be deemed to have represented that:
 - a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract; or
 - b. there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.
 4. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment, including final payment, will impose responsibility on Engineer:
 - a. to supervise, direct, or control the Work, or
 - b. for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or
 - c. for Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work, or
 - d. to make any examination to ascertain how or for what purposes Contractor has used the money paid on account of the Contract Price, or
 - e. to determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.
 5. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make the representations to Owner stated in Paragraph 15.01.C.2.
 6. Engineer will recommend reductions in payment (set-offs) necessary in Engineer's opinion to protect Owner from loss because:
 - a. the Work is defective, requiring correction or replacement;
 - b. the Contract Price has been reduced by Change Orders;

- c. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
- d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible; or
- e. Engineer has actual knowledge of the occurrence of any of the events that would constitute a default by Contractor and therefore justify termination for cause under the Contract Documents.

D. *Payment Becomes Due:*

- 1. Ten days after presentation of the Application for Payment to Owner with Engineer's recommendation, the amount recommended (subject to any Owner set-offs) will become due, and when due will be paid by Owner to Contractor.

E. *Reductions in Payment by Owner:*

- 1. In addition to any reductions in payment (set-offs) recommended by Engineer, Owner is entitled to impose a set-off against payment based on any of the following:
 - a. claims have been made against Owner on account of Contractor's conduct in the performance or furnishing of the Work, or Owner has incurred costs, losses, or damages on account of Contractor's conduct in the performance or furnishing of the Work, including but not limited to claims, costs, losses, or damages from workplace injuries, adjacent property damage, non-compliance with Laws and Regulations, and patent infringement;
 - b. Contractor has failed to take reasonable and customary measures to avoid damage, delay, disruption, and interference with other work at or adjacent to the Site;
 - c. Contractor has failed to provide and maintain required bonds or insurance;
 - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible;
 - e. Owner has incurred extra charges or engineering costs related to submittal reviews, evaluations of proposed substitutes, tests and inspections, or return visits to manufacturing or assembly facilities;
 - f. the Work is defective, requiring correction or replacement;
 - g. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
 - h. the Contract Price has been reduced by Change Orders;
 - i. an event that would constitute a default by Contractor and therefore justify a termination for cause has occurred;
 - j. liquidated damages have accrued as a result of Contractor's failure to achieve Milestones, Substantial Completion, or final completion of the Work;
 - k. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens;
 - l. there are other items entitling Owner to a set off against the amount recommended.

2. If Owner imposes any set-off against payment, whether based on its own knowledge or on the written recommendations of Engineer, Owner will give Contractor immediate written notice (with a copy to Engineer) stating the reasons for such action and the specific amount of the reduction, and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, if Contractor remedies the reasons for such action. The reduction imposed shall be binding on Contractor unless it duly submits a Change Proposal contesting the reduction.
3. Upon a subsequent determination that Owner's refusal of payment was not justified, the amount wrongfully withheld shall be treated as an amount due as determined by Paragraph 15.01.C.1 and subject to interest as provided in the Agreement.

15.02 *Contractor's Warranty of Title*

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment furnished under the Contract will pass to Owner free and clear of (1) all Liens and other title defects, and (2) all patent, licensing, copyright, or royalty obligations, no later than seven days after the time of payment by Owner.

15.03 *Substantial Completion*

- A. When Contractor considers the entire Work ready for its intended use Contractor shall notify Owner and Engineer in writing that the entire Work is substantially complete and request that Engineer issue a certificate of Substantial Completion. Contractor shall at the same time submit to Owner and Engineer an initial draft of punch list items to be completed or corrected before final payment.
- B. Promptly after Contractor's notification, Owner, Contractor, and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify Contractor in writing giving the reasons therefor.
- C. If Engineer considers the Work substantially complete, Engineer will deliver to Owner a preliminary certificate of Substantial Completion which shall fix the date of Substantial Completion. Engineer shall attach to the certificate a punch list of items to be completed or corrected before final payment. Owner shall have seven days after receipt of the preliminary certificate during which to make written objection to Engineer as to any provisions of the certificate or attached punch list. If, after considering the objections to the provisions of the preliminary certificate, Engineer concludes that the Work is not substantially complete, Engineer will, within 14 days after submission of the preliminary certificate to Owner, notify Contractor in writing that the Work is not substantially complete, stating the reasons therefor. If Owner does not object to the provisions of the certificate, or if despite consideration of Owner's objections Engineer concludes that the Work is substantially complete, then Engineer will, within said 14 days, execute and deliver to Owner and Contractor a final certificate of Substantial Completion (with a revised punch list of items to be completed or corrected) reflecting such changes from the preliminary certificate as Engineer believes justified after consideration of any objections from Owner.
- D. At the time of receipt of the preliminary certificate of Substantial Completion, Owner and Contractor will confer regarding Owner's use or occupancy of the Work following Substantial Completion, review the builder's risk insurance policy with respect to the end of the builder's risk coverage, and confirm the transition to coverage of the Work under a

permanent property insurance policy held by Owner. Unless Owner and Contractor agree otherwise in writing, Owner shall bear responsibility for security, operation, protection of the Work, property insurance, maintenance, heat, and utilities upon Owner's use or occupancy of the Work.

- E. After Substantial Completion the Contractor shall promptly begin work on the punch list of items to be completed or corrected prior to final payment. In appropriate cases Contractor may submit monthly Applications for Payment for completed punch list items, following the progress payment procedures set forth above.
- F. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to remove its property and complete or correct items on the punch list.

15.04 *Partial Use or Occupancy*

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner, Engineer, and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions:
 1. At any time Owner may request in writing that Contractor permit Owner to use or occupy any such part of the Work that Owner believes to be substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor, Owner, and Engineer will follow the procedures of Paragraph 15.03.A through E for that part of the Work.
 2. At any time Contractor may notify Owner and Engineer in writing that Contractor considers any such part of the Work substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.
 3. Within a reasonable time after either such request, Owner, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify Owner and Contractor in writing giving the reasons therefor. If Engineer considers that part of the Work to be substantially complete, the provisions of Paragraph 15.03 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.
 4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 6.05 regarding builder's risk or other property insurance.

15.05 *Final Inspection*

- A. Upon written notice from Contractor that the entire Work or an agreed portion thereof is complete, Engineer will promptly make a final inspection with Owner and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work, or agreed portion thereof, is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

15.06 Final Payment

A. Application for Payment:

1. After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, annotated record documents (as provided in Paragraph 7.11), and other documents, Contractor may make application for final payment.
2. The final Application for Payment shall be accompanied (except as previously delivered) by:
 - a. all documentation called for in the Contract Documents;
 - b. consent of the surety, if any, to final payment;
 - c. satisfactory evidence that all title issues have been resolved such that title to all Work, materials, and equipment has passed to Owner free and clear of any Liens or other title defects, or will so pass upon final payment.
 - d. a list of all disputes that Contractor believes are unsettled; and
 - e. complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of the Work, and of Liens filed in connection with the Work.
3. In lieu of the releases or waivers of Liens specified in Paragraph 15.06.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (a) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (b) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in liens or other burdens on Owner's property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien, or Owner at its option may issue joint checks payable to Contractor and specified Subcontractors and Suppliers.

B. Engineer's Review of Application and Acceptance:

1. If, on the basis of Engineer's observation of the Work during construction and final inspection, and Engineer's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and Contractor's other obligations under the Contract have been fulfilled, Engineer will, within ten days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of final payment and present the Application for Payment to Owner for payment. Such recommendation shall account for any set-offs against payment that are necessary in Engineer's opinion to protect Owner from loss for the reasons stated above with respect to progress payments. At the same time Engineer will also give written notice to Owner and Contractor that the Work is acceptable, subject to the provisions of Paragraph 15.07. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.

- C. *Completion of Work*: The Work is complete (subject to surviving obligations) when it is ready for final payment as established by the Engineer's written recommendation of final payment.
- D. *Payment Becomes Due*: Thirty days after the presentation to Owner of the final Application for Payment and accompanying documentation, the amount recommended by Engineer (less any further sum Owner is entitled to set off against Engineer's recommendation, including but not limited to set-offs for liquidated damages and set-offs allowed under the provisions above with respect to progress payments) will become due and shall be paid by Owner to Contractor.

15.07 *Waiver of Claims*

- A. The making of final payment will not constitute a waiver by Owner of claims or rights against Contractor. Owner expressly reserves claims and rights arising from unsettled Liens, from defective Work appearing after final inspection pursuant to Paragraph 15.05, from Contractor's failure to comply with the Contract Documents or the terms of any special guarantees specified therein, from outstanding Claims by Owner, or from Contractor's continuing obligations under the Contract Documents.
- B. The acceptance of final payment by Contractor will constitute a waiver by Contractor of all claims and rights against Owner other than those pending matters that have been duly submitted or appealed under the provisions of Article 17.

15.08 *Correction Period*

- A. If within one year after the date of Substantial Completion (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents, or by any specific provision of the Contract Documents), any Work is found to be defective, or if the repair of any damages to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas used by Contractor as permitted by Laws and Regulations, is found to be defective, then Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
 1. correct the defective repairs to the Site or such other adjacent areas;
 2. correct such defective Work;
 3. if the defective Work has been rejected by Owner, remove it from the Project and replace it with Work that is not defective, and
 4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others, or to other land or areas resulting therefrom.
- B. If Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others).
- C. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.

- D. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this paragraph, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.
- E. Contractor's obligations under this paragraph are in addition to all other obligations and warranties. The provisions of this paragraph shall not be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

ARTICLE 16 – SUSPENSION OF WORK AND TERMINATION

16.01 *Owner May Suspend Work*

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by written notice to Contractor and Engineer. Such notice will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be entitled to an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension. Any Change Proposal seeking such adjustments shall be submitted no later than 30 days after the date fixed for resumption of Work.

16.02 *Owner May Terminate for Cause*

- A. The occurrence of any one or more of the following events will constitute a default by Contractor and justify termination for cause:
 1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the Progress Schedule);
 2. Failure of Contractor to perform or otherwise to comply with a material term of the Contract Documents;
 3. Contractor's disregard of Laws or Regulations of any public body having jurisdiction; or
 4. Contractor's repeated disregard of the authority of Owner or Engineer.
- B. If one or more of the events identified in Paragraph 16.02.A occurs, then after giving Contractor (and any surety) ten days written notice that Owner is considering a declaration that Contractor is in default and termination of the contract, Owner may proceed to:
 1. declare Contractor to be in default, and give Contractor (and any surety) notice that the Contract is terminated; and
 2. enforce the rights available to Owner under any applicable performance bond.
- C. Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.
- D. Owner may not proceed with termination of the Contract under Paragraph 16.02.B if Contractor within seven days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.

- E. If Owner proceeds as provided in Paragraph 16.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds the cost to complete the Work, including all related claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals) sustained by Owner, such excess will be paid to Contractor. If the cost to complete the Work including such related claims, costs, losses, and damages exceeds such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this paragraph, Owner shall not be required to obtain the lowest price for the Work performed.
- F. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue, or any rights or remedies of Owner against Contractor or any surety under any payment bond or performance bond. Any retention or payment of money due Contractor by Owner will not release Contractor from liability.
- G. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 6.01.A, the provisions of that bond shall govern over any inconsistent provisions of Paragraphs 16.02.B and 16.02.D.

16.03 *Owner May Terminate For Convenience*

- A. Upon seven days written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
 1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and
 3. other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.
- B. Contractor shall not be paid on account of loss of anticipated overhead, profits, or revenue, or other economic loss arising out of or resulting from such termination.

16.04 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (3) Owner fails for 30 days to pay Contractor any sum finally determined to be due, then Contractor may, upon seven days written notice to Owner and Engineer, and provided Owner or Engineer do not remedy such suspension or failure within that time, terminate the contract and recover from Owner payment on the same terms as provided in Paragraph 16.03.

- B. In lieu of terminating the Contract and without prejudice to any other right or remedy, if Engineer has failed to act on an Application for Payment within 30 days after it is submitted, or Owner has failed for 30 days to pay Contractor any sum finally determined to be due, Contractor may, seven days after written notice to Owner and Engineer, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The provisions of this paragraph are not intended to preclude Contractor from submitting a Change Proposal for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this paragraph.

ARTICLE 17 – FINAL RESOLUTION OF DISPUTES

17.01 *Methods and Procedures*

- A. *Disputes Subject to Final Resolution:* The following disputed matters are subject to final resolution under the provisions of this Article:
1. A timely appeal of an approval in part and denial in part of a Claim, or of a denial in full; and
 2. Disputes between Owner and Contractor concerning the Work or obligations under the Contract Documents, and arising after final payment has been made.
- B. *Final Resolution of Disputes:* For any dispute subject to resolution under this Article, Owner or Contractor may:
1. elect in writing to invoke the dispute resolution process provided for in the Supplementary Conditions; or
 2. agree with the other party to submit the dispute to another dispute resolution process; or
 3. if no dispute resolution process is provided for in the Supplementary Conditions or mutually agreed to, give written notice to the other party of the intent to submit the dispute to a court of competent jurisdiction.

ARTICLE 18 – MISCELLANEOUS

18.01 *Giving Notice*

- A. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if:
1. delivered in person, by a commercial courier service or otherwise, to the individual or to a member of the firm or to an officer of the corporation for which it is intended; or
 2. delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the sender of the notice.

18.02 *Computation of Times*

- A. When any period of time is referred to in the Contract by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

18.03 *Cumulative Remedies*

- A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract. The provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

18.04 *Limitation of Damages*

- A. With respect to any and all Change Proposals, Claims, disputes subject to final resolution, and other matters at issue, neither Owner nor Engineer, nor any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, shall be liable to Contractor for any claims, costs, losses, or damages sustained by Contractor on or in connection with any other project or anticipated project.

18.05 *No Waiver*

- A. A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Contract.

18.06 *Survival of Obligations*

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract, as well as all continuing obligations indicated in the Contract, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

18.07 *Controlling Law*

- A. This Contract is to be governed by the law of the state in which the Project is located.

18.08 *Headings*

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

DOCUMENT 00 73 00

SUPPLEMENTARY CONDITIONS

TABLE OF ARTICLES

Article Number	Title	Page
SC-5.03	Subsurface and Physical Conditions	1
SC-5.05	Underground Facilities	1
SC-5.05.B	Underground Facilities	1
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SC-6.03	Contractor’s Insurance	2
SC-7.02	Labor; Working Hours	2
SC-7.06	Concerning Subcontractors, Suppliers, and Others	3
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SC-15.05	Final Inspection	4
SC-15.06.A	Application for Payment	4

These Supplementary Conditions amend or supplement the Standard General Conditions of the Construction Contract, EJCDC® C-700 (2013 Edition). All provisions that are not so amended or supplemented remain in full force and effect.

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

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

SC-5.03 Subsurface and Physical Conditions

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

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

SC-5.05 Underground Facilities

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

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

SC-5.05.B Underground Facilities

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

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

Utility	Owner	Phone
Location Service	Gopher State One Call	Metro: 651.454.0002 Out State: 800.252.1166

SC-5.06 Hazardous Environmental Conditions

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

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

SC-6.03 Contractor's Insurance

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

- K. The limits of liability for the insurance required by Paragraph 6.03 of the General Conditions shall provide coverage for not less than the following amounts or greater where required by Laws and Regulations:
 - 1. Worker's Compensation and related coverages under Paragraphs 6.03.A.1 and A.2 of the General Conditions:
 - a. State: Statutory
 - b. Federal, if applicable (e.g., Longshoreman's): Statutory
 - c. Employer's Liability:
 - 1) Bodily injury, each accident \$500,000
 - 2) Bodily injury by disease, each employee
 - 3) Bodily injury/disease, aggregate
 - 2. Contractor's Commercial General Liability under Paragraphs 6.03.B and 6.03.C of the General Conditions:
 - a. General Aggregate \$1,000,000
 - b. Products - Completed Operations Aggregate \$1,000,000
 - c. Personal and Advertising Injury \$1,000,000
 - d. Each Occurrence (Bodily Injury and Property Damage) \$750,000
 - 3. Automobile Liability under Paragraph 6.03.D of the General Conditions:
 - a. Bodily Injury:
 - Each person \$1,000,000
 - Each Accident \$1,000,000
 - b. Property Damage:
 - Each Accident \$1,000,000
 - 4. Excess or Umbrella Liability
 - a. General Aggregate \$1,000,000
 - b. Each Occurrence \$1,000,000
 - 6. Additional Insureds: List Grand Rapids Public Utilities Commission as additional insured

SC-7.02 Labor; Working Hours

Delete Paragraph 7.02.B in its entirety and substitute the following in its place:

- B. In the absence of any Laws or Regulations to the contrary, Contractor may perform the Work on holidays, during any or all hours of the day, and on any or all days of the week, at Contractor's sole discretion.

SC-7.06 Concerning Subcontractors, Suppliers, and Others

Add the following language at the end of Paragraph 7.06.O.2:

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

SC-7.08 Permits

Add new paragraphs immediately after Paragraph 7.08.A to read as follows:

- B. Owner has obtained all the required MPCA permits associated with the sludge landfill.

SC-7.10 Laws and Regulations

Add new paragraphs immediately after Paragraph 7.10.C which are to read as follows:

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

SC-12.01 Claims

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

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

SC-13.03 Unit Price Work

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

- E. The unit price of an item of Unit Price Work shall not be subject to re-evaluation and adjustment under any conditions.

SC-15.01.B Applications for Payments

Amend Paragraph 15.01.B.3 to read as follows:

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

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

*State Surety Deposit

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

SC-15.01.C Review of Applications

Delete Paragraph 15.01.C.1 in its entirety and insert the following:

- 1. Engineer will, within 21 days after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to Owner or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.

SC-15.05 Final Inspection

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

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

SC-15.06.A Application for Payment

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

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

SECTION 01 77 00
CLOSEOUT PROCEDURES

PART 1 GENERAL

1.01 SUMMARY

- A. Administrative and procedural requirements for contract closeout, including:
1. Submittals.
 2. Record document submittals.

1.02 SUBSTANTIAL COMPLETION

- A. Complete the following before requesting Engineer's inspection for certification of Substantial Completion for each phase of work. List items that are incomplete in request.
1. Prepare a list of items to be completed and corrected (punch list), the value of items on the list, and reasons why the Work is not complete.
 2. Obtain, submit releases enabling Owner unrestricted use of the Work and access to services and utilities.
 3. Regulatory requirements:
 - a. Where required, obtain occupancy permits, operating certificates, similar releases.
 4. Bonding and insurance:
 - a. Consent of Surety to Reduction In or Partial Release of Retainage.
- B. Inspection Procedures:
1. When prerequisites are complete, submit request in writing to Engineer stating that all requirements are satisfied, and requesting inspection.
 2. Upon receipt of Contractor's request for inspection, Engineer will either proceed with inspection or advise Contractor of unfilled prerequisites.
 3. Following initial inspection, Engineer will either prepare Certificate of Substantial Completion, or advise Contractor of work which must be performed before certificate will be issued. Engineer will repeat inspection when requested and when assured that work has been substantially completed.
 4. Results of completed inspection will form the basis of requirements for Final Acceptance.

1.03 FINAL ACCEPTANCE

- A. Before requesting final inspection for determining date of Final Completion, complete the following:
1. Submittals:
 - a. Assurance that unsettled claims will be settled.
 - b. Proof that fees and similar obligations have been paid.
 - c. Evidence of final, continuing insurance coverage complying with insurance requirements.
 - d. Form IC-134, Affidavit for Obtaining Final Settlement of Contract with State of Minnesota and any of its Political or Governmental Subdivisions.
 - e. Notarized certification of compliance with wage rate requirements.
 - f. Certified copy of Engineer's final punch list of itemized work to be completed or corrected, stating that each item has been completed or otherwise resolved for acceptance and has been endorsed and dated by Engineer.
- B. Record Drawings: Submit to Engineer a set of record prints marked to show "as-built" conditions for work of contract, if requested.
- C. Adjusting:
1. Complete final cleaning requirements.

D. Final Payment Request:

1. Include certificates of insurance for products and completed operations where required.
2. Updated final statement, accounting for final additional changes to Contract Sum.
3. Final liquidated damages settlement statement, acceptable to Owner.

PART 2 PRODUCTS

Not Used

PART 3 EXECUTION

Not Used

END OF SECTION

SECTION 02 12 00**SLUDGE PLACEMENT****PART 1 GENERAL****1.01 SUMMARY**

- A. Section Includes:
 - 1. Placement of sludge within the permitted areas, Expansion Areas 5, 6, 7 and 8.
- B. Method of Measurement:
 - 1. Sludge Material:
 - a. Volume of sludge material will be determined on an Owner truck count basis using a cubic yard measurement as the method for determining volume.
 - b. Contractor shall verify sludge volume measurements with the Owner on a weekly schedule.
- C. Basis of Payment:
 - 1. Payment for sludge placement will be on a per cubic yard basis at the unit price bid. All necessary labor and equipment required to perform the contract shall be included in the unit price bid.
 - 2. Owner does not guarantee nor provide assurances of any specified volume of sludge to be placed during the life of this contract. Placement of sludge is anticipated to be 44,000 cubic yards for the length of the contract.

PART 2 PRODUCTS**2.01 EQUIPMENT**

- A. Contractor shall have an adequate piece of machinery available to the Owner 24 hours a day 365 days per year so that Owner can use the machine to dislodge tandem axle vehicles from sludge work areas when vehicles get stuck. Owner's use of machinery is incidental to sludge placement.
- B. Machinery used for placement of sludge must be equal to or larger than a Caterpillar D4 bulldozer. The machinery must be a low-ground-pressure bulldozer.
- C. If Contractors machinery becomes disabled, a replacement piece of machinery must be on site and operable within a period of four hours.

PART 3 EXECUTION**3.01 EXECUTION REQUIREMENTS**

- A. The material at the sludge landfill is very unique. Contractor must submit one reference with bid detailing previous experience. Reference for is included under Document 00 44 14 - Project References.
- B. Frequency and location of sludge placement will be determined by Owner. As the sludge cells fill, the Contractor shall place sludge according to grade stakes provided by the Owner. The Contractor may be

required to place sludge seven days a week and fifty two weeks per year. There shall be no additional cost to Owner for shaping of slopes or for placement to grade stakes. It is the intent of the Owner that all placement of sludge be by bulldozer and will be covered by the unit price bid.

- C. Compaction of sludge shall be achieved by operating the bulldozer with three to five passes up and down the sludge placement area. The Owner reserves the right to determine by visual methods when the sludge has been adequately compacted.
- D. Equipment operators provided by Contractor must be certified by the Minnesota Pollution Control Agency as a Type III Waste Disposal Facility Operator. Contractor shall provide certification documentation to the Owner.
- E. The GRPU landfill accepts wood/ash and solids from sewer cleaning as allowed in the MPCA permit. When any of these materials are placed in the landfill, six inches of compacted sludge must be used to cover the material by the end of the day it is placed. This is a requirement in the MPCA permit.
- F. Contractor is responsible to maintain the integrity of the landfill facilities, including but not limited to cell liners, monitoring wells, leachate sump lines, etc. Any damage caused by Contractor shall be repaired by Contractor at no cost to the Owner.
- G. In sludge placement areas all snow and ice shall be removed by the Contractor prior to placement of sludge. This work is incidental to sludge placement.
- H. Work shall be done in accordance with Federal Aviation Administration rules and regulations.

END OF SECTION



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to accept the 2022 Electric, Water, and Wastewater Cost of Service and Rate Design Report.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

Following an RFP for professional services, GRPU staff worked with David Berg Consulting on a Cost of Service and Rate Design Study for the Electric, Water, and Wastewater Utilities. The existing electric utility rates were based on the recommendations provided in the 2019 cost of service study. In 2021, we re-negotiated the wholesale power agreement with MP and that new agreement structure significantly changed the cost of service components. As a result, we felt it was prudent to update the Cost of Service and Rate Recommendation Study. For the water and wastewater utilities, GRPU has not had a cost of service study completed in over a decade. In 2019 when we conducted the electric utility study, we did not have the AMI water meter data available and chose to postpone the water and wastewater rate study until we were able to utilize actual customer data. We were able to utilize actual customer data for this study.

The following documents are attached for your full review:

- 2022 Rate Study - Summary Letter
- 2022 Rate Study - Electric Final Report
- 2022 Rate Study - Water Final Report
- 2022 Rate Study – Domestic Wastewater Final Report

GRPU staff support the cost of service results and rate recommendations provided in this study. The study information has been discussed at the past two Commission work sessions and input has been provided and included in the final reports.

RECOMMENDATION:

Consider a motion to accept the 2022 Electric, Water, and Wastewater Cost of Service and Rate Design Report.

December 14, 2022

Grand Rapids Public Utilities Commission
 500 SE 4th Street
 Grand Rapids, MN 55744

Subject: Electric, Water and Domestic Wastewater Rate Studies

Commission Members:

Dave Berg Consulting, LLC has undertaken a study of the retail rates GRPUC charges its customers for electric, water and domestic wastewater service. Reports have been provided for each utility summarizing the analyses undertaken and the resulting recommendations for changes to the existing rates.

The first year (2023) rate recommendations result in a reduction in average electric bills of 5.4% and increases of 15% for water and 5% for domestic wastewater. Table 1 below summarizes the combined impact on an average residential customer’s combined monthly bills utilizing 700 kWh electric and 3000 gallons for water and wastewater. As shown, the total monthly proposed bill for 2023 is essentially equal to the existing monthly bill.

Table 1
2023 Residential Bill Impact

Utility	Current	2023	Increase (\$)	Increase (%)
Electric (700 kWh)	\$88.61	\$84.39	(\$4.22)	(4.8%)
Water (3000 gallons)	20.04	22.98	2.94	14.7%
Wastewater (3000 gallons)	<u>24.34</u>	<u>25.54</u>	<u>1.20</u>	<u>4.9%</u>
Total	\$132.99	\$132.91	(\$0.08)	0.0%

Table 2 below summarizes the combined impact on an average commercial customer’s combined monthly bills utilizing 2000 kWh electric and 17,000 gallons for water and wastewater. As shown, the total monthly bill for 2023 increases slightly by \$3.65 or 0.9%.

Dedicated to providing personal service to consumer-owned utilities

Table 2
2023 Commercial Bill Impact

Utility	Current	2023	Increase (\$)	Increase (%)
Electric (2000 kWh)	\$262.51	\$250.56	(\$11.95)	(4.6%)
Water (17,000 gallons)	68.69	80.78	12.09	17.6%
Wastewater (17,000 gallons)	<u>94.32</u>	<u>97.83</u>	<u>3.51</u>	<u>3.7%</u>
Total	\$425.52	\$429.17	\$3.65	0.9%

Table 3 shows the combined end-of-year reserves for all three utilities assuming implementation of the recommended rate adjustments.

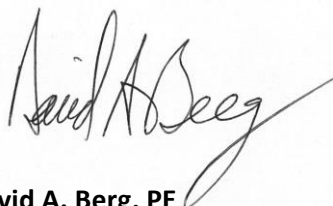
Table 3
Projected EOY Cash Reserves
Proposed Rates

Utility	2022	2023	2024	2025	2026	2027
Electric	\$4,118,902	\$4,716,083	\$5,506,199	\$5,934,009	\$6,231,949	\$6,523,763
Water	178,992	(611,112)	789,624	249,105	(7,577)	(408,427)
Wastewater	<u>280,237</u>	<u>1,025,670</u>	<u>577,164</u>	<u>234,045</u>	<u>(145,995)</u>	<u>(119,038)</u>
Total	\$4,578,131	\$5,130,641	\$6,872,987	\$6,417,159	\$6,078,378	\$5,996,298

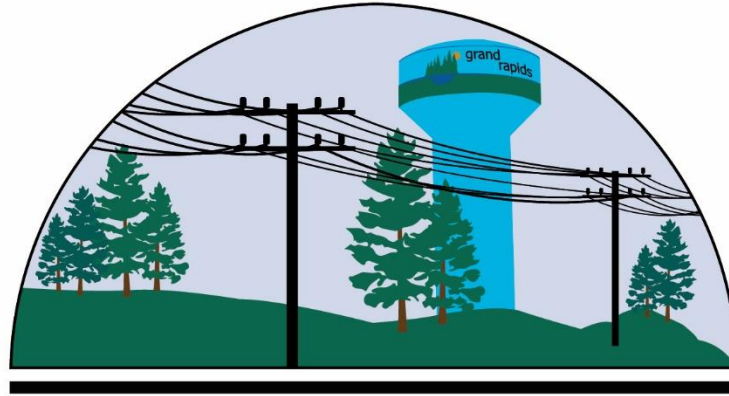
Each report contains more detailed information regarding the recommendations for each utility. Thank you for the opportunity to be of service to GRPUC through the conduct of this study.

Sincerely,

Dave Berg Consulting, LLC



David A. Berg, PE
Principal



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

**ELECTRIC COST OF SERVICE AND
RATE DESIGN STUDY**

Final Report

December 14, 2022



REPORT OUTLINE

Cover Letter

Section 1 - Introduction

Section 2 – Projected Operating Results – Existing Rates

Section 3 – Cost of Service

Section 4 – Proposed Rates

December 14, 2022

Grand Rapids Public Utilities Commission

500 SE 4th Street
Grand Rapids, MN 55744

Subject: Electric Rate Study

Commission Members:

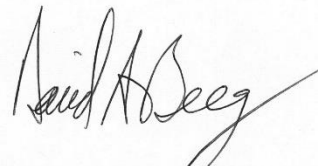
Dave Berg Consulting, LLC has undertaken a study of the retail rates GRPUC charges its customers for electric service. This report summarizes the analyses undertaken and the resulting recommendations for changes to the existing rates.

The new wholesale contract with MP which became effective 1/1/22 has a significant impact on the overall results. An overall increase in published base electric rates in 2023 of 1% is recommended. A redesign of the purchased power adjustment will also impact overall customer bills. Based on the new PPAC calculation, which was altered to better reflect the new wholesale contract, overall average bills for customers in 2023 will be reduced by approximately 5.4% from 2022. There are some additional small changes recommended for certain rates as detailed in Section 4 of the report, these are also made to reflect the new wholesale contract.

Thank you for the opportunity to be of service to GRPUC through the conduct of this study. I wish to express my appreciation for the valuable assistance I received from GRPUC staff relative to the execution of this study.

Sincerely,

Dave Berg Consulting, LLC



David A. Berg, PE
Principal

Section 1

Introduction

The City of Grand Rapids, MN owns and operates a municipal electric utility providing service to approximately 7400 residential, commercial, industrial and lighting customers. The electric utility operates under the direction of the Grand Rapids Public Utilities Commission (GRPUC). This report has been prepared by Dave Berg Consulting, LLC to examine the rates and charges for electric service in Grand Rapids. The study includes an examination of the allocated cost of service based on a 2021 'Test Year.' It also includes projected operating results for 2022-2027 (Study Period). As a result of the analyses undertaken and reported on herein, new proposed electric rates have been recommended for implementation by Grand Rapids.

Section 2

Projected Operating Results

Existing Rates

The rates charged for electric services by GRPUC, combined with other operating and non-operating revenues, must be sufficient to meet the cost of providing services to GRPUC's retail customers. This is necessary to ensure the long-term financial health of GRPUC. The cost of providing services consists of normal operating expenses such as wholesale power purchases, local distribution, customer and administrative functions, capital improvements and contributions to the City of Grand Rapids and other non-operating expenses.

An analysis of the operating results for GRPUC during the 2022-2027 Study Period has been performed assuming the current retail rates and charges remain in effect through the Study Period. This analysis has been done to determine the overall need, if any, for additional revenue through rates to meet projected revenue requirements. The analyses and assumptions utilized in these projections are explained below.

Estimated Revenues – Existing Rates

Retail Sales

GRPUC sells retail power and energy to residential, commercial, and industrial customers. The majority of these customers are located within the City of Grand Rapids, however GRPUC does serve certain residential and commercial customers in rural areas outside the City limits. GRPUC also has special rates for sales to heating and cooling, load management and security lighting classes of customers. GRPUC has been experiencing moderate growth in total retail sales to its customers. For the Study Period, 1% annual growth in total sales has been assumed after 2022. Also, the addition of an 800-kW demand billed customer has been assumed in 2023.

Section 2

GRPUC offsets certain wholesale costs through its Purchased Power Adjustment Clause (PPAC) which automatically adjusts retail electric bills based on certain adjustments on the monthly wholesale bills from Minnesota Power. These adjustments are outside GRPUC's control and difficult to predict. The PPAC ensures that the results of these variable wholesale cost adjustments are properly passed through to retail electric customers.

Exhibit 2-A is a detailed listing of GRPUC's historical and projected operating results at existing rates. The historical and projected revenues from retail sales of power and energy plus the PPAC pass-through are included at the beginning of the exhibit under Utility Revenues.

Other Operating Revenues

GRPUC also receives revenue from other normal operating procedures. These other operating revenues include certain charges made for services not based on power and energy sales. These revenues are shown in Exhibit 2-A as Other Operating Revenues. Utility Revenues combined with Other Operating Revenues result in GRPUC's Total Operating Revenues.

Revenue Requirements

Purchased Power

GRPUC purchases all of its wholesale power and energy requirements from Minnesota Power under the terms of a wholesale power contract. Purchased power is the largest single operating expense for GRPUC. In 2021 a new agreement was negotiated and signed with Minnesota Power. That contract went into effect January 1, 2022. As explained above, GRPUC makes an adjustment to its retail bills through use of a PPAC for certain wholesale power costs. The new contract impacts that calculation. In the first year of the new contract, GRPUC set the PPAC adjustment at \$0.01583/kWh. For future years in the Study Period, the PPAC was calculated utilizing the existing PPAC

Projected Operating Results – Existing Rates

formula. Table 2-1 lists the PPAC rates for each year as included in the projections. The new contract with Minnesota Power necessitates revisiting the PPAC formula, that is addressed in Section 4 of this report.

**Table 2-1
Retail PPAC**

Year	Rate (\$/kWh)
2022	0.01583
2023	0.00865
2024	0.01072
2025	0.01279
2026	0.01486
2027	0.01693

Total wholesale power cost projections are based on the rates contained in the new Minnesota Power contract.

Other Operating Expenses

GRPUC incurs other operating expenses associated with local electric system operations. Distribution operating and maintenance expenses are related to the substations, overhead and underground lines and customer facilities located in Grand Rapids. Customer accounting expenses are required for reading meters, sending and processing bills and dealing with customer inquiries. To meet state mandated requirements, GRPUC must make conservation improvement program investments with a goal of reducing electric consumption. Administrative and general expenses cover utility management, employee benefits, training and other administrative costs. Other operating expenses for the Study Period have been based on Study Period budgets provided by GRPUC.

Section 2

Depreciation

GRPUC has annual depreciation and amortization costs based on its system investments. Depreciation during the Study Period is based on existing plant in service plus an amount for new capital improvements. Depreciation is a funded non-cash expense that generates monies available for annual capital improvements, debt principal payments and reserves.

Non-operating Income (Expenses)

GRPUC's non-operating income and expenses are associated with investment income, penalties, interest expenses, and costs and revenues associated with the combined service center.

Payment in Lieu of Taxes

GRPUC makes an annual payment in lieu of taxes ('PILOT') to the City of Grand Rapids. The payment is calculated as the maximum of \$.005 per kWh sold the previous year or \$871,701. Based on this formula, the PILOT has been assumed to be a flat payment of \$871,701 per year through the Study Period.

Capital Improvements

GRPUC makes annual capital investments in its electric system. The electric utility also pays a share of improvements to the combined service center. The combined capital improvements for the electric utility are shown in Table 2-2 below.

Projected Operating Results – Existing Rates

Table 2-2
Capital Improvements

Capital Item	2022	2023	2024	2025	2026	2027
Electric Capital	\$804,968	\$873,290	\$864,440	\$870,440	\$871,440	\$873,440
Service Center Capital	<u>\$145,639</u>	<u>\$303,550</u>	<u>\$65,000</u>	<u>\$13,000</u>	<u>\$13,000</u>	<u>\$13,000</u>
Total	\$950,607	\$1,176,840	\$929,440	\$883,440	\$884,440	\$886,440

Debt Service

GRPUC has annual debt principal payments. The last payment on this debt is scheduled for 2025.

Loss of Revenue Payment to Lake Country Power

GRPUC acquired electric service territory from Lake Country Power (LCP). As part of that acquisition, the annual loss of revenue payment is made to LCP for sales to customers in those areas. The loss of revenue payment has been assumed to be approximately \$78,000 per year.

Projected Operating Results – Existing Rates

Based on the assumptions outlined above, the resulting projected operating results assuming continued application of the existing retail rates is summarized in Table 2-3. A detailed presentation of the operating results is shown in Exhibit 2-A.

Section 2

Table 2-3
Projected Operating Results
Existing Rates

Year	2022	2023	2024	2025	2026	2027
Operating Revenues	\$19,061,765	\$18,448,198	\$18,977,138	\$19,515,558	\$20,064,303	\$20,624,106
Less Operating Expenses	(15,133,717)	(16,471,822)	(17,535,707)	(18,642,543)	(19,600,947)	(20,298,209)
Less Non -Operating Expenses	<u>(1,075,942)</u>	<u>(1,045,042)</u>	<u>(1,044,661)</u>	<u>(1,047,838)</u>	<u>(1,047,100)</u>	<u>(1,065,454)</u>
Net Income	2,852,105	931,335	396,769	(174,823)	(583,744)	(739,557)
Net Income as Percent of Revenues	15.0%	5.0%	2.1%	-0.9%	-2.9%	-3.6%

Cash Reserves

A summary of the impact of the projected operating results on GRPUC's cash reserves is shown at the end of Exhibit 2-A and in Table 2-4 below. A projected strong net income in 2022 is projected to increase the cash balance from \$1.5 million to \$4.0 million (21.2% of operating revenues) at the end of 2022. For 2023 through 2027 the cash balance is projected to decrease annually to \$3.4 million or 16.3 percent of operating revenues.

Projected Operating Results – Existing Rates

Table 2-4
Projected Cash Reserves
Existing Rates

Year	2022	2023	2024	2025	2026	2027
Beginning Balance	\$1,520,146	\$4,118,902	\$4,521,158	\$4,755,960	\$4,495,451	\$3,990,969
Plus Net Income	2,852,105	931,335	396,769	(174,823)	(583,744)	(739,557)
Less Capital Improvements	(950,607)	(1,176,840)	(929,440)	(883,440)	(884,440)	(886,440)
Less ERP Proj Costs	-	(80,833)	-	-	-	-
Plus Deprec/Amort	910,382	942,069	981,297	1,012,278	1,041,726	1,071,208
Less Debt Principal	(135,100)	(135,450)	(135,800)	(136,500)	-	-
Less LCP Payment	<u>(78,024)</u>	<u>(78,024)</u>	<u>(78,024)</u>	<u>(78,024)</u>	<u>(78,024)</u>	<u>(78,024)</u>
Ending Balance	\$4,118,902	\$4,521,158	\$4,755,960	\$4,495,451	\$3,990,969	\$3,358,155
As a percent of revenue	21.6%	24.5%	25.1%	23.0%	19.9%	16.3%

**Grand Rapids Public Utilities Commission
Electric Operating Results at Existing Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
OPERATING REVENUES											
Utility Revenues											
City residential	\$ 3,496,976	\$ 3,848,068	\$ 3,821,527	\$ 4,142,608	\$ 4,311,259	\$ 4,485,931	\$ 4,571,803	\$ 4,631,250	\$ 4,691,535	\$ 4,752,623	\$ 4,814,576
City commercial and demand & energy	9,790,884	9,051,114	9,189,588	8,874,782	9,411,411	9,880,460	10,394,294	10,510,369	10,628,022	10,747,276	10,868,611
Rural residential	1,023,159	1,136,791	1,125,900	1,182,228	1,213,463	1,251,841	1,261,106	1,261,114	1,261,114	1,261,114	1,261,114
Rural commercial and demand & energy	544,806	569,994	583,743	563,487	626,763	639,013	643,016	643,097	643,097	643,097	643,097
Security lighting	57,566	55,300	56,412	60,075	61,567	61,371	60,994	60,994	60,994	60,994	60,994
Total Retail Sales	\$ 14,913,391	\$ 14,661,267	\$ 14,777,170	\$ 14,823,180	\$ 15,624,463	\$ 16,318,615	\$ 16,931,212	\$ 17,106,824	\$ 17,284,762	\$ 17,465,103	\$ 17,648,392
Purchased power adjustment passthrough	693,130	612,842	436,847	400,954	2,401,457	2,631,811	1,405,647	1,758,975	2,119,457	2,487,860	2,864,374
Total Utility Revenues	\$ 15,606,521	\$ 15,274,109	\$ 15,214,017	\$ 15,224,134	\$ 18,025,920	\$ 18,950,426	\$ 18,336,859	\$ 18,865,799	\$ 19,404,219	\$ 19,952,964	\$ 20,512,767
Other Operating Revenues											
Pole rentals	\$ 16,715	\$ -	\$ 38,624	\$ 21,416	\$ 23,577	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000
Other	176,275	95,315	119,168	75,804	148,569	90,339	90,339	90,339	90,339	90,339	90,339
Penalties	49,752	49,954	46,823	9,869	14,294	-	-	-	-	-	-
Total Operating Revenues	\$ 15,849,263	\$ 15,419,378	\$ 15,418,632	\$ 15,331,223	\$ 18,212,360	\$ 19,061,765	\$ 18,448,198	\$ 18,977,138	\$ 19,515,558	\$ 20,064,303	\$ 20,624,106
OPERATING EXPENSES											
Purchased Power	\$ 10,991,941	\$ 11,169,489	\$ 11,336,920	\$ 11,069,792	\$ 13,611,143	\$ 11,807,430	\$ 12,931,589	\$ 13,831,851	\$ 14,777,844	\$ 15,568,697	\$ 16,178,333
Distribution Operations											
Supervision and engineering	\$ 75,537	\$ 83,435	\$ 88,122	\$ 89,308	\$ 88,820	\$ 90,495	\$ 93,210	\$ 97,870	\$ 102,764	\$ 107,902	\$ 113,297
Crew Personnel						230,683	237,603	249,483	261,958	275,055	288,808
Substations	14,410	6,480	6,373	5,580	6,334	6,614	6,944	7,153	7,367	7,588	7,816
Overhead and underground lines	122,256	57,556	147,490	91,108	366,055	9,000	9,450	9,734	10,026	10,326	10,636
Locating Expense						48,000	50,400	51,912	53,469	55,073	56,726
Meters	103,488	21,751	74,041	79,910	75,208	-	-	-	-	-	-
Customer installations	43,143	21,941	14,714	13,129	22,802	-	-	-	-	-	-
Mapping	81,756	67,602	57,115	34,139	47,363	-	-	-	-	-	-
Small tools	31,520	22,379	15,027	17,833	30,801	28,000	29,400	30,282	31,190	32,126	33,090
Safety	21,887	18,731	12,098	29,396	30,613	17,000	17,850	18,386	18,937	19,505	20,090
Seminar/training	41,493	12,554	12,617	11,590	11,401	12,000	12,600	12,978	13,367	13,768	14,181
Uniforms Expense						11,000	11,550	11,897	12,253	12,621	13,000
Rentals						3,164	3,322	3,422	3,525	3,620	3,739
Stores	81,237	97,862	126,094	95,509	155,224	55,849	57,524	60,401	63,421	66,592	69,921
Distribution Maintenance											
Supervision and engineering	75,537	83,326	88,121	89,128	88,780	90,309	93,018	97,669	102,552	107,680	113,064
Crew Personnel						158,000	162,740	170,877	179,421	188,392	197,811
Locating expense	-	-	11,871	15,769	37,924	-	-	-	-	-	-
Substations	24,965	58,720	73,803	55,319	52,509	60,335	63,352	65,252	67,210	69,226	71,303
Overhead lines	139,379	122,630	177,900	174,777	236,987	22,000	23,100	23,793	24,507	25,242	25,999
Overhead Lines - Tree Trimming						80,000	150,000	154,500	159,135	163,909	80,000
Underground lines	93,839	56,368	43,292	98,188	22,259	16,000	16,800	17,304	17,823	18,358	18,909
Underground Lines - Locating						-	-	-	-	-	-
Line transformers	3,506	-	6,914	778	-	2,500	2,625	2,704	2,785	2,869	2,955
Security Lighting	284	4,375	-	1,173	5,047	-	-	-	-	-	-
Street lighting	-	-	-	2,158	-	-	-	-	-	-	-
Meters	1,320	11,890	2,316	4,168	42,513	500	525	541	557	574	591
Other	43,995	12,127	57,645	7,031	5,922	-	-	-	-	-	-
Total Distribution Expenses	\$ 999,552	\$ 759,727	\$ 1,015,553	\$ 915,991	\$ 1,326,562	\$ 941,448	\$ 1,042,014	\$ 1,086,156	\$ 1,132,267	\$ 1,180,437	\$ 1,141,937

**Grand Rapids Public Utilities Commission
Electric Operating Results at Existing Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Other Operating Expenses											
Customer accounts expense	\$ 327,351	\$ 357,952	\$ 347,475	\$ 297,957	\$ 436,018	\$ 340,422	\$ 356,860	\$ 368,167	\$ 379,842	\$ 391,900	\$ 404,352
Conservation Improvement						119,701	119,701	119,701	119,701	119,701	119,701
Administrative and general	1,084,608	1,153,457	1,066,753	1,145,209	1,125,105	1,014,334	1,079,589	1,148,535	1,220,610	1,298,485	1,382,678
Depreciation - electric	909,967	881,083	879,575	1,123,497	933,748	908,137	939,824	979,052	1,010,033	1,039,481	1,068,962
Depreciation - other	98,367	99,113	95,904	103,727	106,360	-	-	-	-	-	-
Amortization - intangibles	50,025	49,995	47,935	43,533	45,181	2,245	2,245	2,245	2,245	2,245	2,245
Amortization - other	13,696	13,696	34,338	34,337	34,337	-	-	-	-	-	-
Service center	132,588	106,494	127,550	108,160	123,085	-	-	-	-	-	-
Total Other Operating Expenses	\$ 2,616,602	\$ 2,661,790	\$ 2,599,530	\$ 2,856,420	\$ 2,803,834	\$ 2,384,839	\$ 2,498,219	\$ 2,617,700	\$ 2,732,432	\$ 2,851,812	\$ 2,977,939
Total Operating Expenses	\$ 14,608,095	\$ 14,591,006	\$ 14,952,003	\$ 14,842,203	\$ 17,741,539	\$ 15,133,717	\$ 16,471,822	\$ 17,535,707	\$ 18,642,543	\$ 19,600,947	\$ 20,298,209
NET OPERATING INCOME	\$ 1,241,168	\$ 828,372	\$ 466,629	\$ 489,020	\$ 470,821	\$ 3,928,047	\$ 1,976,376	\$ 1,441,431	\$ 873,015	\$ 463,356	\$ 325,897
NON-OPERATING INCOME (EXPENSES)											
Investment income	\$ 38,310	\$ 26,473	\$ 50,825	\$ 30,745	\$ 15,667	\$ 30,225	\$ 81,897	\$ 89,895	\$ 94,564	\$ 89,384	\$ 79,354
Penalties	-	-	-	-	-	28,622	27,000	27,000	27,000	27,000	27,000
Gain (loss) on property disposition	(407,122)	4,474	11,650	(21,351)	(29,861)	-	-	-	-	-	-
Interest expense	(27,648)	(24,199)	(21,223)	-	(2,996)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Lease revenues combined service center	125,563	17,900	35,071	28,763	19,593	23,858	16,800	16,800	16,800	16,800	16,800
CSC Building/Grounds expenses	-	-	-	-	-	(284,247)	(296,339)	(303,956)	(311,802)	(305,883)	(314,207)
Grant revenue	-	-	-	145,672	84,329	-	-	-	-	-	-
City land improvements	-	-	-	-	(393,640)	-	-	-	-	-	-
Payment in lieu of taxes	(872,898)	(876,832)	(871,916)	(873,537)	(882,288)	(871,701)	(871,701)	(871,701)	(871,701)	(871,701)	(871,701)
Total Non-Operating Revenues (Expenses)	\$ (1,143,795)	\$ (852,184)	\$ (795,593)	\$ (689,708)	\$ (1,189,196)	\$ (1,075,942)	\$ (1,045,042)	\$ (1,044,661)	\$ (1,047,838)	\$ (1,047,100)	\$ (1,065,454)
NET INCOME	\$ 97,373	\$ (23,812)	\$ (328,964)	\$ (200,688)	\$ (718,375)	\$ 2,852,105	\$ 931,335	\$ 396,769	\$ (174,823)	\$ (583,744)	\$ (739,557)
as a percent of Operating Revenues	0.6%	-0.2%	-2.1%	-1.3%	-3.9%	15.0%	5.0%	2.1%	-0.9%	-2.9%	-3.6%
CASH RESERVES											
Beginning of Year						\$ 1,520,146	\$ 4,118,902	\$ 4,521,158	\$ 4,755,960	\$ 4,495,451	\$ 3,990,969
Plus Net Income						2,852,105	931,335	396,769	(174,823)	(583,744)	(739,557)
Less Capital Improvements						(950,607)	(1,176,840)	(929,440)	(883,440)	(884,440)	(886,440)
Less ERP Project Costs						-	(80,833)	-	-	-	-
Plus Depreciation/Amortization						910,382	942,069	981,297	1,012,278	1,041,726	1,071,208
Less Debt Service Principal						(135,100)	(135,450)	(135,800)	(136,500)	-	-
Less Loss of Revenue Payment to LCP						(78,024)	(78,024)	(78,024)	(78,024)	(78,024)	(78,024)
End of Year					\$ 1,520,146	\$ 4,118,902	\$ 4,521,158	\$ 4,755,960	\$ 4,495,451	\$ 3,990,969	\$ 3,358,155
As a percent of revenue					8.3%	21.6%	24.5%	25.1%	23.0%	19.9%	16.3%

Section 3

Cost-of-Service

A cost-of-service analysis was performed to determine the allocated cost to serve each of GRPUC's customer classes. Customer classes exist, in part, because the cost to serve various kinds of customers varies. The cost-of-service analysis has been performed on a 2021 'Test Year' based on actual 2021 financials, sales and purchases. The results of the cost-of-service study give an indication of the degree of revenue recovery warranted for each class of customers. A comparison of the allocated cost to serve a class of customers and the actual revenues received from that class is taken into consideration during rate design. The resulting unbundled cost analysis for each class is also useful as a basis for considering specific rate component levels in each class.

Functionalization of Costs

GRPUC's Test Year electric revenue requirements have been divided into four functional categories. These categories are described below.

Power Supply – the power supply function is related to the cost of GRPUC purchases from Minnesota Power and transmission expenses through MISO.

Distribution – distribution expenses are related to the GRPUC system for delivering power and energy to GRPUC customers. They include substation and distribution system costs.

Customer – these costs are fixed costs associated with the service facilities utilized to deliver electric power and energy directly to customers. They also include items such as meter reading, billing, collections and customer service.

Revenue – revenue related costs include certain non-operating revenues and utility margin.

Section 3

Table 3-1 below summarizes the functional electric costs for the adjusted 2021 Test Year. The detailed cost functions are shown in Exhibit 3-A.

Test Year Adjustments – GRPUC entered a new power purchase agreement with Minnesota Power effective 1/1/22. The power supply revenue requirement has been adjusted to represent 2021 wholesale billing units assuming the new 2022 wholesale rate structure.

Table 3-1
Functional Electric Costs
2021 Test Year

Component	Revenue Requirement
Power Supply (Modified)	\$11,444,987
Distribution	2,701,144
Customer	781,695
Revenue	<u>2,758,886</u>
Total	<u>\$17,686,712</u>

Classification of Costs

Within each function, the revenue requirements have been divided into distinct cost classifications. These cost classifications are described below.

Demand Related – demand related costs are fixed costs that do not vary with hourly energy consumption. Demand related costs are required to meet the overall demand of the system as expressed in kW.

Energy Related – energy related costs vary based on hourly consumption in kWh.

Cost-of-Service

Customer Related – costs related to serving, metering and billing of individual customers.

Revenue Related – revenue related costs vary by the amount of revenue received by the utility.

Exhibits 3-B through 3-D show the detailed classification of revenue requirements within the power supply, distribution and customer functions.

Allocation of Costs

Based on an analysis of customer class service characteristics derived from GRPUC AMI metering data, the classified costs summarized above were allocated to the major GRPUC customer classes. Allocation of costs was performed on a fully-distributed, embedded cost allocation basis. Specific allocation factors were utilized in each of the cost classification categories as described below. Exhibit 3-E contains a summary of the development of the various allocation factors.

Demand Allocations

Customer class demands on a system can be reflected in various ways. Two primary demand allocation types were utilized in this analysis. Coincident peaks represent a class' share of the overall system peak. GRPUC is billed monthly by MP based on the overall system peak. A 12 CP method, reflecting each class' contribution to each month's system peak, was employed for allocating the demand portion of the MP wholesale bill and MISO transmission charges. Non-coincident peaks reflect a class maximum demand regardless of when it occurs. The non-coincident peak is an indication of the amount of fixed local system required to serve individual groups of customers. A 1 NCP method, an estimate of each class' maximum annual demand on the system, was utilized for allocating local system demand related costs.

Section 3

Energy Allocations

Each class' share of energy requirements was used to allocate energy related costs. The predominant energy related cost is the energy portion of the MP wholesale power bill.

Customer Allocations

Two separate customer allocators were utilized. A sum of maximum demands allocator was used to allocate costs associated with the physical facilities required to serve individual customers such as service transformers, service drops and meters. The sum of maximum demands represents each individual customers' individual peak, regardless of when it occurs. The customer service allocator is for allocation of costs associated with customer service – meter reading, billing, collections and customer inquiries. For the customer service allocator, a weighted customer allocation factor is developed. Weighting factors are developed to represent the difference in service configurations between customer classifications. For instance, a single industrial customer requires more customer service than a single residential customer.

Revenue Allocations

Revenue related costs were allocated based on each class' share of total demand, energy, customer facility and customer service costs.

Cost of Service Results

Based on the classifications and allocations described above, the estimated cost to serve each major class of customers for the 2021 Test Year was determined. Exhibit 3-F presents this analysis in detail. Table 3-2 below summarizes the total allocated costs for each class compared to the total revenues received from the class during 2021.

Cost-of-Service

Table 3-2
Cost of Service Results
Comparison of Cost and Revenues
2021 Test Year

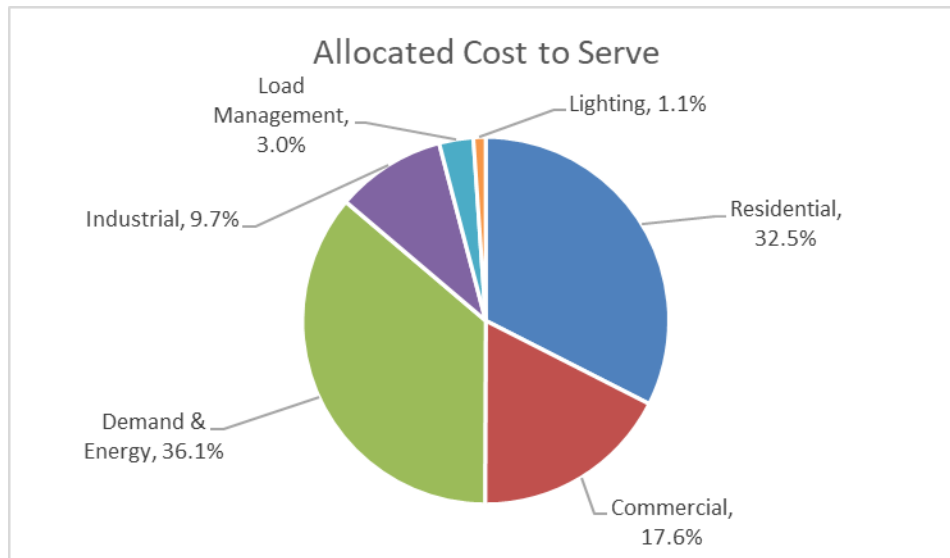
Customer Classification	Allocated Cost to Serve	Adjusted Revenues
Residential	\$5,745,628	\$6,032,191
Commercial	\$3,109,198	\$3,178,573
Demand & Energy	\$6,391,298	\$6,267,250
Industrial	\$1,716,082	\$1,653,087
Load Management	\$532,613	\$347,399
Lighting	<u>\$191,893</u>	<u>\$208,213</u>
Total	\$17,686,712	\$17,686,712

The revenue requirement as allocated to each class and summarized above is shown on a total dollars basis. Table 3-3 below makes the comparison based on percentages of total cost to serve and total revenues. The charts following Table 3-3 show a graphical comparison between allocated cost to serve and revenues as a percentage of the totals. The percentage increase/(decrease) in each class' revenue shown below is the adjustment necessary to produce revenues from each class in accordance with the allocated cost to serve. The percentage adjustments do not represent the recommended change in each class' rates. The cost-of-service results are one item for consideration in rate design. It is important to note also that the adjustments shown in the table below would not change the total revenue received by the utility and are not indicative of overall revenue needs of the utility going forward. Recommendations regarding rate design are included in Section 4 of this report. Very small classes at times do not lend themselves to the full cost-of-service analysis and the results shown, particularly for the security lights class, are often better considered separately.

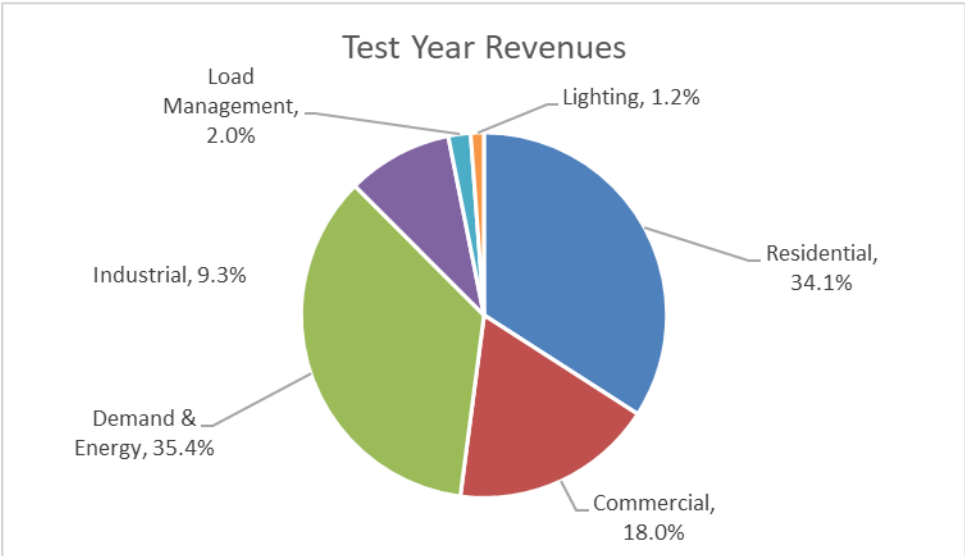
Section 3

**Table 3-3
Cost of Service Results
Comparison of % Cost and Revenues
2021 Test Year**

Customer Classification	Allocated Cost to Serve	Revenues	Increase/ (Decrease)
Residential	32.5%	34.1%	-4.8%
Commercial	17.6%	18.0%	-2.2%
Demand & Energy	36.1%	35.4%	2.0%
Industrial	9.7%	9.3%	3.8%
Load Management	3.0%	2.0%	53.3%
Lighting	<u>1.1%</u>	<u>1.2%</u>	<u>-7.8%</u>
Total	100.0%	100.0%	0.0%



Cost-of-Service



As indicated above, GRPUC’s existing class revenues do not exactly match the allocated cost to serve each class. However, for most classes the results are reasonably close (within 5%) and within an acceptable range. Cost based rates are one of several goals in establishing rates. The relationship between allocated costs and revenues for each class should be considered, in addition to other rate related goals, in developing recommended rates.

Grand Rapids Public Utilities Commission
Functionalization of 2021 Test Year Revenue Requirements

REVENUE REQUIREMENT	2021 Test Year	Power Supply	Distribution	Customer	Revenue	Classification Basis
Purchased Power						
MP Purchased Power (Modified)	11,258,673	11,258,673	-	-	-	100% power supply
Operation Expenses						
Supervision and Engineering	88,820	-	88,820	-	-	100% distribution
Substations	6,334	-	6,334	-	-	100% distribution
Overhead Lines	131,601	-	131,601	-	-	100% distribution
Underground Lines	231,225	-	231,225	-	-	100% distribution
Locating Expense	37,924	-	37,924	-	-	100% distribution
Street Lighting	3,176	-	3,176	-	-	100% distribution
Security Lighting	53	-	53	-	-	100% distribution
Meters	75,208	-	75,208	-	-	100% distribution
Customer Installations	22,802	-	22,802	-	-	100% distribution
Mapping Expense	47,363	-	47,363	-	-	100% distribution
Small Tools Expense	30,801	-	30,801	-	-	100% distribution
Safety Expense	30,613	-	30,613	-	-	100% distribution
Seminar/Training Expense	11,401	-	11,401	-	-	100% distribution
Uniforms Expense	12,681	-	12,681	-	-	100% distribution
Miscellaneous Meetings	40,838	-	40,838	-	-	100% distribution
Rentals	3,118	-	3,118	-	-	100% distribution
Stores Expense	98,587	-	98,587	-	-	100% distribution
Total Operation	872,545	-	872,545	-	-	
Maintenance Expenses						
Supervision and Engineering	88,780	-	88,780	-	-	100% distribution
Substation Structures	-	-	-	-	-	NA
Substations	52,509	-	52,509	-	-	100% distribution
Overhead Lines	118,101	-	118,101	-	-	100% distribution
Overhead Lines-Tree Trimming	64,555	-	64,555	-	-	100% distribution
Underground Lines	22,120	-	22,120	-	-	100% distribution
Underground Locates	139	-	139	-	-	100% distribution
Line Transformers	-	-	-	-	-	NA
Street Lighting	-	-	-	-	-	NA
Security Lighting	5,047	-	5,047	-	-	100% distribution
Meters	42,513	-	42,513	-	-	100% distribution
Other	-	-	-	-	-	NA
Total Maintenance	393,764	-	393,764	-	-	
Other Expenses						
Truck Expense - Operation	4,485	-	4,485	-	-	100% distribution
Total Other Expenses	4,485	-	4,485	-	-	
Customer Accounting Expenses						
Supervision	85,912	-	-	85,912	-	100% customer
Meter Reading	9,872	-	-	9,872	-	100% customer
Customer Billing and Accounting	311,734	-	-	311,734	-	100% customer
Collecting Expense	50	-	-	50	-	100% customer
Uncollectible Accounts	28,450	-	-	28,450	-	100% customer
Miscellaneous Expense	-	-	-	-	-	NA
Customer Service & Information Expense	-	-	-	-	-	NA
Miscellaneous Customer Information	-	-	-	-	-	NA
Total Customer Accounting	436,018	-	-	436,018	-	
Conservation Improvement Programs						
Planning & Evaluation	14,554	14,554	-	-	-	100% power supply
Energy Star Appliance	14,797	14,797	-	-	-	100% power supply
Fluorescent LT Recycling	-	-	-	-	-	NA
Resident/Low Income Conservation	3,821	3,821	-	-	-	100% power supply
Commercial Energy Audits	36,258	36,258	-	-	-	100% power supply
Commercial Industrial Power Grade	104,880	104,880	-	-	-	100% power supply
Load Mgmt Efficiency	-	-	-	-	-	NA

Grand Rapids Public Utilities Commission
Functionalization of 2021 Test Year Revenue Requirements

REVENUE REQUIREMENT	2021 Test Year	Power Supply	Distribution	Customer	Revenue	Classification Basis
Windsense - Admin Exp	-	-	-	-	-	NA
Education	12,004	12,004	-	-	-	100% power supply
Total Conservation Improvement	186,315	186,315	-	-	-	
Administrative and General Expenses						
Administrative & General Salaries	185,594	-	108,259	77,335	-	labor
Commissioner Salaries	8,712	-	5,082	3,630	-	labor
City Treasurer Salary	462	-	269	193	-	labor
General Office Supplies	14,520	-	8,470	6,050	-	labor
Telephone Expense	14,853	-	8,664	6,189	-	labor
Accounting Outside Service	18,463	-	10,770	7,693	-	labor
Data Processing Outside Service	61,628	-	35,949	25,680	-	labor
Legal Outside Service	11,517	-	6,718	4,799	-	labor
Engineering Outside Service	-	-	-	-	-	NA
Other Outside Service	7,070	-	4,124	2,946	-	labor
Fiber Optic Outside Service	-	-	-	-	-	NA
Insurance - Fire	2,415	-	2,415	-	-	100% distribution
Insurance - Liability	26,984	-	26,984	-	-	100% distribution
Insurance - Worker's Compensation	26,125	-	15,239	10,886	-	labor
Insurance - Worker's Comp Deductible	-	-	-	-	-	NA
Insurance - Auto	3,244	-	3,244	-	-	100% distribution
Insurance - Miscellaneous	1,320	-	1,320	-	-	100% distribution
Insurance Claims - Injuries & Damages	-	-	-	-	-	NA
Insurance - Group Health	242,071	-	141,203	100,869	-	labor
Insurance - Group Health Co-insurance	-	-	-	-	-	NA
Insurance - Group Health HSA funding	66,220	-	38,627	27,593	-	labor
Insurance - Group Life	2,395	-	1,397	998	-	labor
Employee Assistance Programs	-	-	-	-	-	NA
Insurance - Group Dental	13,164	-	7,679	5,485	-	labor
Insurance - Third Party Admin Costs	864	-	504	360	-	labor
FICA	-	-	-	-	-	NA
PERA	(107,211)	-	(62,537)	(44,674)	-	labor
Deferred Compensation	-	-	-	-	-	NA
Paid Time Off	215,649	-	125,790	89,859	-	labor
Extended Illness Benefit	10,845	-	6,326	4,519	-	labor
Short-Term Disability Payments	-	-	-	-	-	NA
Insurance - Long Term Disability	10,413	-	6,074	4,339	-	labor
Unemployment Compensation	-	-	-	-	-	NA
Membership - APPA	9,606	-	-	-	9,606	100% revenue
Membership - NEMPA	4,000	-	-	-	4,000	100% revenue
Membership - MMUA	30,426	-	-	-	30,426	100% revenue
Membership - NMMEA	-	-	-	-	-	NA
Membership - Other	-	-	-	-	-	NA
Amortize Service Territory Costs	34,337	-	-	-	34,337	100% revenue
Miscellaneous General Expense	8,067	-	4,706	3,362	-	labor
Office Equip Rental & Maintenance	10,965	-	6,396	4,569	-	labor
Maintenance of General Plant	-	-	-	-	-	NA
Total Administrative and General	934,720	-	513,670	342,681	78,369	
Depreciation	1,040,108	-	1,040,108	-	-	100% distribution
Amortization	79,518	-	79,518	-	-	100% distribution
Total Operating Expenses	15,206,145	11,444,987	2,904,090	778,699	78,369	

Grand Rapids Public Utilities Commission
Functionalization of 2021 Test Year Revenue Requirements

REVENUE REQUIREMENT	2021 <u>Test Year</u>	<u>Power Supply</u>	<u>Distribution</u>	<u>Customer</u>	<u>Revenue</u>	<u>Classification Basis</u>
Non Operating Revenues (Expenses)						
Investment income	15,667	-	-	-	15,667	100% revenue
Penalties	-	-	-	-	-	NA
Gain (loss) on property disposition	(29,861)	-	-	-	(29,861)	100% revenue
Interest expense	(2,996)	-	-	(2,996)	-	100% customer
Grant revenue	84,329	-	-	-	84,329	100% revenue
City land improvements	(393,640)	-	-	-	(393,640)	100% revenue
Total Non-Operating Revenues (Expenses)	(326,501)	-	-	(2,996)	(323,505)	
Other Operating Revenues (Expenses)						
Connection Fees	66,954	-	66,954	-	-	100% distribution
Reconnection Fees	4,980	-	4,980	-	-	100% distribution
Pole rentals	23,577	-	23,577	-	-	100% distribution
23 kV Capacity Lease	35,868	-	35,868	-	-	100% distribution
Merchandising and Jobbing	(226)	-	-	-	(226)	100% revenue
City of Grand Rapids Merch/Jobbing	360	-	-	-	360	100% revenue
Street Light Revenues	9,999	-	9,999	-	-	100% distribution
Equipment Rental	-	-	-	-	-	NA
AFUDC	-	-	-	-	-	NA
Miscellaneous	94,634	-	-	-	94,634	100% revenue
Security Lights	61,567	-	61,567	-	-	100% distribution
Service Center	(123,085)	-	-	-	(123,085)	100% revenue
Lease revenues combined service center	19,593	-	-	-	19,593	100% revenue
Unusual & Extraordinary Expense	54,331	-	-	-	54,331	100% revenue
Total Other Operating Revenues	248,553	-	202,945	-	45,607	
Payment in lieu of taxes	882,288	-	-	-	882,288	100% revenue
Margin	1,520,331	-	-	-	1,520,331	100% revenue
Total Revenue Requirement	\$ 17,686,712	\$ 11,444,987	\$ 2,701,144	\$ 781,695	\$ 2,758,886	

Grand Rapids Public Utilities Commission
2021 Test Year Power Supply Classification

REVENUE REQUIREMENT	2021 <u>Test Year</u>	Power Supply <u>Demand</u>	Transmission <u>Demand</u>	<u>Energy</u>	<u>Classification Basis</u>
Purchased Power					
MP Purchased Power (Modified)	11,258,673	1,982,838	2,356,067	6,919,767	per power supply
Operation Expenses					
Supervision and Engineering	-	-	-	-	NA
Substations	-	-	-	-	NA
Overhead Lines	-	-	-	-	NA
Underground Lines	-	-	-	-	NA
Locating Expense	-	-	-	-	NA
Street Lighting	-	-	-	-	NA
Security Lighting	-	-	-	-	NA
Meters	-	-	-	-	NA
Customer Installations	-	-	-	-	NA
Mapping Expense	-	-	-	-	NA
Small Tools Expense	-	-	-	-	NA
Safety Expense	-	-	-	-	NA
Seminar/Training Expense	-	-	-	-	NA
Uniforms Expense	-	-	-	-	NA
Miscellaneous Meetings	-	-	-	-	NA
Rentals	-	-	-	-	NA
Stores Expense	-	-	-	-	NA
<u>Total Operation</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	NA
Maintenance Expenses					
Supervision and Engineering	-				
Substation Structures	-	-	-	-	NA
Substations	-	-	-	-	NA
Overhead Lines	-	-	-	-	NA
Overhead Lines-Tree Trimming	-	-	-	-	NA
Underground Lines	-	-	-	-	NA
Underground Locates	-	-	-	-	NA
Line Transformers	-	-	-	-	NA
Street Lighting	-	-	-	-	NA
Security Lighting	-	-	-	-	NA
Meters	-	-	-	-	NA
Other	-	-	-	-	NA
<u>Total Maintenance</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	NA
Other Expenses					
Truck Expense - Operation	-	-	-	-	NA
<u>Total Other Expenses</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	NA
Customer Accounting Expenses					
Supervision	-	-	-	-	NA
Meter Reading	-	-	-	-	NA
Customer Billing and Accounting	-	-	-	-	NA
Collecting Expense	-	-	-	-	NA
Uncollectible Accounts	-	-	-	-	NA
Miscellaneous Expense	-	-	-	-	NA
Customer Service & Information Expense	-	-	-	-	NA
Miscellaneous Customer Information	-	-	-	-	NA
<u>Total Customer Accounting</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

Grand Rapids Public Utilities Commission
2021 Test Year Power Supply Classification

REVENUE REQUIREMENT	2021 <u>Test Year</u>	Power Supply <u>Demand</u>	Transmission <u>Demand</u>	<u>Energy</u>	<u>Classification Basis</u>
Conservation Improvement Programs					
Planning & Evaluation	14,554	-	-	14,554	100% energy
Energy Star Appliance	14,797	-	-	14,797	100% energy
Fluorescent LT Recycling	-	-	-	-	NA
Resident/Low Income Conservation	3,821	-	-	3,821	100% energy
Commercial Energy Audits	36,258	-	-	36,258	100% energy
Commercial Industrial Power Grade	104,880	-	-	104,880	100% energy
Load Mgmt Efficiency	-	-	-	-	NA
Windsense - Admin Exp	-	-	-	-	NA
Education	12,004	-	-	12,004	100% energy
Total Conservation Improvement	186,315	-	-	186,315	
Administrative and General Expenses					
Administrative & General Salaries	-	-	-	-	NA
Commissioner Salaries	-	-	-	-	NA
City Treasurer Salary	-	-	-	-	NA
General Office Supplies	-	-	-	-	NA
Telephone Expense	-	-	-	-	NA
Accounting Outside Service	-	-	-	-	NA
Data Processing Outside Service	-	-	-	-	NA
Legal Outside Service	-	-	-	-	NA
Engineering Outside Service	-	-	-	-	NA
Other Outside Service	-	-	-	-	NA
Fiber Optic Outside Service	-	-	-	-	NA
Insurance - Fire	-	-	-	-	NA
Insurance - Liability	-	-	-	-	NA
Insurance - Worker's Compensation	-	-	-	-	NA
Insurance - Worker's Comp Deductible	-	-	-	-	NA
Insurance - Auto	-	-	-	-	NA
Insurance - Miscellaneous	-	-	-	-	NA
Insurance Claims - Injuries & Damages	-	-	-	-	NA
Insurance - Group Health	-	-	-	-	NA
Insurance - Group Health Co-insurance	-	-	-	-	NA
Insurance - Group Health HSA funding	-	-	-	-	NA
Insurance - Group Life	-	-	-	-	NA
Employee Assistance Programs	-	-	-	-	NA
Insurance - Group Dental	-	-	-	-	NA
Insurance - Third Party Admin Costs	-	-	-	-	NA
FICA	-	-	-	-	NA
PERA	-	-	-	-	NA
Deferred Compensation	-	-	-	-	NA
Paid Time Off	-	-	-	-	NA
Extended Illness Benefit	-	-	-	-	NA
Short-Term Disability Payments	-	-	-	-	NA
Insurance - Long Term Disability	-	-	-	-	NA
Unemployment Compensation	-	-	-	-	NA
Membership - APPA	-	-	-	-	NA
Membership - NEMPA	-	-	-	-	NA
Membership - MMUA	-	-	-	-	NA
Membership - NMMEA	-	-	-	-	NA
Membership - Other	-	-	-	-	NA
Amortize Service Territory Costs	-	-	-	-	NA
Miscellaneous General Expense	-	-	-	-	NA
Office Equip Rental & Maintenance	-	-	-	-	NA

Grand Rapids Public Utilities Commission
2021 Test Year Power Supply Classification

	2021 <u>Test Year</u>	Power Supply <u>Demand</u>	Transmission <u>Demand</u>	<u>Energy</u>	<u>Classification Basis</u>
REVENUE REQUIREMENT					
Maintenance of General Plant	-	-	-	-	NA
Total Administrative and General	-	-	-	-	NA
Depreciation	-	-	-	-	NA
Amortization	-	-	-	-	NA
Total Operating Expenses	11,444,987	1,982,838	2,356,067	7,106,082	
Non Operating Revenues (Expenses)					
Investment income	-	-	-	-	NA
Penalties	-	-	-	-	NA
Gain (loss) on property disposition	-	-	-	-	NA
Interest expense	-	-	-	-	NA
Grant revenue	-	-	-	-	NA
City land improvements	-	-	-	-	NA
Total Non-Operating Revenues (Expenses)	-	-	-	-	NA
Other Operating Revenues (Expenses)					
Connection Fees	-	-	-	-	NA
Reconnection Fees	-	-	-	-	NA
Pole rentals	-	-	-	-	NA
23 kV Capacity Lease	-	-	-	-	NA
Merchandising and Jobbing	-	-	-	-	NA
City of Grand Rapids Merch/Jobbing	-	-	-	-	NA
Street Light Revenues	-	-	-	-	NA
Equipment Rental	-	-	-	-	NA
AFUDC	-	-	-	-	NA
Miscellaneous	-	-	-	-	NA
Security Lights	-	-	-	-	NA
Service Center	-	-	-	-	NA
Lease revenues combined service center	-	-	-	-	NA
Unusual & Extraordinary Expense	-	-	-	-	NA
Total Other Operating Revenues	-	-	-	-	
Payment in lieu of taxes	-	-	-	-	NA
Margin	-	-	-	-	NA
Total Revenue Requirement	\$ 11,444,987	\$ 1,982,838	\$ 2,356,067	\$ 7,106,082	

Grand Rapids Public Utilities Commission
2021 Test Year Distribution Classification

	2021		Customer	
REVENUE REQUIREMENT	<u>Test Year</u>	<u>Demand</u>	<u>Facilities</u>	<u>Classification Basis</u>
Purchased Power				
MP Purchased Power (Modified)	-	-	-	NA
Operation Expenses				
Supervision and Engineering	88,820	60,851	27,969	Dist/Cust split
Substations	6,334	6,334	-	100% Dist demand
Overhead Lines	131,601	90,161	41,440	Dist/Cust split
Underground Lines	231,225	158,414	72,811	Dist/Cust split
Locating Expense	37,924	-	37,924	100% Cust facilities
Street Lighting	3,176	-	3,176	100% Cust facilities
Security Lighting	53	-	53	100% Cust facilities
Meters	75,208	-	75,208	100% Cust facilities
Customer Installations	22,802	-	22,802	100% Cust facilities
Mapping Expense	47,363	-	47,363	100% Cust facilities
Small Tools Expense	30,801	21,102	9,699	Dist/Cust split
Safety Expense	30,613	20,973	9,640	Dist/Cust split
Seminar/Training Expense	11,401	7,811	3,590	Dist/Cust split
Uniforms Expense	12,681	8,688	3,993	Dist/Cust split
Miscellaneous Meetings	40,838	27,978	12,859	Dist/Cust split
Rentals	3,118	2,136	982	Dist/Cust split
Stores Expense	98,587	67,543	31,044	Dist/Cust split
Total Operation	872,545	471,992	400,553	
Maintenance Expenses				
Supervision and Engineering	88,780	88,780	-	100% Dist demand
Substation Structures	-	-	-	NA
Substations	52,509	52,509	-	100% Dist demand
Overhead Lines	118,101	80,912	37,189	Dist/Cust split
Overhead Lines-Tree Trimming	64,555	44,228	20,328	Dist/Cust split
Underground Lines	22,120	15,155	6,965	Dist/Cust split
Underground Locates	139	-	139	100% Cust facilities
Line Transformers	-	-	-	NA
Street Lighting	-	-	-	NA
Security Lighting	5,047	-	5,047	100% Cust facilities
Meters	42,513	-	42,513	100% Cust facilities
Other	-	-	-	NA
Total Maintenance	393,764	281,583	112,181	
Other Expenses				
Truck Expense - Operation	4,485	3,073	1,412	Dist/Cust split
Total Other Expenses	4,485	3,073	1,412	
Customer Accounting Expenses				
Supervision	-	-	-	NA
Meter Reading	-	-	-	NA
Customer Billing and Accounting	-	-	-	NA
Collecting Expense	-	-	-	NA
Uncollectible Accounts	-	-	-	NA
Miscellaneous Expense	-	-	-	NA
Customer Service & Information Expense	-	-	-	NA

Grand Rapids Public Utilities Commission
2021 Test Year Distribution Classification

REVENUE REQUIREMENT	2021 <u>Test Year</u>	<u>Demand</u>	Customer <u>Facilities</u>	<u>Classification Basis</u>
Miscellaneous Customer Information	-	-	-	NA
Total Customer Accounting	-	-	-	
Conservation Improvement Programs				
Planning & Evaluation	-	-	-	NA
Energy Star Appliance	-	-	-	NA
Fluorescent LT Recycling	-	-	-	NA
Resident/Low Income Conservation	-	-	-	NA
Commercial Energy Audits	-	-	-	NA
Commercial Industrial Power Grade	-	-	-	NA
Load Mgmt Efficiency	-	-	-	NA
Windsense - Admin Exp	-	-	-	NA
Education	-	-	-	NA
Total Conservation Improvement	-	-	-	
Administrative and General Expenses				
Administrative & General Salaries	108,259	58,046	50,213	labor
Commissioner Salaries	5,082	2,725	2,357	labor
City Treasurer Salary	269	144	125	labor
General Office Supplies	8,470	4,541	3,928	labor
Telephone Expense	8,664	4,645	4,019	labor
Accounting Outside Service	10,770	7,378	3,391	Dist/Cust split
Data Processing Outside Service	35,949	24,629	11,320	Dist/Cust split
Legal Outside Service	6,718	4,603	2,115	Dist/Cust split
Engineering Outside Service	-	-	-	NA
Other Outside Service	4,124	2,825	1,299	Dist/Cust split
Fiber Optic Outside Service	-	-	-	NA
Insurance - Fire	2,415	1,654	760	Dist/Cust split
Insurance - Liability	26,984	18,487	8,497	Dist/Cust split
Insurance - Worker's Compensation	15,239	10,440	4,799	Dist/Cust split
Insurance - Worker's Comp Deductible	-	-	-	NA
Insurance - Auto	3,244	1,739	1,505	labor
Insurance - Miscellaneous	1,320	708	612	labor
Insurance Claims - Injuries & Damages	-	-	-	labor
Insurance - Group Health	141,203	75,709	65,493	labor
Insurance - Group Health Co-insurance	-	-	-	NA
Insurance - Group Health HSA funding	38,627	20,711	17,916	labor
Insurance - Group Life	1,397	749	648	labor
Employee Assistance Programs	-	-	-	NA
Insurance - Group Dental	7,679	4,117	3,562	labor
Insurance - Third Party Admin Costs	504	270	234	labor
FICA	-	-	-	labor
PERA	(62,537)	(33,531)	(29,006)	labor
Deferred Compensation	-	-	-	labor
Paid Time Off	125,790	67,446	58,345	labor
Extended Illness Benefit	6,326	3,392	2,934	labor
Short-Term Disability Payments	-	-	-	NA
Insurance - Long Term Disability	6,074	3,257	2,817	labor
Unemployment Compensation	-	-	-	NA
Membership - APPA	-	-	-	NA

Grand Rapids Public Utilities Commission
2021 Test Year Distribution Classification

	2021		Customer	
REVENUE REQUIREMENT	<u>Test Year</u>	<u>Demand</u>	<u>Facilities</u>	<u>Classification Basis</u>
Membership - NEMPA	-	-	-	NA
Membership - MMUA	-	-	-	NA
Membership - NMMEA	-	-	-	NA
Membership - Other	-	-	-	NA
Amortize Service Territory Costs	-	-	-	NA
Miscellaneous General Expense	4,706	3,224	1,482	Dist/Cust split
Office Equip Rental & Maintenance	6,396	4,382	2,014	Dist/Cust split
Maintenance of General Plant	-	-	-	NA
Total Administrative and General	513,670	292,291	221,379	
 Depreciation	 1,040,108	 712,588	 327,520	 Dist/Cust split
 Amortization	 79,518	 54,479	 25,039	 Dist/Cust split
 Total Operating Expenses	 2,904,090	 1,816,005	 1,088,085	
 Non Operating Revenues (Expenses)				
Investment income	-	-	-	NA
Penalties	-	-	-	NA
Gain (loss) on property disposition	-	-	-	NA
Interest expense	-	-	-	NA
Grant revenue	-	-	-	NA
City land improvements	-	-	-	NA
Total Non-Operating Revenues (Expenses)	-	-	-	
 Other Operating Revenues (Expenses)				
Connection Fees	66,954	-	66,954	100% Cust facilities
Reconnection Fees	4,980	-	4,980	100% Cust facilities
Pole rentals	23,577	23,577	-	100% Dist demand
23 kV Capacity Lease	35,868	35,868	-	100% Dist demand
Merchandising and Jobbing	-	-	-	NA
City of Grand Rapids Merch/Jobbing	-	-	-	NA
Street Light Revenues	9,999	-	9,999	100% Cust facilities
Equipment Rental	-	-	-	NA
AFUDC	-	-	-	NA
Miscellaneous	-	-	-	NA
Security Lights	61,567	-	61,567	100% Cust facilities
Service Center	-	-	-	NA
Lease revenues combined service center	-	-	-	NA
Unusual & Extraordinary Expense	-	-	-	NA
Total Other Operating Revenues	202,945	59,445	143,500	
 Payment in lieu of taxes	 -	 -	 -	 NA
 Margin	 -	 -	 -	 NA
 Total Revenue Requirement	 \$ 2,701,144	 \$ 1,756,560	 \$ 944,585	

Grand Rapids Public Utilities Commission
2021 Test Year Customer Classification

REVENUE REQUIREMENT	2021 <u>Test Year</u>	<u>Customer</u>	<u>Classification Basis</u>
Purchased Power			
MP Purchased Power (Modified)	-	-	NA
Operation Expenses			
Supervision and Engineering	-	-	NA
Substations	-	-	NA
Overhead Lines	-	-	NA
Underground Lines	-	-	NA
Locating Expense	-	-	NA
Street Lighting	-	-	NA
Security Lighting	-	-	NA
Meters	-	-	NA
Customer Installations	-	-	NA
Mapping Expense	-	-	NA
Small Tools Expense	-	-	NA
Safety Expense	-	-	NA
Seminar/Training Expense	-	-	NA
Uniforms Expense	-	-	NA
Miscellaneous Meetings	-	-	NA
Rentals	-	-	NA
Stores Expense	-	-	NA
Total Operation	-	-	
Maintenance Expenses			
Supervision and Engineering	-	-	NA
Substation Structures	-	-	NA
Substations	-	-	NA
Overhead Lines	-	-	NA
Overhead Lines-Tree Trimming	-	-	NA
Underground Lines	-	-	NA
Underground Locates	-	-	NA
Line Transformers	-	-	NA
Street Lighting	-	-	NA
Security Lighting	-	-	NA
Meters	-	-	NA
Other	-	-	NA
Total Maintenance	-	-	
Other Expenses			
Truck Expense - Operation	-	-	NA
Total Other Expenses	-	-	
Customer Accounting Expenses			
Supervision	85,912	85,912	100% Customer
Meter Reading	9,872	9,872	100% Customer
Customer Billing and Accounting	311,734	311,734	100% Customer
Collecting Expense	50	50	100% Customer
Uncollectible Accounts	28,450	28,450	100% Customer
Miscellaneous Expense	-	-	NA

Grand Rapids Public Utilities Commission 2021 Test Year Customer Classification

	2021 <u>Test Year</u>	<u>Customer</u>	<u>Classification Basis</u>
REVENUE REQUIREMENT			
Customer Service & Information Expense	-	-	NA
Miscellaneous Customer Information	-	-	NA
Total Customer Accounting	436,018	436,018	
Conservation Improvement Programs			
Planning & Evaluation	-	-	NA
Energy Star Appliance	-	-	NA
Fluorescent LT Recycling	-	-	NA
Resident/Low Income Conservation	-	-	NA
Commercial Energy Audits	-	-	NA
Commercial Industrial Power Grade	-	-	NA
Load Mgmt Efficiency	-	-	NA
Windsense - Admin Exp	-	-	NA
Education	-	-	NA
Total Conservation Improvement	-	-	
Administrative and General Expenses			
Administrative & General Salaries	77,335	77,335	100% Customer
Commissioner Salaries	3,630	3,630	100% Customer
City Treasurer Salary	193	193	100% Customer
General Office Supplies	6,050	6,050	100% Customer
Telephone Expense	6,189	6,189	100% Customer
Accounting Outside Service	7,693	7,693	100% Customer
Data Processing Outside Service	25,680	25,680	100% Customer
Legal Outside Service	4,799	4,799	100% Customer
Engineering Outside Service	-	-	NA
Other Outside Service	2,946	2,946	100% Customer
Fiber Optic Outside Service	-	-	NA
Insurance - Fire	-	-	NA
Insurance - Liability	-	-	NA
Insurance - Worker's Compensation	10,886	10,886	100% Customer
Insurance - Worker's Comp Deductible	-	-	NA
Insurance - Auto	-	-	NA
Insurance - Miscellaneous	-	-	NA
Insurance Claims - Injuries & Damages	-	-	NA
Insurance - Group Health	100,869	100,869	100% Customer
Insurance - Group Health Co-insurance	-	-	NA
Insurance - Group Health HSA funding	27,593	27,593	100% Customer
Insurance - Group Life	998	998	100% Customer
Employee Assistance Programs	-	-	NA
Insurance - Group Dental	5,485	5,485	100% Customer
Insurance - Third Party Admin Costs	360	360	100% Customer
FICA	-	-	NA
PERA	(44,674)	(44,674)	100% Customer
Deferred Compensation	-	-	NA
Paid Time Off	89,859	89,859	100% Customer
Extended Illness Benefit	4,519	4,519	100% Customer
Short-Term Disability Payments	-	-	NA
Insurance - Long Term Disability	4,339	4,339	100% Customer
Unemployment Compensation	-	-	NA

Grand Rapids Public Utilities Commission
2021 Test Year Customer Classification

REVENUE REQUIREMENT	2021 <u>Test Year</u>	<u>Customer</u>	<u>Classification Basis</u>
Membership - APPA	-	-	NA
Membership - NEMPA	-	-	NA
Membership - MMUA	-	-	NA
Membership - NMMEA	-	-	NA
Membership - Other	-	-	NA
Amortize Service Territory Costs	-	-	NA
Miscellaneous General Expense	3,362	3,362	100% Customer
Office Equip Rental & Maintenance	4,569	4,569	100% Customer
Maintenance of General Plant	-	-	NA
Total Administrative and General	<u>342,681</u>	<u>342,681</u>	
 Depreciation	 -	 -	 NA
 Amortization	 -	 -	 NA
 Total Operating Expenses	 778,699	 778,699	
 Non Operating Revenues (Expenses)			
Investment income	-	-	NA
Penalties	-	-	NA
Gain (loss) on property disposition	-	-	NA
Interest expense	(2,996)	(2,996)	100% Customer
Grant revenue	-	-	NA
City land improvements	-	-	NA
Total Non-Operating Revenues (Expenses)	<u>(2,996)</u>	<u>(2,996)</u>	
 Other Operating Revenues (Expenses)			
Connection Fees	-	-	NA
Reconnection Fees	-	-	NA
Pole rentals	-	-	NA
23 kV Capacity Lease	-	-	NA
Merchandising and Jobbing	-	-	NA
City of Grand Rapids Merch/Jobbing	-	-	NA
Street Light Revenues	-	-	NA
Equipment Rental	-	-	NA
AFUDC	-	-	NA
Miscellaneous	-	-	NA
Security Lights	-	-	NA
Service Center	-	-	NA
Lease revenues combined service center	-	-	NA
Unusual & Extraordinary Expense	-	-	NA
Total Other Operating Revenues	<u>-</u>	<u>-</u>	
 Payment in lieu of taxes	 -	 -	 NA
 Margin	 -	 -	 NA
 Total Revenue Requirement	 \$ 781,695	 \$ 781,695	

**Grand Rapids Public Utilities Commission
2021 Test Year Allocation Factors**

Demand Allocation Factors	<u>Total</u>	<u>Residential</u>	<u>Commercial</u>	<u>Demand & Energy</u>	<u>Industrial</u>	<u>Load Management</u>	<u>Lighting</u>
12 Coincident Peak (kW)	266,679	73,071	49,794	111,743	26,055	4,618	1,397
12 CP	100.0%	27.4%	18.7%	41.9%	9.8%	1.7%	0.5%
1 Non-coincident Peak (kW)	31,028	8,877	5,466	10,753	2,927	1,736	1,268
1 NCP	100.0%	28.6%	17.6%	34.7%	9.4%	5.6%	4.1%
Sum of Max Demands (kW)	498,746	232,924	74,456	136,698	29,003	19,913	5,752
SMD	100.0%	46.7%	14.9%	27.4%	5.8%	4.0%	1.2%
Energy Allocation Factors							
Energy Requirements (kWh)	152,478,992	47,153,459	24,932,835	57,322,789	17,180,351	4,801,046	1,088,512
E	100.0%	30.9%	16.4%	37.6%	11.3%	3.1%	0.7%
Customers							
Number of Customers	7,410	5,736	1,114	103	7	323	128
Customer Facility Weight		1.0	1.5	25.0	100.0	1.5	1.0
Customer Service Weight		1.0	2.0	4.0	5.0	0.5	0.5
Customer Facilities Allocation Factor							
Weighted Number of Cust	11,283	5,736	1,670	2,565	700	485	128
CF	100.0%	50.8%	14.8%	22.7%	6.2%	4.3%	1.1%
Customer Service Allocation Factor							
Weighted Number of Cust	8,634	5,736	2,227	410	35	162	64
CS	100.0%	66.4%	25.8%	4.8%	0.4%	1.9%	0.7%
Revenue Allocator							
Sum of Other Rev Reqs	14,927,826	4,849,388	2,624,205	5,394,343	1,448,396	449,533	161,960
R	100.0%	32.5%	17.6%	36.1%	9.7%	3.0%	1.1%

**Grand Rapids Public Utilities Commission
2021 Test Year Allocation of Revenue Requirements**

	<u>Total</u>	<u>Residential</u>	<u>Commercial</u>	<u>Demand & Energy</u>	<u>Industrial</u>	<u>Load Management</u>	<u>Lighting</u>	<u>Allocation Factor</u>
<u>Power Supply</u>								
Power Supply Demand	1,982,838	543,306	370,235	830,840	193,728	34,340	10,389	12 CP
Transmission Demand	2,356,067	645,572	439,924	987,229	230,194	40,803	12,345	12 CP
Energy	7,106,082	2,197,525	1,161,962	2,671,453	800,668	223,746	50,729	E
Total Power Supply	11,444,987	3,386,402	1,972,121	4,489,522	1,224,590	298,889	73,462	
<u>Distribution</u>								
Demand	1,756,560	502,531	309,434	608,774	165,708	98,303	71,809	1 NCP
Customer Facilities	944,585	441,138	141,014	258,895	54,929	37,714	10,894	SMD
Total Distribution	2,701,144	943,670	450,448	867,669	220,637	136,017	82,703	
<u>Customer</u>								
Customer Service	781,695	519,316	201,636	37,152	3,169	14,626	5,795	CS
Total Customer Facility	781,695	519,316	201,636	37,152	3,169	14,626	5,795	
<u>Revenue</u>								
Operating Expenses	78,369	25,459	13,777	28,320	7,604	2,360	850	R
Non-Operating Revenue	323,505	105,092	56,870	116,902	31,389	9,742	3,510	R
Other Operating Revenue	(45,607)	(14,816)	(8,017)	(16,481)	(4,425)	(1,373)	(495)	R
Payment in lieu of taxes	882,288	286,616	155,100	318,825	85,605	26,569	9,572	R
Margin	1,520,331	493,888	267,263	549,389	147,513	45,783	16,495	R
Total Revenue	2,758,886	896,240	484,992	996,955	267,685	83,080	29,933	
Total Revenue Requirements	17,686,712	5,745,628	3,109,198	6,391,298	1,716,082	532,613	191,893	
Total Revenues	17,686,712	6,032,191	3,178,573	6,267,250	1,653,087	347,399	208,213	
Percent Revenue Requirements	100.0%	32.5%	17.6%	36.1%	9.7%	3.0%	1.1%	
Percent Revenues	100.0%	34.1%	18.0%	35.4%	9.3%	2.0%	1.2%	
Percent Change	0.0%	-4.8%	-2.2%	2.0%	3.8%	53.3%	-7.8%	
Revenue Req/kWh	0.116	0.122	0.125	0.111	0.100	0.111	0.176	
Revenue/kWh	0.116	0.128	0.127	0.109	0.096	0.072	0.191	

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Proposed Rates

Changes to rates are generally based on the overall need for revenues and results of the cost-of-service and unbundled cost analyses. The projected operating results at existing rates as presented in Section 2 of this report outlines the overall revenue needs of the electric utility. Section 3 summarizes the cost-of-service results. These factors have been considered in developing the rate proposals summarized in this section of the report.

Proposed Rates

Revenue Needs

Based on the current projections for the electric utility, an overall 1% increase in published base rate in 2023 is recommended. There are specific rate recommendations described below for the electric utility.

Purchased Power Adjustment Clause

GRPUC's bills from MP currently include a monthly energy cost adjustment and certain pass-through charges from the Midwest Independent System Operator (MISO). These charges vary from month to month and are not generally predictable. GRPUC utilizes a Purchased Power Adjustment Clause (PPAC) as part of its retail rates to automatically adjust retail bills to account for these charges. In its current form, GRPUC does a straight pass through of the MP energy adjustment and only certain portions of the MISO charges. GRPUC's new wholesale power agreement with MP has a wholesale energy adjustment that is applicable to only a portion of the energy usage by GRPUC. It is not appropriate to pass this charge to all retail kWh sold on a per kWh basis. Additionally, all the MISO charges are outside GRPUC's control. It is recommended that a new PPAC formula be adopted for GRPUC retail rates beginning Jan. 1, 2023.

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This formula can be used to calculate a PPAC at the beginning of each year based on forecasted values provided by MP every fall.

Proposed formula:

$$PPAC = \left(\frac{EAC + MISO}{WE \times 0.959} - 0.0120 \right)$$

Where:

- PPAC is the power cost adjustment per kWh.
- EAC is the projected annual base energy adjustment cost in dollars.
- MISO is the projected annual transmission charges in dollars
- WE is the projected annual wholesale energy in kWh.
- 0.959 is a loss adjustment
- 0.0120 is the base dollars per kWh.

Table 4-1 shows the projected PPAC values for 2023-2027 as well as the current PPAC as set for 2022 at the beginning of the year. As shown in the table below, the proposed PPAC for 2023 is \$0.00752/kWh less than the current value. Combined with the 1% increase recommended above, total average bills for all customers will decrease approximately 5.4% from 2022 to 2023. Beyond 2023, the changes in customer bills, assuming published rates do not change further, will be dependent on changes in the wholesale base energy adjustment from MP and in the MISO transmission costs.

Proposed Rates

Table 4-1
PPAC Comparison
(\$/kWh)

Year	Present Formula	Proposed Formula
2022	0.01583	n/a
2023	n/a	0.00831
2024	n/a	0.01237
2025	n/a	0.01497
2026	n/a	0.01761
2027	n/a	0.02027

Rate Adjustments

The cost-of-service results for the four major groups of customers (residential, commercial, demand & energy and industrial), show that overall distribution of revenues as compared to allocated revenue requirements by class were within an acceptable range. These four groups of customers account for 97% of total GRPUC revenues from sales to customers. No overall change in the distribution of revenues among these four groups of customers is recommended at this time. Exhibit 4-A lists the existing and proposed rates through 2027. The proposed 2023 rates reflect the 1% increase recommended above. Certain rates as described below have additional recommended changes beyond the 1% increase.

Load Management Rates

In the cost-of-service results, it indicates that the load management rates are underpaying by slightly more than 50%. This is a relatively small group of customers,

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only 2% of total revenues are collected from these customers. In the last study these customers were underpaying by 16%. The dramatic change in results for these customers is due to the change in the MP wholesale structure under the new contract. Load management customers receive a lower energy charge because they allow for curtailment of their use during peak times which allows GRPUC to avoid wholesale demand charges from MP. Under the new MP contract, the incremental wholesale demand charge dropped by more than 80% which limits the savings to GRPUC of interruptible customer loads. Additionally, the energy charges under the new contract have increased by more than 100%, the load management customers are primarily served energy during off-peak times. GRPUC has 9 rate different groups of Residential and Commercial load management customers. It is recommended that the energy rates associated with load management rates be increased over a three-year period. Additionally, there are currently two groups of load management customers with two separate energy rates. The recommendation also includes equalizing these rates over the period of increases. Table 4-2 summarizes the load management rate recommendations.

Table 4-2
Load Management Energy Rates

Customer Groups	Current Rate	Proposed 2023	Proposed 2024	Proposed 2025
<u>Off Peak Heat/Cool</u>				
Customer Charge (\$/mo)	8.25	8.40	8.40	8.40
Energy Charge (\$/kWh)	0.0648	0.0699	0.0750	0.0800
<u>Storage Heat</u>				
Customer Charge (\$/mo)	8.25	8.40	8.40	8.40
Energy Charge (\$/kWh)	0.0545	0.0630	0.0715	0.0800

Proposed Rates***Electric Vehicle Charging***

Utilities like GRPUC are beginning to see electric vehicles (EVs) enter their service territories. Customers who drive EVs are interested in special electric rate plans that help them control their costs by charging during periods of lower electricity pricing. GRPUC recently implemented TOU rates for EV charging. There are three scenarios examined for EV charging specific rates for GRPUC which are consistent with the existing rates. They are:

- (1) At home charging
- (2) Commercial charging at an existing customer location
- (3) Stand-alone commercial charging

For each of these options, a new proposed TOU rate has been developed for EV application. In each of these options, a new separate meter with TOU capabilities would be required to measure EV charging usage only. For options (1) and (2) shown above, an existing residential or commercial customer would add EV charging capabilities at their existing location. There would be a separate customer charge with TOU based energy charges as shown in Table 4-3 below. For these customers, they currently have an additional \$4.10 per month customer charge related to the EV usage meter. The proposed on-peak rate shown below matches the on-peak rate listed later in this section in the example residential TOU rate. The proposed off-peak rate for EV charging is less than the TOU rate discussed below and represents an incremental cost rate design as opposed to a shifted energy usage off-peak rate as shown in the residential TOU rate. The off-peak period for EV charging is set as 10 p.m. to 8 a.m. M-F and all day weekends. For a stand-alone commercial EV charger, option (3) above, the energy rates would be the same as for existing customers, but the customer charge is kept higher as established for the existing rate. Existing customers continue to have the option of adding charging facilities at their current location without a separate meter and pay for the EV charging consumption at their regular rate. The proposed energy

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rates have been increased to reflect the higher energy rates in the new MP wholesale contract.

**Table 4-3
EV Charging Rate**

Item	GRPUC Existing Rate	GRPUC Proposed Rate
Customer charge	\$4.10/mo. – existing cust \$26.00/mo – stand alone	\$4.15/mo. – existing cust \$26.25/mo – stand alone
On-peak Energy ⁽¹⁾	\$0.1515/kWh	\$0.1612/kWh
Off-peak Energy	\$0.0422/kWh	\$0.055/kWh

(1) On-peak – 8 a.m. to 10 p.m. Monday through Friday

Projected Operating Results – Proposed Rates

Table 4-4 below summarizes the revised projected operating results with all rate adjustments explained above. Exhibit 4-B presents a more detailed version of the operating results at proposed rates.

**Table 4-4
Projected Operating Results
Proposed Rates**

Year	2022	2023	2024	2025	2026	2027
Operating Revenues	\$19,061,765	\$18,643,123	\$19,528,577	\$20,188,960	\$20,838,121	\$21,504,175
Less Operating Expenses	(15,133,717)	(16,471,822)	(17,535,707)	(18,642,543)	(19,600,947)	(20,298,209)
Less Non -Operating Expenses	<u>(1,075,942)</u>	<u>(1,045,042)</u>	<u>(1,040,785)</u>	<u>(1,032,921)</u>	<u>(1,018,496)</u>	<u>(1,020,896)</u>
Net Income	2,852,105	1,126,259	952,084	513,496	218,678	185,070
Net Income as Percent of Revenues	15.0%	6.0%	4.9%	2.5%	1.0%	0.9%

Proposed Rates***Cash Reserves – Proposed Rates***

A summary of the impact of the proposed rates on GRPUC’s cash reserves for the Study Period is shown in Table 4-5 below, it is also shown at the bottom of Exhibit 4-B.

As shown below, under the proposed rate revisions, the Study Period cash reserve level increases from 22% of revenues at the end of 2022 to 30% of revenues by 2027.

Table 4-5
Projected Cash Reserves
Proposed Rates

Year	2022	2023	2024	2025	2026	2027
Beginning Balance	\$1,520,146	\$4,118,902	\$4,716,083	\$5,506,199	\$5,934,009	\$6,231,949
Plus Net Income	2,852,105	1,126,259	952,084	513,496	218,678	185,070
Less Capital Improvements	(950,607)	(1,176,840)	(929,440)	(883,440)	(884,440)	(886,440)
Less ERP Proj Costs	-	(80,833)	-	-	-	-
Plus Deprec/Amort	910,382	942,069	981,297	1,012,278	1,041,726	1,071,208
Less Debt Principal	(135,100)	(135,450)	(135,800)	(136,500)	-	-
Less LCP Payment	<u>(78,024)</u>	<u>(78,024)</u>	<u>(78,024)</u>	<u>(78,024)</u>	<u>(78,024)</u>	<u>(78,024)</u>
Ending Balance	\$4,118,902	\$4,716,083	\$5,506,199	\$5,934,009	\$6,231,949	\$6,523,763
As a percent of revenue	21.6%	25.3%	28.2%	29.4%	29.9%	30.3%

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Neighboring Utilities

As part of its rate setting strategy, GRPUC compares its rates to other utilities to gauge its relative competitive position. GRPUC buys its wholesale power from MP, but MP also serves retail customers in numerous northern Minnesota cities. MP is rate regulated by the Minnesota State Public Utilities Commission ('MPUC'). Lake Country Power ('LCP') is the rural electric cooperative that serves rural areas around Grand Rapids. Also, a comparison has been prepared for the City of Brainerd, MN municipal utility as well. Tables 4-6, 4-7 and 4-8 below summarize the residential rates for MP, LCP and Brainerd. The rates shown for MP are the current rate and an estimated rate based on their recent approval by the MPUC for a 7.115% interim rate increase.

Table 4-6
Minnesota Power
Residential Rates

Rate Component	Current Rate	Interim Rate
Service Charge	\$8.00/mo	\$8.56/mo
Affordability Surcharge	\$1.03/mo	\$1.03/mo
Energy Charge (all kWh)	\$0.08384/kWh	\$0.08981/kWh
Resource Adjustment (all kWh)	\$0.03427/kWh	\$0.03427/kWh
Conservation Adjustment (all kWh)	\$0.002002/kWh	\$0.002002/kWh
Renewable Adjustment (all kWh)	\$0.00178/kWh	\$0.00178/kWh
Transmission Adjustment (all kWh)	\$0.00742/kWh	\$0.00742/kWh
Duluth Franchise Fee (% of bill)	3.0%	3.0%

Proposed Rates

**Table 4-7
Lake Country Power
Residential Rates**

Rate Component	Rate
Facilities Charge	\$42.00/mo
Summer Energy Charge (all kWh)	\$0.1503/kWh
Winter Energy Charge (all kWh)	\$0.1403/kWh
Fall/Spring Energy Charge (all kWh)	\$0.1303/kWh

**Table 4-8
Brainerd, MN
Residential Rates**

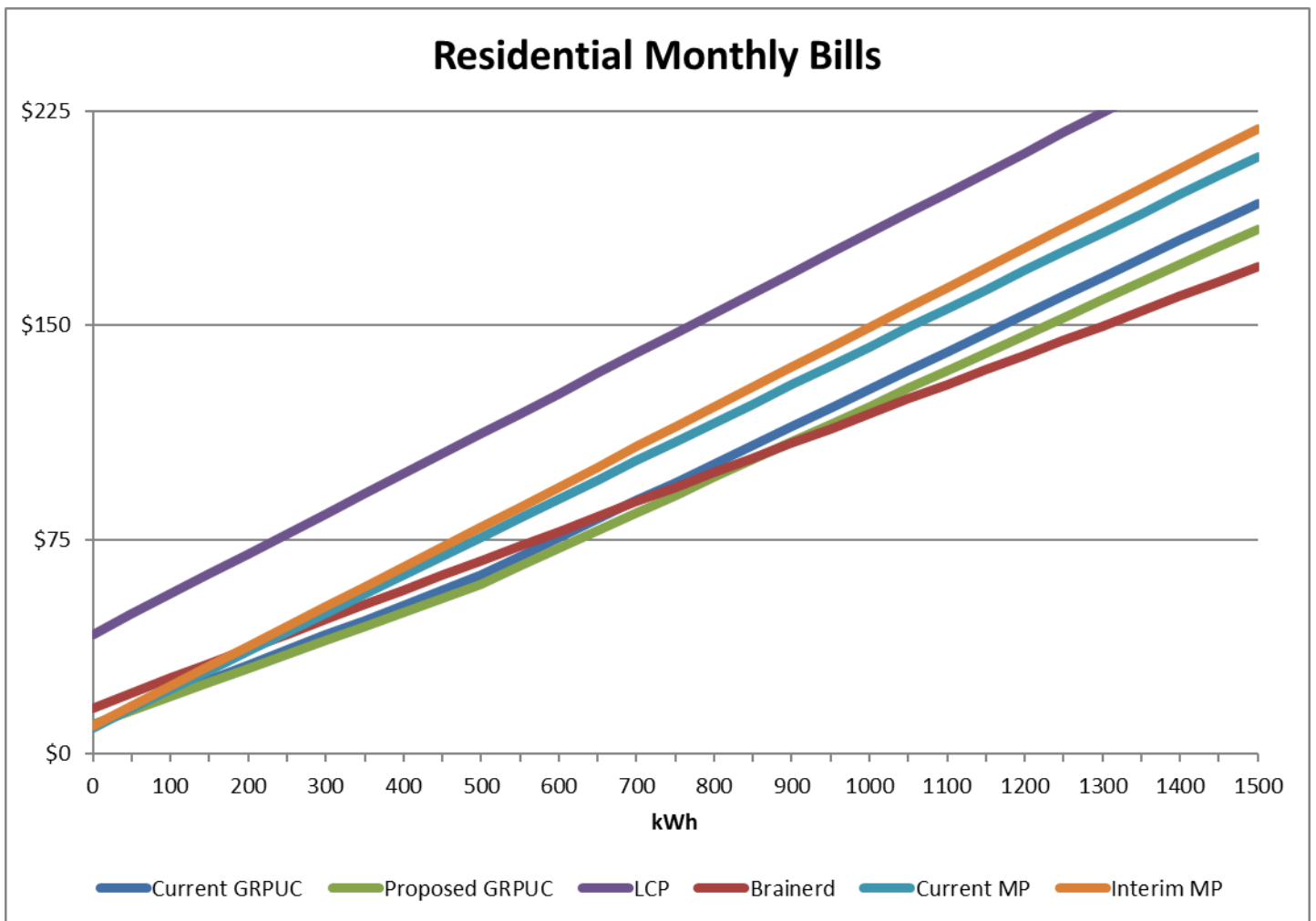
Rate Component	Rate
Facilities Charge	\$16.25/mo
Energy Charge (all kWh)	\$0.0858/kWh
Purchased Power Adjustment (all kWh)	\$0.017/kWh

As shown above, the MP residential rate has a monthly charge plus a monthly surcharge. MP now has a single residential energy rate. There are four separate energy adjustments applied to all energy. MP also pays various levels of franchise fees in the communities it serves. The 3.0% of total bill franchise fee for Duluth was used as a representative fee (these can range from 1%-4% of a typical residential bill). The LCP rates have a single monthly customer charge with energy charges that vary by season. For the comparisons made, a weighted average annual rate of \$0.1403/kWh was utilized for LCP. Brainerd's residential rate includes a monthly customer charge, a single energy charge and a purchased power adjustment.

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Figure 4-1 below is a graphical representation of estimated residential bills for GRPUC existing and proposed 2020 rate, plus MP existing and interim rate and existing rates for LCP and Brainerd. Table 4-9 following the graph shows estimated monthly bills at representative monthly residential energy usage levels.

**Figure 4-1
Bill Comparison Graph**



Proposed Rates

**Table 4-9
Monthly Bill Comparison
Residential Rates**

Monthly Consumption kWh	GRPUC existing	GRPUC 2023 Proposed	LCP Existing	Brainerd Existing	MP Existing	MP Interim
300	\$41.64	\$39.89	\$84.09	\$44.69	\$49.26	\$51.68
700	88.61	84.39	140.21	82.61	102.53	107.42
1000	127.68	121.66	182.30	111.05	142.49	149.22
1250	160.24	152.71	217.38	134.75	175.79	184.05
1500	192.80	183.76	252.45	158.45	209.09	218.89

Time of Use Considerations

In order to give customers an incentive to move consumption of electricity away from more expensive on-peak periods to cheaper off-peak periods, some utilities have instituted time-of-use (TOU) or time-of-day (TOD) rates. Under a TOU structure, electric rates are higher during defined on-peak periods and lower during off-peak periods. For utilities that have a direct tie to hourly wholesale market prices, the market differentials during on-peak versus off-peak periods can provide guidance for design of TOU rates. For a utility like GRPUC that purchases wholesale based on an all-requirements contract with fixed demand and energy pricing, a different approach to TOU pricing can be adopted. Working with staff, we have developed a residential TOU rate to demonstrate an approach to TOU ratemaking. The on-peak period has been set at 8 a.m. to 8 p.m. Monday through Friday. Off-peak would be all other hours. Based on AMI data for the residential customers, on-peak usage accounts for 39% of total residential usage. The rate has been designed based on the current residential customer charge and a 2 to 1 ratio of on-peak pricing to off-peak pricing. The ratio between pricing period rates was assumed to be high enough to give customers incentive to move consumption to off-peak periods without too excessive of a penalty for

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those customers that need to use energy during on-peak times. The TOU example rate is shown in Table 4-10 below. The design of the rate, if implemented, would need to be reviewed and adjusted as necessary to reflect movement of energy consumption by customers based their reaction to the rate.

Table 4-10
Example TOU Rate

Residential

Item	Rate
Customer charge	\$10.40/mo.
On-peak Energy ⁽¹⁾	\$0.1612/kWh
Off-peak Energy	\$0.0806/kWh

(1) On-peak – 8 a.m. to 8 p.m. Monday through Friday

Large Residential Transformer Capacity

GRPUC's standard residential distribution transformer capacity is 25 kVa with typically 4-5 customers connected to a single transformer. This results in a standard residential transformer capacity of 5-6 kVa per customer. This is very similar to other distribution systems in this area. With the popularity of larger homes and the addition of in-home EV charging for residential customers, there is a trend towards some customers requiring 10 or more kVa of transformation capacity. Distribution transformer capacity is a fixed cost to provide service. These types of costs are generally reflected in the fixed monthly customer charge portion of rates. For residential customers requiring larger than normal capacity, an increased monthly customer charge is the appropriate method for collection those increased fixed costs. Based on installed cost for a 25 kVa transformer provided by GRPUC staff, the calculation of a monthly additional fixed customer charge for increased transformation is summarized in Table 4-11 below. As shown in the table, an annual percentage carrying cost is estimated based on annual costs for depreciation, interest and O&M. The total 8% value multiplied times the

Proposed Rates

installed cost results in an annual fixed cost for a 25 kVa transformer. Dividing this by 25 kVa and 12 months results in a monthly cost/kVa of \$2.87. Based on this calculation, a residential customer requiring 5 kVa of additional transformation capacity could be charged an additional monthly fee of \$14.35 (5 times \$2.87).

Table 4-11
Increased Transformation Charge

Residential

Item	Value
Installed Cost (25 kVa)	\$10,756
Annual Fixed Costs as % of Cost	
Depreciation	3%
Interest	4%
O&M	<u>1%</u>
Total	8%
Annual Fixed Cost (25 kVa)	\$860
Annual Fixed Cost/kVa	\$34.42
Monthly Fixed Cost/kVa	\$2.87

Grand Rapids Public Utilities Commission
Existing and Proposed Rates

Exhibit Item 9.

Class		Current Rate	2023 Proposed Rate	2024 Proposed Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate
Electric - City Residential	ECR-10						
	Customer Charge	10.25	10.40	10.40	10.40	10.40	10.40
	Energy 0-500 kWh	0.0888	0.0900	0.0900	0.0900	0.0900	0.0900
Electric - City Res Off Peak Heat/Cool	Energy over 500 kWh	0.1144	0.1159	0.1159	0.1159	0.1159	0.1159
	ECR-10-LM						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
Electric - City Residential Annex 1&2	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
	ECR-13-ANX1						
	Customer Charge	10.25	10.40	10.40	10.40	10.40	10.40
Electric - City Res Annex 1 Off Peak	Energy 0-500 kWh	0.1043	0.1055	0.1055	0.1055	0.1055	0.1055
	Energy over 500 kWh	0.1299	0.1314	0.1314	0.1314	0.1314	0.1314
	ECR-13-ANX1-LM						
Electric - City Res Storage Heat	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
	ECR-14-STG						
Electric - City Res Annex 1&2 Storage Heat	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0545	0.0630	0.0715	0.0800	0.0800	0.0800
	ECR-33-ANX1-STG						
Electric - Rural Residential	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0545	0.0630	0.0715	0.0800	0.0800	0.0800
	ERR-20						
Electric - Rural Res Off Peak Heat/Cool	Customer Charge	11.25	11.40	11.40	11.40	11.40	11.40
	Energy 0-500 kWh	0.0924	0.0936	0.0936	0.0936	0.0936	0.0936
	Energy over 500 kWh	0.1180	0.1195	0.1195	0.1195	0.1195	0.1195
Electric - City Commercial	ERR-20-LM						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
Electric - City Comm Off Peak Heat/Cool	ECC-30						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Commercial Annex 1&2	ECC-30-LM						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
Electric - City Comm Annex Off Peak Heat/Cool	ECC-33-ANX1						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1213	0.1227	0.1227	0.1227	0.1227	0.1227
Electric - City Comm Storage Heat	ECC-33-ANX1-LM						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
Electric - City Com Seas Eve Ent Lt ICF	ECC-34-STG						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0545	0.0630	0.0715	0.0800	0.0800	0.0800
Electric - City Com Seas Eve Ent Lt	ECC-38-SEEL-ICF						
	Customer Charge	12.75	12.75	12.75	12.75	12.75	12.75
	Energy	0.1032	0.1032	0.1032	0.1032	0.1032	0.1032
Electric - City Commercial WWTP	ECC-39-SEEL						
	Customer Charge	12.75	12.75	12.75	12.75	12.75	12.75
	Energy	0.1032	0.1032	0.1032	0.1032	0.1032	0.1032
Electric - City Commercial Elec Substations	ECC-50-WWTP						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Commercial Street Light Book	ECC-55-SUB						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Commercial Water Trt Plt	ECC-56-STLT						
	Customer Charge	12.00	12.50	12.50	12.50	12.50	12.50
	Energy	0.1030	0.1043	0.1043	0.1043	0.1043	0.1043
Electric - City Commercial WW Coll Dept	ECC-57-WTR						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Demand>50 KW -KWH	ECC-59-WWCOLL						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Demand Annex1&2>50 KW-KWH	ECD-70-050KWH						
	Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
	Energy	0.0513	0.0520	0.0520	0.0520	0.0520	0.0520
Electric - City Demand WTP > 50KWH Chg	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
	ECD-73-AX-050KH						
	Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
Electric -City Demand WTP > 50KWH Chg	Energy	0.0513	0.0520	0.0520	0.0520	0.0520	0.0520
	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
	EDD-58-WT-050KH						
Electric-Elec Vehicle Off-Peak	Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
	Energy	0.0513	0.0520	0.0520	0.0520	0.0520	0.0520
	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
Electric -City Demand WTP > 50KWH Chg	EVC-ELVOFFPEAK						
	Energy	0.0422	0.0550	0.0550	0.0550	0.0550	0.0550

Grand Rapids Public Utilities Commission
Existing and Proposed Rates

Exhibit

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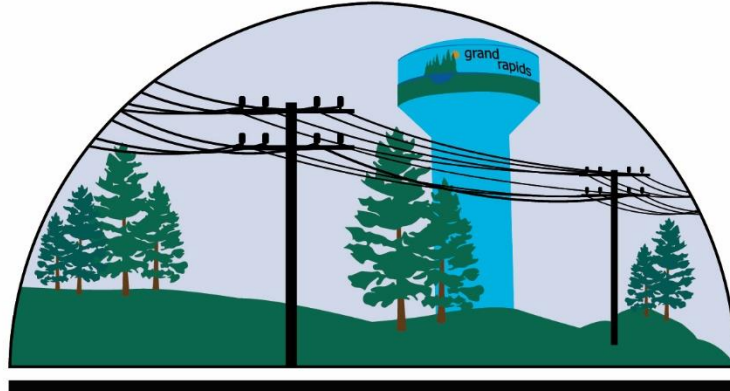
Class		Current Rate	2023 Proposed Rate	2024 Proposed Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate
Electric-Elec Vehicle On-Peak	EVC-ELVONPEAK Energy	0.1515	0.1612	0.1612	0.1612	0.1612	0.1612
Electric-Elec Veh Existing Serv Customer Chg	EVC-EX-CUSTCHG Customer Charge	4.10	4.15	4.15	4.15	4.15	4.15
Electric-Elec Veh Stand Alone Customer Chg	EVC-SA-CUSTCHG Customer Charge	26.00	26.25	26.25	26.25	26.25	26.25
Electric - Rural Commercial	ERC-40 Customer Charge	20.25	20.55	20.55	20.55	20.55	20.55
	Energy	0.1097	0.1111	0.1111	0.1111	0.1111	0.1111
Electric - Rural Comm Off Peak Heat/Cool	ERC-40-LM Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
Electric - Rural Demand>50 KW - KWH	ERD-80-050KWH Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
	Energy	0.0550	0.0557	0.0557	0.0557	0.0557	0.0557
	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
Electric - WWTP Comm (Ind)	ECC-51-WWTP Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Demand WWTP>50KWH Chg	ECD-51-WWT-50KH Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
	Energy	0.0513	0.0520	0.0520	0.0520	0.0520	0.0520
	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
Security Lights	\$/month						
Electric - City Res Sec Lt 100W HPS NP	ECR-1021-SL	9.13	9.22	9.22	9.22	9.22	9.22
Electric - City Res Sec Lt 100W HPS P	ECR-1022-SL	11.82	11.94	11.94	11.94	11.94	11.94
Electric - City Res Sec Lt 250W HPS NP	ECR-1023-SL	13.08	13.21	13.21	13.21	13.21	13.21
Electric - City Res Sec Lt 250W HPS P	ECR-1024-SL	15.77	15.93	15.93	15.93	15.93	15.93
Electric - Security Light 40W LED Existing Pole	E-LED40-EP-SL	4.83	4.88	4.88	4.88	4.88	4.88
Electric - Security Light 40W LED Separate Pole	E-LED40-SP-SL	9.14	9.23	9.23	9.23	9.23	9.23
Electric - Security Light 48W LED Existing Pole	E-LED48-EP-SL	5.28	5.33	5.33	5.33	5.33	5.33
Electric - Security Light 48W LED Separate Pole	E-LED48-SP-SL	8.18	8.26	8.26	8.26	8.26	8.26
Electric - Security Light 70W LED Existing Pole	E-LED70-EP-SL	5.64	5.70	5.70	5.70	5.70	5.70
Electric - Security Light 70W LED Separate Pole	E-LED70-SP-SL	9.96	10.06	10.06	10.06	10.06	10.06
Electric - Rural Com Sec St 100W HPS NP	ERC-4021-SL	9.13	9.22	9.22	9.22	9.22	9.22
Electric - Rural Com Sec Lt 100W HPS P	ERC-4022-SL	11.82	11.94	11.94	11.94	11.94	11.94
Electric - Rural Com Sec Lt 250W HPS NP	ERC-4023-SL	13.08	13.21	13.21	13.21	13.21	13.21
Electric - Rural Com Sec Lt 250W HPS P	ERC-4024-SL	15.77	15.93	15.93	15.93	15.93	15.93
Electric - Rural Res Sec Lt 100W HPS NP	ERR-2021-SL	9.13	9.22	9.22	9.22	9.22	9.22
Electric - Rural Res Sec Lt 100W HPS P	ERR-2022-SL	11.82	11.94	11.94	11.94	11.94	11.94
Electric - Rural Res Sec Lt 250W HPS NP	ERR-2023-SL	13.08	13.21	13.21	13.21	13.21	13.21
Electric - Rural Res Sec Lt 250W HPS P	ERR-2024-SL	15.77	15.93	15.93	15.93	15.93	15.93
Electric - City Com Sec Lt 100W HPS NP	ECC-3021-SL	9.13	9.22	9.22	9.22	9.22	9.22
Electric - City Com Sec Lt 100W HPS P	ECC-3022-SL	11.82	11.94	11.94	11.94	11.94	11.94
Electric - City Com Sec Lt 250W HPS NP	ECC-3023-SL	13.08	13.21	13.21	13.21	13.21	13.21
Electric - City Com Sec Lt 250W HPS P	ECC-3024-SL	15.77	15.93	15.93	15.93	15.93	15.93
Electric - City Com Sec Lt 150W HPS Twshp	ECC-3025-SL	9.13	9.22	9.22	9.22	9.22	9.22

Grand Rapids Public Utilities Commission
Electric Operating Results at Proposed Rates

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
OPERATING REVENUES											
Utility Revenues											
City residential	\$ 3,496,976	\$ 3,848,068	\$ 3,821,527	\$ 4,142,608	\$ 4,311,259	\$ 4,485,931	\$ 4,641,656	\$ 4,711,675	\$ 4,782,354	\$ 4,844,265	\$ 4,907,054
City commercial and demand & energy	9,790,884	9,051,114	9,189,588	8,874,782	9,411,411	9,880,460	10,542,381	10,668,380	10,795,881	10,916,745	11,039,726
Rural residential	1,023,159	1,136,791	1,125,900	1,182,228	1,213,463	1,251,841	1,284,689	1,293,270	1,301,674	1,301,674	1,301,674
Rural commercial and demand & energy	544,806	569,994	583,743	563,487	626,763	639,013	652,124	653,078	653,932	653,932	653,932
Security lighting	57,566	55,300	56,412	60,075	61,567	61,371	61,604	61,604	61,604	61,604	61,604
Total Retail Sales	\$ 14,913,391	\$ 14,661,267	\$ 14,777,170	\$ 14,823,180	\$ 15,624,463	\$ 16,318,615	\$ 17,182,454	\$ 17,388,007	\$ 17,595,446	\$ 17,778,221	\$ 17,963,991
Purchased power adjustment passthrough	693,130	612,842	436,847	400,954	2,401,457	2,631,811	1,349,330	2,029,231	2,482,175	2,948,562	3,428,845
Total Utility Revenues	\$ 15,606,521	\$ 15,274,109	\$ 15,214,017	\$ 15,224,134	\$ 18,025,920	\$ 18,950,426	\$ 18,531,784	\$ 19,417,238	\$ 20,077,621	\$ 20,726,782	\$ 21,392,836
Other Operating Revenues											
Pole rentals	\$ 16,715	\$ -	\$ 38,624	\$ 21,416	\$ 23,577	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000
Other	176,275	95,315	119,168	75,804	148,569	90,339	90,339	90,339	90,339	90,339	90,339
Penalties	49,752	49,954	46,823	9,869	14,294	-	-	-	-	-	-
Total Operating Revenues	\$ 15,849,263	\$ 15,419,378	\$ 15,418,632	\$ 15,331,223	\$ 18,212,360	\$ 19,061,765	\$ 18,643,123	\$ 19,528,577	\$ 20,188,960	\$ 20,838,121	\$ 21,504,175
OPERATING EXPENSES											
Purchased Power	\$ 10,991,941	\$ 11,169,489	\$ 11,336,920	\$ 11,069,792	\$ 13,611,143	\$ 11,807,430	\$ 12,931,589	\$ 13,831,851	\$ 14,777,844	\$ 15,568,697	\$ 16,178,333
Distribution Operations											
Supervision and engineering	\$ 75,537	\$ 83,435	\$ 88,122	\$ 89,308	\$ 88,820	\$ 90,495	\$ 93,210	\$ 97,870	\$ 102,764	\$ 107,902	\$ 113,297
Crew Personnel						230,683	237,603	249,483	261,958	275,055	288,808
Substations	14,410	6,480	6,373	5,580	6,334	6,614	6,944	7,153	7,367	7,588	7,816
Overhead and underground lines	122,256	57,556	147,490	91,108	366,055	9,000	9,450	9,734	10,026	10,326	10,636
Locating Expense						48,000	50,400	51,912	53,469	55,073	56,726
Meters	103,488	21,751	74,041	79,910	75,208	-	-	-	-	-	-
Customer installations	43,143	21,941	14,714	13,129	22,802	-	-	-	-	-	-
Mapping	81,756	67,602	57,115	34,139	47,363	-	-	-	-	-	-
Small tools	31,520	22,379	15,027	17,833	30,801	28,000	29,400	30,282	31,190	32,126	33,090
Safety	21,887	18,731	12,098	29,396	30,613	17,000	17,850	18,386	18,937	19,505	20,090
Seminar/training	41,493	12,554	12,617	11,590	11,401	12,000	12,600	12,978	13,367	13,768	14,181
Uniforms Expense						11,000	11,550	11,897	12,253	12,621	13,000
Rentals						3,164	3,322	3,422	3,525	3,630	3,739
Stores	81,237	97,862	126,094	95,509	155,224	55,849	57,524	60,401	63,421	66,592	69,921
Distribution Maintenance											
Supervision and engineering	75,537	83,326	88,121	89,128	88,780	90,309	93,018	97,669	102,552	107,680	113,064
Crew Personnel						158,000	162,740	170,877	179,421	188,392	197,811
Locating expense	-	-	11,871	15,769	37,924	-	-	-	-	-	-
Substations	24,965	58,720	73,803	55,319	52,509	60,335	63,352	65,252	67,210	69,226	71,303
Overhead lines	139,379	122,630	177,900	174,777	236,987	22,000	23,100	23,793	24,507	25,242	25,999
Overhead Lines - Tree Trimming						80,000	150,000	154,500	159,135	163,909	80,000
Underground lines	93,839	56,368	43,292	98,188	22,259	16,000	16,800	17,304	17,823	18,358	18,909
Underground Lines - Locating						-	-	-	-	-	-
Line transformers	3,506	-	6,914	778	-	2,500	2,625	2,704	2,785	2,869	2,955
Security Lighting	284	4,375	-	1,173	5,047	-	-	-	-	-	-
Street lighting	-	-	-	2,158	-	-	-	-	-	-	-
Meters	1,320	11,890	2,316	4,168	42,513	500	525	541	557	574	591
Other	43,995	12,127	57,645	7,031	5,922	-	-	-	-	-	-
Total Distribution Expenses	\$ 999,552	\$ 759,727	\$ 1,015,553	\$ 915,991	\$ 1,326,562	\$ 941,448	\$ 1,042,014	\$ 1,086,156	\$ 1,132,267	\$ 1,180,437	\$ 1,141,937

**Grand Rapids Public Utilities Commission
Electric Operating Results at Proposed Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Other Operating Expenses											
Customer accounts expense	\$ 327,351	\$ 357,952	\$ 347,475	\$ 297,957	\$ 436,018	\$ 340,422	\$ 356,860	\$ 368,167	\$ 379,842	\$ 391,900	\$ 404,352
Conservation Improvement						119,701	119,701	119,701	119,701	119,701	119,701
Administrative and general	1,084,608	1,153,457	1,066,753	1,145,209	1,125,105	1,014,334	1,079,589	1,148,535	1,220,610	1,298,485	1,382,678
Depreciation - electric	909,967	881,083	879,575	1,123,497	933,748	908,137	939,824	979,052	1,010,033	1,039,481	1,068,962
Depreciation - other	98,367	99,113	95,904	103,727	106,360	-	-	-	-	-	-
Amortization - intangibles	50,025	49,995	47,935	43,533	45,181	2,245	2,245	2,245	2,245	2,245	2,245
Amortization - other	13,696	13,696	34,338	34,337	34,337	-	-	-	-	-	-
Service center	132,588	106,494	127,550	108,160	123,085	-	-	-	-	-	-
Total Other Operating Expenses	\$ 2,616,602	\$ 2,661,790	\$ 2,599,530	\$ 2,856,420	\$ 2,803,834	\$ 2,384,839	\$ 2,498,219	\$ 2,617,700	\$ 2,732,432	\$ 2,851,812	\$ 2,977,939
Total Operating Expenses	\$ 14,608,095	\$ 14,591,006	\$ 14,952,003	\$ 14,842,203	\$ 17,741,539	\$ 15,133,717	\$ 16,471,822	\$ 17,535,707	\$ 18,642,543	\$ 19,600,947	\$ 20,298,209
NET OPERATING INCOME	\$ 1,241,168	\$ 828,372	\$ 466,629	\$ 489,020	\$ 470,821	\$ 3,928,047	\$ 2,171,301	\$ 1,992,870	\$ 1,546,417	\$ 1,237,175	\$ 1,205,966
NON-OPERATING INCOME (EXPENSES)											
Investment income	\$ 38,310	\$ 26,473	\$ 50,825	\$ 30,745	\$ 15,667	\$ 30,225	\$ 81,897	\$ 93,771	\$ 109,481	\$ 117,988	\$ 123,912
Penalties	-	-	-	-	-	28,622	27,000	27,000	27,000	27,000	27,000
Gain (loss) on property disposition	(407,122)	4,474	11,650	(21,351)	(29,861)	-	-	-	-	-	-
Interest expense	(27,648)	(24,199)	(21,223)	-	(2,996)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Lease revenues combined service center	125,563	17,900	35,071	28,763	19,593	23,858	16,800	16,800	16,800	16,800	16,800
CSC Building/Grounds expenses	-	-	-	-	-	(284,247)	(296,339)	(303,956)	(311,802)	(305,883)	(314,207)
Grant revenue	-	-	-	145,672	84,329	-	-	-	-	-	-
City land improvements	-	-	-	-	(393,640)	-	-	-	-	-	-
Payment in lieu of taxes	(872,898)	(876,832)	(871,916)	(873,537)	(882,288)	(871,701)	(871,701)	(871,701)	(871,701)	(871,701)	(871,701)
Total Non-Operating Revenues (Expenses)	\$ (1,143,795)	\$ (852,184)	\$ (795,593)	\$ (689,708)	\$ (1,189,196)	\$ (1,075,942)	\$ (1,045,042)	\$ (1,040,785)	\$ (1,032,921)	\$ (1,018,496)	\$ (1,020,896)
NET INCOME	\$ 97,373	\$ (23,812)	\$ (328,964)	\$ (200,688)	\$ (718,375)	\$ 2,852,105	\$ 1,126,259	\$ 952,084	\$ 513,496	\$ 218,678	\$ 185,070
as a percent of Operating Revenues	0.6%	-0.2%	-2.1%	-1.3%	-3.9%	15.0%	6.0%	4.9%	2.5%	1.0%	0.9%
CASH RESERVES											
Beginning of Year						\$ 1,520,146	\$ 4,118,902	\$ 4,716,083	\$ 5,506,199	\$ 5,934,009	\$ 6,231,949
Plus Net Income						2,852,105	1,126,259	952,084	513,496	218,678	185,070
Less Capital Improvements						(950,607)	(1,176,840)	(929,440)	(883,440)	(884,440)	(886,440)
Less ERP Project Costs						-	(80,833)	-	-	-	-
Plus Depreciation/Amortization						910,382	942,069	981,297	1,012,278	1,041,726	1,071,208
Less Debt Service Principal						(135,100)	(135,450)	(135,800)	(136,500)	-	-
Less Loss of Revenue Payment to LCP						(78,024)	(78,024)	(78,024)	(78,024)	(78,024)	(78,024)
End of Year					\$ 1,520,146	\$ 4,118,902	\$ 4,716,083	\$ 5,506,199	\$ 5,934,009	\$ 6,231,949	\$ 6,523,763
As a percent of revenue					8.3%	21.6%	25.3%	28.2%	29.4%	29.9%	30.3%



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

**WATER COST OF SERVICE AND RATE
DESIGN STUDY**

Final Report

December 14, 2022



REPORT OUTLINE

Cover Letter

Section 1 - Introduction

Section 2 – Projected Operating Results – Existing Rates

Section 3 – Cost of Service

Section 4 – Proposed Rates

December 14, 2022

Grand Rapids Public Utilities Commission

500 SE 4th Street
Grand Rapids, MN 55744

Subject: Water Rate Study

Commission Members:

Dave Berg Consulting, LLC has undertaken a study of the retail rates GRPUC charges its customers for water service. This report summarizes the analyses undertaken and the resulting recommendations for changes to the existing rates.

Based on the financial needs of the water utility for the projected study period of 2023-2027, I am recommending a rate increase of 15% in 2023 followed by annual 10% increases in overall water rates each year for 2024-2027. Based on the cost-of-service analysis, certain classes of customers will experience increases more than average and others will experience increases less than average. Section 4 of the report summarizes the recommendations in detail.

Thank you for the opportunity to be of service to GRPUC through the conduct of this study. I wish to express my appreciation for the valuable assistance I received from GRPUC staff relative to the execution of this study.

Sincerely,

Dave Berg Consulting, LLC



David A. Berg, PE
Principal

Section 1

Introduction

The City of Grand Rapids, MN owns a municipal utility providing service to approximately 3,300 water customers. The water utility operates under the direction of the Grand Rapids Public Utilities Commission (GRPUC). This report has been prepared by Dave Berg Consulting, LLC to examine the rates and charges for water services in Grand Rapids. The study includes an examination of the allocated cost of service based on 2021 utility operations (Test Year). It also includes projected operating results for 2022-2027 (Study Period). As a result of the analyses undertaken and reported on herein, water rate recommendations have been developed for implementation by GRPUC.

Section 2

Projected Operating Results Existing Rates

The rates charged for water services by GRPUC, combined with other operating and non-operating revenues, must be sufficient to meet the cost of providing services to GRPUC's customers. This is necessary to ensure the long-term financial health of the GRPUC water utility. The cost of providing utility service consists of normal operating expenses for water systems, customer and A&G functions, system depreciation expenses, capital improvements and other non-operating expenses.

An analysis of the operating results for the GRPUC water utility during the 2022-2027 Study Period has been performed assuming the current rates and charges remain in effect through the Study Period. This analysis has been done to determine the overall need, if any, for additional revenue through rates to meet projected revenue requirements. The analyses and assumptions utilized in these projections are explained below.

Estimated Revenues – Existing Rates

Operating Revenues

GRPUC provides water services to residential, commercial and industrial customers as well as to the City of La Prairie on a wholesale basis. Total sales to GRPUC customers for the Study Period are assumed to increase 1% per year above current sales levels.

Exhibit 2-A is a summarized listing of GRPUC's historical and projected water operating results at existing rates. The historical and projected revenues from sales of water to different groups of customers are included as part of Utility Revenues.

Section 2

Other Operating Revenues

GRPUC also receives other miscellaneous operating revenue from other normal operating procedures. These other operating revenues include service connections, permit fees, thawing service, merchandizing and jobbing, antenna rent and other miscellaneous operating revenues. These revenues are also included in the Operating Revenues in Exhibit 2-A.

Revenue Requirements

Operating Expenses

Operating expenses for the water utility are shown in Exhibit 2-A. Projections of operating expenses are based on budgeted amounts provided by GRPUC.

Depreciation

GRPUC has annual depreciation costs associated with water system investments. Depreciation during the Study Period is based on budgeted GRPUC amounts. Depreciation is a funded non-cash expense that generates monies available for annual capital improvements, debt principal payments and reserves.

Non-operating Income (Expenses)

GRPUC's non-operating income and expenses are associated with penalties, interest expenses, and costs and revenues associated with the combined service center.

Capital Improvements

GRPUC makes annual capital investments in its water system. The water utility also pays a share of improvements to the combined service center. The combined capital improvements for the water utility are shown in Table 2-1 below.

Projected Operating Results – Existing Rates

Table 2-1
Capital Improvements

Capital Item	2022	2023	2024	2025	2026	2027
Water Capital	\$439,160	\$5,912,100	\$1,343,575	\$969,580	\$908,511	\$1,270,000
Service Center Capital	<u>\$13,601</u>	<u>\$93,400</u>	<u>\$20,000</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>
Total	\$452,761	\$6,005,500	\$1,363,575	\$973,580	\$912,511	\$1,274,000

Debt Service

GRPUC had a large debt issue partially payable by the water utility that was paid in full in February of 2022. The water utility is also responsible for payment of a portion of two General Obligation bonds issued in 2021. Additionally, it is estimated that \$5.0 million in new debt will be issued in late 2023 to support ongoing capital improvements. Table 2-2 summarizes the current and planned debt service for the water utility.

Table 2-2
Annual Debt Service

Item	2022	2023	2024	2025	2026	2027
Current Interest	\$12,818	\$18,964	\$17,063	\$15,113	\$13,114	\$11,018
Current Principal	\$789,450	\$90,775	\$94,100	\$94,250	\$68,250	\$71,500
Planned Interest	-	-	\$225,000	\$219,951	\$214,675	\$209,162
Planned Principal	-	-	<u>\$112,195</u>	<u>\$117,244</u>	<u>\$122,520</u>	<u>\$128,033</u>
Total Debt	\$802,268	\$109,739	\$448,358	\$446,558	\$418,559	\$419,713

Section 2

Projected Operating Results – Existing Rates

Based on the assumptions outlined above, the resulting projected operating results assuming continued application of the existing retail rates are summarized below in Table 2-3. A summary presentation of the historical and projected operating results is also shown in Exhibit 2-A.

Table 2-3
Projected Operating Results
Existing Rates

Year	2022	2023	2024	2025	2026	2027
Operating Revenues	\$1,917,471	\$1,935,782	\$1,955,944	\$1,976,291	\$1,996,965	\$2,017,865
Less Operating Expenses	(1,857,320)	(1,924,009)	(2,188,640)	(2,309,776)	(2,422,246)	(2,536,321)
Less Non -Operating Expenses	<u>(58,171)</u>	<u>(69,105)</u>	<u>(293,836)</u>	<u>(288,518)</u>	<u>(279,975)</u>	<u>(274,149)</u>
Net Income	\$1,980	\$(57,332)	\$(526,532)	\$(622,003)	\$(705,257)	\$(792,605)
Net Income as Percent of Revenues	0.1%	-3.0%	-26.9%	-31.5%	-35.3%	-39.3%

Cash Reserves

A summary of the impact of the projected operating results on GRPUC's cash reserves for the Study Period is shown at the end of Exhibit 2-A and in Table 2-4 below.

As shown below, under existing retail rates and estimated revenue requirements over the Study Period, the cash reserves for the water utility are projected to decrease from \$1.1 million to **negative** \$3.9 million by the end of the Study Period. As a percentage of operating revenues, reserves are projected to decrease from 58% to **negative** 19% during the Study Period. The cash reserve analysis also includes the assumption of securing \$2.5 million in state grants for water capital projects.

Projected Operating Results – Existing Rates

Table 2-3
Projected Cash Reserves-Water
Existing Rates

Year	2022	2023	2024	2025	2026	2027
Beginning Balance	\$1,087,187	\$178,992	\$(858,321)	\$92,587	\$(1,121,727)	\$(2,305,049)
Plus Net Income	1,980	(57,332)	(526,532)	(622,003)	(705,257)	(792,605)
Less Capital Improvements	(452,761)	(6,005,500)	(1,363,575)	(973,580)	(912,511)	(1,274,000)
Less ERP Project Costs	-	(80,833)	-	-	-	-
Plus Depreciation	332,035	347,127	547,310	592,763	625,216	654,633
Plus State Grants	-	-	2,500,000	-	-	-
Plus Available Bond Funds	-	4,850,000	-	-	-	-
Less Existing Debt Principal	(789,450)	(90,775)	(94,100)	(94,250)	(68,250)	(71,500)
Less New Debt Principal	-	-	<u>(112,195)</u>	<u>(117,244)</u>	<u>(122,520)</u>	<u>(128,033)</u>
Ending Balance	\$178,992	\$(858,321)	\$92,587	\$(1,121,727)	\$(2,305,049)	\$(3,916,555)
Reserves as % of Operating Revenue	9.3%	-44.3%	4.7%	-56.8%	-115.4%	-194.1%

**Grand Rapids Public Utilities Commission
Water Operating Results at Existing Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
OPERATING REVENUES											
Utility Revenues											
City sales	\$ 1,465,307	\$ 1,453,122	\$ 1,543,505	\$ 1,531,862	\$ 1,633,096	\$ 1,626,338	\$ 1,639,058	\$ 1,653,714	\$ 1,668,448	\$ 1,683,400	\$ 1,698,467
Rural sales	34,796	30,816	34,744	35,249	37,877	38,616	39,156	39,511	39,870	40,233	40,599
Total Utility Revenues	\$ 1,500,103	\$ 1,483,938	\$ 1,578,249	\$ 1,567,111	\$ 1,670,973	\$ 1,664,954	\$ 1,678,214	\$ 1,693,225	\$ 1,708,318	\$ 1,723,633	\$ 1,739,066
Other Operating Revenues											
Miscellaneous service	\$ 184,560	\$ 219,813	\$ 247,799	\$ 209,774	\$ 213,862	\$ 252,517	\$ 257,568	\$ 262,719	\$ 267,973	\$ 273,332	\$ 278,799
Penalties	5,307	5,564	5,492	1,157	1,676	-	-	-	-	-	-
Total Operating Revenues	\$ 1,689,970	\$ 1,709,315	\$ 1,831,540	\$ 1,778,042	\$ 1,886,511	\$ 1,917,471	\$ 1,935,782	\$ 1,955,944	\$ 1,976,291	\$ 1,996,965	\$ 2,017,865
OPERATING EXPENSES											
Production											
Operations											
Supervision and engineering	\$ -	\$ 5,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operators wages	141,248	144,538	152,676	158,636	161,855	182,512	187,987	197,387	207,256	217,619	228,500
Water treatment expense	91,516	96,407	89,041	111,014	114,019	101,460	106,533	109,729	113,021	116,411	119,904
Station Supplies and Expenses						2,325	2,441	2,514	2,590	2,668	2,748
Permits and Fees						3,900	4,095	4,218	4,344	4,475	4,609
Miscellaneous Production Expense						15,000	15,750	16,223	16,709	17,210	17,727
Power purchased	164,487	167,067	169,964	168,760	195,190	166,570	174,899	180,145	185,550	191,116	196,850
Other	18,360	16,251	22,818	18,573	26,250	-	-	-	-	-	-
Maintenance											
Supervision	15,232	8,404	209	-	-	-	-	-	-	-	-
WTP buildings and grounds	13,609	7,904	10,565	6,761	17,906	18,600	19,530	20,116	20,719	21,341	21,981
WTP HVAC System						1,000	1,050	1,082	1,114	1,147	1,182
Wellhouses						4,500	4,725	4,867	5,013	5,163	5,318
Wellhead protection						1,000	1,050	1,082	1,114	1,147	1,182
Wells, pumps, mains	4,150	3,678	4,577	6,009	14,353	2,400	2,520	2,596	2,673	2,754	2,836
Maintenance of WTP equipment	37,707	32,868	40,549	62,363	51,511	60,490	66,015	67,995	70,035	72,136	74,300
Maintenance of SCADA System						8,040	11,442	8,785	9,049	9,320	9,600
Underground Clearwell						5,500	5,775	5,948	6,127	6,310	6,500
DCS	7,154	7,037	7,922	6,954	8,183	-	-	-	-	-	-
Inspections	9,231	6,975	10,594	4,630	2,381	3,504	8,679	8,940	9,208	9,484	9,769
Total Production Expenses	\$ 502,694	\$ 496,597	\$ 508,915	\$ 543,700	\$ 591,648	\$ 576,801	\$ 612,491	\$ 631,625	\$ 654,522	\$ 678,303	\$ 703,004
Distribution											
Operations											
Supervision and engineering	\$ 17,899	\$ 10,045	\$ 27,437	\$ 29,361	\$ 43,108	38,593	39,751	41,738	43,825	46,016	48,317
Records	17,561	13,282	4,714	10,527	1,275	4,800	5,040	5,191	5,347	5,507	5,673
Inspections	1,289	-	619	6,325	11,359	9,000	17,950	18,489	19,043	19,614	20,203
Thaw and flush hydrants, etc.	376	10,005	18,499	4,932	8,054	11,700	12,285	12,654	13,033	13,424	13,827
Locating expense	-	-	15,686	21,105	13,630	21,000	21,630	22,712	23,847	25,039	26,291
Service on customer premises	6,195	8,841	21,008	7,372	46,238	21,996	22,656	23,789	24,978	26,227	27,538
Mapping	10,459	18,877	28,554	30,799	30,810	34,272	35,300	37,065	38,918	40,864	42,908
Small tools	2,672	2,440	1,665	3,412	3,465	2,400	6,920	2,728	2,809	2,894	2,981
Safety	3,674	9,408	5,683	9,000	14,826	16,500	16,995	17,845	18,737	19,674	20,658
Seminar/training	18,907	20,102	19,287	14,211	20,365	19,200	19,776	20,765	21,803	22,893	24,038
Uniforms Expense						300	315	324	334	344	355
Other	(4,253)	139	79	57	378	-	-	-	-	-	-
Stores	12,323	12,905	837	15,074	24,983	14,255	14,683	15,417	16,188	16,997	17,847
Maintenance											
Towers and tanks	57,562	50,438	3,076	8,573	16,669	5,000	5,250	5,408	5,570	5,737	5,909
Elevated Tank Control System						2,400	2,520	2,596	2,673	2,754	2,836

**Grand Rapids Public Utilities Commission
Water Operating Results at Existing Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Booster Pump						2,130	2,237	2,304	2,373	2,444	2,517
Booster station	106	372	705	303	2,563	500	525	541	557	574	591
Mains and hydrants	128,861	182,080	108,480	138,680	93,945	232,000	200,000	206,000	212,180	218,545	225,102
Services	25,327	10,046	18,326	9,019	43,923	46,000	29,925	30,823	31,747	32,700	33,681
Meters	4,621	5,249	(367)	(2,553)	8,584	2,400	6,972	7,321	7,687	8,071	8,475
Other	10,042	3,060	472	147	5,320	-	-	-	-	-	-
Total Distribution Expenses	\$ 313,621	\$ 357,289	\$ 274,760	\$ 306,344	\$ 389,495	\$ 484,446	\$ 460,729	\$ 473,706	\$ 491,650	\$ 510,319	\$ 529,745
Other Operating Expenses											
Customer accounts expense	\$ 90,247	\$ 92,884	\$ 101,017	\$ 88,418	\$ 122,931	\$ 91,935	\$ 94,710	\$ 99,428	\$ 104,382	\$ 109,584	\$ 115,044
Administrative and general	322,604	336,698	330,815	320,734	335,912	372,103	408,953	436,570	466,459	498,825	533,895
Depreciation - water	272,370	293,004	305,680	325,827	331,343	331,035	346,127	546,310	591,763	624,216	654,633
Depreciation - other	16,395	16,519	15,984	17,288	17,727	-	-	-	-	-	-
Amortization - intangibles	5,948	5,868	5,457	4,786	4,852	1,000	1,000	1,000	1,000	1,000	-
Service center	22,098	17,749	21,258	18,027	20,513	-	-	-	-	-	-
Total Other Operating Expenses	\$ 729,662	\$ 762,722	\$ 780,211	\$ 775,080	\$ 833,278	\$ 796,073	\$ 850,789	\$ 1,083,309	\$ 1,163,604	\$ 1,233,624	\$ 1,303,572
Total Operating Expenses	\$ 1,545,977	\$ 1,616,608	\$ 1,563,886	\$ 1,625,124	\$ 1,814,421	\$ 1,857,320	\$ 1,924,009	\$ 2,188,640	\$ 2,309,776	\$ 2,422,246	\$ 2,536,321
NET OPERATING INCOME	\$ 143,993	\$ 92,707	\$ 267,654	\$ 152,918	\$ 72,090	\$ 60,151	\$ 11,773	\$ (232,696)	\$ (333,485)	\$ (425,281)	\$ (518,456)
NON-OPERATING INCOME (EXPENSES)											
Gain (loss) on property disposition	\$ 3,000	\$ -	\$ (105,172)	\$ 1,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties	-	-	-	-	-	12,085	11,400	11,400	11,400	11,400	11,400
Bond fees	(342)	(606)	(533)	(1,132)	(992)	(500)	(500)	(500)	(500)	(500)	(500)
Amortization of debt premiums and discounts	(271)	(271)	(271)	(974)	(974)	-	-	-	-	-	-
Amortization of regulatory asset	(703)	(703)	(703)	-	(642)	-	-	-	-	-	-
Interest expense - customer deposits	(4,347)	(4,208)	(1,295)	-	-	(1,140)	(1,140)	(1,140)	(1,140)	(1,140)	(1,140)
Interest expense - existing debt	(34,300)	(32,639)	(31,242)	(28,771)	(28,643)	(12,818)	(18,964)	(17,063)	(15,113)	(13,114)	(11,018)
Interest expense - new debt (1)	-	-	-	-	-	-	-	(225,000)	(219,951)	(214,675)	(209,162)
Lease revenues combined service center	20,927	2,983	5,845	4,794	3,265	5,113	3,600	3,600	3,600	3,600	3,600
CSC Building/Grounds expenses	-	-	-	-	-	(60,910)	(63,501)	(65,133)	(66,815)	(65,546)	(67,330)
Total Non-Operating Revenues (Expenses)	\$ (16,036)	\$ (35,444)	\$ (133,371)	\$ (24,958)	\$ (27,986)	\$ (58,171)	\$ (69,105)	\$ (293,836)	\$ (288,518)	\$ (279,975)	\$ (274,149)
NET INCOME	\$ 127,957	\$ 57,263	\$ 134,283	\$ 127,960	\$ 44,104	\$ 1,980	\$ (57,332)	\$ (526,532)	\$ (622,003)	\$ (705,257)	\$ (792,605)
as a percent of Operating Revenues	7.6%	3.4%	7.3%	7.2%	2.3%	0.1%	-3.0%	-26.9%	-31.5%	-35.3%	-39.3%
CASH RESERVES											
Beginning of Year						\$ 1,087,187	\$ 178,992	\$ (858,321)	\$ 92,587	\$ (1,121,727)	\$ (2,305,049)
Plus Net Income						1,980	(57,332)	(526,532)	(622,003)	(705,257)	(792,605)
Less Capital Improvements						(452,761)	(6,005,500)	(1,363,575)	(973,580)	(912,511)	(1,274,000)
Less ERP Project Costs						-	(80,833)	-	-	-	-
Plus Depreciation						332,035	347,127	547,310	592,763	625,216	654,633
Plus State Grant Funds						-	-	2,500,000	-	-	-
Plus Available Bond Funds						-	4,850,000	-	-	-	-
Less Debt Service Principal						(789,450)	(90,775)	(94,100)	(94,250)	(68,250)	(71,500)
Less New Debt Principal (1)						-	-	(112,195)	(117,244)	(122,520)	(128,033)
End of Year					\$ 1,087,187	\$ 178,992	\$ (858,321)	\$ 92,587	\$ (1,121,727)	\$ (2,305,049)	\$ (3,916,555)
As a percent of revenue					57.6%	9.3%	-44.3%	4.7%	-56.8%	-115.4%	-194.1%

(1) Assumes \$5.0 million bond issue in late FY 2023

Section 3

Cost-of-Service

A cost-of-service analysis was performed to determine the allocated cost to serve each of GRPUC's customer classes within the water utility. Customer classes exist, in part, because the cost to serve different kinds of customers varies. The cost-of-service analysis for water has been performed on a 2021 'Test Year' based on budgeted 2021 financials, operations and sales. The results of the cost-of-service study give an indication of the degree of revenue recovery warranted for each class of customers. A comparison of the allocated cost to serve a class of customers and the actual revenues received from that class is taken into consideration during rate design.

Functionalization of Costs

GRPUC's Test Year water revenue requirements have been divided into four functional categories. These categories are described below.

Production – costs associated with GRPUC's source of supply, pumping and water treatment.

Distribution – distribution expenses are related to the GRPUC system for delivering water to GRPUC customers over the local pipeline system.

Customer – these costs are fixed costs associated with the service facilities utilized to deliver water directly to customers. They also include items such as meter reading, billing, collections and customer service.

Revenue – revenue related costs include certain non-operating revenues and utility margin.

Section 3

Table 3-1 below summarizes the functional water costs for the 2021 Test Year. The detailed cost functions are shown in Exhibit 3-A.

Table 3-1
Functional Water Costs
2021 Test Year

Component	Revenue Requirement
Production	\$851,304
Distribution	720,585
Customer	197,470
Revenue	<u>(29,186)</u>
Total	\$1,740,172

Classification of Costs

GRPUC's Test Year revenue requirements have been divided into distinct cost classifications. The water cost classifications are described below.

Demand Related – demand related costs are costs required to meet the overall maximum demand on the system. Demand related costs are predominately associated with facility fixed costs.

Commodity Related – commodity costs tend to vary with the annual quantity of water produced.

Customer Related – costs related to serving, metering and billing of individual customers.

Revenue Related – revenue related costs vary by the amount of revenue received by the utility or are associated with other operating and non-operating revenues.

Exhibits 3-B through 3-D show the detailed classification of revenue requirements within the production, distribution and customer functions.

Cost-of-Service

Allocation of Costs

Based on an analysis of customer class service characteristics, the classified costs summarized above were allocated to the major GRPUC customer classes. Allocation of costs was performed on a fully-distributed, embedded cost allocation basis. Specific allocation factors were utilized in each of the cost classification categories as described below. Exhibit 3-E contains a summary of the development of the various allocation factors.

Demand Allocations

Allocation of water production demand costs are based on each class' contribution to the utility's system peak day usage. The allocation of the distribution demand costs is based on the peak hour usage of each individual class.

Commodity Allocations

Each class' share of test year commodity requirements was used to allocate commodity related costs.

Customer Facilities Allocations

The customer facilities allocator was used to allocate costs associated with the physical facilities required to serve individual customers. For the customer facility allocators, weighted customer allocation factor was developed based on the average equivalent meter size for the customers in each class. Weighting factors are developed to represent the difference in service configurations between customer classifications. For instance, a larger customer facility is required for a single industrial demand customer than for a single residential customer.

Section 3

Customer Service Allocations

The customer service allocator is for allocation of costs associated with customer service – meter reading, billing, collections and customer inquiries. As with the customer facilities allocators, weighted customer service allocators are developed to represent the different levels of customer service required by different size customers.

Revenue Allocations

Revenue related costs were allocated based on each class' share of total demand, commodity, customer facility and customer service costs.

Cost of Service Results

Based on the classifications and allocations described above, the estimated cost to serve each major class of customers for the 2021 Test Year was determined. Exhibit 3-F presents this analysis in detail. Table 3-2 below summarizes the total allocated costs for each class compared to the total revenues received from the class during 2021.

Cost-of-Service

Table 3-2
Water Cost of Service Results
Comparison of Cost and Revenues
2021 Test Year

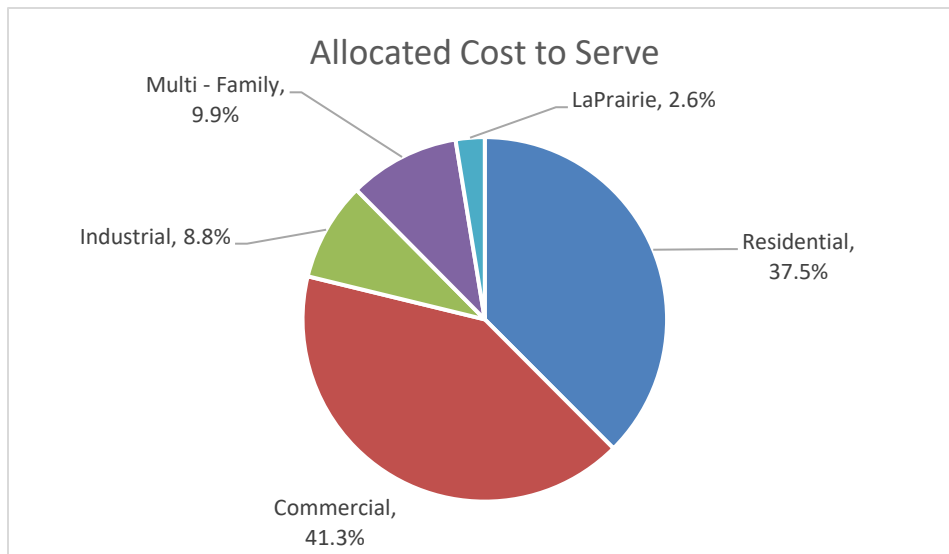
Customer Classification	Allocated Cost to Serve	Revenues
Residential	\$652,911	\$666,661
Commercial	\$718,359	\$605,610
Industrial	\$152,648	\$176,054
Multi - Family	\$171,470	\$249,974
LaPrairie	<u>\$44,785</u>	<u>\$41,873</u>
Total	\$1,740,172	\$1,740,172

The revenue requirements and revenues as allocated to each class and summarized above are shown on a total dollar basis. Table 3-3 below makes the comparison based on percentages of total cost to serve and total revenues. The charts following Table 3-3 show a graphical comparison between allocated cost to serve and revenues as a percentage of the totals. The percentage increase/(decrease) in each class' revenue shown below is the adjustment necessary to produce revenues from each class in accordance with the allocated cost to serve. The percentage adjustments do not represent the recommended change in each class' rates. The cost-of-service results are one item for consideration in rate design. It is important to note also that the adjustments shown in the table below would not change the total revenue received by the utility and are not indicative of overall revenue needs of the utility going forward. Recommendations regarding rate design are included in Section 4 of this report.

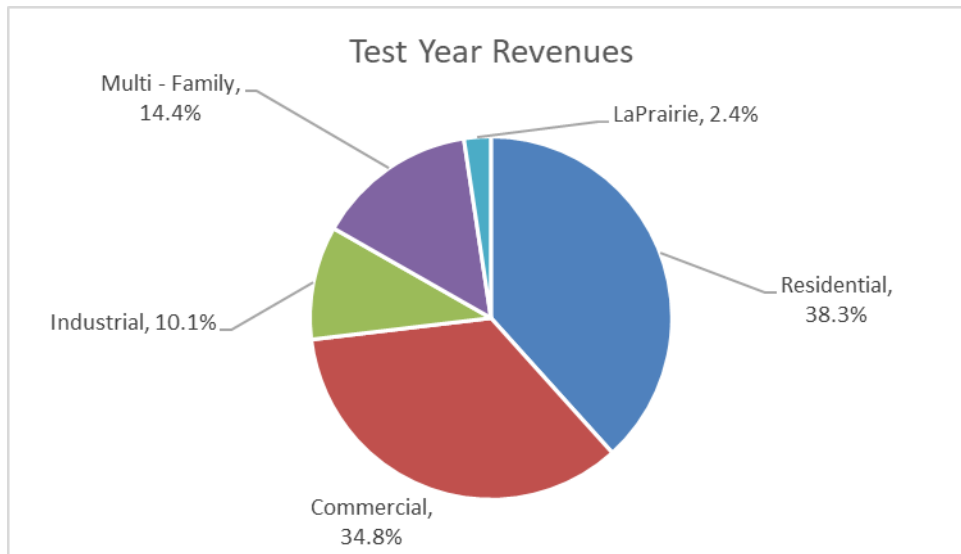
Section 3

**Table 3-3
Water Cost of Service Results
Comparison of % Cost and Revenues
2021 Test Year**

Customer Classification	Allocated Cost to Serve	Revenues	Increase/ (Decrease)
Residential	37.5%	38.3%	-2.1%
Commercial	41.3%	34.8%	18.6%
Industrial	8.8%	10.1%	-13.3%
Multi - Family	9.9%	14.4%	-31.4%
LaPrairie	<u>2.6%</u>	<u>2.4%</u>	<u>7.0%</u>
Total	100.0%	100.0%	0.0%



Cost-of-Service



As indicated above, GRPUC's existing class revenues do not exactly match the allocated cost to serve each class. Cost based rates are one of several goals in establishing rates. The relationship between allocated costs and revenues for each class should be considered, in addition to other rate related goals, in developing recommended rates.

Grand Rapids Public Utilities Commission
Functionalization of 2021 Test Year Revenue Requirements

REVENUE REQUIREMENT	2021					Revenue Classification Basis
	Test Year	Production	Distribution	Customer		
OPERATING EXPENSES						
Production Operation						
WTP Operators Wages	127,657	127,657	-	-	-	100% production
WTP Operators Wages - OT	34,198	34,198	-	-	-	100% production
Other Operating Wages	-	-	-	-	-	100% production
Water Treatment Expense	114,018	114,018	-	-	-	100% production
Heating Fuel	-	-	-	-	-	100% production
Station Supplies and Expenses	4,031	4,031	-	-	-	100% production
Permits and Fees	3,893	3,893	-	-	-	100% production
Miscellaneous Production Expense	18,326	18,326	-	-	-	100% production
Power Purchased	<u>195,190</u>	<u>195,190</u>	-	-	-	100% production
Total Operation	497,314	497,314	-	-	-	
Production Maintenance						
WTP Buildings and Grounds	17,851	17,851	-	-	-	100% production
WTP HVAC System	54	54	-	-	-	100% production
Wellhouses	6,272	6,272	-	-	-	100% production
Wellhead Protection	-	-	-	-	-	100% production
Wells, Pumps and Mains	8,081	8,081	-	-	-	100% production
Maintenance of WTP Equipment	51,510	51,510	-	-	-	100% production
Maintenance of SCADA System - WTP	8,183	8,183	-	-	-	100% production
Underground Clearwell	-	-	-	-	-	100% production
Maintenance Inspections - WTP	<u>2,381</u>	<u>2,381</u>	-	-	-	100% production
Total Maintenance	94,333	94,333	-	-	-	
Distribution Operation						
Supervision and Engineering	43,108	-	43,108	-	-	100% distribution
Records (Mapping-Meters-Valves)	1,275	-	1,275	-	-	100% distribution
Maintenance Inspections	11,359	-	11,359	-	-	100% distribution
Thaw/Flush Hydrants, Mains, Services	8,054	-	8,054	-	-	100% distribution
Locating Expense	13,630	-	13,630	-	-	100% distribution
Service on Customer Premises	46,238	-	46,238	-	-	100% distribution
Mapping Expense	30,810	-	30,810	-	-	100% distribution
Small Tools Expense	3,465	-	3,465	-	-	100% distribution
Safety Expense	14,826	-	14,826	-	-	100% distribution
Seminar/Training Expense	20,365	-	20,365	-	-	100% distribution
Uniforms Expense	378	-	378	-	-	100% distribution
Miscellaneous Meetings	-	-	-	-	-	NA
Rentals	2	-	2	-	-	100% distribution
Stores Expense (Labor)	<u>24,981</u>	-	<u>24,981</u>	-	-	100% distribution
Total Distribution Operation	218,492	-	218,492	-	-	
Distribution Maintenance						
Towers and Tanks	16,298	-	16,298	-	-	100% distribution
Elevated Tank Control System	371	-	371	-	-	100% distribution
Booster Pump (21st St SW)	2,538	-	2,538	-	-	100% distribution
Booster Station	25	-	25	-	-	100% distribution
Mains and Hydrants	93,944	-	93,944	-	-	100% distribution
Services	43,923	-	43,923	-	-	100% distribution
Meters and Meter Installations	6,396	-	6,396	-	-	100% distribution
Miscellaneous Distribution Expense	<u>5,320</u>	-	<u>5,320</u>	-	-	100% distribution
Total Distribution Maintenance	168,816	-	168,816	-	-	
Other						
Truck Expense - Operation	<u>(2,658)</u>	-	<u>(2,658)</u>	-	-	100% distribution
Total Other	(2,658)	-	(2,658)	-	-	
Customer Accounting						
Supervision	26,434	-	-	26,434	-	100% customer
Meter Reading	2,426	-	-	2,426	-	100% customer
Customer Billing and Accounting	95,918	-	-	95,918	-	100% customer
Collecting Expense	-	-	-	-	-	NA

Grand Rapids Public Utilities Commission
Functionalization of 2021 Test Year Revenue Requirements

REVENUE REQUIREMENT	2021	<u>Production</u>	<u>Distribution</u>	<u>Customer</u>	<u>Revenue</u>	<u>Classification Basis</u>
	<u>Test Year</u>					
Miscellaneous Expense	(1,847)	-	-	(1,847)	-	100% customer
Miscellaneous Customer Information	-	-	-	-	-	NA
Total Customer Accounting	122,931	-	-	122,931	-	
Administrative and General Expenses						
Administrative & General Salaries	57,101	28,196	15,790	13,115	-	labor
Commissioner Salaries	2,680	1,324	741	616	-	labor
City Treasurer Salary	165	81	46	38	-	labor
General Office Supplies and Phone	8,407	4,151	2,325	1,931	-	labor
Accounting Outside Service	6,594	3,256	1,823	1,514	-	labor
Data Processing Outside Service	24,036	11,869	6,647	5,521	-	labor
Legal Outside Service	3,741	1,847	1,035	859	-	labor
Engineering Outside Service	3,400	1,679	940	781	-	labor
Other Outside Service	229	113	63	52	-	labor
Fiber Optic Outside Service	-	-	-	-	-	NA
Insurance - Fire	6,166	1,668	4,498	-	-	plant in service
Insurance - Liability	4,096	1,108	2,988	-	-	plant in service
Insurance - Worker's Compensation	11,369	5,614	3,144	2,611	-	labor
Insurance - Worker's Comp Deductible	-	-	-	-	-	NA
Insurance - Auto	572	155	417	-	-	plant in service
Insurance - Miscellaneous	539	146	393	-	-	plant in service
Insurance Claims - Injuries & Damages	9,980	4,928	2,760	2,292	-	labor
Insurance - Group Health	114,281	56,430	31,603	26,248	-	labor
Insurance - Group Health Co-insurance	-	-	-	-	-	NA
Insurance - Group Health HSA funding	27,980	13,816	7,737	6,426	-	labor
Insurance - Group Life	1,009	498	279	232	-	labor
Employee Assistance Programs	-	-	-	-	-	NA
Insurance - Group Dental	5,888	2,907	1,628	1,352	-	labor
Insurance - Third Party Admin Costs	276	136	76	63	-	labor
FICA	-	-	-	-	-	NA
PERA	(45,566)	(22,500)	(12,601)	(10,466)	-	labor
Paid Time Off	80,058	39,531	22,139	18,388	-	labor
Extended Illness Benefit	8,287	4,092	2,292	1,903	-	labor
Short-Term Disability Payments	-	-	-	-	-	NA
Disability Insurance	2,871	1,418	794	659	-	labor
Unemployment Compensation	-	-	-	-	-	NA
Lump Sum Payments	-	-	-	-	-	NA
Miscellaneous General Expense	(1,170)	(578)	(324)	(269)	-	labor
Maintenance of General Plant	2,922	1,443	808	671	-	labor
Total Administrative and General	335,909	163,327	98,043	74,539	-	
Depreciation	331,343	89,624	241,718	-	-	plant in service
Amortization	974	263	710	-	-	plant in service
Total Operating Expenses	1,767,453	844,861	725,122	197,470	-	

Grand Rapids Public Utilities Commission
Functionalization of 2021 Test Year Revenue Requirements

REVENUE REQUIREMENT	2021 <u>Test Year</u>	<u>Production</u>	<u>Distribution</u>	<u>Customer</u>	<u>Revenue</u>	<u>Classification Basis</u>
Non Operating Revenues (Expenses)						
Interest expense	(22,826)	(6,174)	(16,652)	-	-	plant in service
Bond fees - long term debt	(992)	(268)	(724)	-	-	plant in service
Total Non-Operating Revenues (Expenses)	<u>(23,819)</u>	<u>(6,443)</u>	<u>(17,376)</u>	-	-	
Other Operating Revenues (Expenses)						
Service Connections	20,953	-	20,953	-	-	100% distribution
Permit Fees	1,680	-	-	-	1,680	100% revenue
Thawing Service	960	-	960	-	-	100% distribution
Water Shutoff Fees	-	-	-	-	-	NA
Merchandising and Jobbing (Net)	1,285	-	-	-	1,285	100% revenue
City of Grand Rapids Jobbing (Net)	-	-	-	-	-	NA
City of LaPrairie Jobbing (Net)	2,437	-	-	-	2,437	100% revenue
Equipment Rental Revenue	-	-	-	-	-	NA
Service Center	(20,513)	-	-	-	(20,513)	100% revenue
Lease revenues combined service center	3,265	-	-	-	3,265	100% revenue
Antenna Rental Revenue	194,341	-	-	-	194,341	100% revenue
Miscellaneous Income	11,988	-	-	-	11,988	100% revenue
Total Other Operating Revenues	<u>216,395</u>	<u>-</u>	<u>21,913</u>	<u>-</u>	<u>194,482</u>	
Margin	165,296	-	-	-	165,296	100% revenue
Total Revenue Requirement	\$ 1,740,172	\$ 851,304	\$ 720,585	\$ 197,470	\$ (29,186)	

Grand Rapids Public Utilities Commission 2021 Test Year Water Production Classification

	2021			
REVENUE REQUIREMENT	<u>Test Year</u>	<u>Demand</u>	<u>Commodity</u>	<u>Classification Basis</u>
OPERATING EXPENSES				
Production Operation				
WTP Operators Wages	127,657	127,657	-	100% demand
WTP Operators Wages - OT	34,198	34,198	-	100% demand
Other Operating Wages	-	-	-	100% demand
Water Treatment Expense	114,018	-	114,018	100% commodity
Heating Fuel	-	-	-	NA
Station Supplies and Expenses	4,031	4,031	-	100% demand
Permits and Fees	3,893	3,893	-	100% demand
Miscellaneous Production Expense	18,326	18,326	-	100% demand
Power Purchased	<u>195,190</u>	<u>-</u>	<u>195,190</u>	100% commodity
Total Operation	497,314	188,106	309,208	
Production Maintenance				
WTP Buildings and Grounds	17,851	17,851	-	100% demand
WTP HVAC System	54	54	-	100% demand
Wellhouses	6,272	6,272	-	100% demand
Wellhead Protection	-	-	-	100% demand
Wells, Pumps and Mains	8,081	8,081	-	100% demand
Maintenance of WTP Equipment	51,510	-	51,510	100% commodity
Maintenance of SCADA System - WTP	8,183	8,183	-	100% demand
Underground Clearwell	-	-	-	NA
Maintenance Inspections - WTP	<u>2,381</u>	<u>2,381</u>	<u>-</u>	100% demand
Total Maintenance	94,333	42,822	51,510	
Distribution Operation				
Supervision and Engineering	-	-	-	NA
Records (Mapping-Meters-Valves)	-	-	-	NA
Maintenance Inspections	-	-	-	NA
Thaw/Flush Hydrants, Mains, Services	-	-	-	NA
Locating Expense	-	-	-	NA
Service on Customer Premises	-	-	-	NA
Mapping Expense	-	-	-	NA
Small Tools Expense	-	-	-	NA
Safety Expense	-	-	-	NA
Seminar/Training Expense	-	-	-	NA
Uniforms Expense	-	-	-	NA
Miscellaneous Meetings	-	-	-	NA
Rentals	-	-	-	NA
Stores Expense (Labor)	<u>-</u>	<u>-</u>	<u>-</u>	NA
Total Distribution Operation	-	-	-	
Distribution Maintenance				
Towers and Tanks	-	-	-	NA
Elevated Tank Control System	-	-	-	NA
Booster Pump (21st St SW)	-	-	-	NA
Booster Station	-	-	-	NA
Mains and Hydrants	-	-	-	NA

**Grand Rapids Public Utilities Commission
2021 Test Year Water Production Classification**

	2021			
REVENUE REQUIREMENT	<u>Test Year</u>	<u>Demand</u>	<u>Commodity</u>	<u>Classification Basis</u>
Services	-	-	-	NA
Meters and Meter Installations	-	-	-	NA
Miscellaneous Distribution Expense	-	-	-	NA
Total Distribution Maintenance	<hr/>	<hr/>	<hr/>	
Other				
Truck Expense - Operation	-	-	-	NA
Total Other	<hr/>	<hr/>	<hr/>	
Customer Accounting				
Supervision	-	-	-	NA
Meter Reading	-	-	-	NA
Customer Billing and Accounting	-	-	-	NA
Collecting Expense	-	-	-	NA
Miscellaneous Expense	-	-	-	NA
Miscellaneous Customer Information	-	-	-	NA
Total Customer Accounting	<hr/>	<hr/>	<hr/>	
Administrative and General Expenses				
Administrative & General Salaries	28,196	28,196	-	100% demand
Commissioner Salaries	1,324	1,324	-	100% demand
City Treasurer Salary	81	81	-	100% demand
General Office Supplies and Phone	4,151	4,151	-	100% demand
Accounting Outside Service	3,256	3,256	-	100% demand
Data Processing Outside Service	11,869	11,869	-	100% demand
Legal Outside Service	1,847	1,847	-	100% demand
Engineering Outside Service	1,679	1,679	-	100% demand
Other Outside Service	113	113	-	100% demand
Fiber Optic Outside Service	-	-	-	NA
Insurance - Fire	1,668	1,668	-	100% demand
Insurance - Liability	1,108	1,108	-	100% demand
Insurance - Worker's Compensation	5,614	5,614	-	100% demand
Insurance - Worker's Comp Deductible	-	-	-	NA
Insurance - Auto	155	155	-	100% demand
Insurance - Miscellaneous	146	146	-	100% demand
Insurance Claims - Injuries & Damages	4,928	4,928	-	100% demand
Insurance - Group Health	56,430	56,430	-	100% demand
Insurance - Group Health Co-insurance	-	-	-	NA
Insurance - Group Health HSA funding	13,816	13,816	-	100% demand
Insurance - Group Life	498	498	-	100% demand
Employee Assistance Programs	-	-	-	NA
Insurance - Group Dental	2,907	2,907	-	100% demand
Insurance - Third Party Admin Costs	136	136	-	100% demand
FICA	-	-	-	NA
PERA	(22,500)	(22,500)	-	100% demand
Paid Time Off	39,531	39,531	-	100% demand
Extended Illness Benefit	4,092	4,092	-	100% demand
Short-Term Disability Payments	-	-	-	NA

Grand Rapids Public Utilities Commission
2021 Test Year Water Production Classification

	2021			
REVENUE REQUIREMENT	<u>Test Year</u>	<u>Demand</u>	<u>Commodity</u>	<u>Classification Basis</u>
Disability Insurance	1,418	1,418	-	100% demand
Unemployment Compensation	-	-	-	NA
Lump Sum Payments	-	-	-	NA
Miscellaneous General Expense	(578)	(578)	-	100% demand
Maintenance of General Plant	1,443	1,443	-	100% demand
Total Administrative and General	163,327	163,327	-	
 Depreciation	 89,624	 89,624	 -	 100% demand
Amortization	263	263	-	100% demand
Total Operating Expenses	844,861	484,143	360,719	
 Non Operating Revenues (Expenses)				
Interest expense	(6,174)	(6,174)	-	100% demand
Bond fees - long term debt	(268)	(268)	-	100% demand
Total Non-Operating Revenues (Expenses)	(6,443)	(6,443)	-	
 Other Operating Revenues (Expenses)				
Service Connections	-	-	-	NA
Permit Fees	-	-	-	NA
Thawing Service	-	-	-	NA
Water Shutoff Fees	-	-	-	NA
Merchandising and Jobbing (Net)	-	-	-	NA
City of Grand Rapids Jobbing (Net)	-	-	-	NA
City of LaPrairie Jobbing (Net)	-	-	-	NA
Equipment Rental Revenue	-	-	-	NA
Service Center	-	-	-	NA
Lease revenues combined service center	-	-	-	NA
Antenna Rental Revenue	-	-	-	NA
Miscellaneous Income	-	-	-	NA
Total Other Operating Revenues	-	-	-	
 Margin	 -	 -	 -	 NA
 Total Revenue Requirement	 \$ 851,304	 \$ 490,586	 \$ 360,719	

Grand Rapids Public Utilities Commission
2021 Test Year Distribution Classification

	<u>2021</u>	<u>Demand</u>	<u>Customer</u>	<u>Classification Basis</u>
REVENUE REQUIREMENT	<u>Test Year</u>		<u>Facilities</u>	
OPERATING EXPENSES				
Production Operation				
WTP Operators Wages	-	-	-	NA
WTP Operators Wages - OT	-	-	-	NA
Other Operating Wages	-	-	-	NA
Water Treatment Expense	-	-	-	NA
Heating Fuel	-	-	-	NA
Station Supplies and Expenses	-	-	-	NA
Permits and Fees	-	-	-	NA
Miscellaneous Production Expense	-	-	-	NA
Power Purchased	-	-	-	NA
Total Operation	-	-	-	
Production Maintenance				
WTP Buildings and Grounds	-	-	-	NA
WTP HVAC System	-	-	-	NA
Wellhouses	-	-	-	NA
Wellhead Protection	-	-	-	NA
Wells, Pumps and Mains	-	-	-	NA
Maintenance of WTP Equipment	-	-	-	NA
Maintenance of SCADA System - WTP	-	-	-	NA
Underground Clearwell	-	-	-	NA
Maintenance Inspections - WTP	-	-	-	NA
Total Maintenance	-	-	-	
Distribution Operation				
Supervision and Engineering	43,108	43,108	-	100% Dist demand
Records (Mapping-Meters-Valves)	1,275	1,275	-	100% Dist demand
Maintenance Inspections	11,359	11,359	-	100% Dist demand
Thaw/Flush Hydrants, Mains, Services	8,054	5,674	2,380	Dist/Cust split
Locating Expense	13,630	-	13,630	100% Cust facilities
Service on Customer Premises	46,238	-	46,238	100% Cust facilities
Mapping Expense	30,810	30,810	-	100% Dist demand
Small Tools Expense	3,465	3,465	-	100% Dist demand
Safety Expense	14,826	14,826	-	100% Dist demand
Seminar/Training Expense	20,365	20,365	-	100% Dist demand
Uniforms Expense	378	378	-	100% Dist demand
Miscellaneous Meetings	-	-	-	NA
Rentals	2	2	-	100% Dist demand
Stores Expense (Labor)	24,981	24,981	-	100% Dist demand
Total Distribution Operation	218,492	156,244	62,248	
Distribution Maintenance				
Towers and Tanks	16,298	16,298	-	100% Dist demand
Elevated Tank Control System	371	371	-	100% Dist demand
Booster Pump (21st St SW)	2,538	2,538	-	100% Dist demand
Booster Station	25	25	-	100% Dist demand
Mains and Hydrants	93,944	66,179	27,766	Dist/Cust split
Services	43,923	-	43,923	100% Cust facilities

**Grand Rapids Public Utilities Commission
2021 Test Year Distribution Classification**

	<u>2021</u> <u>Test Year</u>	<u>Demand</u>	<u>Customer</u> <u>Facilities</u>	<u>Classification Basis</u>
REVENUE REQUIREMENT				
Meters and Meter Installations	6,396	-	6,396	100% Cust facilities
Miscellaneous Distribution Expense	5,320	5,320	-	100% Dist demand
Total Distribution Maintenance	168,816	90,731	78,085	
Other				
Truck Expense - Operation	(2,658)	(1,872)	(786)	Dist/Cust split
Total Other	(2,658)	(1,872)	(786)	
Customer Accounting				
Supervision	-	-	-	NA
Meter Reading	-	-	-	NA
Customer Billing and Accounting	-	-	-	NA
Collecting Expense	-	-	-	NA
Miscellaneous Expense	-	-	-	NA
Miscellaneous Customer Information	-	-	-	NA
Total Customer Accounting	-	-	-	
Administrative and General Expenses				
Administrative & General Salaries	15,790	11,610	4,180	labor
Commissioner Salaries	741	545	196	labor
City Treasurer Salary	46	34	12	labor
General Office Supplies and Phone	2,325	1,709	615	labor
Accounting Outside Service	1,823	1,285	539	Dist/Cust split
Data Processing Outside Service	6,647	4,682	1,964	Dist/Cust split
Legal Outside Service	1,035	729	306	Dist/Cust split
Engineering Outside Service	940	662	278	Dist/Cust split
Other Outside Service	63	45	19	Dist/Cust split
Fiber Optic Outside Service	-	-	-	NA
Insurance - Fire	4,498	3,169	1,329	Dist/Cust split
Insurance - Liability	2,988	2,105	883	Dist/Cust split
Insurance - Worker's Compensation	3,144	2,312	832	labor
Insurance - Worker's Comp Deductible	-	-	-	labor
Insurance - Auto	417	307	111	labor
Insurance - Miscellaneous	393	289	104	labor
Insurance Claims - Injuries & Damages	2,760	2,029	731	labor
Insurance - Group Health	31,603	23,236	8,366	labor
Insurance - Group Health Co-insurance	-	-	-	labor
Insurance - Group Health HSA funding	7,737	5,689	2,048	labor
Insurance - Group Life	279	205	74	labor
Employee Assistance Programs	-	-	-	labor
Insurance - Group Dental	1,628	1,197	431	labor
Insurance - Third Party Admin Costs	76	56	20	labor
FICA	-	-	-	NA
PERA	(12,601)	(9,265)	(3,336)	labor
Paid Time Off	22,139	16,278	5,861	labor
Extended Illness Benefit	2,292	1,685	607	labor
Short-Term Disability Payments	-	-	-	NA
Disability Insurance	794	584	210	labor
Unemployment Compensation	-	-	-	NA

Grand Rapids Public Utilities Commission
2021 Test Year Distribution Classification

	2021 <u>Test Year</u>	<u>Demand</u>	<u>Customer Facilities</u>	<u>Classification Basis</u>
REVENUE REQUIREMENT				
Lump Sum Payments	-	-	-	NA
Miscellaneous General Expense	(324)	(228)	(96)	Dist/Cust split
Maintenance of General Plant	808	569	239	Dist/Cust split
Total Administrative and General	98,043	71,518	26,525	
Depreciation	241,718	170,278	71,441	Dist/Cust split
Amortization	710	500	210	Dist/Cust split
Total Operating Expenses	725,122	487,398	237,723	
Non Operating Revenues (Expenses)				
Interest expense	(16,652)	(11,731)	(4,922)	Dist/Cust split
Bond fees - long term debt	(724)	(510)	(214)	Dist/Cust split
Total Non-Operating Revenues (Expenses)	(17,376)	(12,240)	(5,136)	
Other Operating Revenues (Expenses)				
Service Connections	20,953	-	20,953	100% Cust facilities
Permit Fees	-	-	-	NA
Thawing Service	960	-	960	100% Cust facilities
Water Shutoff Fees	-	-	-	NA
Merchandising and Jobbing (Net)	-	-	-	NA
City of Grand Rapids Jobbing (Net)	-	-	-	NA
City of LaPrairie Jobbing (Net)	-	-	-	NA
Equipment Rental Revenue	-	-	-	NA
Service Center	-	-	-	NA
Lease revenues combined service center	-	-	-	NA
Antenna Rental Revenue	-	-	-	NA
Miscellaneous Income	-	-	-	NA
Total Other Operating Revenues	21,913	-	21,913	
Margin	-	-	-	NA
Total Revenue Requirement	\$ 720,585	\$ 499,639	\$ 220,946	

Grand Rapids Public Utilities Commission 2021 Test Year Customer Classification

REVENUE REQUIREMENT	2021 <u>Test Year</u>	<u>Customer</u>	<u>Classification Basis</u>
OPERATING EXPENSES			
Production Operation			
WTP Operators Wages	-	-	100% Customer
WTP Operators Wages - OT	-	-	100% Customer
Other Operating Wages	-	-	100% Customer
Water Treatment Expense	-	-	100% Customer
Heating Fuel	-	-	100% Customer
Station Supplies and Expenses	-	-	100% Customer
Permits and Fees	-	-	100% Customer
Miscellaneous Production Expense	-	-	100% Customer
Power Purchased	-	-	100% Customer
Total Operation	-	-	
Production Maintenance			
WTP Buildings and Grounds	-	-	100% Customer
WTP HVAC System	-	-	100% Customer
Wellhouses	-	-	100% Customer
Wellhead Protection	-	-	100% Customer
Wells, Pumps and Mains	-	-	100% Customer
Maintenance of WTP Equipment	-	-	100% Customer
Maintenance of SCADA System - WTP	-	-	100% Customer
Underground Clearwell	-	-	100% Customer
Maintenance Inspections - WTP	-	-	100% Customer
Total Maintenance	-	-	
Distribution Operation			
Supervision and Engineering	-	-	100% Customer
Records (Mapping-Meters-Valves)	-	-	100% Customer
Maintenance Inspections	-	-	100% Customer
Thaw/Flush Hydrants, Mains, Services	-	-	100% Customer
Locating Expense	-	-	100% Customer
Service on Customer Premises	-	-	100% Customer
Mapping Expense	-	-	100% Customer
Small Tools Expense	-	-	100% Customer
Safety Expense	-	-	100% Customer
Seminar/Training Expense	-	-	100% Customer
Uniforms Expense	-	-	100% Customer
Miscellaneous Meetings	-	-	100% Customer
Rentals	-	-	100% Customer
Stores Expense (Labor)	-	-	100% Customer
Total Distribution Operation	-	-	
Distribution Maintenance			
Towers and Tanks	-	-	100% Customer
Elevated Tank Control System	-	-	100% Customer

Grand Rapids Public Utilities Commission 2021 Test Year Customer Classification

	2021		
REVENUE REQUIREMENT	<u>Test Year</u>	<u>Customer</u>	<u>Classification Basis</u>
Booster Pump (21st St SW)	-	-	100% Customer
Booster Station	-	-	100% Customer
Mains and Hydrants	-	-	100% Customer
Services	-	-	100% Customer
Meters and Meter Installations	-	-	100% Customer
Miscellaneous Distribution Expense	-	-	100% Customer
Total Distribution Maintenance	-	-	
Other			
Truck Expense - Operation	-	-	100% Customer
Total Other	-	-	
Customer Accounting			
Supervision	26,434	26,434	100% Customer
Meter Reading	2,426	2,426	100% Customer
Customer Billing and Accounting	95,918	95,918	100% Customer
Collecting Expense	-	-	100% Customer
Miscellaneous Expense	(1,847)	(1,847)	100% Customer
Miscellaneous Customer Information	-	-	100% Customer
Total Customer Accounting	122,931	122,931	
Administrative and General Expenses			
Administrative & General Salaries	13,115	13,115	100% Customer
Commissioner Salaries	616	616	100% Customer
City Treasurer Salary	38	38	100% Customer
General Office Supplies and Phone	1,931	1,931	100% Customer
Accounting Outside Service	1,514	1,514	100% Customer
Data Processing Outside Service	5,521	5,521	100% Customer
Legal Outside Service	859	859	100% Customer
Engineering Outside Service	781	781	100% Customer
Other Outside Service	52	52	100% Customer
Fiber Optic Outside Service	-	-	100% Customer
Insurance - Fire	-	-	100% Customer
Insurance - Liability	-	-	100% Customer
Insurance - Worker's Compensation	2,611	2,611	100% Customer
Insurance - Worker's Comp Deductible	-	-	100% Customer
Insurance - Auto	-	-	100% Customer
Insurance - Miscellaneous	-	-	100% Customer
Insurance Claims - Injuries & Damages	2,292	2,292	100% Customer
Insurance - Group Health	26,248	26,248	100% Customer
Insurance - Group Health Co-insurance	-	-	100% Customer
Insurance - Group Health HSA funding	6,426	6,426	100% Customer
Insurance - Group Life	232	232	100% Customer
Employee Assistance Programs	-	-	100% Customer
Insurance - Group Dental	1,352	1,352	100% Customer

Grand Rapids Public Utilities Commission
2021 Test Year Customer Classification

REVENUE REQUIREMENT	2021 <u>Test Year</u>	<u>Customer</u>	<u>Classification Basis</u>
Insurance - Third Party Admin Costs	63	63	100% Customer
FICA	-	-	100% Customer
PERA	(10,466)	(10,466)	100% Customer
Paid Time Off	18,388	18,388	100% Customer
Extended Illness Benefit	1,903	1,903	100% Customer
Short-Term Disability Payments	-	-	100% Customer
Disability Insurance	659	659	100% Customer
Unemployment Compensation	-	-	100% Customer
Lump Sum Payments	-	-	100% Customer
Miscellaneous General Expense	(269)	(269)	100% Customer
Maintenance of General Plant	<u>671</u>	<u>671</u>	100% Customer
Total Administrative and General	74,539	74,539	
Depreciation	-	-	100% Customer
Amortization	-	-	100% Customer
Total Operating Expenses	197,470	197,470	
Non Operating Revenues (Expenses)			
Interest expense	-	-	100% Customer
Bond fees - long term debt	<u>-</u>	<u>-</u>	100% Customer
Total Non-Operating Revenues (Expenses)	-	-	
Other Operating Revenues (Expenses)			
Service Connections	-	-	100% Customer
Permit Fees	-	-	100% Customer
Thawing Service	-	-	100% Customer
Water Shutoff Fees	-	-	100% Customer
Merchandising and Jobbing (Net)	-	-	100% Customer
City of Grand Rapids Jobbing (Net)	-	-	100% Customer
City of LaPrairie Jobbing (Net)	-	-	100% Customer
Equipment Rental Revenue	-	-	100% Customer
Service Center	-	-	100% Customer
Lease revenues combined service center	-	-	100% Customer
Antenna Rental Revenue	-	-	100% Customer
Miscellaneous Income	<u>-</u>	<u>-</u>	100% Customer
Total Other Operating Revenues	-	-	
Margin	-	-	100% Customer
Total Revenue Requirement	\$ 197,470	\$ 197,470	

Grand Rapids Public Utilities Commission 2021 Test Year Allocation Factors

	<u>Total</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multi - Family</u>	<u>LaPrairie</u>
Demand Allocation Factors						
System Peak Day - gallons	1,533	449	731	146	167	40
SPD	100.0%	29.3%	47.7%	9.5%	10.9%	2.6%
Class Peak Day - gallons	1,884	573	731	332	167	83
CPD	100.0%	30.4%	38.8%	17.6%	8.8%	4.4%
Class Peak Hour - gallons	131	50	53	10	14	4
CPH	100.0%	37.9%	40.4%	7.7%	10.9%	3.1%
Energy Allocation Factors						
Commodity - gallons	324,695	100,617	128,988	44,479	40,187	10,424
C	100.0%	31.0%	39.7%	13.7%	12.4%	3.2%
Customers						
Number of Customers	3,287	2,581	582	6	116	2
Equivalent Meter Weight		1.005	4.338	29.667	2.500	46.3
Customer Service Weight		1.0	2.0	50.0	2.0	20.0
Equivalent Meters						
Weighted Number of Cust	5,680	2,595	2,525	178	290	93
EM	100.0%	45.7%	44.5%	3.1%	5.1%	1.6%
Customer Service Allocation Factor						
Weighted Number of Cust	4,317	2,581	1,164	300	232	40
CS	100.0%	59.8%	27.0%	6.9%	5.4%	0.9%
Revenue Allocator						
Sum of Other Rev Reqs	1,769,358	663,861	730,408	155,208	174,346	45,536
R	100.0%	37.5%	41.3%	8.8%	9.9%	2.6%

**Grand Rapids Public Utilities Commission
2021 Test Year Allocation of Revenue Requirements**

	<u>Total</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multi - Family</u>	<u>LaPrairie</u>	<u>Allocation Factor</u>
<u>Plant</u>							
Demand	490,586	143,741	233,956	46,751	53,295	12,842	SPD
Commodity	360,719	111,780	143,299	49,414	44,646	11,580	C
Total Power Supply	<u>851,304</u>	<u>255,521</u>	<u>377,255</u>	<u>96,165</u>	<u>97,941</u>	<u>24,423</u>	
<u>Distribution</u>							
Demand	499,639	189,353	201,692	38,396	54,512	15,685	CPH
Customer Facilities	220,946	100,926	98,216	6,924	11,281	3,598	EM
Total Distribution	<u>720,585</u>	<u>290,279</u>	<u>299,909</u>	<u>45,320</u>	<u>65,793</u>	<u>19,284</u>	
<u>Customer</u>							
Customer Service	197,470	118,061	53,244	13,723	10,612	1,830	CS
Total Customer Facility	<u>197,470</u>	<u>118,061</u>	<u>53,244</u>	<u>13,723</u>	<u>10,612</u>	<u>1,830</u>	
<u>Revenue</u>							
Other Operating Revenue	(194,482)	(72,970)	(80,284)	(17,060)	(19,164)	(5,005)	R
Margin	165,296	62,019	68,236	14,500	16,288	4,254	R
Total Revenue	<u>(29,186)</u>	<u>(10,951)</u>	<u>(12,048)</u>	<u>(2,560)</u>	<u>(2,876)</u>	<u>(751)</u>	
Total Revenue Requirements	1,740,172	652,911	718,359	152,648	171,470	44,785	
Total Revenues	1,740,172	666,661	605,610	176,054	249,974	41,873	
Percent Revenue Requirements	100.0%	37.5%	41.3%	8.8%	9.9%	2.6%	
Percent Revenues	100.0%	38.3%	34.8%	10.1%	14.4%	2.4%	
Percent Change	0.0%	-2.1%	18.6%	-13.3%	-31.4%	7.0%	
Revenue Req/unit	5.359	6.489	5.569	3.432	4.267	4.296	
Revenue/unit	5.359	6.626	4.695	3.958	6.220	4.017	

Section 4

Proposed Rates

Changes to rates are generally based on the overall need for revenues and results of the cost-of-service analyses. The projected operating results at existing rates as presented in Section 2 of this report outline the overall revenue needs of the water utility. Section 3 summarizes the cost-of-service results. These factors have been considered in developing the proposed rates summarized in this section of the report.

Proposed Rates

Revenue Needs

In Section 2, it shows that GRPUC's projected annual change in water net income, assuming continuation of the existing retail rates, decreases from 0.1% in 2022 to **negative** 39.3% in 2027. GRPUC's projected cash reserves decline from \$1.1 million to **negative** \$3.9 million by the end of the Study Period. For the water utility, an overall rate increase of 15% in 2023 followed by annual 10% rate increases for 2024 through 2027 are recommended.

Cost of Service Considerations

The results of the water cost-of-service analysis in Section 3 indicate that there are subsidies from Multi-Family and Industrial customers to Commercial customers and the City LaPrairie. Rate increases for different groups of customers vary based on the cost-of-service results. Table 4-1 shows the average annual rate increases by customer class and for the total system through the Study Period.

Section 4

Table 4-1
Average Annual Rate Increases
2023-2027 Study Period

Customer Class	Avg Increase
Residential	11.1%
Commercial	13.6%
Industrial	9.1%
Multi-Family	6.0%
LaPrairie	10.5%
Total System	11.1%

Recommended Rates

Exhibit 4-A shows the existing and recommended water rates by customer class for each year from 2023-2027.

Projected Operating Results – Proposed Rates

Based on the proposed rates outlined above, the resulting projected operating results are summarized below in Table 4-2. A summary presentation of the operating results is shown in Exhibit 4-B.

Proposed Rates

Table 4-2
Projected Operating Results
Proposed Rates

Year	2022	2023	2024	2025	2026	2027
Operating Revenues	\$1,917,471	\$2,182,991	\$2,405,771	\$2,650,087	\$2,923,605	\$3,228,521
Less Operating Expenses	(1,857,320)	(1,924,009)	(2,188,640)	(2,309,776)	(2,422,246)	(2,536,321)
Less Non -Operating Expenses	<u>(58,171)</u>	<u>(69,105)</u>	<u>(293,836)</u>	<u>(288,518)</u>	<u>(279,975)</u>	<u>(274,149)</u>
Net Income	\$1,980	\$189,878	\$(76,705)	\$51,793	\$221,383	\$418,050
Net Income as Percent of Revenues	0.1%	8.7%	-3.2%	2.0%	7.6%	12.9%

Cash Reserves

A summary of the impact of the projected operating results with the proposed rate adjustments on GRPUC's cash reserves for the Study Period is shown at the end of Exhibit 4-B and in Table 4-3 below. As shown below, with the recommended increases, the reserve levels in 2027 increase from **negative** 194% of operating revenue to **negative** 13% of operating revenue. This represents an increase of \$3.5 million.

Section 4

Table 4-3
Projected Cash Reserves
Proposed Rates

Year	2022	2023	2024	2025	2026	2027
Beginning Balance	\$1,087,187	\$178,992	\$(611,112)	\$789,624	\$249,105	\$(7,577)
Plus Net Income	1,980	189,878	(76,705)	51,793	221,383	418,050
Less Capital Improvements	(452,761)	(6,005,500)	(1,363,575)	(973,580)	(912,511)	(1,274,000)
Less ERP Project Costs	-	(80,833)	-	-	-	-
Plus Depreciation	332,035	347,127	547,310	592,763	625,216	654,633
Plus State Grants	-	-	2,500,000	-	-	-
Plus Available Bond Funds	-	4,850,000	-	-	-	-
Less Existing Debt Principal	(789,450)	(90,775)	(94,100)	(94,250)	(68,250)	(71,500)
Less New Debt Principal	-	-	<u>(112,195)</u>	<u>(117,244)</u>	<u>(122,520)</u>	<u>(128,033)</u>
Ending Balance	\$178,992	\$(611,112)	\$789,624	\$249,105	\$(7,577)	\$(408,427)
Reserves as % of Operating Revenue	9.3%	-28.0%	32.8%	9.4%	-0.3%	-12.7%

Proposed Rates

Residential Bill Impact

Table 4-4 below summarizes the impact on monthly bills for different size residential customers. An average GRPUC residential customer consumes approximately 3000 gallons per month. For that average size customer, the first-year bill increase is \$2.94 per month. For all customer usages shown, the 2023 increase is 15% with annual increases of 10% for 2024 through 2027.

Table 4-4
Monthly Water Bill Comparisons

Residential Usage (gallons)	2,000	3,000	6,000
Current Rate	\$16.25	\$20.04	\$33.39
2023 Proposed	18.62	22.98	38.34
2024 Proposed	20.57	25.37	42.27
2025 Proposed	22.62	27.90	46.50
2026 Proposed	24.89	30.70	51.17
2027 Proposed	27.39	33.79	56.31

Grand Rapids Public Utilities Commission
Existing and Proposed Rates

Class	Current Rate	2023 Proposed Rate	2024 Proposed Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate
Customer Charges						
Residential/Commercial/Industrial						
5/8-3/4 inch	8.67	9.90	10.97	12.06	13.27	14.59
1 inch	12.08	13.80	15.28	16.81	18.49	20.34
1 1/4 inch	13.87	15.85	17.55	19.31	21.24	23.37
1 1/2 inch	15.54	17.76	19.67	21.63	23.79	26.18
2 inch	25.12	28.70	31.77	34.95	38.44	42.29
3 inch	95.13	108.70	120.33	132.37	145.60	160.16
4 inch	121.01	138.27	153.08	168.38	185.22	203.75
6 inch	181.58	207.48	229.70	252.67	277.93	305.73
Multi-Family						
Unit Charge	5.20	5.71	5.99	6.29	6.61	6.94
Customer charge	3.47	3.99	4.39	4.83	5.31	5.84
Commodity Charges						
Residential						
0-4,000	3.79	4.36	4.8	5.28	5.81	6.4
4,000-8,000	4.78	5.50	6.05	6.66	7.33	8.06
8,000-30,000	5.99	6.89	7.58	8.34	9.18	10.1
over 30,000	9.57	11.01	12.11	13.32	14.65	16.11
Commercial						
0-40,000	3.33	3.94	4.46	5.06	5.73	6.49
40,000-400,000	4.11	4.87	5.52	6.25	7.09	8.03
over 400,000	5.25	6.22	7.05	7.99	9.05	10.26
Industrial						
0-400,000	3.33	3.76	4.07	4.39	4.75	5.12
over 400,000	4.11	4.64	5.02	5.42	5.84	6.31
Multi-Family						
0-4,000 per unit	3.79	4.16	4.37	4.59	4.82	5.06
4,000-8,000 per unit	4.78	5.25	5.51	5.78	6.07	6.38
8,000-30,000 per unit	5.99	6.58	6.90	7.25	7.61	7.99
over 30,000 per unit	9.57	10.51	11.03	11.58	12.16	12.77
Rural Industrial (LaPrairie)						
0-400,000	3.33	3.68	4.07	4.50	4.97	5.49
over 400,000	4.11	4.54	5.02	5.55	6.13	6.77

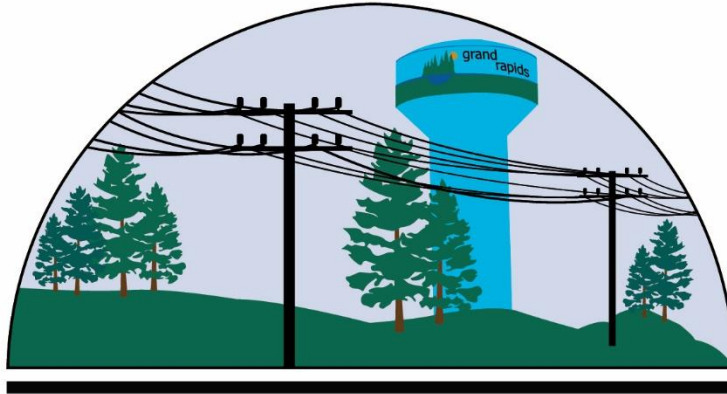
**Grand Rapids Public Utilities Commission
Water Operating Results at Proposed Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
OPERATING REVENUES											
Utility Revenues											
City sales	\$ 1,465,307	\$ 1,453,122	\$ 1,543,505	\$ 1,531,862	\$ 1,633,096	\$ 1,626,338	\$ 1,882,025	\$ 2,094,622	\$ 2,328,110	\$ 2,590,108	\$ 2,882,692
Rural sales	34,796	30,816	34,744	35,249	37,877	38,616	43,398	48,431	54,004	60,164	67,030
Total Utility Revenues	\$ 1,500,103	\$ 1,483,938	\$ 1,578,249	\$ 1,567,111	\$ 1,670,973	\$ 1,664,954	\$ 1,925,423	\$ 2,143,052	\$ 2,382,114	\$ 2,650,273	\$ 2,949,722
Other Operating Revenues											
Miscellaneous service	\$ 184,560	\$ 219,813	\$ 247,799	\$ 209,774	\$ 213,862	\$ 252,517	\$ 257,568	\$ 262,719	\$ 267,973	\$ 273,332	\$ 278,799
Penalties	5,307	5,564	5,492	1,157	1,676	-	-	-	-	-	-
Total Operating Revenues	\$ 1,689,970	\$ 1,709,315	\$ 1,831,540	\$ 1,778,042	\$ 1,886,511	\$ 1,917,471	\$ 2,182,991	\$ 2,405,771	\$ 2,650,087	\$ 2,923,605	\$ 3,228,521
OPERATING EXPENSES											
Production											
Operations											
Supervision and engineering	\$ -	\$ 5,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operators wages	141,248	144,538	152,676	158,636	161,855	182,512	187,987	197,387	207,256	217,619	228,500
Water treatment expense	91,516	96,407	89,041	111,014	114,019	101,460	106,533	109,729	113,021	116,411	119,904
Station Supplies and Expenses						2,325	2,441	2,514	2,590	2,668	2,748
Permits and Fees						3,900	4,095	4,218	4,344	4,475	4,609
Miscellaneous Production Expense						15,000	15,750	16,223	16,709	17,210	17,727
Power purchased	164,487	167,067	169,964	168,760	195,190	166,570	174,899	180,145	185,550	191,116	196,850
Other	18,360	16,251	22,818	18,573	26,250	-	-	-	-	-	-
Maintenance											
Supervision	15,232	8,404	209	-	-	-	-	-	-	-	-
WTP buildings and grounds	13,609	7,904	10,565	6,761	17,906	18,600	19,530	20,116	20,719	21,341	21,981
WTP HVAC System						1,000	1,050	1,082	1,114	1,147	1,182
Wellhouses						4,500	4,725	4,867	5,013	5,163	5,318
Wellhead protection						1,000	1,050	1,082	1,114	1,147	1,182
Wells, pumps, mains	4,150	3,678	4,577	6,009	14,353	2,400	2,520	2,596	2,673	2,754	2,836
Maintenance of WTP equipment	37,707	32,868	40,549	62,363	51,511	60,490	66,015	67,995	70,035	72,136	74,300
Maintenance of SCADA System						8,040	11,442	8,785	9,049	9,320	9,600
Underground Clearwell						5,500	5,775	5,948	6,127	6,310	6,500
DCS	7,154	7,037	7,922	6,954	8,183	-	-	-	-	-	-
Inspections	9,231	6,975	10,594	4,630	2,381	3,504	8,679	8,940	9,208	9,484	9,769
Total Production Expenses	\$ 502,694	\$ 496,597	\$ 508,915	\$ 543,700	\$ 591,648	\$ 576,801	\$ 612,491	\$ 631,625	\$ 654,522	\$ 678,303	\$ 703,004
Distribution											
Operations											
Supervision and engineering	\$ 17,899	\$ 10,045	\$ 27,437	\$ 29,361	\$ 43,108	38,593	39,751	41,738	43,825	46,016	48,317
Records	17,561	13,282	4,714	10,527	1,275	4,800	5,040	5,191	5,347	5,507	5,673
Inspections	1,289	-	619	6,325	11,359	9,000	17,950	18,489	19,043	19,614	20,203
Thaw and flush hydrants, etc.	376	10,005	18,499	4,932	8,054	11,700	12,285	12,654	13,033	13,424	13,827
Locating expense	-	-	15,686	21,105	13,630	21,000	21,630	22,712	23,847	25,039	26,291
Service on customer premises	6,195	8,841	21,008	7,372	46,238	21,996	22,656	23,789	24,978	26,227	27,538
Mapping	10,459	18,877	28,554	30,799	30,810	34,272	35,300	37,065	38,918	40,864	42,908
Small tools	2,672	2,440	1,665	3,412	3,465	2,400	6,920	2,728	2,809	2,894	2,981
Safety	3,674	9,408	5,683	9,000	14,826	16,500	16,995	17,845	18,737	19,674	20,658
Seminar/training	18,907	20,102	19,287	14,211	20,365	19,200	19,776	20,765	21,803	22,893	24,038
Uniforms Expense						300	315	324	334	344	355
Other	(4,253)	139	79	57	378	-	-	-	-	-	-
Stores	12,323	12,905	837	15,074	24,983	14,255	14,683	15,417	16,188	16,997	17,847
Maintenance											
Towers and tanks	57,562	50,438	3,076	8,573	16,669	5,000	5,250	5,408	5,570	5,737	5,909
Elevated Tank Control System						2,400	2,520	2,596	2,673	2,754	2,836

Grand Rapids Public Utilities Commission
Water Operating Results at Proposed Rates

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Booster Pump						2,130	2,237	2,304	2,373	2,444	2,517
Booster station	106	372	705	303	2,563	500	525	541	557	574	591
Mains and hydrants	128,861	182,080	108,480	138,680	93,945	232,000	200,000	206,000	212,180	218,545	225,102
Services	25,327	10,046	18,326	9,019	43,923	46,000	29,925	30,823	31,747	32,700	33,681
Meters	4,621	5,249	(367)	(2,553)	8,584	2,400	6,972	7,321	7,687	8,071	8,475
Other	10,042	3,060	472	147	5,320	-	-	-	-	-	-
Total Distribution Expenses	\$ 313,621	\$ 357,289	\$ 274,760	\$ 306,344	\$ 389,495	\$ 484,446	\$ 460,729	\$ 473,706	\$ 491,650	\$ 510,319	\$ 529,745
Other Operating Expenses											
Customer accounts expense	\$ 90,247	\$ 92,884	\$ 101,017	\$ 88,418	\$ 122,931	\$ 91,935	\$ 94,710	\$ 99,428	\$ 104,382	\$ 109,584	\$ 115,044
Administrative and general	322,604	336,698	330,815	320,734	335,912	372,103	408,953	436,570	466,459	498,825	533,895
Depreciation - water	272,370	293,004	305,680	325,827	331,343	331,035	346,127	546,310	591,763	624,216	654,633
Depreciation - other	16,395	16,519	15,984	17,288	17,727	-	-	-	-	-	-
Amortization - intangibles	5,948	5,868	5,457	4,786	4,852	1,000	1,000	1,000	1,000	1,000	-
Service center	22,098	17,749	21,258	18,027	20,513	-	-	-	-	-	-
Total Other Operating Expenses	\$ 729,662	\$ 762,722	\$ 780,211	\$ 775,080	\$ 833,278	\$ 796,073	\$ 850,789	\$ 1,083,309	\$ 1,163,604	\$ 1,233,624	\$ 1,303,572
Total Operating Expenses	\$ 1,545,977	\$ 1,616,608	\$ 1,563,886	\$ 1,625,124	\$ 1,814,421	\$ 1,857,320	\$ 1,924,009	\$ 2,188,640	\$ 2,309,776	\$ 2,422,246	\$ 2,536,321
NET OPERATING INCOME	\$ 143,993	\$ 92,707	\$ 267,654	\$ 152,918	\$ 72,090	\$ 60,151	\$ 258,982	\$ 217,131	\$ 340,311	\$ 501,359	\$ 692,200
NON-OPERATING INCOME (EXPENSES)											
Gain (loss) on property disposition	\$ 3,000	\$ -	\$ (105,172)	\$ 1,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties	-	-	-	-	-	12,085	11,400	11,400	11,400	11,400	11,400
Bond fees	(342)	(606)	(533)	(1,132)	(992)	(500)	(500)	(500)	(500)	(500)	(500)
Amortization of debt premiums and discounts	(271)	(271)	(271)	(974)	(974)	-	-	-	-	-	-
Amortization of regulatory asset	(703)	(703)	(703)	-	(642)	-	-	-	-	-	-
Interest expense - customer deposits	(4,347)	(4,208)	(1,295)	-	-	(1,140)	(1,140)	(1,140)	(1,140)	(1,140)	(1,140)
Interest expense - existing debt	(34,300)	(32,639)	(31,242)	(28,771)	(28,643)	(12,818)	(18,964)	(17,063)	(15,113)	(13,114)	(11,018)
Interest expense - new debt (1)	-	-	-	-	-	-	-	(225,000)	(219,951)	(214,675)	(209,162)
Lease revenues combined service center	20,927	2,983	5,845	4,794	3,265	5,113	3,600	3,600	3,600	3,600	3,600
CSC Building/Grounds expenses	-	-	-	-	-	(60,910)	(63,501)	(65,133)	(66,815)	(65,546)	(67,330)
Total Non-Operating Revenues (Expenses)	\$ (16,036)	\$ (35,444)	\$ (133,371)	\$ (24,958)	\$ (27,986)	\$ (58,171)	\$ (69,105)	\$ (293,836)	\$ (288,518)	\$ (279,975)	\$ (274,149)
NET INCOME	\$ 127,957	\$ 57,263	\$ 134,283	\$ 127,960	\$ 44,104	\$ 1,980	\$ 189,878	\$ (76,705)	\$ 51,793	\$ 221,383	\$ 418,050
as a percent of Operating Revenues	7.6%	3.4%	7.3%	7.2%	2.3%	0.1%	8.7%	-3.2%	2.0%	7.6%	12.9%
CASH RESERVES											
Beginning of Year						\$ 1,087,187	\$ 178,992	\$ (611,112)	\$ 789,624	\$ 249,105	\$ (7,577)
Plus Net Income						1,980	189,878	(76,705)	51,793	221,383	418,050
Less Capital Improvements						(452,761)	(6,005,500)	(1,363,575)	(973,580)	(912,511)	(1,274,000)
Less ERP Project Costs						-	(80,833)	-	-	-	-
Plus Depreciation						332,035	347,127	547,310	592,763	625,216	654,633
Plus State Grant Funds						-	-	2,500,000	-	-	-
Plus Available Bond Funds						-	4,850,000	-	-	-	-
Less Debt Service Principal						(789,450)	(90,775)	(94,100)	(94,250)	(68,250)	(71,500)
Less New Debt Principal (1)						-	-	(112,195)	(117,244)	(122,520)	(128,033)
End of Year					\$ 1,087,187	\$ 178,992	\$ (611,112)	\$ 789,624	\$ 249,105	\$ (7,577)	\$ (408,427)
As a percent of revenue					57.6%	9.3%	-28.0%	32.8%	9.4%	-0.3%	-12.7%

(1) Assumes \$5.0 million bond issue in late FY 2023



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

**DOMESTIC WASTEWATER RATE
DESIGN STUDY**

Final Report

December 14, 2022



REPORT OUTLINE

Cover Letter

Section 1 - Introduction

Section 2 – Projected Operating Results – Existing Rates

Section 3 – Proposed Rates

December 14, 2022

Grand Rapids Public Utilities Commission
500 SE 4th Street
Grand Rapids, MN 55744

Subject: Domestic Wastewater Rate Study

Commission Members:

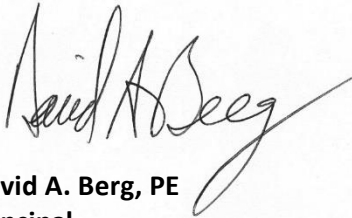
Dave Berg Consulting, LLC has undertaken a study of the retail rates GRPUC charges its customers for domestic wastewater services. This report summarizes the analysis undertaken and the resulting recommendations for changes to the existing rates.

Based on the financial needs of the domestic wastewater utility for the projected study period of 2023-2027, I am recommending annual 5% increases in overall wastewater rates each year. Additional rate design recommendations are presented in Section 3 of the report.

Thank you for the opportunity to be of service to GRPUC through the conduct of this study. I wish to express my appreciation for the valuable assistance I received from GRPUC staff relative to the execution of this study.

Sincerely,

Dave Berg Consulting, LLC



David A. Berg, PE
Principal

Section 1

Introduction

The City of Grand Rapids, MN owns a municipal utility providing service to approximately 3,200 retail wastewater customers and wholesale service to 2 neighboring communities (LaPrairie and Cohasset). The wastewater utility is operated under the direction of the Grand Rapids Public Utilities Commission (GRPUC). This report has been prepared by Dave Berg Consulting, LLC to examine the rates and charges for domestic wastewater services in Grand Rapids. This study does not address wastewater treatment services to Blandin. The study includes projected operating results for 2022-2027 (Study Period). As a result of the analyses undertaken and reported on herein, wastewater rate recommendations have been developed for implementation by GRPUC.

Section 2

Projected Operating Results Existing Rates

The rates charged for domestic wastewater service by GRPUC, combined with other operating and non-operating revenues, must be sufficient to meet the cost of providing services to GRPUC's customers. This is necessary to ensure the long-term financial health of the GRPUC domestic wastewater utility. The cost of providing utility service consists of normal operating expenses for domestic wastewater systems, customer and A&G functions, system depreciation expenses, capital improvements and other non-operating expenses.

An analysis of the operating results for the GRPUC domestic wastewater utility during the 2022-2027 Study Period has been performed assuming the current retail rates and charges remain in effect through the Study Period. This analysis has been done to determine the overall need, if any, for additional revenue through rates to meet projected revenue requirements. The analyses and assumptions utilized in these projections are explained below.

Estimated Revenues – Existing Rates

Operating Revenues

GRPUC provides domestic wastewater services to residential, commercial and industrial customers. It also provides wholesale service to the communities of La Prairie and Cohasset. Total sales to GRPUC customers for the Study Period are assumed to increase by 1% each year through the Study Period.

Section 2

Exhibit 2-A is a summarized listing of GRPUC's historical and projected domestic wastewater operating results at existing rates. The historical and projected revenues from sales to different groups of customers are included as part of Utility Revenues. Utility revenues also include fees from septage haulers.

Other Operating Revenues

GRPUC also receives other miscellaneous operating revenue from other normal operating procedures. These other operating revenues include service connections, permit fees, merchandise and jobbing, jetting services, maintenance services, and other miscellaneous operating revenues. These revenues are also included in the Total Operating Revenues in Exhibit 2-A.

Revenue Requirements

Operating Expenses

Operating expenses for the domestic wastewater system are shown in Exhibit 2-A. Projections of operating expenses are based on budgeted amounts provided by GRPUC.

Depreciation

GRPUC has annual depreciation costs associated with domestic wastewater system investments. Depreciation during the Study Period is based on budgeted GRPUC amounts. Depreciation is a funded non-cash expense that generates monies available for annual capital improvements, debt principal payments and reserves.

Projected Operating Results – Existing Rates

Non-operating Income (Expenses)

GRPUC’s non-operating income and expenses are associated with penalties, interest expenses, bond fees, and costs and revenues associated with the combined service center.

Capital Improvements

GRPUC makes annual capital investments in its domestic wastewater system. The domestic wastewater utility also pays a share of improvements to the combined service center. The combined capital improvements for the domestic wastewater utility are shown in Table 2-1 below.

Table 2-1
Capital Improvements

Capital Item	2022	2023	2024	2025	2026	2027
Wastewater Capital	\$333,289	\$1,027,300	\$720,067	\$694,100	\$846,435	\$525,000
Service Center Capital	<u>\$10,975</u>	<u>\$70,050</u>	<u>\$15,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
Total	\$344,289	\$1,097,350	\$735,067	\$697,100	\$849,435	\$528,000

Debt Service

GRPUC had a large debt issue partially payable by the domestic wastewater utility that was paid in full in February of 2022. The domestic wastewater utility is also responsible for payment of a portion of two General Obligation bonds issued in 2021 and a Clean Water Revolving fund from 2009. Additionally, it is estimated that \$2.0 million in new debt will be issued in late 2023 to support ongoing capital improvements. Table 2-2 summarizes the current and planned debt service for the domestic wastewater utility.

Section 2

Table 2-2
Annual Debt Service

Item	2022	2023	2024	2025	2026	2027
Current Interest	\$36,434	\$36,410	\$20,957	\$27,378	\$22,670	\$17,806
Current Principal	\$553,414	\$180,519	\$185,788	\$189,464	\$165,572	\$171,094
Planned Interest	-	-	\$90,000	\$87,980	\$85,870	\$83,665
Planned Principal	-	-	<u>\$48,878</u>	<u>\$46,898</u>	<u>\$49,008</u>	<u>\$51,213</u>
Total Debt	\$589,848	\$216,929	\$341,623	\$351,720	\$323,121	\$323,778

Projected Operating Results – Existing Rates

Based on the assumptions outlined above, the resulting projected operating results assuming continued application of the existing retail rates are summarized below in Table 2-3. A summary presentation of the historical and projected operating results is also shown in Exhibit 2-A

Projected Operating Results – Existing Rates

Table 2-3
Projected Operating Results
Existing Rates

Year	2022	2023	2024	2025	2026	2027
Operating Revenues	\$1,857,414	\$1,875,029	\$1,892,336	\$1,909,774	\$1,927,476	\$1,945,311
Less Operating Expenses	(1,739,764)	(1,925,685)	(1,685,572)	(1,751,177)	(1,817,935)	(1,892,360)
Less Non -Operating Expenses	<u>(81,595)</u>	<u>(86,371)</u>	<u>(162,550)</u>	<u>(168,633)</u>	<u>(160,547)</u>	<u>(155,261)</u>
Net Income	36,054	(137,027)	44,213	(10,037)	(51,006)	(102,310)
Net Income as Percent of Revenues	1.9%	-7.3%	2.3%	-0.5%	-2.6%	-5.3%

Cash Reserves

A summary of the impact of the projected operating results on GRPUC's cash reserves for the Study Period is shown at the end of Exhibit 2-A and in Table 2-3 below.

As shown below, under existing retail rates and estimated revenue requirements over the Study Period, the cash reserves for the domestic wastewater utility are projected to decrease from \$900,000 to **negative** \$1.6 million by the end of the Study Period. As a percentage of operating revenues, reserves are projected to decrease from 49% to **negative** 83% during the Study Period.

Section 2

Table 2-3
Projected Cash Reserves
Existing Rates

Year	2022	2023	2024	2025	2026	2027
Beginning Balance	\$904,673	\$280,237	\$933,198	\$296,946	\$(336,782)	\$(1,118,796)
Plus Net Income	36,054	(137,027)	44,213	(10,037)	(51,006)	(102,310)
Less Capital Improvements	(344,289)	(1,097,350)	(735,067)	(697,100)	(849,435)	(528,000)
Less ERP Project Costs	-	(80,833)	-	-	-	-
Plus Depreciation/Amortization	237,213	248,690	285,268	309,770	333,007	361,321
Plus Available Bond Funds	-	1,900,000	-	-	-	-
Less Existing Debt Principal	(553,414)	(180,519)	(185,788)	(189,464)	(165,572)	(171,094)
Less New Debt Principal	-	-	<u>(44,878)</u>	<u>(46,898)</u>	<u>(49,008)</u>	<u>(51,213)</u>
Ending Balance	\$280,237	\$933,198	\$296,946	\$(336,782)	\$(1,118,796)	\$(1,610,092)
Reserves as % of Operating Revenue	15.1%	49.8%	15.7%	-17.6%	-58.0%	-82.8%

**Grand Rapids Public Utilities Commission
Domestic Wastewater Operating Results at Existing Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
OPERATING REVENUES											
Utility Revenues											
City	\$ 1,400,265	\$ 1,451,844	\$ 1,526,688	\$ 1,470,730	\$ 1,552,917	\$ 1,572,118	\$ 1,588,171	\$ 1,603,998	\$ 1,619,941	\$ 1,636,133	\$ 1,652,443
Rural	148,245	140,786	148,936	145,720	137,664	149,071	150,633	152,113	153,609	155,119	156,644
Septage haulers	85,508	101,253	111,071	154,531	155,932	124,335	124,335	124,335	124,335	124,335	124,335
Total Utility Revenues	\$ 1,634,018	\$ 1,693,883	\$ 1,786,695	\$ 1,770,981	\$ 1,846,513	\$ 1,845,524	\$ 1,863,139	\$ 1,880,446	\$ 1,897,884	\$ 1,915,586	\$ 1,933,421
Other Operating Revenues											
Other	\$ 26,582	\$ 30,448	\$ 15,928	\$ 24,298	\$ 18,094	\$ 11,890	\$ 11,890	\$ 11,890	\$ 11,890	\$ 11,890	\$ 11,890
Penalties	5,247	5,625	5,492	1,157	1,676	-	-	-	-	-	-
Total Operating Revenues	\$ 1,665,847	\$ 1,729,956	\$ 1,808,115	\$ 1,796,436	\$ 1,866,283	\$ 1,857,414	\$ 1,875,029	\$ 1,892,336	\$ 1,909,774	\$ 1,927,476	\$ 1,945,311
OPERATING EXPENSES											
Collection											
Operations											
Supervision and engineering	\$ 35,092	\$ 30,099	\$ 26,323	\$ 26,143	\$ 25,032	\$ 25,902	\$ 26,679	\$ 28,012	\$ 29,413	\$ 30,884	\$ 32,428
Crew personnel						132,696	136,677	143,511	150,686	158,220	166,132
Records						2,700	2,835	2,920	3,008	3,098	3,191
Inspections	19,908	11,122	640	330	1,012	1,000	1,050	1,082	1,114	1,147	1,182
Thawing mains & services						500	525	541	557	574	591
Locating expense	1,090	-	9,136	9,877	10,100	14,000	14,420	15,141	15,898	16,693	17,528
Service on customer premises	9,928	72	359	424	556	700	721	757	795	835	876
Mapping	1,644	18,809	28,554	30,779	30,810	28,680	29,540	31,017	32,568	34,197	35,907
Small tools	2,326	1,070	488	919	2,059	1,200	1,260	1,298	1,337	1,377	1,418
Safety	2,948	3,709	2,042	3,467	4,076	6,000	6,300	6,489	6,684	6,884	7,091
Seminar/training	25	6,632	7,600	1,262	5,659	6,300	6,615	6,813	7,018	7,228	7,445
Uniforms expense						200	210	216	223	230	236
Miscellaneous meetings						150	158	162	167	172	177
Other	2,443	97	69	87	95	-	-	-	-	-	-
Stores	13,335	2,583	85	3,056	5,400	2,761	2,899	2,986	3,076	3,168	3,263
Power purchased	2,037	13,654	14,397	14,327	15,439	14,465	15,188	15,644	16,113	16,597	17,095
Maintenance											
Lift stations	39,114	48,596	40,003	38,225	94,555	33,000	34,650	35,690	36,760	37,863	38,999
Mains	38,848	41,583	34,383	81,457	74,472	284,968	412,466	124,840	128,585	132,443	136,416
Services	6,653	3,497	5,685	7,323	4,733	8,400	8,820	9,085	9,357	9,638	9,927
Miscellaneous	1,592	3,535	195	330	6,897	-	3,600	3,708	3,819	3,934	4,052
Total Collection Expenses	\$ 176,983	\$ 185,058	\$ 169,959	\$ 218,006	\$ 280,895	\$ 563,621	\$ 704,613	\$ 429,912	\$ 447,178	\$ 465,180	\$ 483,952
Domestic Wastewater Treatment											
Domestic plant	\$ 71,997	\$ 98,442	\$ 88,623	\$ 80,610	\$ 88,786	79,763	83,788	86,359	89,012	91,752	94,581
Domestic portion of sec plant/serv center	452,935	445,364	431,736	433,422	464,234	496,756	496,756	496,756	496,756	496,756	496,756
Domestic portion of sludge disposal	-	-	-	-	-	44,000	44,000	44,000	44,000	44,000	44,000
Total Domestic Plant Expenses	\$ 524,932	\$ 543,806	\$ 520,359	\$ 514,032	\$ 553,020	\$ 620,519	\$ 624,544	\$ 627,115	\$ 629,769	\$ 632,508	\$ 635,337
Other Operating Expenses											
Customer accounts expense	\$ 67,549	\$ 69,584	\$ 75,564	\$ 65,153	\$ 96,181	\$ 69,762	\$ 73,767	\$ 77,982	\$ 82,440	\$ 87,152	\$ 92,135
Truck expense - operation						3,600	0	0	0	0	0
Administrative and general	232,836	233,050	242,805	209,342	263,013	245,048	274,072	265,295	282,021	300,087	319,614
Depreciation - wastewater collection	127,333	139,524	142,340	190,015	236,713	236,713	248,190	284,768	309,270	332,507	360,821
Depreciation - other	16,395	16,519	15,984	17,288	17,727	-	-	-	-	-	-
Amortization - intangibles	5,948	5,868	5,457	4,786	4,852	500	500	500	500	500	500
Service center	22,098	17,749	21,258	18,027	20,514	-	-	-	-	-	-
Total Other Operating Expenses	\$ 472,159	\$ 482,294	\$ 503,408	\$ 504,611	\$ 639,000	\$ 555,624	\$ 596,528	\$ 628,546	\$ 674,231	\$ 720,246	\$ 773,071
Total Operating Expenses	\$ 1,174,074	\$ 1,211,158	\$ 1,193,726	\$ 1,236,649	\$ 1,472,915	\$ 1,739,764	\$ 1,925,685	\$ 1,685,572	\$ 1,751,177	\$ 1,817,935	\$ 1,892,360

**Grand Rapids Public Utilities Commission
Domestic Wastewater Operating Results at Existing Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
NET OPERATING INCOME	\$ 491,773	\$ 518,798	\$ 614,389	\$ 559,787	\$ 393,368	\$ 117,649	\$ (50,656)	\$ 206,764	\$ 158,596	\$ 109,541	\$ 52,951
NON-OPERATING INCOME (EXPENSES)											
Gain (loss) on property disposition	\$ 3,000	\$ (94,827)	\$ 5,000	\$ -	\$ 27,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties	-	-	-	-	-	12,297	11,600	11,600	11,600	11,600	11,600
Interest expense	(20,134)	(18,979)	(18,078)	(16,107)	(17,471)	(36,434)	(36,410)	(20,957)	(27,378)	(22,670)	(17,806)
Less new debt interest	-	-	-	-	-	-	-	(90,000)	(87,980)	(85,870)	(83,665)
Interest expense customer deposits	-	-	-	-	-	(1,160)	(1,160)	(1,160)	(1,160)	(1,160)	(1,160)
Bond fees	(183)	(324)	(285)	(605)	(233)	(500)	(500)	(500)	(500)	(500)	(500)
Amortization of debt premiums and discounts	(146)	(146)	(146)	(146)	(146)	-	-	-	-	-	-
Amortization of regulatory asset	(374)	(374)	(374)	(374)	(1,016)	-	-	-	-	-	-
Lease revenues combined service center	20,927	2,983	5,845	4,794	3,266	5,113	3,600	3,600	3,600	3,600	3,600
CSC Bldg & Grounds Expenses	-	-	-	-	-	(60,910)	(63,501)	(65,133)	(66,815)	(65,546)	(67,330)
Total Non-Operating Revenues (Expenses)	\$ 3,090	\$ (111,667)	\$ (8,038)	\$ (12,438)	\$ 11,900	\$ (81,595)	\$ (86,371)	\$ (162,550)	\$ (168,633)	\$ (160,547)	\$ (155,261)
NET INCOME	\$ 494,863	\$ 407,131	\$ 606,351	\$ 547,349	\$ 405,268	\$ 36,054	\$ (137,027)	\$ 44,213	\$ (10,037)	\$ (51,006)	\$ (102,310)
as a percent of Operating Revenues	29.7%	23.5%	33.5%	30.5%	21.7%	1.9%	-7.3%	2.3%	-0.5%	-2.6%	-5.3%
CASH RESERVES											
Beginning of Year						\$ 904,673	\$ 280,237	\$ 933,198	\$ 296,946	\$ (336,782)	\$ (1,118,796)
Plus Net Income						36,054	(137,027)	44,213	(10,037)	(51,006)	(102,310)
Less Capital Improvements						(344,289)	(1,097,350)	(735,067)	(697,100)	(849,435)	(528,000)
Less ERP Project Costs						-	(80,833)	-	-	-	-
Plus Depreciation/Amortization						237,213	248,690	285,268	309,770	333,007	361,321
Plus Available Bond Funds						-	1,900,000	-	-	-	-
Less Debt Service Principal						(553,414)	(180,519)	(185,788)	(189,464)	(165,572)	(171,094)
Less New Debt Principal (1)						-	-	(44,878)	(46,898)	(49,008)	(51,213)
End of Year					\$ 904,673	\$ 280,237	\$ 933,198	\$ 296,946	\$ (336,782)	\$ (1,118,796)	\$ (1,610,092)
As a percent of revenue					48.5%	15.1%	49.8%	15.7%	-17.6%	-58.0%	-82.8%

(1) Assumes \$2.0 million bond issue in late 2023.

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Proposed Rates

Changes to rates are generally based on the overall need for revenues to fund operating expenses and maintain adequate cash reserve balance. The projected operating results at existing rates as presented in Section 2 of this report outline the overall revenue needs of the domestic wastewater utility. Those projections plus additional factors described below have been considered in developing the proposed rates summarized in this section of the report.

Proposed Rates

Revenue Needs

In Section 2, it shows that GRPUC's projected annual change in domestic wastewater net income, assuming continuation of the existing retail rates, declines from 1.9% of revenue in 2022 to **negative** 5.3% of revenue in 2027. Additionally, it also shows GRPUC's projected cash reserves decline from \$900,000 to **negative** \$1.6 million by the end of the Study Period. Based on these projected results, annual rate increases of 5% for each year 2023-2027 are recommended.

Recommended Rates

Exhibit 3-A shows the existing and recommended rates for domestic wastewater for each year from 2023-2027. Specific rate recommendations are outlined below.

Customer Charges

Under the current domestic wastewater rate structure, all customers pay a monthly customer charge ranging from \$11.02 per month to \$12.14 per month. There is no

Section 3

variation in customer charges for larger customers vs. smaller customers. GRPUC existing water rates differentiate monthly customer charges based on meter/service size. It is recommended that the domestic wastewater customer charges be based on the same meter/service sizes as each customer has for water service. In Exhibit 3-A a new series of customer charges based on size are summarized at the bottom of the exhibit.

LaPrairie and Cohasset

GRPUC provides wastewater service to the neighboring communities of LaPrairie and Cohasset. These communities are wholesale wastewater customers, they have their own collection systems and deliver wastewater to the GRPUC system for treatment. The current rates paid by these communities are lower than rates paid by GRPUC's regular retail customers to reflect the fact that they do not require use of entire GRPUC collection system to deliver their wastewater for treatment. An analysis has been undertaken to examine the discount for these communities as compared to the existing Residential commodity rate. Based on information provided by GRPUC staff, an estimate of the wastewater collection system dedicated to GRPUC retail customers and to LaPrairie and Cohasset was made. The System Investment in Table 3-1 shows these values. Based on annual values of 3% depreciation, 2% interest and 5% O&M, the total annual fixed cost for each entity was calculated. This fixed cost divided by sales results in the allocated fixed cost per unit for each group. A comparison of the LaPrairie and Cohasset values to the GRPUC value arrives at a cost-based reduction in commodity cost for each community. This cost-based reduction is an indication of how much lower the commodity rate could be for LaPrairie and Cohasset based their allocated system usage. A comparison of the cost-based reduction to the actual commodity rate reduction shows that LaPrairie's current rate reduction of \$1.79/unit is very close to the calculated cost-based reduction of \$1.78/unit. For Cohasset, their current rate reduction of \$1.69/unit exceeds the cost-based reduction of \$0.95/unit. To reflect this analysis, the rate increases for Cohasset exceed the LaPrairie and overall increases as presented in Exhibit 3-A.

Proposed Rates

**Table 3-1
LaPrairie and Cohasset**

Item	GRPUC Total	Cohasset	LaPrairie
System Investment	\$ 5,649,642	\$427,588	\$7,695
3% Depreciation	\$169,489	\$12,828	\$231
2% Interest	\$112,993	\$8,552	\$154
5% O&M	<u>\$282,482</u>	<u>\$21,379</u>	<u>\$385</u>
Total Fixed Cost	\$564,964	\$42,759	\$769
Sales	304,606	47,055	10,701
Fixed Cost/Unit	\$1.85	\$0.91	\$0.07
Cost Reduction/Unit	n/a	\$0.95	\$1.78
Current Commodity Rate	\$4.44	\$2.75	\$2.65
Current Reduction	n/a	\$1.69	\$1.79

Projected Operating Results – Proposed Rates

Based on the proposed rates outlined above, the resulting projected operating results are summarized below in Table 3-2. A summary presentation of the operating results is shown in Exhibit 3-B.

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Table 3-2
Projected Operating Results
Proposed Rates

Year	2022	2023	2024	2025	2026	2027
Operating Revenues	\$1,857,414	\$1,967,502	\$2,080,082	\$2,200,382	\$2,329,451	\$2,463,563
Less Operating Expenses	(1,739,764)	(1,925,685)	(1,685,572)	(1,751,177)	(1,817,935)	(1,892,360)
Less Non -Operating Expenses	<u>(81,595)</u>	<u>(86,371)</u>	<u>(162,550)</u>	<u>(168,633)</u>	<u>(160,547)</u>	<u>(155,261)</u>
Net Income	36,054	(44,554)	231,959	280,572	350,969	415,942
Net Income as Percent of Revenues	1.9%	-2.3%	11.2%	12.8%	15.1%	16.9%

Cash Reserves

A summary of the impact of the projected operating results with the proposed rate adjustments on GRPUC's cash reserves for the Study Period is shown at the end of Exhibit 3-B and in Table 3-3 below. As shown below, with the recommended increases, the reserve levels reach negative 4.8% of operating revenue in 2027.

Proposed Rates

Table 3-3
Projected Cash Reserves
Proposed Rates

Year	2022	2023	2024	2025	2026	2027
Beginning Balance	\$904,673	\$280,237	\$1,025,670	\$577,164	\$234,045	\$(145,995)
Plus Net Income	36,054	(44,554)	231,959	280,572	350,969	415,942
Less Capital Improvements	(344,289)	(1,097,350)	(735,067)	(697,100)	(849,435)	(528,000)
Less ERP Project Costs	-	(80,833)	-	-	-	-
Plus Depreciation/Amortization	237,213	248,690	285,268	309,770	333,007	361,321
Plus Available Bond Funds	-	1,900,000	-	-	-	-
Less Existing Debt Principal	(553,414)	(180,519)	(185,788)	(189,464)	(165,572)	(171,094)
Less New Debt Principal	-	-	<u>(44,878)</u>	<u>(46,898)</u>	<u>(49,008)</u>	<u>(51,213)</u>
Ending Balance	\$280,237	\$1,025,670	\$577,164	\$234,045	\$(145,995)	\$(119,038)
Reserves as % of Operating Revenue	15.1%	52.1%	27.7%	10.6%	-6.3%	-4.8%

Residential Bill Impact

Table 4-4 below summarizes the impact on monthly bills for different size residential customers. An average GRPUC residential customer consumes approximately 3000 gallons per month. For that average size customer, the first year bill increase is \$1.20 per month. For all customer usages shown, the annual increases are between 4.8% and 5.2% through 2027.

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Table 3-4
Monthly Wastewater Bill Comparisons

Residential Usage (gallons)	2,000	3,000	6,000
Current Rate	\$19.90	\$24.34	\$37.66
2023 Proposed	20.86	25.54	39.58
2024 Proposed	21.88	26.82	41.64
2025 Proposed	22.98	28.17	43.74
2026 Proposed	24.16	29.59	45.88
2027 Proposed	25.36	31.04	48.08

Blandin Wastewater Treatment Billing

GRPUC bills its largest customer, Blandin, for Blandin's direct use of the GRPUC wastewater treatment facility for treating its industrial wastewater stream. Blandin is billed monthly for its share of actual wastewater treatment plant operating expenses. Analysis and creation of this monthly bill is a labor intensive activity for GRPUC billing personnel. It is recommended that GRPUC engage in discussions with Blandin to simplify this billing process. At the beginning of each year, GRPUC and Blandin would estimate and agree to a flat monthly payment by Blandin for estimated treatment services. At the end of the year, GRPUC would detail the actual costs for the year and present to Blandin for review. If the total estimated payments by Blandin exceed actual annual costs, GRPUC would issue a credit to Blandin the overpayment. If the estimated payments are less than the actual costs, Blandin would pay GRPUC for the total underpayment. This allows GRPUC to compile the detailed costs on an annual basis rather than on a monthly basis and Blandin would only need to review annual costs rather than monthly costs. The option also exists that for any credit owed Blandin, it could be spread over the next 6 monthly estimated bills and any under payment by Blandin could also be spread over 6 monthly bills as an additional amount owed.

Grand Rapids Public Utilities Commission
Existing and Proposed Rates

Class	Current Rate	2023 Proposed Rate	2024 Proposed Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate
City Residential						
Customer Charge	11.02	n/a	n/a	n/a	n/a	n/a
Commodity Charge	4.44	4.68	4.94	5.19	5.43	5.68
City Commercial						
Customer Charge	11.02	n/a	n/a	n/a	n/a	n/a
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
City Commercial 2nd Meter						
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
City Commercial - Blandin Flow						
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
City Industrial						
Customer Charge	11.02	n/a	n/a	n/a	n/a	n/a
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
Rural Residential						
Customer Charge	12.04	n/a	n/a	n/a	n/a	n/a
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
Rural Commercial						
Customer Charge	12.04	n/a	n/a	n/a	n/a	n/a
Commodity Charge	5.36	5.45	5.63	5.83	6.00	6.17
Rural Industrial (LaPrairie)						
Customer Charge	11.73	n/a	n/a	n/a	n/a	n/a
Commodity Charge	2.65	2.75	2.88	3.02	3.17	3.33
Rural Industrial (Cohasset)						
Customer Charge	12.14	n/a	n/a	n/a	n/a	n/a
Commodity Charge	2.75	2.90	3.05	3.20	3.36	3.55
Customer Charges						
Residential/Commercial/Industrial						
5/8-3/4 inch	n/a	11.50	12.00	12.60	13.30	14.00
1 inch	n/a	13.00	15.00	17.00	19.00	21.00
1 1/4 inch	n/a	15.00	17.00	19.00	21.50	24.00
1 1/2 inch	n/a	17.00	20.00	23.00	26.00	29.00
2 inch	n/a	20.00	25.00	30.00	40.00	50.00
3 inch	n/a	25.00	30.00	35.00	45.00	55.00
4 inch	n/a	35.00	45.00	55.00	65.00	75.00
6 inch	n/a	50.00	60.00	70.00	75.00	85.00

**Grand Rapids Public Utilities Commission
Domestic Wastewater Operating Results at Proposed Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
OPERATING REVENUES											
Utility Revenues											
City	\$ 1,400,265	\$ 1,451,844	\$ 1,526,688	\$ 1,470,730	\$ 1,552,917	\$ 1,572,118	\$ 1,671,342	\$ 1,773,648	\$ 1,883,368	\$ 2,001,125	\$ 2,122,176
Rural	148,245	140,786	148,936	145,720	137,664	149,071	159,935	170,209	180,790	192,101	205,162
Septage haulers	85,508	101,253	111,071	154,531	155,932	124,335	124,335	124,335	124,335	124,335	124,335
Total Utility Revenues	\$ 1,634,018	\$ 1,693,883	\$ 1,786,695	\$ 1,770,981	\$ 1,846,513	\$ 1,845,524	\$ 1,955,612	\$ 2,068,192	\$ 2,188,492	\$ 2,317,561	\$ 2,451,673
Other Operating Revenues											
Other	\$ 26,582	\$ 30,448	\$ 15,928	\$ 24,298	\$ 18,094	\$ 11,890	\$ 11,890	\$ 11,890	\$ 11,890	\$ 11,890	\$ 11,890
Penalties	5,247	5,625	5,492	1,157	1,676	-	-	-	-	-	-
Total Operating Revenues	\$ 1,665,847	\$ 1,729,956	\$ 1,808,115	\$ 1,796,436	\$ 1,866,283	\$ 1,857,414	\$ 1,967,502	\$ 2,080,082	\$ 2,200,382	\$ 2,329,451	\$ 2,463,563
OPERATING EXPENSES											
Collection											
Operations											
Supervision and engineering	\$ 35,092	\$ 30,099	\$ 26,323	\$ 26,143	\$ 25,032	\$ 25,902	\$ 26,679	\$ 28,012	\$ 29,413	\$ 30,884	\$ 32,428
Crew personnel						132,696	136,677	143,511	150,686	158,220	166,132
Records						2,700	2,835	2,920	3,008	3,098	3,191
Inspections	19,908	11,122	640	330	1,012	1,000	1,050	1,082	1,114	1,147	1,182
Thawing mains & services						500	525	541	557	574	591
Locating expense	1,090	-	9,136	9,877	10,100	14,000	14,420	15,141	15,898	16,693	17,528
Service on customer premises	9,928	72	359	424	556	700	721	757	795	835	876
Mapping	1,644	18,809	28,554	30,779	30,810	28,680	29,540	31,017	32,568	34,197	35,907
Small tools	2,326	1,070	488	919	2,059	1,200	1,260	1,298	1,337	1,377	1,418
Safety	2,948	3,709	2,042	3,467	4,076	6,000	6,300	6,489	6,684	6,884	7,091
Seminar/training	25	6,632	7,600	1,262	5,659	6,300	6,615	6,813	7,018	7,228	7,445
Uniforms expense						200	210	216	223	230	236
Miscellaneous meetings						150	158	162	167	172	177
Other	2,443	97	69	87	95	-	-	-	-	-	-
Stores	13,335	2,583	85	3,056	5,400	2,761	2,899	2,986	3,076	3,168	3,263
Power purchased	2,037	13,654	14,397	14,327	15,439	14,465	15,188	15,644	16,113	16,597	17,095
Maintenance											
Lift stations	39,114	48,596	40,003	38,225	94,555	33,000	34,650	35,690	36,760	37,863	38,999
Mains	38,848	41,583	34,383	81,457	74,472	284,968	412,466	124,840	128,585	132,443	136,416
Services	6,653	3,497	5,685	7,323	4,733	8,400	8,820	9,085	9,357	9,638	9,927
Miscellaneous	1,592	3,535	195	330	6,897	-	3,600	3,708	3,819	3,934	4,052
Total Collection Expenses	\$ 176,983	\$ 185,058	\$ 169,959	\$ 218,006	\$ 280,895	\$ 563,621	\$ 704,613	\$ 429,912	\$ 447,178	\$ 465,180	\$ 483,952
Domestic Wastewater Treatment											
Domestic plant	\$ 71,997	\$ 98,442	\$ 88,623	\$ 80,610	\$ 88,786	79,763	83,788	86,359	89,012	91,752	94,581
Domestic portion of sec plant/serv center	452,935	445,364	431,736	433,422	464,234	496,756	496,756	496,756	496,756	496,756	496,756
Domestic portion of sludge disposal	-	-	-	-	-	44,000	44,000	44,000	44,000	44,000	44,000
Total Domestic Plant Expenses	\$ 524,932	\$ 543,806	\$ 520,359	\$ 514,032	\$ 553,020	\$ 620,519	\$ 624,544	\$ 627,115	\$ 629,769	\$ 632,508	\$ 635,337
Other Operating Expenses											
Customer accounts expense	\$ 67,549	\$ 69,584	\$ 75,564	\$ 65,153	\$ 96,181	\$ 69,762	\$ 73,767	\$ 77,982	\$ 82,440	\$ 87,152	\$ 92,135
Truck expense - operation						3,600	0	0	0	0	0
Administrative and general	232,836	233,050	242,805	209,342	263,013	245,048	274,072	265,295	282,021	300,087	319,614
Depreciation - wastewater collection	127,333	139,524	142,340	190,015	236,713	236,713	248,190	284,768	309,270	332,507	360,821
Depreciation - other	16,395	16,519	15,984	17,288	17,727	-	-	-	-	-	-
Amortization - intangibles	5,948	5,868	5,457	4,786	4,852	500	500	500	500	500	500
Service center	22,098	17,749	21,258	18,027	20,514	-	-	-	-	-	-
Total Other Operating Expenses	\$ 472,159	\$ 482,294	\$ 503,408	\$ 504,611	\$ 639,000	\$ 555,624	\$ 596,528	\$ 628,546	\$ 674,231	\$ 720,246	\$ 773,071
Total Operating Expenses	\$ 1,174,074	\$ 1,211,158	\$ 1,193,726	\$ 1,236,649	\$ 1,472,915	\$ 1,739,764	\$ 1,925,685	\$ 1,685,572	\$ 1,751,177	\$ 1,817,935	\$ 1,892,360

**Grand Rapids Public Utilities Commission
Domestic Wastewater Operating Results at Proposed Rates**

	Historical					Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
NET OPERATING INCOME	\$ 491,773	\$ 518,798	\$ 614,389	\$ 559,787	\$ 393,368	\$ 117,649	\$ 41,817	\$ 394,509	\$ 449,205	\$ 511,516	\$ 571,203
NON-OPERATING INCOME (EXPENSES)											
Gain (loss) on property disposition	\$ 3,000	\$ (94,827)	\$ 5,000	\$ -	\$ 27,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties	-	-	-	-	-	12,297	11,600	11,600	11,600	11,600	11,600
Interest expense	(20,134)	(18,979)	(18,078)	(16,107)	(17,471)	(36,434)	(36,410)	(20,957)	(27,378)	(22,670)	(17,806)
Less new debt interest	-	-	-	-	-	-	-	(90,000)	(87,980)	(85,870)	(83,665)
Interest expense customer deposits	-	-	-	-	-	(1,160)	(1,160)	(1,160)	(1,160)	(1,160)	(1,160)
Bond fees	(183)	(324)	(285)	(605)	(233)	(500)	(500)	(500)	(500)	(500)	(500)
Amortization of debt premiums and discounts	(146)	(146)	(146)	(146)	(146)	-	-	-	-	-	-
Amortization of regulatory asset	(374)	(374)	(374)	(374)	(1,016)	-	-	-	-	-	-
Lease revenues combined service center	20,927	2,983	5,845	4,794	3,266	5,113	3,600	3,600	3,600	3,600	3,600
CSC Bldg & Grounds Expenses	-	-	-	-	-	(60,910)	(63,501)	(65,133)	(66,815)	(65,546)	(67,330)
Total Non-Operating Revenues (Expenses)	\$ 3,090	\$ (111,667)	\$ (8,038)	\$ (12,438)	\$ 11,900	\$ (81,595)	\$ (86,371)	\$ (162,550)	\$ (168,633)	\$ (160,547)	\$ (155,261)
NET INCOME	\$ 494,863	\$ 407,131	\$ 606,351	\$ 547,349	\$ 405,268	\$ 36,054	\$ (44,554)	\$ 231,959	\$ 280,572	\$ 350,969	\$ 415,942
as a percent of Operating Revenues	29.7%	23.5%	33.5%	30.5%	21.7%	1.9%	-2.3%	11.2%	12.8%	15.1%	16.9%
CASH RESERVES											
Beginning of Year						\$ 904,673	\$ 280,237	\$ 1,025,670	\$ 577,164	\$ 234,045	\$ (145,995)
Plus Net Income						36,054	(44,554)	231,959	280,572	350,969	415,942
Less Capital Improvements						(344,289)	(1,097,350)	(735,067)	(697,100)	(849,435)	(528,000)
Less ERP Project Costs						-	(80,833)	-	-	-	-
Plus Depreciation/Amortization						237,213	248,690	285,268	309,770	333,007	361,321
Plus Available Bond Funds						-	1,900,000	-	-	-	-
Less Debt Service Principal						(553,414)	(180,519)	(185,788)	(189,464)	(165,572)	(171,094)
Less New Debt Principal (1)						-	-	(44,878)	(46,898)	(49,008)	(51,213)
End of Year					\$ 904,673	\$ 280,237	\$ 1,025,670	\$ 577,164	\$ 234,045	\$ (145,995)	\$ (119,038)
As a percent of revenue					48.5%	15.1%	52.1%	27.7%	10.6%	-6.3%	-4.8%

(1) Assumes \$2.0 million bond issue in late 2023.



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to adopt the 2023 Electric, Water, and Wastewater Utility Rates.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

The 2022 Rate Study included recommended electric, water, and wastewater rates for the years 2023 through 2027 based on the best information known at the time of the study. As discussed at the past two Commission work sessions, in 2023 GRPU staff will be working through several items such as legislative action on our bonding bill request, IJJA grants, and supply chain volatility that could have significant changes to the financial conditions.

As a result, staff is recommending that we utilize the 5-year rate recommendations for planning purposes; however, request Commission approval for only the 2023 proposed rates for electric, water, and wastewater as shown in the attachment.

RECOMMENDATION:

Consider a motion to adopt the 2023 Electric, Water, and Wastewater Utility Rates.

Electric Utility

Grand Rapids Public Utilities Commission Existing and Proposed Rates

Exhibit Item 10.

Class		Current Rate	2023 Proposed Rate	2024 Proposed Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate
Electric - City Residential	ECR-10						
	Customer Charge	10.25	10.40	10.40	10.40	10.40	10.40
	Energy 0-500 kWh	0.0888	0.0900	0.0900	0.0900	0.0900	0.0900
Electric - City Res Off Peak Heat/Cool	Energy over 500 kWh	0.1144	0.1159	0.1159	0.1159	0.1159	0.1159
	ECR-10-LM						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
Electric - City Residential Annex 1&2	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
	ECR-13-ANX1						
	Customer Charge	10.25	10.40	10.40	10.40	10.40	10.40
Electric - City Res Annex 1 Off Peak	Energy 0-500 kWh	0.1043	0.1055	0.1055	0.1055	0.1055	0.1055
	Energy over 500 kWh	0.1299	0.1314	0.1314	0.1314	0.1314	0.1314
	ECR-13-ANX1-LM						
Electric - City Res Storage Heat	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
	ECR-14-STG						
Electric - City Res Annex 1&2 Storage Heat	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0545	0.0630	0.0715	0.0800	0.0800	0.0800
	ECR-33-ANX1-STG						
Electric - Rural Residential	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0545	0.0630	0.0715	0.0800	0.0800	0.0800
	ERR-20						
Electric - Rural Res Off Peak Heat/Cool	Customer Charge	11.25	11.40	11.40	11.40	11.40	11.40
	Energy 0-500 kWh	0.0924	0.0936	0.0936	0.0936	0.0936	0.0936
	Energy over 500 kWh	0.1180	0.1195	0.1195	0.1195	0.1195	0.1195
Electric - City Commercial	ERR-20-LM						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
Electric - City Comm Off Peak Heat/Cool	ECC-30						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Commercial Annex 1&2	ECC-30-LM						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
Electric - City Comm Annex Off Peak Heat/Cool	ECC-33-ANX1						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1213	0.1227	0.1227	0.1227	0.1227	0.1227
Electric - City Comm Storage Heat	ECC-33-ANX1-LM						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
Electric - City Com Seas Eve Ent Lt ICF	ECC-34-STG						
	Customer Charge	8.25	8.40	8.40	8.40	8.40	8.40
	Energy	0.0545	0.0630	0.0715	0.0800	0.0800	0.0800
Electric - City Com Seas Eve Ent Lt	ECC-38-SEEL-ICF						
	Customer Charge	12.75	12.75	12.75	12.75	12.75	12.75
	Energy	0.1032	0.1032	0.1032	0.1032	0.1032	0.1032
Electric - City Commercial WWTP	ECC-39-SEEL						
	Customer Charge	12.75	12.75	12.75	12.75	12.75	12.75
	Energy	0.1032	0.1032	0.1032	0.1032	0.1032	0.1032
Electric - City Commercial Elec Substations	ECC-50-WWTP						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Commercial Street Light Book	ECC-55-SUB						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Commercial Water Trt Plt	ECC-56-STLT						
	Customer Charge	12.00	12.50	12.50	12.50	12.50	12.50
	Energy	0.1030	0.1043	0.1043	0.1043	0.1043	0.1043
Electric - City Commercial WW Coll Dept	ECC-57-WTR						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Demand>50 KW -KWH	ECC-59-WWCOLL						
	Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Demand Annex1&2>50 KW-KWH	ECD-70-050KWH						
	Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
	Energy	0.0513	0.0520	0.0520	0.0520	0.0520	0.0520
Electric - City Demand WTP > 50KWH Chg	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
	ECD-73-AX-050KH						
	Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
Electric -City Demand WTP > 50KWH Chg	Energy	0.0513	0.0520	0.0520	0.0520	0.0520	0.0520
	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
	EDD-58-WT-050KH						
Electric-Elec Vehicle Off-Peak	Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
	Energy	0.0513	0.0520	0.0520	0.0520	0.0520	0.0520
	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
Electric-Elec Vehicle Off-Peak	EVC-ELVOFFPEAK						
	Energy	0.0422	0.0550	0.0550	0.0550	0.0550	0.0550

Electric Utility

Grand Rapids Public Utilities Commission Existing and Proposed Rates

Exhibit Item 10.

Class		Current Rate	2023 Proposed Rate	2024 Proposed Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate
Electric-Elec Vehicle On-Peak	EVC-ELVONPEAK Energy	0.1515	0.1612	0.1612	0.1612	0.1612	0.1612
Electric-Elec Veh Existing Serv Customer Chg	EVC-EX-CUSTCHG Customer Charge	4.10	4.15	4.15	4.15	4.15	4.15
Electric-Elec Veh Stand Alone Customer Chg	EVC-SA-CUSTCHG Customer Charge	26.00	26.25	26.25	26.25	26.25	26.25
Electric - Rural Commercial	ERC-40 Customer Charge	20.25	20.55	20.55	20.55	20.55	20.55
	Energy	0.1097	0.1111	0.1111	0.1111	0.1111	0.1111
Electric - Rural Comm Off Peak Heat/Cool	ERC-40-LM Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.0648	0.0699	0.0750	0.0800	0.0800	0.0800
Electric - Rural Demand>50 KW - KWH	ERD-80-050KWH Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
	Energy	0.0550	0.0557	0.0557	0.0557	0.0557	0.0557
	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
Electric - WWTP Comm (Ind)	ECC-51-WWTP Customer Charge	19.25	19.55	19.55	19.55	19.55	19.55
	Energy	0.1058	0.1072	0.1072	0.1072	0.1072	0.1072
Electric - City Demand WWTP>50KWH Chg	ECD-51-WWT-50KH Customer Charge	27.00	28.00	28.00	28.00	28.00	28.00
	Energy	0.0513	0.0520	0.0520	0.0520	0.0520	0.0520
	Demand Charge	17.41	17.64	17.64	17.64	17.64	17.64
Security Lights	\$ /month						
Electric - City Res Sec Lt 100W HPS NP	ECR-1021-SL	9.13	9.22	9.22	9.22	9.22	9.22
Electric - City Res Sec Lt 100W HPS P	ECR-1022-SL	11.82	11.94	11.94	11.94	11.94	11.94
Electric - City Res Sec Lt 250W HPS NP	ECR-1023-SL	13.08	13.21	13.21	13.21	13.21	13.21
Electric - City Res Sec Lt 250W HPS P	ECR-1024-SL	15.77	15.93	15.93	15.93	15.93	15.93
Electric - Security Light 40W LED Existing Pole	E-LED40-EP-SL	4.83	4.88	4.88	4.88	4.88	4.88
Electric - Security Light 40W LED Separate Pole	E-LED40-SP-SL	9.14	9.23	9.23	9.23	9.23	9.23
Electric - Security Light 48W LED Existing Pole	E-LED48-EP-SL	5.28	5.33	5.33	5.33	5.33	5.33
Electric - Security Light 48W LED Separate Pole	E-LED48-SP-SL	8.18	8.26	8.26	8.26	8.26	8.26
Electric - Security Light 70W LED Existing Pole	E-LED70-EP-SL	5.64	5.70	5.70	5.70	5.70	5.70
Electric - Security Light 70W LED Separate Pole	E-LED70-SP-SL	9.96	10.06	10.06	10.06	10.06	10.06
Electric - Rural Com Sec St 100W HPS NP	ERC-4021-SL	9.13	9.22	9.22	9.22	9.22	9.22
Electric - Rural Com Sec Lt 100W HPS P	ERC-4022-SL	11.82	11.94	11.94	11.94	11.94	11.94
Electric - Rural Com Sec Lt 250W HPS NP	ERC-4023-SL	13.08	13.21	13.21	13.21	13.21	13.21
Electric - Rural Com Sec Lt 250W HPS P	ERC-4024-SL	15.77	15.93	15.93	15.93	15.93	15.93
Electric - Rural Res Sec Lt 100W HPS NP	ERR-2021-SL	9.13	9.22	9.22	9.22	9.22	9.22
Electric - Rural Res Sec Lt 100W HPS P	ERR-2022-SL	11.82	11.94	11.94	11.94	11.94	11.94
Electric - Rural Res Sec Lt 250W HPS NP	ERR-2023-SL	13.08	13.21	13.21	13.21	13.21	13.21
Electric - Rural Res Sec Lt 250W HPS P	ERR-2024-SL	15.77	15.93	15.93	15.93	15.93	15.93
Electric - City Com Sec Lt 100W HPS NP	ECC-3021-SL	9.13	9.22	9.22	9.22	9.22	9.22
Electric - City Com Sec Lt 100W HPS P	ECC-3022-SL	11.82	11.94	11.94	11.94	11.94	11.94
Electric - City Com Sec Lt 250W HPS NP	ECC-3023-SL	13.08	13.21	13.21	13.21	13.21	13.21
Electric - City Com Sec Lt 250W HPS P	ECC-3024-SL	15.77	15.93	15.93	15.93	15.93	15.93
Electric - City Com Sec Lt 150W HPS Twshp	ECC-3025-SL	9.13	9.22	9.22	9.22	9.22	9.22

Water Utility

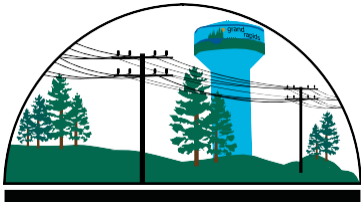
Grand Rapids Public Utilities Commission Existing and Proposed Rates

Class	Current Rate	2023 Proposed Rate	2024 Proposed Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate
Customer Charges						
Residential/Commercial/Industrial						
5/8-3/4 inch	8.67	9.90	10.97	12.06	13.27	14.59
1 inch	12.08	13.80	15.28	16.81	18.49	20.34
1 1/4 inch	13.87	15.85	17.55	19.31	21.24	23.37
1 1/2 inch	15.54	17.76	19.67	21.63	23.79	26.18
2 inch	25.12	28.70	31.77	34.95	38.44	42.29
3 inch	95.13	108.70	120.33	132.37	145.60	160.16
4 inch	121.01	138.27	153.08	168.38	185.22	203.75
6 inch	181.58	207.48	229.70	252.67	277.93	305.73
Multi-Family						
Unit Charge	5.20	5.71	5.99	6.29	6.61	6.94
Customer charge	3.47	3.99	4.39	4.83	5.31	5.84
Commodity Charges						
Residential						
0-4,000	3.79	4.36	4.8	5.28	5.81	6.4
4,000-8,000	4.78	5.50	6.05	6.66	7.33	8.06
8,000-30,000	5.99	6.89	7.58	8.34	9.18	10.1
over 30,000	9.57	11.01	12.11	13.32	14.65	16.11
Commercial						
0-40,000	3.33	3.94	4.46	5.06	5.73	6.49
40,000-400,000	4.11	4.87	5.52	6.25	7.09	8.03
over 400,000	5.25	6.22	7.05	7.99	9.05	10.26
Industrial						
0-400,000	3.33	3.76	4.07	4.39	4.75	5.12
over 400,000	4.11	4.64	5.02	5.42	5.84	6.31
Multi-Family						
0-4,000 per unit	3.79	4.16	4.37	4.59	4.82	5.06
4,000-8,000 per unit	4.78	5.25	5.51	5.78	6.07	6.38
8,000-30,000 per unit	5.99	6.58	6.90	7.25	7.61	7.99
over 30,000 per unit	9.57	10.51	11.03	11.58	12.16	12.77
Rural Industrial (LaPrairie)						
0-400,000	3.33	3.68	4.07	4.50	4.97	5.49
over 400,000	4.11	4.54	5.02	5.55	6.13	6.77

Wastewater Utility

Grand Rapids Public Utilities Commission Existing and Proposed Rates

Class	Current Rate	2023 Proposed Rate	2024 Proposed Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate
City Residential						
Customer Charge	11.02	n/a	n/a	n/a	n/a	n/a
Commodity Charge	4.44	4.68	4.94	5.19	5.43	5.68
City Commercial						
Customer Charge	11.02	n/a	n/a	n/a	n/a	n/a
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
City Commercial 2nd Meter						
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
City Commercial - Blandin Flow						
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
City Industrial						
Customer Charge	11.02	n/a	n/a	n/a	n/a	n/a
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
Rural Residential						
Customer Charge	12.04	n/a	n/a	n/a	n/a	n/a
Commodity Charge	4.90	4.99	5.17	5.37	5.54	5.71
Rural Commercial						
Customer Charge	12.04	n/a	n/a	n/a	n/a	n/a
Commodity Charge	5.36	5.45	5.63	5.83	6.00	6.17
Rural Industrial (LaPrairie)						
Customer Charge	11.73	n/a	n/a	n/a	n/a	n/a
Commodity Charge	2.65	2.75	2.88	3.02	3.17	3.33
Rural Industrial (Cohasset)						
Customer Charge	12.14	n/a	n/a	n/a	n/a	n/a
Commodity Charge	2.75	2.90	3.05	3.20	3.36	3.55
Customer Charges						
Residential/Commercial/Industrial						
5/8-3/4 inch	n/a	11.50	12.00	12.60	13.30	14.00
1 inch	n/a	13.00	15.00	17.00	19.00	21.00
1 1/4 inch	n/a	15.00	17.00	19.00	21.50	24.00
1 1/2 inch	n/a	17.00	20.00	23.00	26.00	29.00
2 inch	n/a	20.00	25.00	30.00	40.00	50.00
3 inch	n/a	25.00	30.00	35.00	45.00	55.00
4 inch	n/a	35.00	45.00	55.00	65.00	75.00
6 inch	n/a	50.00	60.00	70.00	75.00	85.00



GRAND RAPIDS
PUBLIC UTILITIES

Service is Our Nature

Item 11.

500 SE Fourth Street • Grand Rapids, Minnesota 55744

ADMINISTRATION DEPARTMENT MONTHLY REPORT December 2022 Commission Meeting

Safety

There were no OSHA recordable accidents in the Administration Department last month.

Staffing

- Jeremy Jones, WWTP Operator, began employment with GRPU on November 8, 2022.
- Glen Hodgson, Interim Manager, began employment with GRPU on November 15, 2022.
- Recognized monthly peer-to-peer employee appreciation awards (Jeff F, Brett D & Molly W).

Community Involvement

- Climate Action Plan / GreenSteps Assessment work with ICET volunteers.
- HSEM Sr. Officials Training – Communicating with the Public during Emergencies.
- City/GRPU Soup Luncheon Fundraiser for Second Harvest.
- 2023 City of Grand Rapids Council & Commission Meeting Dates (attached).

Projects Performed Last Month

- Electric Department Manager succession planning and offboarding.
- Maintenance II hire and WWTP Operator hiring process.
- Rate Design Review.

Projects Scheduled for This Month

- WWTP Operator onboarding.
- Electric Department Manager hiring process.
- Solar Plus Battery Storage Project communications.



CITY OF GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

2023

January							February							March																	
Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.											
	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

April							May							June																	
Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.											

July							August							September																	
Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.											

October							November							December																	
Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.											

- Golf Course Board - 7:30 am
- 🏠 Library Board - 5 pm
- 📄 Council Worksession 4:00 pm
- 🏦 City Council Mtg - 5 pm
- 💰 Payroll
- 📺 Cable TV Comm. - Noon
- 🎨 Arts & Culture Comm. - 3:45 pm
- 👮 Police Advisory Board - 4:30 pm
- 🛑 Holiday
- ⚡ Public Util. Comm.
- 🏠 Economic Devl. Authority - 4 pm
- 👩 Fire Dept. Bus. Mtg. - 7 pm
- 🌳 Work Session Public Utilities
- 🔥 Fire Relief Assn.
- 📄 Planning Comm. - 4 pm
- 🗳️ Human Rights Comm. - 4:00 pm
- 👤 Flex Benefits Deadline



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to adopt resolution 12-14-22-10 approving the 2023 Operations and Capital Budgets.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

Attached please find the 2023 final operations and capital budgets for GRPU.

The information is separated into summary and detail format via separate PDF's. I will be referencing the summary financial information, yet please feel free to review the detail financial information.

A draft of the 2023 operations and capital budgets was presented and reviewed at the November 29 work session.

RECOMMENDATION:

Consider a motion to adopt resolution 12-14-22-10 approving the 2023 Operations and Capital Budgets.

GRAND RAPIDS PUBLIC UTILITIES COMMISSION

RESOLUTION NO. 12-14-22-10

APPROVE THE 2023 OPERATIONS AND CAPITAL BUDGETS

WHEREAS, the Grand Rapids Public Utilities (GRPU) per the adopted Budget and Financial Planning Policy 3.3.001 will review and approve a financial plan and budget that supports the strategic plan and provides credible projections of expenses and revenues, and

WHEREAS, per policy 3.3.001 each enterprise fund service activities will be self-supporting to the greatest extent possible for user charges/fees; and

WHEREAS, per policy 3.3.001 the financial and budget plan should include revenue requirements with proposed planned rate adjustments based on each utility cost of service/rate study; and

WHEREAS, the draft 2023 operations and capital budgets were presented at the November 29, 2022 Commission meeting,

NOW, THEREFORE BE IT RESOLVED THAT the Grand Rapids Public Utilities Commission has reviewed and approves the 2023 GRPU operations and capital budgets as presented.

Adopted this 14th day of December, 2022.

President

Witness:

Commissioner



GRAND RAPIDS PUBLIC UTILITIES COMMISSION

2023 OPERATIONS & CAPITAL BUDGET

The preparation of the GRPU 2023 operations and capital budgets were a team approach. The managers, directors, and key team positions were involved in budget preparation discussions and on-going actual versus budget discussions in 2022, which will continue into 2023. The 2023 budget was developed using the Budget and Financial Planning Policy 3.3.001.

The 2023 operations and capital budgets includes reliable projections of operations and capital expenses and revenue requirements with proposed planned rate adjustments based on each utility cost of service/rate study.

The electric and water utilities are showing a net income in the 2023 operating budget, while wastewater collection displays a net loss per the 2023 Budget Summary worksheet. Wastewater treatment revenue is collected from GRPU major customer (UPM-Blandin) and equals the operation expenses, except for depreciation. Depreciation is a required under GAAP and considered a book-entry which has no effect on the operating cash flow.

Rate increases as proposed in each utility cost of service/rate study has been included in the budgeted revenues for 2023; including, a 1% increase for electric rates, 15% increase for water rates, and 5% increase for domestic wastewater rates.

Operating expenses include known costs; for example, average insurance increases of 5%, labor contract increases of 2.5%, bond interest and PILOT payments, and training costs for new employees. There are some one-time expenses which are included in the 2023 expense budget; including, a compensation study, consulting services for RPF ERP evaluation and contract negotiation, and preventative maintenance repairs on utility operating equipment, and engineering consulting services for domestic wastewater collection.

The 2023 Expenses by Category pie chart illustrates GRPU three largest cost categories are: (1) purchased power at \$12.9 million, (2) production at \$4.9 million, and (3) distribution at \$2.8 million.

The proposed capital purchases/projects for 2023 are \$12.4 million per the Capital Plan 2023 thru 2027 Department Summary report. The water utility has 2023 capital proposed at \$7.4 million, domestic wastewater collection at \$2.2 million, and wastewater treatment at \$1.1 million. Capital purchases/projects of \$30 million are proposed over the next five years.

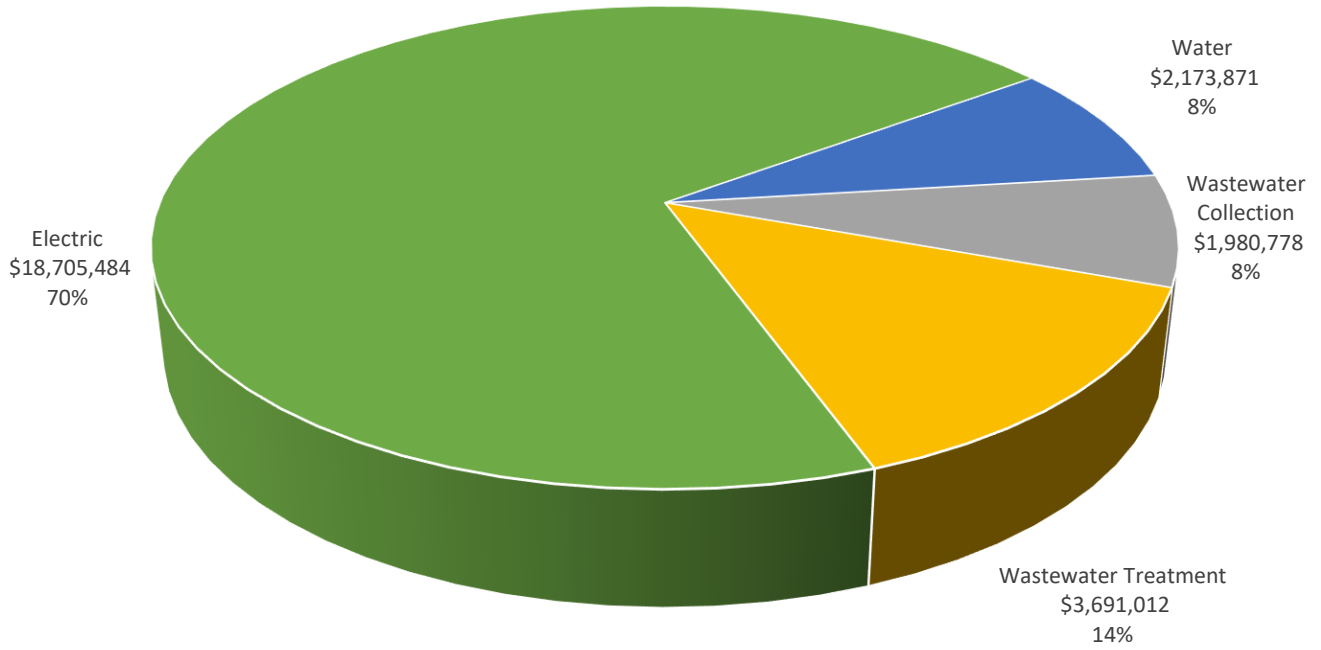
**Grand Rapids Public Utilities
2023 Budget Summary
12/14/2022**

	Electric	Water	Wastewater Collection	Wastewater Treatment	Total
REVENUES:					
Operating	\$ 18,533,004	\$ 1,925,991	\$ 1,957,094	\$ 3,359,386	\$ 25,775,475
Other	122,283	240,280	17,234		379,797
TOTAL REVENUES	18,655,287	2,166,271	1,974,328	3,359,386	26,155,272
EXPENSES:					
Source of Supply	12,930,957	0	0	0	12,930,957
Production/Treatment	0	610,895	613,413	3,359,386	4,583,694
Distribution/Collection	1,296,229	483,655	741,952	0	2,521,836
Customer Accounting	364,934	110,355	82,268	0	557,557
Conservation Improvement Program	164,356	0	0	0	164,356
Administrative	1,187,755	443,666	332,175	0	1,963,596
Depreciation and Other	944,539	334,147	239,183	1,609,949	3,127,818
Interest Expense & Bond Fees on debt issuance	3,000	21,464	47,662	0	72,126
Other - Solar	142,017	0	0	0	142,017
PILOT City of Grand Rapids:	871,160	0	0	0	871,160
TOTAL EXPENSES	17,904,947	2,004,182	2,056,653	4,969,335	26,935,117
NET INCOME BEFORE OTHER INC AND EXP	\$ 750,340	\$ 162,089	\$ (82,325)	\$ (1,609,949)	\$ (779,845)
OTHER REVENUES:					
Interest or Demand Payments for Interest	17,247	0	0	331,626	348,873
Penalties	14,950	4,600	3,450	0	23,000
Lease Revenues	18,000	3,000	3,000	0	24,000
TOTAL OTHER REVENUES	50,197	7,600	6,450	331,626	395,873
OTHER EXPENSES:					
Service Center - Operation & Maintenance	145,651	24,275	24,275	0	194,201
Service Center - Depreciation & Amort	128,887	21,481	21,481	0	171,849
Communications - Depreciation	4,936	823	823	0	6,581
AMI - Depreciation	13,698	2,935	2,935	0	19,569
AMI - Amortization Intangibles	8,204	1,758	1,758	0	11,720
Interest Expense & Customer Interest Expense	3,799	633	633	331,626	336,691
TOTAL OTHER EXPENSES	305,175	51,905	51,905	331,626	740,611
NET INCOME (LOSS)	\$ 495,362	\$ 117,784	\$ (127,780)	\$ (1,609,949)	\$ (1,124,583)
ADD:					
Depreciation and Amortization	944,539	334,147	239,183	1,609,949	3,127,818
Miscellaneous Depreciation and Amortization	160,440	26,997	26,997	0	214,434
NET OPERATING CASH FLOW	\$ 1,600,341	\$ 478,928	\$ 138,400	\$ -	\$ 2,217,669

**Grand Rapids Public Utilities
2023 Budget Summary
12/14/2022**

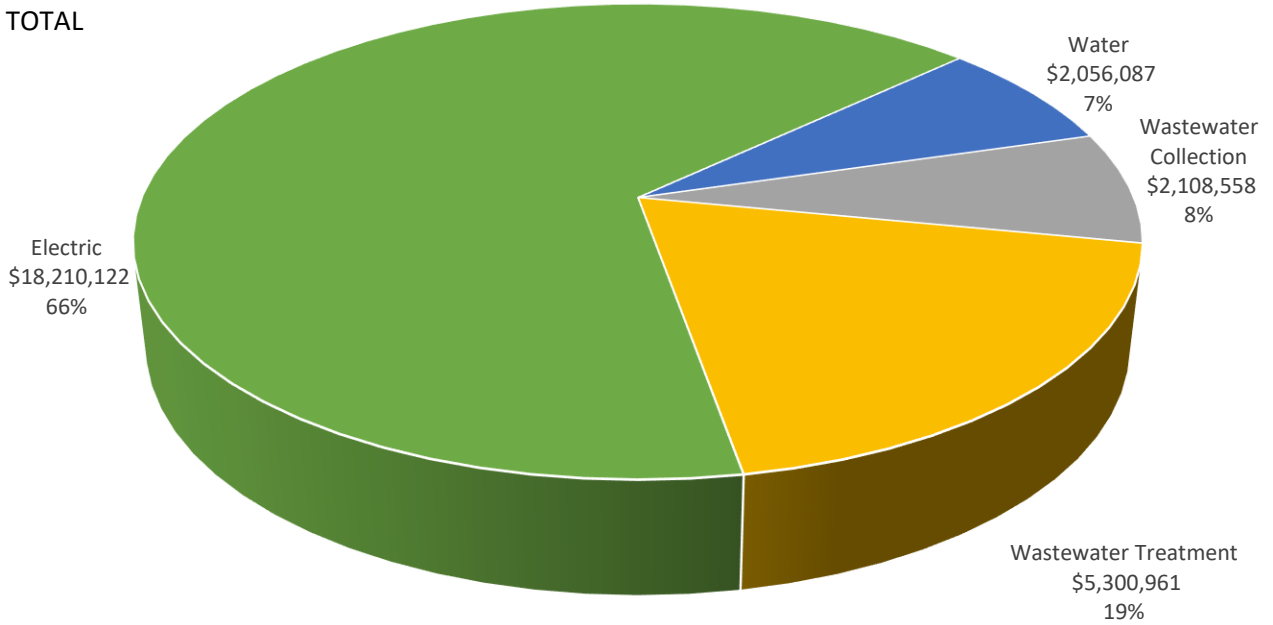
	Electric	Water	Wastewater Collection	Wastewater Treatment	Total
NET OPERATING CASH FLOW (from p. 1)	\$ 1,600,341	\$ 478,928	\$ 138,400	\$ -	\$ 2,217,669
CAPITAL EXPENDITURES FINANCED BY OPERATIONS:					
Electric, Water, Wastewater	0	0	0	0	0
Administration - General/Service Center	(175,000)	(37,500)	(37,500)	0	(250,000)
Combined	0	0	0	0	0
Domestic Plant			0	0	0
PUC Portion of Sec (30.0%) - deduct from replacement			0	0	0
City of Grand Rapids				0	0
Grant Funds				0	0
CONTRIBUTIONS LAPRAIRIE (4.52%)				3,051	3,051
CONTRIBUTIONS COHASSET (7.68%)				5,157	5,157
CONTRIBUTIONS FROM BLANDIN PAPER				696,680	696,680
TOTAL CAPITAL FINANCED BY OPERATIONS	\$ (175,000)	\$ (37,500)	\$ -	\$ 704,888	\$ 454,888
BOND PRINCIPAL PAYMENTS:					
PFA Note 2009E (91.8% & 8.2%)			(118,244)	(1,323,756)	(1,442,000)
Utility Revenue Bonds 2013C				(155,000)	(155,000)
2021C GO Revenue Redunding				(35,000)	(35,000)
2021A GO Revenue Refunding - AMI	(139,320)	(27,090)	(27,090)		(193,500)
2021D GO Revenue Refunding		(61,750)	(33,250)		(95,000)
BOND INTEREST PAYMENTS - WWTP:					
PFA Note 2009E				(293,295)	(293,295)
Utility Revenue Bonds 2013C				(26,363)	(26,363)
2021C GO Revenue Redunding				(10,469)	(10,469)
DEMAND PAYMENTS BLANDIN PAPER CO.				1,843,883	1,843,883
CAPITAL REPLACEMENT FUND ADDITIONS	(800,000)	(309,837)	(377,858)		(1,487,695)
CHANGE IN UNRESTRICTED RESERVES DUE TO OPERATIONS					
	\$ 486,021	\$ 42,751	\$ (418,042)	\$ 704,888	\$ 110,730

2023 Proposed Revenue

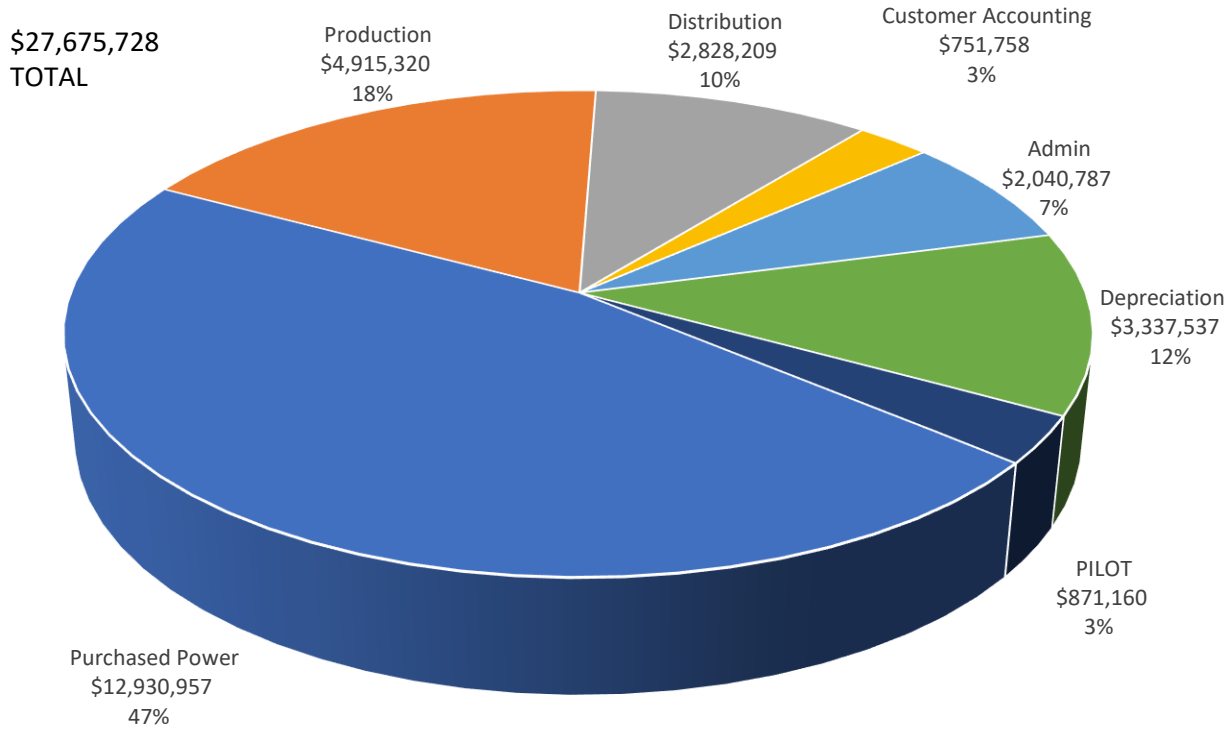


2023 Proposed Expenses

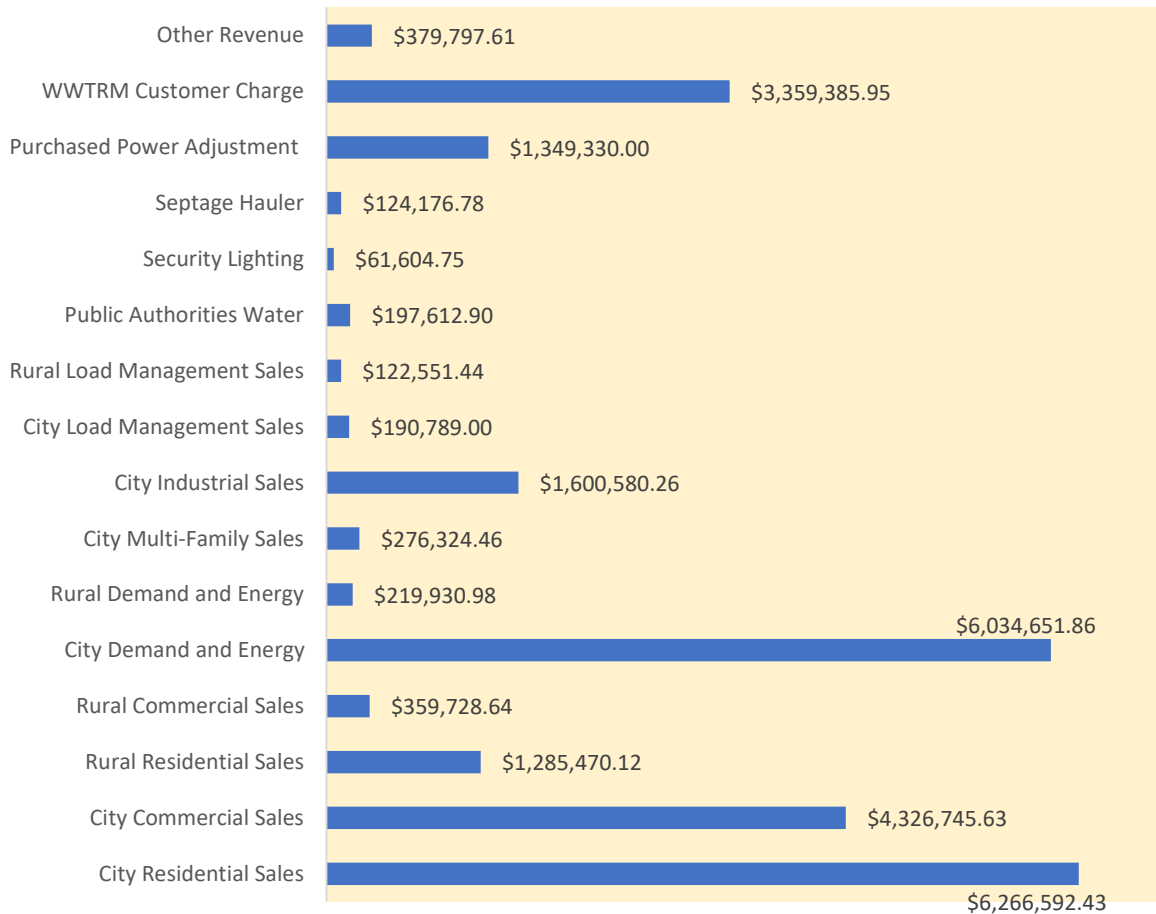
\$27,675,728
TOTAL



2023 Proposed Expenses by Category



2023 Proposed Revenue by Classifications



GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Electric
 For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
Supervision and Engineering	88,120.86	89,127.73	88,779.54	69,561.94	92,749.25	93,018.01
Crew Personnel				95,128.73	126,838.31	172,739.95
Substation Structures		310.88				
Substations	73,802.85	55,007.89	52,508.85	28,914.33	38,552.44	63,351.75
Overhead Lines	87,874.31	115,832.74	118,101.29	49,830.22	66,440.29	53,099.49
Overhead Lines-Tree Trimming	90,025.80	58,944.17	64,555.39	97,782.99	130,377.32	150,024.19
Underground Lines	43,292.11	97,135.22	22,119.95	13,102.42	17,469.89	16,799.97
Underground Locates		1,053.36	139.31			
Line Transformers	6,914.00	777.64		60.00	80.00	2,625.08
Street Lighting		2,157.74				
Security Lighting		1,172.76	5,046.51	1,329.31	1,772.41	2,500.00
Meters	2,315.60	4,167.61	42,513.45			20,531.00
Miscellaneous Plant						
TOTAL MAINTENANCE EXPENSES	392,345.53	425,687.74	393,764.29	355,709.94	474,279.92	574,689.44
OTHER EXPENSES						
Truck Expense - Operation			4,484.88	2,893.02	3,857.36	0.00
Truck Expense - Maintenance						
Operation & Maintenance - Misc Equip						
TOTAL OTHER EXPENSES			4,484.88	2,893.02	3,857.36	0.00
ELECTRIC DEPARTMENT						
CUSTOMER ACCOUNTING EXPENSES						
Supervision	22,850.38	(13,007.83)	85,911.82	25,589.39	34,119.19	35,092.26
Meter Reading	29,694.43	4,034.67	9,871.89	5,538.90	7,385.20	0.00
Customer Billing and Accounting	268,701.73	292,131.23	311,733.80	232,627.21	310,169.61	288,863.89
Collecting Expense	6,899.52	2,524.65	50.39	841.01	1,121.35	2,730.22
Uncollectible Accounts	12,405.81	12,273.82	28,450.14	5,223.30	6,964.40	18,534.55
Miscellaneous Expense				117.02	156.03	229.25
Customer Service & Information Expense	6,922.52					5,624.06
Miscellaneous Customer Information						13,860.00
TOTAL CUSTOMER ACCOUNTING EXPENSES	347,474.39	297,956.54	436,018.04	269,936.83	359,915.77	364,934.23
CONSERVATION IMPROVEMENT PROGRAMS						
Planning & Evaluation	14,991.64	28,101.84	14,554.29	10,554.19	14,072.25	18,149.22
Energy Star Appliance	4,895.76	4,027.40	14,797.24	13,862.59	18,483.45	18,136.49
Fluorescent LT Recycling		93.00		1,101.02	1,468.03	
Resident/Low Income Conservation	(2,000.00)		3,820.99	23,729.60	31,639.47	22,487.66
Commerical Energy Audits	35,005.91	36,847.03	36,258.28	41,952.16	55,936.21	40,227.58
Commerical Industrial Power Grade	55,392.05	69,535.52	104,879.70	70,213.19	93,617.59	51,570.70
Load Mgmt Efficiency						
Windsense - Admin Exp						
Education	12,243.50	12,356.00	12,004.00			13,784.23
TOTAL CONSERVATION IMPROVEMENT PROGRAMS	120,528.86	150,960.79	186,314.50	161,412.75	215,217.00	164,355.88
ADMINISTRATIVE AND GENERAL EXPENSES						
Administrative & General Salaries	139,208.76	144,137.07	185,593.58	117,563.83	156,751.77	168,655.64
Commissioner Salaries	8,859.58	8,402.52	8,711.51	6,533.65	8,711.53	8,711.49
City Treasurer Salary	462.00	462.00	462.00			486.00
General Office Supplies and Phone	3,669.99	3,563.74	14,520.14	8,731.23	11,641.64	6,841.97
Telephone Expense	14,109.14	13,293.47	14,853.09	11,998.75	15,998.33	16,421.75
Accounting Outside Service	17,392.20	17,808.00	18,463.20	26,241.60	34,988.80	19,976.27
Data Processing Outside Service	53,468.58	55,390.69	64,628.68	60,865.76	81,154.35	108,424.98
Legal Outside Services	9,458.34	9,442.79	11,517.12	2,815.83	3,754.44	21,499.95
Engineering Outside Service		38,875.00				5,268.75
Other - Outside Service	27,962.44	5,642.92	7,069.91	2,987.33	3,983.11	73,129.71
Fiber Optic Outside Service				0.03	0.04	
Insurance - Fire	2,067.30	2,292.06	2,414.55	2,110.53	2,814.04	2,954.74
Insurance - Liability	29,083.12	26,951.61	26,984.46	21,433.89	28,578.52	30,007.44
Insurance - Worker's Compensation	30,707.00	25,343.00	26,125.00	24,043.46	32,057.95	33,660.84
Insurance - Worker's Comp Deductible						
Insurance - Auto	3,142.25	2,964.82	3,243.78	2,625.30	3,500.40	3,675.42
Insurance - Miscellaneous	1,000.74	1,104.67	1,320.18	1,520.28	2,027.04	2,128.39
Insurance Claims- Injuries & Damages	1,170.81					
Insurance - Group Health	317,414.57	321,475.80	242,071.46	167,180.39	222,907.19	255,066.53
Insurance - Group Health Co-insurance	314.96					
Insurance - Group Health HSA funding	33,313.73	38,691.00	66,220.00	46,197.35	61,596.47	72,035.19
Insurance - Group Life	2,609.19	2,396.91	2,395.31	1,682.52	2,243.36	3,004.80
Employee Assistance Programs						

GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Electric
 For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
Insurance - Group Dental	10,161.45	10,114.38	13,163.88	9,256.26	12,341.68	12,958.76
Third Party Administrative Cost	953.27	986.42	863.88	541.31	721.75	1,080.30
FICA						
PERA	(4,078.62)	(45,111.00)	(107,211.00)			
Deferred Compensation						
Paid Time Off	202,885.35	192,499.38	215,649.06	144,819.88	193,093.17	204,520.86
Extended Illness Benefit	8,099.71	9,630.76	10,845.34			
Short-Term Disability Payments						
Disability Insurance	6,770.86	9,555.40	10,413.02	8,152.25	10,869.67	11,192.50
Unemployment Compensation		6,660.00				
Membership - APPA	9,265.25	9,419.47	9,605.74			10,605.77
Membership - NEMPA	2,000.00	2,000.00	4,000.00			2,000.00
Membership - MMUA	29,227.00	30,426.00	30,426.00	30,249.00	40,332.00	31,432.00
Membership - NMMEA						
Membership - Other	1,853.05	1,883.89		1,921.15	2,561.53	1,905.93
Advertising/Promotions	0.00	0.00	0	0.00	-	5,000.00
Amortize Service Territory Costs	34,337.49	34,337.49	34,337.49		34,337.49	34,337.49
Miscellaneous General Expense	(27,923.92)	36,514.42	8,067.29	49,663.67	52,463.27	28,696.44
Office Equip Rental & Maintenance	11,596.53	11,430.80	11,049.15	9,391.01	12,521.35	12,074.89
Maintenance of General Plant						
TOTAL ADMINISTRATIVE AND GENERAL	980,562.12	1,028,585.48	937,803.82	758,526.26	1,031,950.88	1,187,754.80
OPERATING INCOME BEFORE DEPRECI	1,624,016.09	1,898,450.14	1,905,219.25	3,593,912.03	4,759,344.17	2,711,056.14
LESS:						
Depreciation	853,086.68	1,104,806.65	911,093.56	688,872.87	918,497.16	939,824.00
Amortization Computer Intangibles	3,085.00	3,085.00	4,338.17	10,187.82	13,583.76	4,715.33
TOTAL OPERATING EXPENSES	14,599,564.52	14,564,145.93	17,357,768.60	11,634,440.10	15,533,169.33	16,888,770.16
NET OPERATING INCOME	767,844.41	790,558.49	989,787.52	2,894,851.34	3,827,263.25	1,766,516.81
OTHER INCOME						
Extraordinary Income (Loss)						
Interest Income						
Penalties						
Lease Revenue						
Property Disposition Gain (Loss)	11,650.00			4,000.00	5,333.33	
Contributions - (Capital)	1,364,096.01					
Grant Revenues		10,065.28	84,329.00			
TOTAL OTHER INCOME	1,375,746.01	10,065.28	84,329.00	4,000.00	5,333.33	
OTHER EXPENSES						
Payment in Lieu of Tax to City - cash	868,000.00	868,000.00	868,000.00	651,000.01	868,000.01	868,000.00
Payment in Lieu of Tax to City - Composte	3,915.89	3,855.67	5,287.26	1,103.47	1,471.29	0.00
Payment in Lieu of Tax to City - Electric Dept		1,681.10	9,001.34	883.28	1,177.71	3,160.49
Payment in Lieu of Tax to City - W/S Dept						
Payment in Lieu of Tax - Other						
Interest Expense & Bond Fees						3,000.00
Solar Garden Expenses			393,640.13	4,212.18	5,616.24	142,017.05
Unusual & Extraordinary Expenses			54,331.00			
TOTAL OTHER EXPENSES	871,915.89	873,536.77	1,330,259.73	657,198.94	876,265.25	1,016,177.54
ELECTRIC DEPARTMENT NET INCOME	1,271,674.53	(72,913.00)	(256,143.21)	2,241,652.40	2,956,331.33	750,339.27

GRAND RAPIDS PUBLIC UTILITIES
Operating Budget - Water
For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019 Actual	2020 Actual	2021 Actual	2022 YTD Sept	2022 Forecast	2023 Budget
WATER DEPARTMENT						
OPERATING REVENUES						
City Water Residential Sales	\$596,140.69	\$619,545.14	\$614,459.01	\$486,595.97	\$648,794.63	\$735,186.14
City Water Commercial Sales	571,391.51	524,541.82	596,505.19	429,137.74	572,183.65	655,392.02
City Multi-Family Sales	241,492.48	247,837.05	247,105.20	192,209.50	256,279.33	276,324.46
City Industrial Sales	97,313.25	98,082.08	102,991.90	76,444.36	101,925.81	119,060.62
City Industrial Sales - Internal	37,166.77	41,856.86	72,034.84	62,824.61	83,766.15	96,629.78
Rural Water Sales						
Public Authorities Water Sales	34,759.52	35,253.12	37,911.76	26,253.71	35,004.95	43,398.00
TOTAL OPERATING REVENUE	1,578,264.22	1,567,116.07	1,671,007.90	1,273,465.89	1,697,954.52	1,925,991.02
OTHER REVENUES						
Service Connections	11,549.00	10,098.00	20,953.00	14,312.00	19,082.67	20,718.25
Permit Fees	1,235.00	1,000.00	1,680.00	810.00	1,080.00	1,317.08
Thawing Service	920.00	330.00	960.00	1,756.80	2,342.40	1,044.20
Water Shutoff Fees					-	
Merchandising and Jobbing (Net)	3,539.60	1,072.21	1,285.36	507.48	676.64	1,662.53
City of Grand Rapids Jobbing	(1.66)			(2,666.20)	-	0.00
City of LaPrairie Jobbing (Net)	16,399.64	3,212.20	2,436.79	(2,734.32)	2,400.00	5,393.59
Equipment Rental Revenue					-	
Antenna Rental Revenue	185,512.07	190,903.66	194,340.65	129,636.01	172,848.01	194,103.44
Miscellaneous Income	10,712.27	10,744.03	11,987.55	7,679.44	10,239.25	16,041.10
TOTAL OTHER REVENUES	229,865.92	217,360.10	233,643.35	149,301.21	208,668.97	240,280.19
TOTAL WATER REVENUES	1,808,130.14	1,784,476.17	1,904,651.25	1,422,767.10	1,906,623.49	2,166,271.21
EXPENSES						
PRODUCTION OPERATION EXPENSE						
Supervision and Engineering						
WTP Operators Wages	122,809.82	127,170.16	127,657.13	98,091.19	130,788.25	134,711.89
WTP Operators Wages - OT	29,866.19	31,466.14	34,198.17	24,975.76	33,301.01	35,224.11
Other Operating Wages					-	26,230.00
Water Treatment Expense	89,041.60	111,014.18	114,018.32	95,830.43	127,773.91	111,533.05
Heating Fuel					-	
Station Supplies and Expense	2,736.90	2,469.16	4,030.99	664.64	886.19	2,441.37
Permits and Fees	3,610.31	3,654.44	3,893.37	10,145.69	13,527.59	4,095.58
Miscellaneous Production Expense	16,470.70	12,450.36	18,325.99	5,466.96	7,289.28	15,750.01
Power Purchased	169,963.79	168,760.15	195,189.86	154,547.65	206,063.53	174,898.54
TOTAL PRODUCTION OPERATION EXPENSE	434,499.31	456,984.59	497,313.83	389,722.32	519,629.76	504,884.55
PRODUCTION MAINTENANCE EXPENSE						
Supervision	209.02					
WTP Buildings and Grounds	9,930.41	6,761.18	17,851.36	8,888.09	11,850.79	15,529.94
WTP HVAC System	633.65		53.68	47.65	63.53	1,050.00
Wellhouses	2,877.84	1,828.16	6,272.49	1,088.37	1,451.16	4,725.01
Wellhead Protection					-	1,050.00
Wells, Pumps and Mains	1,699.33	4,181.30	8,081.25	2,793.64	3,724.85	2,520.08
Maintenance of WTP Equipment	40,548.97	62,364.13	51,510.34	55,791.19	64,388.25	66,014.54
Maintenance of SCADA System	7,921.56	6,954.36	8,182.58	1,964.53	2,619.37	9,442.00
Underground Clearwell					-	0.00
Maintenance Inspections - WTP	10,593.82	4,629.79	2,381.05	1,527.58	2,036.77	5,679.18
TOTAL PRODUCTION MAINTENANCE EXPENSE	74,414.60	86,718.92	94,332.75	72,101.05	86,134.73	106,010.75
DISTRIBUTION OPERATION EXPENSE						
Supervision and Engineering	27,437.05	29,361.26	43,108.47	33,840.25	45,120.33	46,248.33
Records (Mapping-Meters-Va)	4,714.43	10,527.28	1,274.81	3,400.99	4,534.65	5,090.47
Maintenance Inspections	619.08	6,325.36	11,358.97	5,781.06	7,708.08	10,950.02
Thaw/Flush Hydrants, Mains,	18,498.45	4,931.67	8,053.86	22,580.85	25,107.80	23,285.02
Locating Expense	15,685.53	21,104.64	13,629.88	13,462.74	17,950.32	21,629.93
Service on Customer Premise	21,008.19	7,371.79	46,237.87	21,993.68	29,324.91	22,655.96

GRAND RAPIDS PUBLIC UTILITIES
Operating Budget - Water
For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
Mapping Expense	28,553.29	30,799.16	30,810.45	25,019.81	33,359.75	35,300.07
Small Tools Expense	1,665.17	3,412.39	3,465.45	3,832.36	5,109.81	5,920.02
Safety Expense	5,683.21	9,000.30	14,825.96	5,223.97	6,965.29	16,995.00
Seminar/Training Expense	19,286.72	14,211.13	20,364.93	8,801.70	11,735.60	15,776.01
Uniforms Expense	78.94	56.91	377.79	707.48	943.31	310.54
Miscellaneous Meetings					-	
Rentals			2.49		-	
Stores Expense (Labor)	836.58	15,074.25	24,981.16	9,422.02	12,562.69	13,682.65
TOTAL DISTRIBUTION OPER/WATER DEPARTMENT	144,066.64	152,176.14	218,492.09	154,066.91	200,422.55	217,844.02

DISTRIBUTION MAINTENANCE EXPENSE

Supervision						
Towers and Tanks	2,235.43	6,484.15	16,298.13	6,305.19	8,406.92	5,249.99
Elevated Tank Control System	840.81	2,089.14	370.63	189.47	252.63	1,000.00
Booster Pump (21st St SW)	320.22	303.00	2,538.31	3,639.54	4,852.72	2,236.50
Booster Station	385.41		24.99		-	0.00
Mains and Hydrants	108,480.20	138,680.98	93,944.35	232,354.63	309,806.17	197,450.09
Services	18,326.14	9,018.65	43,923.48	46,636.80	62,182.40	49,925.01
Meters and Meter Installations	(366.58)	(2,552.98)	6,396.12	4,723.17	6,297.56	6,400.03
Miscellaneous Distribution Ex	472.37	147.38	5,319.77	3,636.39	4,848.52	3,549.83
TOTAL DISTRIBUTION MAINT	130,694.00	154,170.32	168,815.78	297,485.19	396,646.92	265,811.45

OTHER EXPENSES

Truck Expense - Operation			(2,657.73)	(1,744.30)	(2,325.73)	0.00
Truck Expense - Maintenance						
Operation & Maintenance - Misc Equip						
TOTAL OTHER EXPENSES			(2,657.73)	(1,744.30)	(2,325.73)	0.00

CUSTOMER ACCOUNTING EXPENSES

Supervision	7,030.92	(4,002.37)	26,434.37	7,873.66	10,498.21	10,760.66
Meter Reading	8,948.43	1,617.90	2,426.13	2,237.09	2,982.79	0.00
Customer Billing and Account	82,538.24	89,886.58	95,917.52	71,577.40	95,436.53	98,323.69
Collecting Expense	2,224.65	700.38				770.30
Miscellaneous Expense	275.00	214.99	(1,847.11)	364.94	486.59	500.00
Miscellaneous Customer Information						
TOTAL CUSTOMER ACCOUNTING	101,017.24	88,417.48	122,930.91	82,053.09	109,404.12	110,354.65

ADMINISTRATIVE AND GENERAL EXPENSES

Administrative & General Sale	42,833.24	44,349.48	57,100.74	36,173.51	48,231.35	49,437.13
Commissioner Salaries	2,726.08	2,585.46	2,680.46	2,010.32	2,680.43	2,680.43
City Treasurer Salary	165.00	165.00	165.00		165.00	165.00
General Office Supplies and P	4,553.64	4,619.83	8,406.55	5,351.48	7,135.31	8,076.46
Accounting Outside Service	6,211.50	6,360.00	6,594.00	9,372.00	9,372.00	10,234.39
Data Processing Outside Ser	20,259.31	21,431.91	25,122.96	24,321.15	32,428.20	43,325.00
Legal Outside Services	6,234.93	5,159.95	3,741.32	9,480.54	12,640.72	10,995.34
Engineering Outside Service	22,412.50	6,800.00	3,400.00	369.59	492.79	7,639.90
Other- Outside Services	251.72	579.74	228.54	9,938.26	13,251.01	11,075.30
Fiber Optic Outside Service				113.51	151.35	
Insurance - Fire	5,497.92	5,869.00	6,165.72	5,328.75	7,105.00	7,460.25
Insurance - Liability	8,487.23	5,621.15	4,096.38	3,585.48	4,780.64	5,019.67
Insurance - Worker's Compen	7,624.00	5,702.00	11,369.04	10,956.63	14,608.84	15,339.28
Insurance - Worker's Comp Deductible					-	
Insurance - Auto	571.20	614.94	572.28	349.53	466.04	489.34
Insurance - Miscellaneous	613.86	630.74	538.86	482.01	642.68	674.81
Insurance Claims - Injuries & Damages			9,979.69	(8,836.30)	(8,836.30)	5,085.85
Insurance - Group Health	122,054.09	126,465.59	114,280.66	84,689.52	112,919.36	125,708.72
Insurance - Group Health Co-	96.92				-	
Insurance - Group Health HS/	12,279.95	14,760.04	27,980.00	22,395.15	29,860.20	38,846.22
Insurance - Group Life	1,098.67	1,009.26	1,008.61	708.47	944.63	991.86
Employee Assistance Programs					-	
Insurance - Group Dental	3,892.00	3,976.65	5,887.62	4,362.86	5,817.15	6,108.00
Third Party Administrative Co:	304.26	314.82	275.72	172.75	230.33	641.84

GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Water
 For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
FICA						
PERA	(1,090.36)	(19,173.00)	(45,566.00)			
Paid Time Off	64,850.43	59,180.42	80,057.70	52,473.17	69,964.23	71,713.33
Extended Illness Benefit	3,884.81	8,114.22	8,287.14		-	
Short-Term Disability Payments					-	
Disability Insurance	2,043.89	2,902.25	2,870.97	2,275.92	3,034.56	4,457.53
Unemployment Compensation					-	
Lump Sum Payments					-	
Advertising/Promotions	0	0	0	0	-	3,000.00
Miscellaneous General Exper	(9,903.22)	10,350.13	(1,170.13)	17,173.37	18,456.25	12,000.00
Maintenance of General Plant	2,859.94	2,344.32	2,921.83	2,669.65	3,559.53	2,500.00
TOTAL ADMINISTRATIVE AND	330,813.51	320,733.90	336,995.66	295,917.32	390,101.28	443,665.65
Depreciation	305,679.58	325,827.13	331,342.63	249,280.22	332,373.63	331,035.11
Amortization Bond Discount & Amortization Expense, Intangibles	973.56	973.56	973.56	10,925.69	14,567.59	3,112.00
TOTAL OPERATING EXPENSES	1,522,158.44	1,586,002.04	1,768,539.48	1,549,807.49	2,046,954.84	1,982,718.18
NET OPERATING INCOME	285,971.70	198,474.13	136,111.77	(127,040.39)	(140,331.35)	183,553.03
OTHER INCOME						
Extraordinary Income (Loss)						
Property Disposition Gain (Loss)	(105,172.00)	1,125.00				
TOTAL OTHER INCOME	(105,172.00)	1,125.00				
OTHER EXPENSES						
Interest Expense - 2012D Bor	25,830.00	24,630.00	22,826.43	1,946.46	2,595.28	0
Interest Expense - 1999 Water	1,294.65				-	0
Interest Expense - 2021A Go	0.00	0	0	0	-	1,000.00
Interest Expense - 2021D Refunding Bonds						18,963.75
Bond Fees - 2021A	532.72	1,131.58	992.20	650.00	866.67	750.00
Bond Fees - 2021D						750.00
Unusual & Extraordinary Expenses						
TOTAL OTHER EXPENSES	27,657.37	25,761.58	23,818.63	2,596.46	3,461.95	21,463.75
WATER DEPARTMENT NET INCOME	153,142.33	173,837.55	112,293.14	(129,636.85)	(143,793.30)	162,089.28

GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Wastewater Collection
 For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget

WASTEWATER COLLECTION DEPARTMENT

OPERATING REVENUES

Collections - City Residential	\$727,197.01	\$733,023.05	\$765,394.05	\$566,415.74	\$755,220.99	\$889,750.29
Collections- City Commercial	799,491.14	737,707.56	787,523.28	591,877.34	789,169.79	783,534.47
Collections- City Multi-Family					-	
Collections- Rural Residential	799.95	811.20	763.20	569.38	759.17	781.12
Collections - Rural Commercial	3,741.90	3,978.15	3,639.12	2,541.69	3,388.92	4,636.93
Collections - Public Authority	144,393.70	140,931.40	133,262.20	114,198.85	152,265.13	154,214.90
Septage Hauler - Regular Fees	90,898.50	129,671.86	114,482.26	74,773.58	99,698.11	95,094.35
Septage Hauler - Holding Tank Fee	20,172.25	24,858.95	41,449.77	23,496.69	31,328.92	29,082.43
Septage Hauler - Biosolids Disposal						
TOTAL OPERATING REVENUES	1,786,694.45	1,770,982.17	1,846,513.88	1,373,873.27	1,831,831.03	1,957,094.49

OTHER REVENUES

Service Connections	900.00	1,000.00	1,400.00	800.00	1,066.67	1,158.33
Permit Fees	1,085.00	935.00	1,615.00	680.00	906.67	1,192.08
Septage Hauler - Permit Fees	100.00	175.00	250.00	100.00	133.33	158.33
Thawing Service					-	
Septic Tank Disposal					-	
Merchandising & Jobbing (Net)	907.79	4,442.88	2,755.55	6,031.14	8,041.52	5,459.55
City of Grand Rapids Merch & Jobbing (N	91.49				-	0.00
City of LaPrairie Merch/ Jobbing (Net)	2,057.14	7,682.09	3,656.41	2,190.26	2,920.35	2,450.38
Jetting Service	891.71	2,169.02	402.91	185.00	246.67	565.46
Equipment Rental Revenue					-	
Miscellaneous Income	6,828.86	6,372.51	6,456.68	7,587.33	10,116.44	6,250.06
TOTAL OTHER SERVICES	12,861.99	22,776.50	16,536.55	17,573.73	23,431.64	17,234.19

TOTAL WASTEWATER COLLECTION RE	1,799,556.44	1,793,758.67	1,863,050.43	1,391,447.00	1,855,262.67	1,974,328.68
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WASTEWATER COLLECTION DEPARTMENT

EXPENSES

OPERATING EXPENSES

Supervision and Engineering	26,323.16	26,142.84	25,032.23	19,077.99	25,437.32	26,678.49
Crew Personnel				62,183.84	82,911.79	178,426.81
Records	469.49	329.67	373.08	2,411.10	3,214.80	2,834.99
Maintenance Inspections	99.00		638.88	132.60	176.80	750.00
Thawing Mains & Services	72.26			35.93	47.91	527.05
Locating Expense	9,136.91	9,876.72	10,100.09	9,746.28	12,995.04	14,419.93
Services on Customer Premises	359.15	424.02	556.47	251.99	335.99	714.78
Mapping Expense	28,553.18	30,778.77	30,810.45	24,010.75	32,014.33	814.68
Small Tools Expense	487.98	919.46	2,059.25	1,198.97	1,598.63	2,000.00
Safety Expense	2,042.11	3,467.17	4,075.69	1,746.08	2,328.11	6,299.96
Seminar/Training Expense	7,599.86	1,262.49	5,659.31	1,090.00	1,453.33	6,614.94
Uniforms Expense	69.35	56.91	95.08	584.70	779.60	750.00
Miscellaneous Meetings					-	0.00
Rentals					-	0
Stores Expense (Labor)	84.82	3,056.02	5,400.35	1,876.25	2,501.67	2,899.01
Power Purchased	14,396.93	14,327.33	15,438.62	13,077.53	17,436.71	15,188.24
TOTAL OPERATING EXPENSES	89,694.20	90,641.40	100,239.50	137,424.01	183,232.01	258,918.88

MAINTENANCE EXPENSES

Supervision and Engineering						
Lift Station Buildings		30.00				
Lift Station Pumps	40,004.67	38,226.54	94,554.04	41,352.29	55,136.39	58,147.47
Mains	34,382.15	81,456.05	74,472.17	55,628.32	74,171.09	412,466.00
Services	5,685.20	7,323.44	4,733.26	11,591.31	15,455.08	8,819.95
Miscellaneous Expenses	194.08	330.18	6,896.81	3,973.82	5,298.43	3,599.92
TOTAL MAINTENANCE EXPENSES	80,266.10	127,366.21	180,656.28	112,545.74	150,060.99	483,033.34

OTHER EXPENSES

Truck Expense - Operation			4,069.43	1,905.17	2,540.23	0.00
Truck Expense - Maintenance						
Operation & Maintenance - Misc Equip						
TOTAL OTHER EXPENSES			4,069.43	1,905.17	2,540.23	0.00

WASTEWATER DEPARTMENT

GRAND RAPIDS PUBLIC UTILITIES
Operating Budget - Wastewater Collection
For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
CUSTOMER ACCOUNTING EXPENSES						
Supervision	5,273.21	(3,001.81)	19,825.78	5,905.32	7,873.76	8,070.60
Meter Reading	6,511.98		41.38		-	
Customer Billing and Accounting	61,906.46	67,415.24	71,938.66	53,683.31	71,577.75	73,367.19
Collecting Expense	1,832.29	525.35			-	632.34
Miscellaneous Expense	40.00	215.00	2,528.79	208.69	278.25	198.12
Miscellaneous Customer Information			1,846.00		-	0.00
TOTAL CUSTOMER ACCOUNTING EXPENSES	75,563.94	65,153.78	96,180.61	59,797.32	79,729.76	82,268.25
ADMINISTRATIVE AND GENERAL EXPENSES						
Supervision	32,125.12	33,262.61	42,825.45	27,130.05	36,173.40	37,077.73
Commissioner Salaries	2,044.50	1,939.12	2,010.47	1,507.86	2,010.48	2,010.21
City Treasurer Salary	110.00	110.00	110.00		110.00	110.00
General Office Supplies and Phone	3,067.61	3,217.59	5,632.25	5,503.93	7,338.57	4,637.96
Accounting Outside Service	4,141.00	4,240.00	4,396.00	6,248.00	6,248.00	7,656.27
Data Processing Outside Service	10,999.00	11,457.56	13,363.38	12,747.10	16,996.13	27,387.00
Legal Outside Services	4,478.13	3,048.44	10,381.11	609.40	812.53	7,737.80
Engineering Outside Service	35,812.50	1,900.00	1,900.00	11,094.81	14,793.08	37,451.21
Other - Outside Services	147.85	331.06	130.51	122.99	163.99	11,076.38
Fiber Optic Outside Service				113.51	151.35	
Insurance - Fire	653.40	550.50	577.20	529.71	706.28	741.59
Insurance - Liability	7,356.90	8,250.86	12,372.42	11,305.89	15,074.52	15,828.24
Insurance - Worker's Compensation	22,393.00	19,093.00	8,470.96	27,201.75	36,269.00	38,082.45
Insurance - Worker's Comp Deductible					-	
Insurance - Auto	571.20	935.71	1,210.86	825.78	1,101.04	1,156.09
Insurance - Miscellaneous	537.10	553.19	483.12	627.66	836.88	878.72
Insurance Claims - Injuries & Damages	500.00		55,139.53	1,000.00	1,333.33	5,000.00
Insurance - Group Health	69,943.01	71,727.28	56,034.90	42,697.60	56,930.13	62,623.14
Insurance - Group Health Co-insurance	72.68				-	
Insurance - Group Health HSA funding	7,042.99	8,508.96	19,150.00	11,354.35	15,139.13	22,653.04
Insurance - Group Life	557.81	512.44	512.08	359.69	479.59	503.56
Employee Assistance Programs					-	
Insurance - Group Dental	2,249.55	2,289.78	2,909.56	2,211.42	2,948.56	3,095.98
Third Party Administrative Cost	162.24	167.90	147.04	92.14	122.85	528.99
FICA					-	
PERA	(738.52)	(10,150.00)	(24,122.00)		-	
Paid Time Off	38,614.65	35,896.47	41,974.00	24,830.51	33,107.35	33,935.03
Extended Illness Benefit	2,202.97	2,816.63	3,206.00		-	
Short-Term Disability Payments					-	
Disability Insurance	1,173.24	1,608.24	1,523.06	1,204.92	1,606.56	2,230.61
Unemployment Compensation					-	
Lump Sum Payments					-	
Promotion/Advertising	0	0	0	0	-	2,500.00
Miscellaneous General Expense	(5,439.43)	5,574.34	1,303.81	10,449.39	13,932.52	5,039.93
Maintenance of General Plant	2,027.47	1,499.63	1,974.44	1,803.35	2,404.47	2,232.83
Environmental Programs						
TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	242,805.97	209,341.31	263,616.15	201,571.81	266,789.75	332,174.76
DOMESTIC PLANT EXPENSES						
Power Purchased	46,019.90	44,734.86	51,914.97	42,951.23	57,268.31	47,250.12
Water Purchased	4,689.42	4,818.38	5,044.06	4,398.61	5,864.81	4,515.03
Wastewater Collection Services Purchases	5,803.20	5,956.80	6,225.60	5,410.26	7,213.68	5,250.11
Supervision and Engineering						
Labor						
Chemicals						
Heating Fuel						
Miscellaneous Supplies and Expense						
Maintenance - Building and Fixtures	1,388.79	1,546.18	1,982.40	1,401.74	1,868.99	2,674.95
Maintenance - Treatment Facilities and Equipment	29,950.48	22,867.18	21,530.98	10,767.20	14,356.27	19,971.08
Maintenance - Tools and Equipment					-	
Miscellaneous Maintenance Expense			1,370.00	1,765.04	2,353.39	2,309.98
Maintenance Inspections					-	
Insurance - All, Expired	771.72	686.50	717.78	591.81	789.08	816.85
Miscellaneous General and Admin Expense						
TOTAL DOMESTIC EXPENSES	88,623.51	80,609.90	88,785.79	67,285.89	89,714.52	82,788.12
DOMESTIC PORTION SECONDARY PLANT EXPENSES	422,020.07	423,425.33	456,209.17	463,154.06	617,538.75	467,772.68
DOMESTIC PORTION OF SERVICE CONTRACTS	9,716.00	9,992.07	8,677.69	19,782.93	26,377.24	17,262.52
DOMESTIC PORTION OF SLUDGE DISPOSAL	140,403.94	50,293.08	50,293.08	74,915.07	99,886.76	45,589.43

GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Wastewater Collection
 For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
OPERATING INCOME BEFORE DEPREC	650,462.71	736,935.59	614,322.73	253,065.00	339,392.67	204,520.70
LESS:						
Depreciation	142,340.18	190,015.22	236,712.92	175,567.68	234,090.24	236,713.26
Amortization - Debt Discount and Expense	519.96	519.96	519.96	5,628.36	7,504.48	2,470.19
Amortization Computer Intangibles						
TOTAL OPERATING EXPENSES	1,291,953.87	1,247,358.26	1,485,960.58	1,319,578.04	1,757,464.72	2,008,991.43
NET OPERATING INCOME	507,602.57	546,400.41	377,089.85	71,868.96	97,797.95	(34,662.75)
ADD:						
Extra Ordinary Income (Loss)						
Gain (Loss) on Property Disposition	5,000.00		27,500.00		-	
Grant Revenues						
LESS:						
Interest Expense, 2012D Bonds	12,665.80	11,965.85	11,652.95	1,048.11	1,397.48	0
Interest Expense, 2021A Bonds						1,000.00
Interest Expense, 2021D Bonds						18,963.75
Bond Fees - 2012D	284.59	604.53	232.80	350.00	466.67	0
Bond Fees - 2021A	0.00	0.00	0.00	0.00	-	750.00
Bond Fees - 2021D						750.00
Operating Transfer In from WWTM						26,198.43
Operating Transfers to City						
Unusual & Extraordinary Expenses						
WASTEWATER COLLECTION DEPT NET INCO	499,652.18	533,830.03	392,704.10	70,470.85	95,933.80	(82,324.93)

GRAND RAPIDS PUBLIC UTILITIES
Operating Budget - Wastewater Treatment
For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget

WASTEWATER TREATMENT PLANT

OPERATING REVENUES

Screen House	\$258,620.05	\$266,991.11	\$251,313.34	\$217,329.56	\$289,772.75	\$261,669.81
Industrial Waste Treatment					-	
Primary Plant II Waste Treatment	1,705,172.26	1,778,803.18	1,274,014.25	1,065,946.94	1,421,262.59	1,361,130.47
Sludge Disposal	407,837.03	378,955.36	507,039.14	337,834.68	450,446.24	524,278.45
WWTP Service Center Building	129,083.44	132,751.94	114,300.14	93,464.29	124,619.05	120,837.65
Secondary Waste Treatment	985,185.71	1,034,087.36	1,207,757.08	1,033,486.98	1,377,982.64	1,091,469.58
WWTP Revenue (Exp) Suspense						
Total Waste Treatment Revenue	3,485,898.49	3,591,588.95	3,354,423.95	2,748,062.45	3,664,083.27	3,359,385.95

Screen House Expenses

Supervision	6,857.89	7,104.84	6,147.03	4,688.34	6,251.12	6,557.66
Operating Labor	21,389.06	21,215.71	21,125.12	15,789.94	21,053.25	21,923.78
Overtime - Operator Labor	3,879.06	4,199.61	4,561.73	3,977.64	5,303.52	5,436.10
Pera (Public Employee Retiree)	(236.78)				-	
Group Insurance	15,291.91	17,058.36	11,093.33	7,804.69	10,406.25	11,907.06
Co-Insurance Payments	52.85				-	
HSA Funding	1,611.00	2,028.00	2,750.00	1,947.83	2,597.11	3,053.54
Life Insurance	168.11	154.41	154.33	108.41	144.55	169.76
Employee Assistance Programs					-	
Dental Insurance	479.18	532.17	576.67	413.98	551.97	607.16
Third Party Administrative Cost	60.89	62.96	55.16	34.54	46.05	69.25
Other Fringe Costs (PTO & EIB)	9,123.37	9,062.02	7,207.62	7,487.59	9,983.45	8,833.31
Short-Term Disability Payments					-	
Disability Insurance	592.36	866.25	846.61	710.17	946.89	1,041.57
Supplies and Sundries	241.91	214.58	816.40	786.66	1,048.88	839.99
Uniforms Expense	20.30	62.59	7.05	596.31	795.08	475.79
Fuel - Heating	3,212.33	3,039.12	4,669.93	3,255.83	4,341.11	5,370.41
Fuel - Trucks					-	
Engineering Expense					-	
Administrative Expense	17,796.75	24,463.89	17,991.15	15,635.83	20,847.77	19,789.17
Safety Expense	1,195.95	1,796.49	1,492.43	890.58	1,187.44	1,200.00
Seminars	423.52	484.61	458.43	32.74	43.65	400.00
Miscellaneous Meetings					-	
Insurance	6,711.14	4,881.61	3,962.65	2,102.99	2,803.99	2,944.18
Worker Compensation Deductible					-	
Permits					-	
Legal	1,036.13	875.83	735.40	379.71	506.28	500.00
Records					-	
Telephone					-	
Misc Capital Exp Work in Prog				12,830.16	17,106.88	0
Misc Capital Expenditures					-	
DCS Support Contract	2,810.35	3,523.15	2,356.06	145.47	193.96	3,000.00
Screens-Conveyors-Spray Wate	9,367.97	12,006.60	4,177.40	8,216.17	10,954.89	12,599.91
Sewage Pumps	13,024.20	3,925.90	9,108.18	8,225.60	10,967.47	22,679.95
Bark Trucks	385.66	127.25		631.57	842.09	286.13
Electric Motors & Controls	20,531.32	4,178.21	4,274.99	2,431.29	3,241.72	5,250.05
Instrumentation	3,917.33	3,011.00	2,938.45	1,683.78	2,245.04	3,569.92
Buildings and Grounds	14,719.91	32,706.95	12,596.39	17,003.57	22,671.43	15,750.04
Maintenance Inspection	302.85	1,170.64	555.95	2,749.98	3,666.64	1,261.37
Force Mains & Manholes	529.14	3,151.78	738.99	738.71	984.95	1,888.58
Power Purchased	92,269.69	94,790.60	118,447.68	104,792.21	139,722.95	94,500.04
Utilities - Use Tax					-	
Water Purchased	10,854.70	8,419.48	13,671.79	14,400.90	19,201.20	9,765.09
Total Screen House Expense	258,620.05	265,114.61	253,516.92	240,493.19	320,657.59	261,669.81

Primary Plant II Waste Treatment Expense

Supervision	24,965.06	25,893.26	22,135.71	16,844.93	22,459.91	23,756.03
Operating Labor	246,563.92	242,901.97	131,788.56	96,506.56	128,675.41	144,833.27
Overtime - Operating Labor	58,187.87	62,991.63	32,878.34	27,463.61	36,618.15	38,449.05
Pera (Public Employee Retiree)	(1,691.82)				-	
Group Insurance	118,453.72	122,285.69	54,934.32	38,651.86	51,535.81	56,689.39
Co-Insurance Payments	211.38				-	
HSA Funding	11,794.00	14,352.00	13,375.00	9,673.86	12,898.48	13,431.43
Third Party Administrative Cost	385.25	398.80	349.16	218.87	291.83	300.00
Life Insurance	1,050.50	965.02	964.33	677.39	903.19	948.34

GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Wastewater Treatment
 For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
Employee Assistance Programs					-	
Dental Insurance	3,506.20	3,896.55	2,902.05	2,093.05	2,790.73	2,930.26
Other Fringe Costs (PTO & EIB)	63,887.89	61,139.55	34,610.55	36,344.29	48,459.05	49,670.52
Short-Term Disability Payments					-	
Disability Insurance	1,975.23	2,886.91	2,823.03	2,367.60	3,156.80	3,314.64
Supplies and Sundries	148.41	796.89	1,083.02	1,615.69	2,154.25	1,259.96
Tools	1,895.20	2,869.46	4,344.78	6,540.41	8,720.55	4,724.95
Electric Tools & Equipment					-	4,725.00
Uniforms Expense	151.50	361.72	23.51	1,987.71	2,650.28	750.00
Fuel - Heating					-	
Fuel - Trucks		15.87	9.20	166.10	221.47	250.00
Engineering Expense					-	
Administrative Expense	112,710.83	146,898.22	125,978.49	140,601.13	187,468.17	151,781.78
Safety Expense	2,517.49	11,082.77	9,077.03	5,598.10	7,464.13	8,689.84
Seminars	2,178.00	2,503.67	2,368.55	192.79	257.05	2,749.92
Miscellaneous Meetings		139.72	94.43		-	0.00
Insurance	30,081.71	26,643.88	32,297.83	20,568.70	27,424.93	30,167.42
Worker Compensation Deductible					-	
Permits	948.92	801.71	827.75	963.01	1,284.01	1,100.00
Legal	5,118.24	4,378.35	3,590.60	1,824.04	2,432.05	5,313.65
Records					-	
Outside Testing		1,750.00	28.75		-	0.00
Environmental Programs					-	
Telephone	1,238.23	1,271.24	1,129.33	3,192.64	4,256.85	4,366.25
Misc Capital Exp Work in Prog				61,384.12	81,845.49	0.00
Misc Capital Expenditures					-	
Chemicals	255,427.45	249,372.09	56,313.11	21,890.17	29,186.89	34,700.02
Nitrogen Solution	20,792.98	5,558.40		9,050.80	12,067.73	9,850.55
Polymer	223,299.28	229,894.55	334,413.01	252,456.84	336,609.12	283,500.03
Polymer - Secondary Plant					-	
Zinc Chloride	25,662.00	26,109.60		44,046.23	58,728.31	33,349.96
Sulfuric Acid					-	
HTH	111,390.00	153,650.00	29,610.00	822.00	1,096.00	30,000.02
C-5 Scale Inhibitor					-	
K-10 Dewatering Chemical					-	
DCS Support Contract			563.00		-	500.00
Primary Clarifier & AIC	22,429.02	16,435.82	8,169.71	15,885.15	21,180.20	29,146.62
Sludge Blend Tank	15,001.87	547.78	1,853.18	2,062.32	2,749.76	5,065.03
Sludge Pumps	9,953.42	5,578.68	25,794.95	16,308.38	21,744.51	23,309.94
Rotary Screens	16,158.75	10,115.12	7,255.85	2,860.89	3,814.52	18,900.00
Sludge Conveyors	7,509.70	48,363.45	9,140.80	11,222.11	14,962.81	23,099.91
Additive Systems	13,583.47	9,452.91	3,200.45	4,655.18	6,206.91	8,819.93
Electric Motors & Controls	11,236.13	8,643.31	9,190.58	17,460.37	23,280.49	12,603.20
Instrumentation	11,832.25	1,841.89	1,462.00	2,037.17	2,716.23	10,499.92
Building & Grounds	31,686.51	48,114.77	36,259.65	35,160.64	46,880.85	36,750.12
Snowplowing - Primary II Plant		938.79	280.90	340.57	454.09	500.00
Demo Dump					-	
Screw Presses	6,692.44	2,454.04	3,066.71	9,233.82	12,311.76	12,359.92
Maintenance Inspection	196.94	1,694.15	903.43	2,405.85	3,207.80	3,287.99
Power Purchased	232,018.10	218,527.93	264,484.86	208,143.64	277,524.85	230,401.56
Utilities - Use Tax					-	
Water Purchased	4,024.22	4,285.02	6,515.76	3,218.33	4,291.11	4,284.05
Total Primary Plant II Waste Treatm	1,705,172.26	1,778,803.18	1,276,092.27	1,134,736.92	1,512,982.56	1,361,130.47
Sludge Disposal Waste Treatment Plant						
Supervision	9,323.49	9,629.70	15,884.33	12,204.36	16,272.48	16,679.29
Truck Driver Wages	119,456.83	57,763.39	133,640.60	103,534.73	138,046.31	141,497.46
Overtime - Truck Driver	12,787.01	12,426.71	42,133.87	41,426.88	55,235.84	30,295.14
Pera (Public Employee Retireme)	(628.00)				-	
Group Insurance	51,042.97	49,435.15	41,801.59	29,375.18	39,166.91	43,083.60
Co-Insurance Payments	52.85				-	
HSA Funding	5,038.00	5,954.04	9,625.00	7,400.34	9,867.12	10,918.53
Life Insurance	553.87	508.85	508.48	357.18	476.24	500.05
Third Party Administrative Cost					-	
Other Fringe Costs (PTO & EIB)	4,117.79	3,545.29	21,139.13	26,303.11	35,070.81	26,960.68
Short-Term Disability Payments					-	
Employee Assistance Programs					-	
Dental Insurance	1,499.34	1,614.78	2,314.18	1,689.24	2,252.32	2,364.93
Uniforms Expense					-	
Fuel - Trucks					-	

GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Wastewater Treatment
 For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
Engineering Exp - Sludge Landfill	3,443.10	3,620.00	14,603.50	8,021.40	10,695.20	5,000.00
Administrative Expense	4,671.88	3,487.43	2,508.26	1,021.77	1,362.36	2,491.70
FEMA Payments					-	
Safety Expense		313.89			-	500.00
Seminars/Training	480.00		1,698.71		-	1,500.00
Miscellaneous Meetings	50.20		78.49		-	0.00
Insurance	11,442.28	9,194.88	16,180.50	6,482.56	8,643.41	9,075.58
Worker Compensation Deductible					-	
Permits	400.00	400.00	400.00	400.00	400.00	400.00
Legal	1,025.00				-	0.00
Records					-	
Outside Testing					-	
Misc Capital Exp Work in Prog					-	
Misc Capital Expenditures					-	
Sludge Placement	49,476.20	48,862.08	63,474.00	54,031.68	72,042.24	68,290.47
Misc Landfill Operating Expense	52,290.66	53,756.85	45,171.85	34,259.44	45,679.25	50,924.94
Sludge Dump Closure					-	
Leachate Collection Sludge LD	21,527.82	39,945.28	11,811.74	13,323.98	17,765.31	25,174.99
Soild Waste ST Tax Assessmen	428.90	244.80	316.80	309.60	412.80	422.03
Sludge Landfill Amortization	143,541.22	53,430.36	53,430.36		53,430.36	53,430.36
Landfill Monitoring					-	
Well Monitoring	39,293.41	53,007.26	54,025.87	31,183.31	41,577.75	46,121.86
Sludge Disposal Alternatives					-	
Sludge Land Spreading					-	
Sludge Hauling Trucks	14,236.59	19,711.09	24,395.11	39,535.51	52,714.01	31,499.92
Power Purchased	2,689.56	2,396.61	2,189.85	1,738.32	2,317.76	2,736.35
Water Purchased						
Total Sludge Disposal Waste Treat	548,240.97	429,248.44	557,332.22	412,598.59	603,428.48	569,867.88
Waste Treatment Service Center Building						
Supplies and Sundries	5,112.78	2,781.27	1,770.46	498.65	664.87	2,276.01
Tools	1,759.56	3,853.23	3,223.85	608.39	811.19	2,991.91
Fuel - Heating SCB					-	
Administrative Expense	28,342.49	32,300.81	15,266.02	14,074.87	18,766.49	20,686.50
Insurance	1,687.70	1,945.85	2,895.11	2,646.42	3,528.56	3,704.98
Safety Expense	634.39	3,032.04	176.00	745.42	993.89	1,647.83
Telephone	3,324.65	3,910.75	4,220.60	3,154.41	4,205.88	4,398.11
Misc Capital Exp Work in Prog				7,500.00	10,000.00	0
Misc Capital Expenditures					-	0
SCADA Maint - SCB Primary Pl	3,148.12	155.38	2,281.46	(861.43)	(1,148.57)	5,680.89
Plant Vehicles	15,612.02	13,339.98	14,689.38	13,638.08	18,184.11	15,130.02
Building & Grounds - SCB	30,232.08	35,209.76	27,755.65	28,958.47	38,611.29	30,240.01
Snowplowing - SCB					-	0.00
Power Purchased	44,846.70	42,307.14	46,545.05	36,615.66	48,820.88	46,514.93
Utilities - Use Tax					-	
Water Purchased	387.03	387.03	359.76	236.36	315.15	408.04
Wastewater Collection Service	285.73	285.73	245.51	146.45	195.27	291.84
Power Purchased (PUC Portion)	3,375.57	3,184.42	3,503.41	5,230.81	6,974.41	4,076.69
Utilities - Use Tax - PUC Portion					-	
Water Purchased - PUC Portion	29.15	29.15	27.08	33.75	45.00	30.96
WW Collection Services - PUC P	21.47	21.47	18.49	20.91	27.88	21.45
Total Waste Treatment Service Ce	138,799.44	142,744.01	122,977.83	113,247.22	150,996.29	138,100.17
Secondary Waste Treatment Plant						
Supervision	27,431.01	28,418.63	24,588.12	18,753.16	25,004.21	25,800.08
Operating Labor	85,554.09	84,862.16	54,129.39	39,992.12	53,322.83	54,655.90
Overtime - Operating Labor	15,516.78	16,797.85	9,762.52	8,183.45	10,911.27	11,456.83
Truck Driver Wages					-	
Truck Driver Wages - Overtime					-	
Truck Driver Wages - Test Burn					-	
Pera (Public Employee Retireme	(825.90)				-	
Group Insurance	56,579.68	60,778.52	36,682.48	25,775.65	34,367.53	37,804.28
Co-Insurance Payments	211.37				-	
HSA Funding	5,937.00	7,305.96	9,250.00	6,406.36	8,541.81	9,212.40
Life Insurance	478.34	439.37	439.11	308.44	411.25	431.81
Employee Assistance Programs					-	
Third Party Administrative Cost	162.24	167.90	147.04	92.14	122.85	150.00
Dental Insurance	1,761.28	1,902.69	1,877.34	1,339.96	1,786.61	1,875.94
Other Fringe Costs (PTO & EIB)	32,245.29	32,255.55	25,088.35	25,317.07	33,756.09	30,513.87
Short-Term Disability Payments					-	

GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Wastewater Treatment
 For the Twelve Months Ending Saturday, December 31, 2022

Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
Disability Insurance	1,381.80	2,020.27	1,976.04	1,656.51	2,208.68	2,319.11
Supplies and Sundries	488.67	439.66	1,674.75	1,582.45	2,109.93	1,575.02
Uniforms Expense	59.34	167.92	16.46	1,391.39	1,855.19	750.00
Fuel - Heating					-	
Fuel - Trucks					-	
Engineering Expense					-	
Administrative Expense	37,745.44	53,318.68	41,616.17	36,397.58	48,530.11	34,933.15
Safety Expense	3,825.21	4,789.69	5,910.86	1,871.12	2,494.83	4,339.94
Seminars	1,115.57	1,049.93	993.26	70.97	94.63	1,199.93
Miscellaneous Meetings		381.38	1,671.62	1,689.03	2,252.04	1,049.47
Insurance	33,849.59	29,179.56	28,568.60	21,400.21	28,533.61	29,960.29
Worker Compensation Deductible					-	
Permits	14,350.00	14,350.00	14,350.00	14,350.00	19,133.33	15,245.83
Legal	4,610.93	1,938.72	2,447.31	760.08	1,013.44	3,405.48
Records					-	
Outside Testing	13,846.14	15,256.66	12,593.00	10,342.62	13,790.16	14,119.92
Potlatch Payments					-	
Telephone	1,195.75	1,264.83	1,129.00	1,422.44	1,896.59	1,960.00
Misc Capital Exp Work in Prog				68,283.20	91,044.27	0
Misc Capital Expenditures					-	0
Laboratory Supplies	6,194.32	4,698.88	4,791.47	4,324.93	5,766.57	5,709.91
Laboratory Certification	3,676.12	3,231.80	2,923.00	606.29	808.39	3,550.38
Chemicals	19,517.68	19,628.00	38,711.06	45,774.02	61,032.03	47,025.00
DCS Support Contract	2,395.74	3,196.06	2,356.06		-	3,000.00
Blowers & Air Systems	6,748.87	23,245.40	7,835.47	8,592.06	11,456.08	12,009.94
Aerators	13,916.64	18,810.11	20,406.96	14,214.27	18,952.36	19,979.91
Secondary Clarifiers	8,144.81	3,360.13	3,241.78	2,652.40	3,536.53	6,111.00
Waste Activated Sludge	4,054.53	4,504.55	1,581.41	9,404.09	12,538.79	5,354.99
Pumps	6,795.34	8,071.57	8,865.76	1,724.99	2,299.99	10,709.96
Chlorination System	4,682.33	2,181.74	7,190.71	3,995.21	5,326.95	4,097.50
Additive System	330.09	75.92		140.41	187.21	
Laboratory Equipment	4,698.24	1,911.64	1,235.24		-	1,666.53
Plant Vehicles			146.40	747.03	996.04	3,123.37
Electric Motors & Controls	2,338.24	3,749.70	12,091.03	3,048.86	4,065.15	4,798.77
Instrumentation	3,901.02	694.77	2,198.47		-	2,648.58
Building & Grounds	33,247.37	39,440.00	25,929.86	16,841.92	22,455.89	23,499.93
Snowplowing		938.82	280.90	340.56	454.08	1,153.42
Maintenance Inspections	1,075.43	1,888.52	764.44	3,495.62	4,660.83	1,931.22
Sludge Dredging of A Cells					-	
Sludge Dredging					-	
Power Purchased (Industrial)	648,355.65	661,900.42	869,497.82	775,716.10	1,034,288.13	775,319.92
Utilities - Use Tax (Industrial)						
Water Purchased (Industrial)	15,310.85	20,407.02	37,265.05	33,262.55	44,350.07	15,225.10
Power Purchased (Domestic)	277,742.07	270,162.55	327,546.54	272,701.06	363,601.41	324,999.97
Utilities - Use Tax (Domestic)					-	
Water Purchased (Domestic)	6,560.82	8,329.16	14,195.40	11,672.72	15,563.63	4,567.60
Total Secondary Waste Treatment	1,407,205.78	1,457,512.69	1,663,966.25	1,496,641.04	1,995,521.39	1,559,242.25
Total WWTP Expenses	4,058,038.50	4,073,422.93	3,873,885.49	3,397,716.96	4,583,586.31	3,890,010.58
Domestic Portion - Secondary Plar	(422,020.07)	(423,425.33)	(456,209.17)	(463,154.06)	(617,538.75)	(467,772.68)
Domestic Portion - WWTP SCB	(9,716.00)	(9,992.07)	(8,677.69)	(19,782.93)	(26,377.24)	(17,262.52)
Domestic Portion - Sludge Dispos	(140,403.94)	(50,293.08)	(50,293.08)	(74,763.91)	(99,685.21)	(45,589.43)
Net WasteWater Treatment Plant E	3,485,898.49	3,589,712.45	3,358,705.55	2,840,016.06	3,839,985.11	3,359,385.95
Other Revenues						
Demand Pmt/From Deferred Revenue						
Demand Pmt/2001A WW Rev Bond						
Demand Pmt/2006A GO WW Rev Bond						
Demand Pmt/2009A GO WW Rev	105,000.50	(0.50)				
Demand Pmt/2009E PFA Note	1,180,548.00	1,215,432.00	1,117,721.58		-	0.00
Demand Pmt/2011A GO WW Rev	399,483.27	412,971.54	420,769.17		-	
Demand Pmt/2013C GO Utility Bo	134,276.00	140,000.22	118,880.21	205,550.00	274,066.67	0.00
Demand Pmt/2021C GO Utility Bond						0.00
Demand Pmt / JD Loader lease	30,387.77	33,584.99			-	
Demand Pmt / 2018 Dump Truck	23,961.55	25,157.71	25,564.64		-	
Demand Pmt / 2018 Water Truck	29,233.26	30,692.58	31,189.04		-	
Interest Rev - Financial Assurance					-	
Interest Rev - 2001A Bonds Dem					-	

GRAND RAPIDS PUBLIC UTILITIES
Operating Budget - Wastewater Treatment
For the Twelve Months Ending Saturday, December 31, 2022

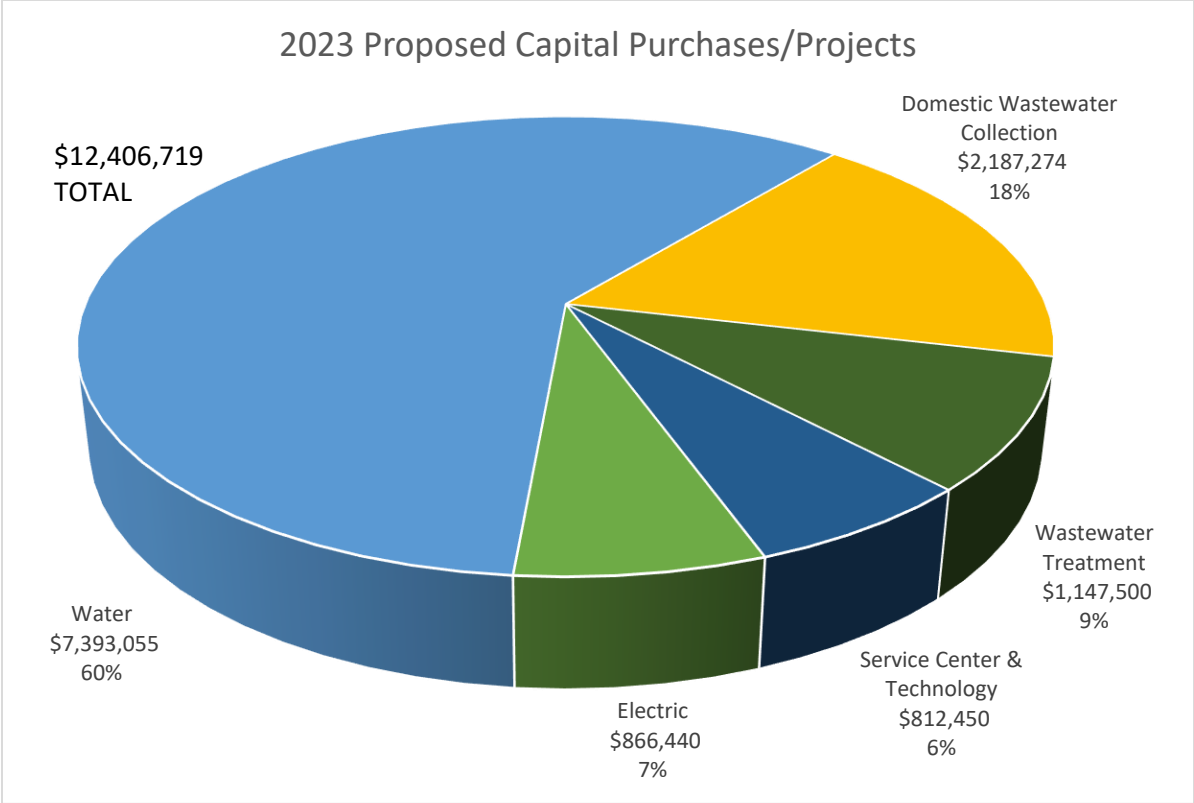
Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
Interest Rev - 2006A Bonds Dem					-	
Interest Rev - 2009A Bonds Dem	5,116.25				-	
Interest Rev - 2009E PFA Dem	423,988.19	390,579.77	366,877.88	165,309.31	330,618.62	293,294.57
Interest Rev - 2011A Bonds Dem	41,089.64	28,244.72	15,245.00		-	
Interest Rev - 2013C Bonds Dem	67,892.23	63,537.54	60,834.67		-	26,362.50
Interest Rev - 2021C Bonds Dem					-	10,468.75
Interest Rev - JD Loader Lease	953.26	151.19			-	
Interest Rev - 2018 Dump Truck	3,000.47	1,765.86	1,318.57		-	
Interest Rev - 2018 Water Truck	3,660.59	2,154.36	1,608.66		-	
Bond Fees Revenue					-	1,500.00
Primary PLT Relocation Revenue					-	
EPA Stag Grant					-	
Grant Revenues	10,000.00	445,671.73	610.00		-	
Contribution City of GR		75,000.00			-	
Customer Contributions	117,794.71	339,821.69	32,686.88		-	
Total Other Revenues	2,576,385.69	3,204,765.40	2,193,306.30	370,859.31	604,685.29	331,625.82
Other Expenses						
Interest on LT Debt - 2001A Bonds						
Interest on LT Debt - 2006A Bonds						
Interest on LT Debt - 2009A Bonds	4,716.25					
Interest on LT Debt - 2009E PFA	461,788.35	424,137.59	384,864.88	65,187.26	86,916.35	319,493.00
Interest on LT Debt - 2011A Bonds	46,269.58	32,020.00	16,041.67		-	
Interest on LT Debt - 2013C Bonds	67,168.70	63,037.54	57,168.00	8,937.21	11,916.28	26,362.50
Interest on LT Debt - 2021C Bonds					-	10,468.75
Interest on Lease Payable - 2017 I	1,082.43	151.19			-	
Interest on Lease Payable - 2018 I	3,000.47	1,765.86	469.63		-	
Interest on Lease Payable - 2018 \	3,660.59	2,154.36	572.95		-	
Capitalized Interest					-	
Bond Fees - 2001A WW Revenue Bonds					-	
Bond Fees - 2006A GO WW Revenue Bonds					-	
Bond Fees - 2009A GO WW Rev I	692.31	211.11			-	
Bond Fees - 2009E PFA Note	1,600.00	1,600.00	1,600.00		-	1,000.00
Bond Fees - 2011A GO WW Rev I	817.31	736.11	725.00		-	
Bond Fees - 2012D GO Utility Rev					-	
Bond Fees - 2013C GO Utility Bon	792.31	711.11	200.00		-	500.00
Amort Debt Disc & Exp - 2001A Bond						
Amort Debt Disc & Exp - 2006A Bond						
Amort Debt Disc & Exp - 2009A Bc	2,876.06					
Amort Debt Disc & Exp - 2009E Bc	6,493.08	6,493.08	6,493.08		-	6,493.08
Amort Debt Disc & Exp - 2011A Bc	8,264.16	8,264.16	7,575.48		-	
Amort Debt Disc & Exp - 2013C Bc	3,456.12	3,456.12	3,456.12		-	3,456.12
Depreciation Expense - WWTP	1,595,234.73	1,596,768.60	1,588,891.95		1,600,000.00	1,600,000.00
Amortization Expense, Intangibles						
Contributions Refunded						
Gain of Asset Disposal	(6,100.00)					
Loss on Asset Disposal (Secondary)		1,671.75	1,253.80		-	
Loss on Disposition of Property						
Transfer Out to WW Collection						(26,198.43)
Other Deduct - Loss on Investment						
Total Other Expenses	2,201,812.45	2,143,178.58	2,069,312.56	74,124.47	1,698,832.63	1,941,575.02
Wastewater Treatment Net Income	374,573.24	1,063,463.32	119,712.14	204,781.23	(1,270,049.18)	(1,609,949.20)

GRAND RAPIDS PUBLIC UTILITIES
 Operating Budget - Summary Other
 For the Twelve Months Ending Saturday, December 31, 2022

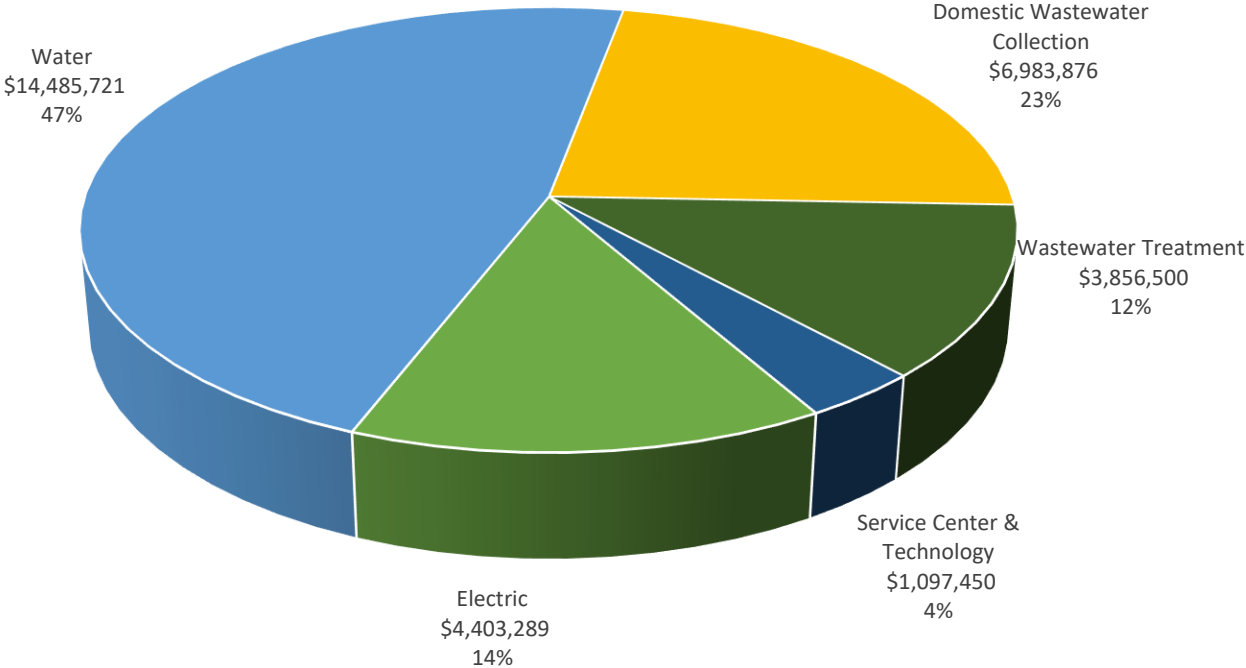
Item 12.

	2019	2020	2021	2022	2022	2023
	Actual	Actual	Actual	YTD Sept	Forecast	Budget
OTHER INCOME						
Interest Income - Investments	58,194.38	30,744.54	15,677.09	8,091.09	10,788.12	17,247.39
Interest Income - Water Dept					0.00	
Penalties	57,806.69	12,183.71	17,646.90	16,995.25	22,660.33	23,000.00
Lease Revenues - Service Center	46,761.25	38,350.59	26,123.96	18,149.30	24,199.07	24,000.00
TOTAL OTHER INCOME	162,762.32	81,278.84	59,447.95	43,235.64	57,647.52	64,247.39
LESS: OTHER EXPENSES						
COMBINED SERVICE CENTER EXPENSES						
Heating Fuel - Utilities	71,174.58	62,758.65	74,982.62	66,285.76	88,381.01	96,000.00
Operation - Supplies	6,462.39	6,046.81	8,922.64	9,095.51	12,127.35	10,610.76
Maintenance of Buildings	41,019.39	27,754.18	33,620.21	16,907.92	22,543.89	24,649.99
Maintenance of Buildings - PUC	13,626.51	14,891.70	8,793.76	12,348.55	16,464.73	15,000.00
Cleaning and Garbage Removal	22,430.11	25,326.50	21,028.30	15,251.28	20,335.04	22,570.07
Garbage Removal- PUC	3,447.83	2,215.50	3,338.23	2,712.19	3,616.25	3,797.06
Maintenance of Fixtures	4,199.46	53.91	2,904.76		0.00	1,500.00
Maintenance of Fixtures - PUC	268.63	521.25	59.99		0.00	1,000.00
Maintenance of Grounds	340.71				0.00	
Maintenance of Grounds - PUC	2,017.15				0.00	
Snow Removal					0.00	
Equipment Management Clearing Account				(85.00)	(113.33)	
Telephone Expense	1,065.82	655.46	621.16	447.97	597.29	684.43
Insurance	4,013.64	3,988.98	9,864.09	10,143.74	13,524.99	14,201.23
Miscellaneous General Expense			19.90	3,000.00	4,000.00	4,187.50
Combined Service Center Deprec	121,649.12	132,080.37	135,590.92	100,390.58	133,854.11	131,953.65
Amortization Expense - Computer	43,659.85	38,289.20	38,816.19	29,464.11	39,285.48	39,895.00
Power Contributed by Electric Dept						
Bond Fees - 1996A PUC Revenue Bond						
Interest Expense - Long Term Payable (City)						
TOTAL COMBINED SERVICE CENTER	335,375.19	314,582.51	338,562.77	265,962.61	354,616.81	366,049.69
COMMUNICATION EXPENSE						
Maintenance - Communication Equipment						
Depreciation	6,223.02	6,223.02	6,223.02	6,580.62	6,580.62	6,580.62
Gain (Loss) on Disposition of Property						
TOTAL COMMUNICATION EXPENSE	6,223.02	6,223.02	6,223.02	6,580.62	6,580.62	6,580.62
AUTOMATED METER READING EXPENSE						
Maint - AMI Hardware & Equipment						
Depreciation Expense	26,487.77	18,690.40	22,653.55	14,576.13	19,434.84	19,569.07
Amortization Expense, Intangible	12,105.05	11,730.63	11,730.64	7,937.82	10,583.76	11,720.01
Interest Expense- 2015 AMI Leas	30,319.10	24,115.91	37,084.14		0.00	0
TOTAL AUTOMATED METER READ E	68,911.92	54,536.94	71,468.33	22,513.95	30,018.60	31,289.08
INTEREST EXPENSE (CUST DEPOSIT	9,097.78	5,518.90	2,680.69	809.53	2,680.69	5,065.14
TOTAL INCOME (LOSS) ALL OPERATIO	(256,845.59)	(299,582.53)	(359,486.86)	(252,631.07)	(336,249.20)	(344,737.14)

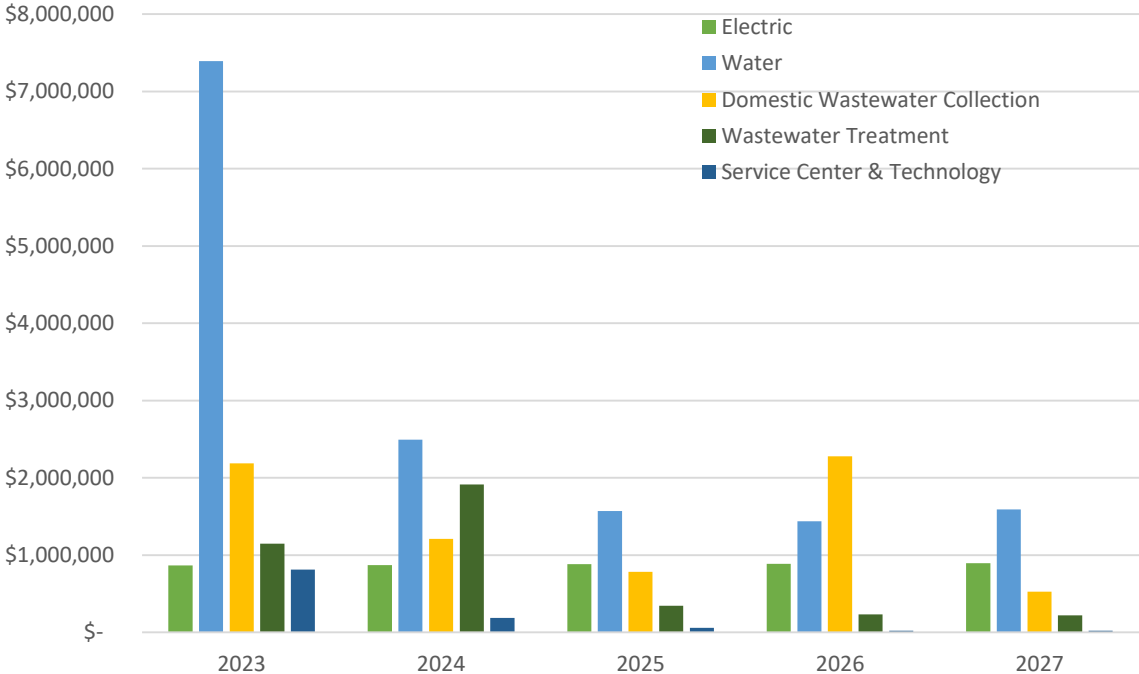


Proposed Capital Purchase/Projects Five Year Total by Utility

\$30,826,836
TOTAL



Proposed Capital Purchases/Projects



Grand Rapids Public Utilities Commission

Capital Plan

2023 thru 2027

DEPARTMENT SUMMARY

Department	2023	2024	2025	2026	2027	Total
1-Electric	866,440	871,883	882,490	888,264	894,212	4,403,289
2-Water	7,393,055	2,492,575	1,571,580	1,438,511	1,590,000	14,485,721
3-Wastewater Collection	1,980,274	1,181,067	784,100	2,261,435	525,000	6,731,876
4a-WWT Domestic	207,000	30,000		15,000		252,000
4b-WWT Screenhouse	24,000	36,000	12,000	12,000		84,000
4c-WWT Primary Plant	218,500	78,000	28,000	28,000	28,000	380,500
4d-WWT Sludge Disposal	276,000	1,318,000	18,000	18,000	18,000	1,648,000
4e-WWT Service Center	54,000	65,000				119,000
4f-WWT Secondary Treatment	575,000	415,000	285,000	175,000	175,000	1,625,000
5-Technology	335,000	85,000	40,000			460,000
6-Service Center	477,450	100,000	20,000	20,000	20,000	637,450
TOTAL	12,406,719	6,672,525	3,641,170	4,856,210	3,250,212	30,826,836

Capital Plan

2023 thru 2027

PROJECTS BY DEPARTMENT

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
I-Electric								
Overhead to Underground Conversions	ELEC2713	1					400,000	400,000
Purchase of electric AMI meters	ELEC2607	1				27,318		27,318
Overhead power line replacements and repairs	ELEC2504	1			63,654			63,654
Overhead power line replacements and repairs	ELEC2604	1				65,564		65,564
Overhead power line replacements and repairs	ELEC2704	1					67,531	67,531
Underground power line replacements and repairs	ELEC2505	1			31,827			31,827
Crystal Springs Conversion	ELEC2315	1	146,000					146,000
Underground power line replacements and repairs	ELEC2605	1				32,781		32,781
Underground power line replacements and repairs	ELEC2705	1					33,765	33,765
Distribution System Transformers	ELEC2506	1			150,000			150,000
Distribution System Transformers	ELEC2606	1				150,000		150,000
Distribution System Transformers	ELEC2706	1					150,000	150,000
Purchase of electric AMI meters	ELEC2507	1			26,523			26,523
Electric System Reliability Upgrades	ELEC2414	2		100,000				100,000
SW 1st Ave Conversion	ELEC2317	1	30,000					30,000
Electric System Reliability Upgrades	ELEC2314	2	100,000					100,000
Overhead to Underground Conversions	ELEC2613	1				200,000		200,000
Overhead to Underground Conversions	ELEC2513	1			200,000			200,000
Convert 7200 volt systems to 23 Kv	ELEC2712	1					100,000	100,000
Convert 7200 volt systems to 23 Kv	ELEC2612	1				100,000		100,000
Convert 7200 volt systems to 23 Kv	ELEC2512	1			100,000			100,000
Inspect and replace power poles	ELEC2711	1					56,275	56,275
Inspect and replace power poles	ELEC2611	1				54,637		54,637
Inspect and replace power poles	ELEC2511	1			53,045			53,045
Convert SW Grand Rapids to Underground	ELEC2610	1				200,000		200,000
Convert SW Grand Rapids to Underground	ELEC2510	1			200,000			200,000
Crystal Springs Conversion	ELEC2415	1		110,000				110,000
Backyard Machine	ELEC2318	2	90,000					90,000
Purchase of electric AMI meters	ELEC2707	1					28,138	28,138
Maple Street Conversion	ELEC2316	1	29,000					29,000
Distribution System Security Lighting	ELEC2403	1		14,296				14,296
Distribution System Services	ELEC2501	1			40,000			40,000
Distribution System Services	ELEC2601	1				40,000		40,000
Distribution System Services	ELEC2701	1					40,000	40,000
Replace Truck 63	ELEC2413	2		200,000				200,000
Distribution System Duel Fuel Services	ELEC2502	1			2,716			2,716
Distribution System Duel Fuel Services	ELEC2602	1				2,797		2,797
Distribution System Duel Fuel Services	ELEC2702	1					2,881	2,881
Distribution System Security Lighting	ELEC2503	1			14,725			14,725
Distribution System Security Lighting	ELEC2603	1				15,167		15,167
Distribution System Services	ELEC2301	1	40,000					40,000
Distribution System Services	ELEC2401	1		40,000				40,000
Distribution System Duel Fuel Services	ELEC2302	1	2,560					2,560
Distribution System Security Lighting	ELEC2703	1					15,622	15,622
Distribution System Security Lighting	ELEC2303	1	13,880					13,880
Overhead power line replacements and repairs	ELEC2304	1	60,000					60,000

Department	Project #	Priority	2023	2024	2025	2026	2027	
Overhead power line replacements and repairs	ELEC2404	1		61,800				61,800
Underground power line replacements and repairs	ELEC2305	1	30,000					30,000
Distribution System Transformers	ELEC2306	1	150,000					150,000
Distribution System Transformers	ELEC2406	1		150,000				150,000
Purchase of electric AMI meters	ELEC2307	1	25,000					25,000
Purchase of electric AMI meters	ELEC2407	1		25,750				25,750
Underground power line replacements and repairs	ELEC2405	1		30,900				30,900
Replace Truck 84	ELEC2410	1		35,000				35,000
Convert 7200 volt systems to 23 kV	ELEC2312	1	100,000					100,000
Convert 7200 volt systems to 23 kV	ELEC2412	1		50,000				50,000
Inspect and replace power poles	ELEC2311	1	50,000					50,000
Inspect and replace power poles	ELEC2411	1		51,500				51,500
Distribution System Dual Fuel Services	ELEC2402	1		2,637				2,637

1-Electric Total

866,440	871,883	882,490	888,264	894,212	4,403,289
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2-Water

WTP Sludge Pump	WATR2205	3	11,000					11,000
WTP Communication with Wells	WATR2211	3	15,000					15,000
City Project- NW Street Reconstruction	WATR1903	2			157,080			157,080
City Project - 6th Street NE (2nd Ave.-5th Ave.)	WATR2201	2				119,239		119,239
City Project - 5th Ave. NE (TH 2 to 5th St NE)	WATR2001	3				35,772		35,772
City Project - 11th St. NE (2nd to 3rd Ave.)	WATR1904	3		83,600				83,600
City Project - Ha-Car Neighborhood SE, Phase 1	WATR2101	3			362,500			362,500
City Project - 11th St NE (2nd- 3rd ave)	WATR2003	3		83,600				83,600
Well 2 Rehabilitation	WATR2004	1	55,000					55,000
WTP Turbidity Meters	WATR2207	3	30,000					30,000
City Project - 6th Ave NW (4th to 5th st)	WATR2301	2				81,000		81,000
Fire Hydrant Repairs	WATR2209	2	35,000	25,000	20,000	20,000	20,000	120,000
WTP Main Valve	WATR2212	2	22,500					22,500
Mid-Tower Coating Repairs	WATR2107	1	38,000					38,000
WTP Security	WATR2108	1	43,000					43,000
Hydrant Meters	WATR2203	3	8,700					8,700
WTP Flow Meters	WATR2204	2	30,000					30,000
WTP Aerator Media	WATR2208	3	12,000		12,000			24,000
City Project - 3rd Ave NE (5th-8th) & 7th S. NE	WATR2002	3		235,375				235,375
Water Plant Renovation	WATR2213	2	4,943,400					4,943,400
High Service Pump Control Improvement	WATR2005	2	60,000					60,000
Replace Fiber (SH to City Hall)	WATR2309	2	15,000					15,000
WTP Valve Updates	WATR2304	2	20,000	20,000	20,000	20,000	20,000	100,000
Curb Stop Replacements	WATR2305	2	100,000	150,000	150,000	150,000	150,000	700,000
Well 4 Rehabilitation	WATR2402	1		45,000				45,000
City Project - City Wide Overlays- Sylvan	WATR2306	2	1,202,000	510,000				1,712,000
City Project - Ha-car Neighborhood, Phase 2	WATR2601	3				362,500		362,500
NEW WELL	WATR2401	3		590,000				590,000
Booster Station Panel View	WATR2302	2	30,000					30,000
WTP Sewage Ejector System	WATR2206	3	20,000					20,000
WTP Backwash Valve	WATR2307	2	5,000					5,000
South Tower Coating Repairs	WATR2310	1	150,000					150,000
North Tower Coating Repairs	WATR2501	1			150,000			150,000
City Project - River Road Roundabout	WATR2311	1	82,455					82,455
WWC Category 1- Piping Replacement	WATR2312	2	350,000	350,000	350,000	400,000	400,000	1,850,000
S-E-H Projects from Study	WATR2403	2		400,000	350,000	250,000	300,000	1,300,000
City Project - Paradise Park	WATR2313	2	85,000					85,000
Radio Communication Upgrades	WATR2308	2	30,000					30,000
Tower Painting	WATR2703	2					700,000	700,000

Department	Project #	Priority	2023	2024	2025	2026	2027	
2-Water Total			7,393,055	2,492,575	1,571,580	1,438,511	1,590,000	14,485,721
3-Wastewater Collection								
Lift Station Pumps	WWCO2005	1	35,000	35,000	38,000	40,000	40,000	188,000
SE 11th St Sanitary Sewer Replacement	WWCO2402	2				1,300,000		1,300,000
City Project - City Wide Overlays- Sylvan	WWCO2310	2	1,010,000	511,000				1,521,000
Replace Truck 61	WWCO2701	3					60,000	60,000
Lift Station 2 - Generator and switch	WWCO2207	3	36,490					36,490
Lift Station 3 - Generator and switch	WWCO2208	3	32,825					32,825
Lift Station 2 Flow Meter	WWCO2309	2	8,000					8,000
WWC Category 1- Piping Repairs	WWCO2308	2	350,000	350,000	350,000	400,000	400,000	1,850,000
Lift Station 6 I/I Repairs	WWCO2307	1	35,000					35,000
Lift Station 8 Controls Update	WWCO2601	1	35,000					35,000
City Project - River Road Roundabout	WWCO2312	1	210,959					210,959
Jetting Camera	WWCO2303	3	60,000					60,000
Lift Station 2 Forcemain Replacement	WWCO2704	2			140,000			140,000
Lift Station 5 Forcemain Replacement	WWCO2602	2				65,000		65,000
City Project - 6th Street NE (2 - 5th Ave)	WWCO2201	2		110,067				110,067
City Project - NW Street Reconstruction	WWCO1904	2			114,600			114,600
Mains and Services	WWCO1804	4	15,000	15,000	15,000			45,000
Lift Station 9 Controls Update	WWCO2304	1	35,000					35,000
Lift Station 13 Controls Update	WWCO2203	1			26,500			26,500
Lift Station 2 Pump	WWCO2305	1	25,000					25,000
City Project - 11th Ave NE (5-7th St NE)	WWCO2003	2				115,000		115,000
City Project - 5th Ave NE (Hwy2 to 5th St. NE)	WWCO2001	2				66,435		66,435
DeltaV Secondary for Clinic Lift plus alarm agent	WWCO2103	2	20,000					20,000
City Project - 6th Ave NW (4th-5th)	WWCO2302	2	52,000					52,000
City Project - Ha-Car SE Neighborhood, Phase 1	WWCO2021	2				250,000		250,000
City Wide Overlays-Rural	WWCO2202	2		60,000				60,000
Manhole Replacements	WWCO1805	2	20,000	75,000	100,000	25,000	25,000	245,000
City Project - 3rd Av.NE (4-8th) 7th st (3rd -5th)	WWCO2002	2		25,000				25,000
3-Wastewater Collection Total			1,980,274	1,181,067	784,100	2,261,435	525,000	6,731,876
4a-WWT Domestic								
Rebuild Domestic Screen	WWDO1801	2	150,000					150,000
Trash Compactor	WWDO2302	2	50,000					50,000
Flow Meter for Domestic Flow	WWDO2301	2	7,000					7,000
VFD Upgrades On Lift Pumps	WWDO2401	2		30,000		15,000		45,000
4a-WWT Domestic Total			207,000	30,000		15,000		252,000
4b-WWT Screenhouse								
Replace Fiber Segment 1	WWSH2302	2	12,000					12,000
Gear Box for Bark Dumper	WWSH2402	2		8,000				8,000
Drive Gear Boxes for Parkson Screens	WWSH2401	2		16,000				16,000
VFD Upgrades for Lift Pumps	WWSH2301	2	12,000	12,000	12,000	12,000		48,000
4b-WWT Screenhouse Total			24,000	36,000	12,000	12,000		84,000
4c-WWT Primary Plant								
Painting Primary Clarifiers	WWPP2003	3	40,000					40,000
Forks for Front End Loader	WWPP2202	3	12,000					12,000
Demo of Old Primary Plant	WWPP2001	3	50,000					50,000
Sludge Screw Conveyor - Screw Replacement	WWPP2103	2	50,000	50,000				100,000
Primary Sludge Pump VFD's	WWPP2301	2	24,000					24,000

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Screw Press VFD	WWPP2302	2	8,000					8,000
Primary Plant Sludge Pumps	WWPP2303	2	28,000	28,000	28,000	28,000	28,000	140,000
WWTP Alarm Agent	WWPP2304	2	6,500					6,500
4c-WWT Primary Plant Total			218,500	78,000	28,000	28,000	28,000	380,500
4d-WWT Sludge Disposal								
Landfill Cover Work Phase 1-4, Kettle D	WWSD2301	2	250,000	1,300,000				1,550,000
Landfill Phase Pumps	WWSD2302	2	18,000	18,000	18,000	18,000	18,000	90,000
Leachate Phase Pump	WWSD2101	2	8,000					8,000
4d-WWT Sludge Disposal Total			276,000	1,318,000	18,000	18,000	18,000	1,648,000
4e-WWT Service Center								
Replace Fiber ASV to CSC	WWSC2301	2	54,000					54,000
Replace Truck 78	WWSC2401	2		65,000				65,000
4e-WWT Service Center Total			54,000	65,000				119,000
4f-WWT Secondary Treatment								
Rebuild Blower Number 3	WWSP1702	2		280,000				280,000
B1 Pond Dredging	WWSP1802	2			150,000			150,000
Secondary Aeration Basin Mixer Repairs	WWSP1804	2	175,000	135,000	135,000	175,000	175,000	795,000
Bleach Tank Repair/Replacement	WWSP2302	1	50,000					50,000
Septic Hauler Dump Station	WWSP2301	3	350,000					350,000
4f-WWT Secondary Treatment Total			575,000	415,000	285,000	175,000	175,000	1,625,000
5-Technology								
NEW ERP SOFTWARE - UB AR AP PROJ PYRL FS BUDG	CITE2310	1	250,000					250,000
Miscellaneous Computer Hardware	CITE2509	4			2,000			2,000
Software Upgrades	CITE2508	2			10,000			10,000
Personal Computer Replacements	CITE2502	3			4,000			4,000
Personal Computer Replacements	CITE2402	3		4,000				4,000
Software Upgrades	CITE2308	2	10,000					10,000
Server Upgrades	CITE2404	3		65,000				65,000
Server Upgrades	CITE2304	2	65,000					65,000
Mobile Computers	CITE2503	4			4,000			4,000
Mobile Computers	CITE2303	4	4,000					4,000
Software Upgrades	CITE2408	2		10,000				10,000
Personal Computer Replacements	CITE2302	3	4,000					4,000
Network Switch Upgrades	CITE2506	3			12,000			12,000
Miscellaneous Computer Hardware	CITE2309	4	2,000					2,000
Computer Backup Hardware	CITE2507	1			8,000			8,000
Miscellaneous Computer Hardware	CITE2409	4		2,000				2,000
Mobile Computers	CITE2403	4		4,000				4,000
5-Technology Total			335,000	85,000	40,000			460,000
6-Service Center								
Misc CSC CIP	CSCW2700	n/a					20,000	20,000
South Gate Replacement	CSCW2022	2	20,000					20,000
Misc CSC CIP	CSCW2600	n/a				20,000		20,000
South Roof Replacement	CSCW2301	2	275,000					275,000
North Roof Replacement	CSCW2201	2		80,000				80,000
Misc CSC CIP	CSCW2500	n/a			20,000			20,000

Department	Project #	Priority	2023	2024	2025	2026	2027	
Misc CSC CIP	CSCW2400	n/a		20,000				20,000
CSC Lighting Upgrades - Garage Area	CSCW2023-3	2	10,450					10,450
Red Rubber Flooring Replacement	CSCW2302	2	125,000					125,000
Building Landscaping	CSCW2103	4	14,000					14,000
Building Security Upgrade	CSCW2102	3	33,000					33,000
6-Service Center Total			477,450	100,000	20,000	20,000	20,000	637,450
GRAND TOTAL			12,406,719	6,672,525	3,641,170	4,856,210	3,250,212	30,826,836

Grand Rapids Public Utilities Commission

Capital Plan

2023 thru 2027

FUNDING SOURCE SUMMARY

Source	2023	2024	2025	2026	2027	Total
City Contributions	10,450					10,450
Customer Contributions-Cohasset	5,157	6,150	6,071	4,011	4,011	25,400
Customer Contributions-LaPrairie	3,051	3,639	678	2,373	2,373	12,114
Customer Contributions-UPM	696,680	1,842,505	295,380	179,060	167,060	3,180,685
Debt	5,355,400	2,121,000	1,190,000	2,415,000	1,100,000	12,181,400
Grants	2,592,500					2,592,500
Reserves-Unrestricted	94,640	60,140	52,015	62,556	47,556	316,907
Rplcmt Fund-Elec share/business	358,370	104,870	31,720	13,000	13,000	520,960
Rplcmt Fund-Electric Infrastructure	949,011	870,983	882,490	888,264	894,212	4,484,960
Rplcmt Fund-Water Infrastructure	630,200	642,575	859,580	788,511	890,000	3,810,866
Rplcmt Fund-Water share/business	191,790	34,690	11,040	4,000	34,000	275,520
Rplcmt Fund-WWC Infrastructure	753,890	355,203	294,276	496,435	65,000	1,964,804
Rplcmt Fund-WWC share/business	95,696	24,870	7,920	3,000	33,000	164,486
GRAND TOTAL	11,736,835	6,066,625	3,631,170	4,856,210	3,250,212	29,541,052

Capital Plan

2023 thru 2027

PROJECTS BY FUNDING SOURCE

Source	Project #	Priority	2023	2024	2025	2026	2027	Total
City Contributions								
CSC Lighting Upgrades - Garage Area	CSCW2023-3	2	10,450					10,450
City Contributions Total			10,450					10,450
Customer Contributions-Cohasset								
Rebuild Blower Number 3	WWSP1702	2		3,056				3,056
B1 Pond Dredging	WWSP1802	2			1,146			1,146
Secondary Aeration Basin Mixer Repairs	WWSP1804	2	4,011	3,094	4,925	4,011	4,011	20,052
Bleach Tank Repair/Replacement	WWSP2302	1	1,146					1,146
Customer Contributions-Cohasset Total			5,157	6,150	6,071	4,011	4,011	25,400
Customer Contributions-LaPrairie								
Rebuild Blower Number 3	WWSP1702	2		1,808				1,808
B1 Pond Dredging	WWSP1802	2			678			678
Secondary Aeration Basin Mixer Repairs	WWSP1804	2	2,373	1,831		2,373	2,373	8,950
Bleach Tank Repair/Replacement	WWSP2302	1	678					678
Customer Contributions-LaPrairie Total			3,051	3,639	678	2,373	2,373	12,114
Customer Contributions-UPM								
Personal Computer Replacements	CITE2302	3	1,320					1,320
Server Upgrades	CITE2304	2	0					0
Software Upgrades	CITE2308	2	2,500					2,500
Miscellaneous Computer Hardware	CITE2309	4	500					500
Personal Computer Replacements	CITE2402	3		1,320				1,320
Server Upgrades	CITE2404	3		16,250				16,250
Software Upgrades	CITE2408	2		2,500				2,500
Miscellaneous Computer Hardware	CITE2409	4		500				500
Personal Computer Replacements	CITE2502	3			1,320			1,320
Network Switch Upgrades	CITE2506	3			3,000			3,000
Computer Backup Hardware	CITE2507	1			2,000			2,000
Software Upgrades	CITE2508	2			2,500			2,500
Miscellaneous Computer Hardware	CITE2509	4			500			500
Demo of Old Primary Plant	WWPP2001	3	50,000					50,000
Painting Primary Clarifiers	WWPP2003	3	40,000					40,000
Sludge Screw Conveyor - Screw Replacement	WWPP2103	2	50,000	50,000				100,000
Forks for Front End Loader	WWPP2202	3	12,000					12,000
Primary Sludge Pump VFD's	WWPP2301	2	24,000					24,000
Screw Press VFD	WWPP2302	2	8,000					8,000
Primary Plant Sludge Pumps	WWPP2303	2	28,000	28,000	28,000	28,000	28,000	140,000
WWTP Alarm Agent	WWPP2304	2	6,500					6,500
Replace Fiber ASV to CSC	WWSC2301	2	37,800					37,800

Source	Project #	Priority	2023	2024	2025	2026	2027	
Replace Truck 78	WWSC2401	2		56,875				56,875
Leachate Phase Pump	WWSD2101	2	8,000					8,000
Landfill Cover Work Phase 1-4, Kettle D	WWSD2301	2	230,000	1,300,000				1,530,000
Landfill Phase Pumps	WWSD2302	2	16,560	16,560	16,560	16,560	16,560	82,800
VFD Upgrades for Lift Pumps	WWSH2301	2	12,000	12,000	12,000	12,000		48,000
Replace Fiber Segment 1	WWSH2302	2	12,000					12,000
Drive Gear Boxes for Parkson Screens	WWSH2401	2		16,000				16,000
Gear Box for Bark Dumper	WWSH2402	2		8,000				8,000
Rebuild Blower Number 3	WWSP1702	2		240,000				240,000
B1 Pond Dredging	WWSP1802	2			135,000			135,000
Secondary Aeration Basin Mixer Repairs	WWSP1804	2	122,500	94,500	94,500	122,500	122,500	556,500
Bleach Tank Repair/Replacement	WWSP2302	1	35,000					35,000
Customer Contributions-UPM Total			696,680	1,842,505	295,380	179,060	167,060	3,180,685

Debt

Water Plant Renovation	WATR2213	2	2,443,400					2,443,400
City Project - City Wide Overlays- Sylvan	WATR2306	2	1,202,000	510,000				1,712,000
WWC Category 1- Piping Replacement	WATR2312	2	350,000	350,000	350,000	400,000	400,000	1,850,000
S-E-H Projects from Study	WATR2403	2		400,000	350,000	250,000	300,000	1,300,000
WWC Category 1- Piping Repairs	WWCO2308	2	350,000	350,000	350,000	400,000	400,000	1,850,000
City Project - City Wide Overlays- Sylvan	WWCO2310	2	1,010,000	511,000				1,521,000
SE 11th St Sanitary Sewer Replacement	WWCO2402	2				1,300,000		1,300,000
Lift Station 5 Forcmain Replacement	WWCO2602	2				65,000		65,000
Lift Station 2 Forcmain Replacement	WWCO2704	2			140,000			140,000
Debt Total			5,355,400	2,121,000	1,190,000	2,415,000	1,100,000	12,181,400

Grants

WTP Security	WATR2108	1	43,000					43,000
WTP Aerator Media	WATR2208	3	12,000					12,000
WTP Communication with Wells	WATR2211	3	15,000					15,000
WTP Main Valve	WATR2212	2	22,500					22,500
Water Plant Renovation	WATR2213	2	2,500,000					2,500,000
Grants Total			2,592,500					2,592,500

Reserves-Unrestricted

Flow Meter for Domestic Flow	WWDO2301	2	7,000					7,000
Trash Compactor	WWDO2302	2	50,000					50,000
VFD Upgrades On Lift Pumps	WWDO2401	2		15,000	15,000	15,000		45,000
Replace Fiber ASV to CSC	WWSC2301	2	16,200					16,200
Replace Truck 78	WWSC2401	2		8,125				8,125
Landfill Cover Work Phase 1-4, Kettle D	WWSD2301	2	20,000					20,000
Landfill Phase Pumps	WWSD2302	2	1,440	1,440	1,440	1,440	1,440	7,200
Secondary Aeration Basin Mixer Repairs	WWSP1804	2		35,575	35,575	46,116	46,116	163,382
Reserves-Unrestricted Total			94,640	60,140	52,015	62,556	47,556	316,907

Rplcmt Fund-Elec share/business

Personal Computer Replacements	CITE2302	3	1,680					1,680
Mobile Computers	CITE2303	4	2,000					2,000
Server Upgrades	CITE2304	2	45,500					45,500

Source	Project #	Priority	2023	2024	2025	2026	2027	Item 12.
Software Upgrades	CITE2308	2	4,700					4,700
Miscellaneous Computer Hardware	CITE2309	4	940					940
Personal Computer Replacements	CITE2402	3		1,680				1,680
Mobile Computers	CITE2403	4		2,000				2,000
Server Upgrades	CITE2404	3		30,550				30,550
Software Upgrades	CITE2408	2		4,700				4,700
Miscellaneous Computer Hardware	CITE2409	4		940				940
Personal Computer Replacements	CITE2502	3			1,680			1,680
Mobile Computers	CITE2503	4			2,000			2,000
Network Switch Upgrades	CITE2506	3			5,640			5,640
Computer Backup Hardware	CITE2507	1			3,760			3,760
Software Upgrades	CITE2508	2			4,700			4,700
Miscellaneous Computer Hardware	CITE2509	4			940			940
South Gate Replacement	CSCW2022	2	13,000					13,000
Building Security Upgrade	CSCW2102	3	21,450					21,450
Building Landscaping	CSCW2103	4	9,100					9,100
North Roof Replacement	CSCW2201	2		52,000				52,000
South Roof Replacement	CSCW2301	2	178,750					178,750
Red Rubber Flooring Replacement	CSCW2302	2	81,250					81,250
Misc CSC CIP	CSCW2400	n/a		13,000				13,000
Misc CSC CIP	CSCW2500	n/a			13,000			13,000
Misc CSC CIP	CSCW2600	n/a				13,000		13,000
Misc CSC CIP	CSCW2700	n/a					13,000	13,000
Rplcmt Fund-Elec share/business Total			358,370	104,870	31,720	13,000	13,000	520,960

Rplcmt Fund-Electric Infrastructure

Distribution System Services	ELEC2301	1	40,000					40,000
Distribution System Dual Fuel Services	ELEC2302	1	2,560					2,560
Distribution System Security Lighting	ELEC2303	1	13,996					13,996
Overhead power line replacements and repairs	ELEC2304	1	60,000					60,000
Underground power line replacements and repairs	ELEC2305	1	30,000					30,000
Distribution System Transformers	ELEC2306	1	150,000					150,000
Purchase of electric AML meters	ELEC2307	1	25,000					25,000
Inspect and replace power poles	ELEC2311	1	50,000					50,000
Convert 7200 volt systems to 23 kV	ELEC2312	1	100,000					100,000
Electric System Reliability Upgrades	ELEC2314	2	100,000					100,000
Crystal Springs Conversion	ELEC2315	1	146,000					146,000
Maple Street Conversion	ELEC2316	1	29,000					29,000
SW 1st Ave Conversion	ELEC2317	1	30,000					30,000
Backyard Machine	ELEC2318	2	90,000					90,000
Distribution System Services	ELEC2401	1		40,000				40,000
Distribution System Dual Fuel Services	ELEC2402	1		2,637				2,637
Distribution System Security Lighting	ELEC2403	1		14,296				14,296
Overhead power line replacements and repairs	ELEC2404	1		61,800				61,800
Underground power line replacements and repairs	ELEC2405	1		30,000				30,000
Distribution System Transformers	ELEC2406	1		150,000				150,000
Purchase of electric AML meters	ELEC2407	1		25,750				25,750
Replace Truck 84	ELEC2410	1		35,000				35,000
Inspect and replace power poles	ELEC2411	1		51,500				51,500
Convert 7200 volt systems to 23 kV	ELEC2412	1		50,000				50,000
Replace Truck 63	ELEC2413	2		200,000				200,000
Electric System Reliability Upgrades	ELEC2414	2		100,000				100,000
Crystal Springs Conversion	ELEC2415	1		110,000				110,000
Distribution System Services	ELEC2501	1			40,000			40,000

Source	Project #	Priority	2023	2024	2025	2026	2027	
Distribution System Duel Fuel Services	ELEC2502	1			2,716			2,716
Distribution System Security Lighting	ELEC2503	1			14,725			14,725
Overhead power line replacements and repairs	ELEC2504	1			63,654			63,654
Underground power line replacements and repairs	ELEC2505	1			31,827			31,827
Distribution System Transformers	ELEC2506	1			150,000			150,000
Purchase of electric AMI meters	ELEC2507	1			26,523			26,523
Convert SW Grand Rapids to Underground	ELEC2510	1			200,000			200,000
Inspect and replace power poles	ELEC2511	1			53,045			53,045
Convert 7200 volt systems to 23 Kv	ELEC2512	1			100,000			100,000
Overhead to Underground Conversions	ELEC2513	1			200,000			200,000
Distribution System Services	ELEC2601	1				40,000		40,000
Distribution System Duel Fuel Services	ELEC2602	1				2,797		2,797
Distribution System Security Lighting	ELEC2603	1				15,167		15,167
Overhead power line replacements and repairs	ELEC2604	1				65,564		65,564
Underground power line replacements and repairs	ELEC2605	1				32,781		32,781
Distribution System Transformers	ELEC2606	1				150,000		150,000
Purchase of electric AMI meters	ELEC2607	1				27,318		27,318
Convert SW Grand Rapids to Underground	ELEC2610	1				200,000		200,000
Inspect and replace power poles	ELEC2611	1				54,637		54,637
Convert 7200 volt systems to 23 Kv	ELEC2612	1				100,000		100,000
Overhead to Underground Conversions	ELEC2613	1				200,000		200,000
Distribution System Services	ELEC2701	1					40,000	40,000
Distribution System Duel Fuel Services	ELEC2702	1					2,881	2,881
Distribution System Security Lighting	ELEC2703	1					15,622	15,622
Overhead power line replacements and repairs	ELEC2704	1					67,531	67,531
Underground power line replacements and repairs	ELEC2705	1					33,765	33,765
Distribution System Transformers	ELEC2706	1					150,000	150,000
Purchase of electric AMI meters	ELEC2707	1					28,138	28,138
Inspect and replace power poles	ELEC2711	1					56,275	56,275
Convert 7200 volt systems to 23 Kv	ELEC2712	1					100,000	100,000
Overhead to Underground Conversions	ELEC2713	1					400,000	400,000
City Project - River Road Roundabout	WATR2311	1	82,455					82,455
Rplcmt Fund-Electric Infrastructure			949,011	870,983	882,490	888,264	894,212	4,484,960
Total								

Rplcmt Fund-Water Infrastructure

City Project- NW Street Reconstruction	WATR1903	2			157,080			157,080
City Project - 11th St. NE (2nd to 3rd Ave.)	WATR1904	3		83,600				83,600
City Project - 5th Ave. NE (TH 2 to 5th St NE)	WATR2001	3				35,772		35,772
City Project - 3rd Ave NE (5th-8th) & 7th S. NE	WATR2002	3		235,375				235,375
City Project - 11th St NE (2nd- 3rd ave)	WATR2003	3		83,600				83,600
Well 2 Rehabilitation	WATR2004	1	55,000					55,000
High Service Pump Control Improvement	WATR2005	2	60,000					60,000
City Project - Ha-Car Neighborhood SE, Phase 1	WATR2101	3			362,500			362,500
Mid-Tower Coating Repairs	WATR2107	1	38,000					38,000
City Project - 6th Street NE (2nd Ave.-5th Ave.)	WATR2201	2				119,239		119,239
Hydrant Meters	WATR2203	3	8,700					8,700
WTP Flow Meters	WATR2204	2	30,000					30,000
WTP Sludge Pump	WATR2205	3	11,000					11,000
WTP Sewage Ejector System	WATR2206	3	20,000					20,000
WTP Turbidity Meters	WATR2207	3	30,000					30,000
Fire Hydrant Repairs	WATR2209	2	35,000	25,000	20,000	20,000	20,000	120,000
City Project - 6th Ave NW (4th to 5th st)	WATR2301	2				81,000		81,000
Booster Station Panel View	WATR2302	2	30,000					30,000

Source	Project #	Priority	2023	2024	2025	2026	2027	Item 12.
WTP Valve Updates	WATR2304	2	20,000	20,000	20,000	20,000	20,000	100,000
Curb Stop Replacements	WATR2305	2	100,000	150,000	150,000	150,000	150,000	700,000
WTP Backwash Valve	WATR2307	2	5,000					5,000
Radio Communication Upgrades	WATR2308	2	30,000					30,000
Replace Fiber (SH to City Hall)	WATR2309	2	7,500					7,500
South Tower Coating Repairs	WATR2310	1	150,000					150,000
Well 4 Rehabilitation	WATR2402	1		45,000				45,000
North Tower Coating Repairs	WATR2501	1			150,000			150,000
City Project - Ha-car Neighborhood, Phase 2	WATR2601	3				362,500		362,500
Tower Painting	WATR2703	2					700,000	700,000
Rplcmt Fund-Water Infrastructure Total			630,200	642,575	859,580	788,511	890,000	3,810,866

Rplcmt Fund-Water share/business

Personal Computer Replacements	CITE2302	3	600					600
Mobile Computers	CITE2303	4	1,000					1,000
Server Upgrades	CITE2304	2	9,750					9,750
Software Upgrades	CITE2308	2	1,700					1,700
Miscellaneous Computer Hardware	CITE2309	4	340					340
Personal Computer Replacements	CITE2402	3		600				600
Mobile Computers	CITE2403	4		1,000				1,000
Server Upgrades	CITE2404	3		11,050				11,050
Software Upgrades	CITE2408	2		1,700				1,700
Miscellaneous Computer Hardware	CITE2409	4		340				340
Personal Computer Replacements	CITE2502	3			600			600
Mobile Computers	CITE2503	4			1,000			1,000
Network Switch Upgrades	CITE2506	3			2,040			2,040
Computer Backup Hardware	CITE2507	1			1,360			1,360
Software Upgrades	CITE2508	2			1,700			1,700
Miscellaneous Computer Hardware	CITE2509	4			340			340
South Gate Replacement	CSCW2022	2	4,000					4,000
Building Security Upgrade	CSCW2102	3	6,600					6,600
Building Landscaping	CSCW2103	4	2,800					2,800
North Roof Replacement	CSCW2201	2		16,000				16,000
South Roof Replacement	CSCW2301	2	55,000					55,000
Red Rubber Flooring Replacement	CSCW2302	2	25,000					25,000
Misc CSC CIP	CSCW2400	n/a		4,000				4,000
Misc CSC CIP	CSCW2500	n/a			4,000			4,000
Misc CSC CIP	CSCW2600	n/a				4,000		4,000
Misc CSC CIP	CSCW2700	n/a					4,000	4,000
City Project - Paradise Park	WATR2313	2	85,000					85,000
Replace Truck 61	WWCO2701	3					30,000	30,000
Rplcmt Fund-Water share/business Total			191,790	34,690	11,040	4,000	34,000	275,520

Rplcmt Fund-WWC Infrastructure

WTP Aerator Media	WATR2208	3			12,000			12,000
Replace Fiber (SH to City Hall)	WATR2309	2	7,500					7,500
Mains and Services	WWCO1804	4	15,000	15,000	15,000			45,000
Manhole Replacements	WWCO1805	2	20,000	75,000	75,000	25,000	25,000	220,000
City Project - NW Street Reconstruction	WWCO1904	2			114,600			114,600
City Project - 5th Ave NE (Hwy2 to 5th St. NE)	WWCO2001	2				66,435		66,435
City Project - 3rd Av.NE (4-8th) 7th st (3rd -5th)	WWCO2002	2		25,000				25,000
City Project - 11th Ave NE (5-7th St NE)	WWCO2003	2				115,000		115,000

Source	Project #	Priority	2023	2024	2025	2026	2027	Item 12.
Lift Station Pumps	WWCO2005	1	35,000	35,000	38,000	40,000	40,000	188,000
City Project - Ha-Car SE Neighborhood, Phase 1	WWCO2021	2				250,000		250,000
DeltaV Secondary for Clinic Lift plus alarm agent	WWCO2103	2	20,000					20,000
City Project - 6th Street NE (2 - 5th Ave)	WWCO2201	2		110,067				110,067
City Wide Overlays-Rural	WWCO2202	2		60,000				60,000
Lift Station 13 Controls Update	WWCO2203	1			26,500			26,500
Lift Station 2 - Generator and switch	WWCO2207	3	36,490					36,490
Lift Station 3 - Generator and switch	WWCO2208	3	32,825					32,825
City Project - 6th Ave NW (4th-5th)	WWCO2302	2	52,000					52,000
Jetting Camera	WWCO2303	3	60,000					60,000
Lift Station 2 Pump	WWCO2305	1	25,000					25,000
Lift Station 6 I/I Repairs	WWCO2307	1	35,000					35,000
Lift Station 2 Flow Meter	WWCO2309	2	8,000					8,000
City Project - River Road Roundabout	WWCO2312	1	210,959					210,959
Rebuild Domestic Screen	WWDO1801	2	150,000					150,000
Rebuild Blower Number 3	WWSP1702	2		35,136				35,136
B1 Pond Dredging	WWSP1802	2			13,176			13,176
Secondary Aeration Basin Mixer Repairs	WWSP1804	2	46,116					46,116
Rplcmt Fund-WWC Infrastructure Total			753,890	355,203	294,276	496,435	65,000	1,964,804

Rplcmt Fund-WWC share/business

Personal Computer Replacements	CITE2302	3	400					400
Mobile Computers	CITE2303	4	1,000					1,000
Server Upgrades	CITE2304	2	9,750					9,750
Software Upgrades	CITE2308	2	1,100					1,100
Miscellaneous Computer Hardware	CITE2309	4	220					220
Personal Computer Replacements	CITE2402	3		400				400
Mobile Computers	CITE2403	4		1,000				1,000
Server Upgrades	CITE2404	3		7,150				7,150
Software Upgrades	CITE2408	2		1,100				1,100
Miscellaneous Computer Hardware	CITE2409	4		220				220
Personal Computer Replacements	CITE2502	3			400			400
Mobile Computers	CITE2503	4			1,000			1,000
Network Switch Upgrades	CITE2506	3			1,320			1,320
Computer Backup Hardware	CITE2507	1			880			880
Software Upgrades	CITE2508	2			1,100			1,100
Miscellaneous Computer Hardware	CITE2509	4			220			220
South Gate Replacement	CSCW2022	2	3,000					3,000
Building Security Upgrade	CSCW2102	3	4,950					4,950
Building Landscaping	CSCW2103	4	2,100					2,100
North Roof Replacement	CSCW2201	2		12,000				12,000
South Roof Replacement	CSCW2301	2	41,250					41,250
Red Rubber Flooring Replacement	CSCW2302	2	18,750					18,750
Misc CSC CIP	CSCW2400	n/a		3,000				3,000
Misc CSC CIP	CSCW2500	n/a			3,000			3,000
Misc CSC CIP	CSCW2600	n/a				3,000		3,000
Misc CSC CIP	CSCW2700	n/a					3,000	3,000
Replace Truck 61	WWCO2701	3					30,000	30,000
Bleach Tank Repair/Replacement	WWSP2302	1	13,176					13,176
Rplcmt Fund-WWC share/business Total			95,696	24,870	7,920	3,000	33,000	164,486

Source	Project #	Priority	2023	2024	2025	2026	2027	Item 12.
GRAND TOTAL			11,736,835	6,066,625	3,631,170	4,856,210	3,250,212	29,541,052

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2301
Project Name Distribution System Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$40,000

Description

New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification

Account designated for the GRPUC share of new or upgraded services.
 Cost to GRPU:
 40 residential or commercial services per year x \$1000 service allowance = \$40,000
 Revenue, amount over \$950 paid by customer, 10.451.0000: (15 services)x(\$1800 ea) = \$27,000 for residential. (6 commercial services)x(\$11,000 ea) = \$66,000

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	40,000					40,000
Total	40,000					40,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	40,000					40,000
Total	40,000					40,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2302
Project Name Distribution System Dual Fuel Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$2,560

Description

New dual fuel services. GRPU's share of a new dual fuel service used for the load management system.

Justification

Account designated for the GRPUC share of new dual fuel services.
 10 switches,
 One hour labor each: $\$41 \times 10 = \410
 $\$200$ parts each: $\$200 \times 10 = \2000
 Vehicle usage: $\$15 \times 10 = \150

Expenditures	2023	2024	2025	2026	2027	Total
Labor	410					410
Inventory	2,000					2,000
Vehicle Usage	150					150
Total	2,560					2,560

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	2,560					2,560
Total	2,560					2,560

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2303
Project Name Distribution System Security Lighting

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$13,880

Description

Replacement costs of existing LED security light fixtures due to failures. Additional cost due to new customer requested lights.

Justification

Failure of existing security lights, addition lights on system due to customer requests.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	10,000					10,000
Labor	3,880					3,880
Total	13,880					13,880

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	13,996					13,996
Total	13,996					13,996

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Project # ELEC2304
Project Name Overhead power line replacements and repairs

Total Project Cost: \$60,000

Description

Overhead power line replacements and repairs.

Justification

Fund used for overhead power line replacements as designated by staff over the year. Used for smaller projects such as power pole replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	9,000					9,000
Labor	36,000					36,000
Inventory	15,000					15,000
Total	60,000					60,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	60,000					60,000
Total	60,000					60,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2305
Project Name Underground power line replacements and repairs

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$30,000

Description
 Underground power line replacements and repairs

Justification
 Fund used for underground power line replacements as designated by staff over the year. Used for smaller projects such as underground cable replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	4,500					4,500
Labor	18,000					18,000
Inventory	7,500					7,500
Total	30,000					30,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	30,000					30,000
Total	30,000					30,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2306
Project Name Distribution System Transformers

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$150,000

Description

Transformer purchase.

Justification

Purchase of replacement and new transformers allocated for new and upgraded services, failures, and service life replacements.

Expenditures	2023	2024	2025	2026	2027	Total
Inventory	150,000					150,000
Total	150,000					150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	150,000					150,000
Total	150,000					150,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2307
Project Name Purchase of electric AMI meters

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$25,000

Description
 Purchase of electric AMI meters

Justification
 Replacement of malfunctioning meters, new electric service metes.
 2S Disconnect meters: \$180.00 x 100 = \$18000.00
 9S Electric Meters: \$525.00 x 10 = \$5250.00
 Add other as needed: \$1750.00

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	25,000					25,000
Total	25,000					25,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	25,000					25,000
Total	25,000					25,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Project # ELEC2311
Project Name Inspect and replace power poles

Total Project Cost: \$50,000

Description
 Inspect and replace power poles

Justification
 Replace aging power poles prior to catastrophic failure. Damage and weakening of power poles caused by insect and fungal damage. Approximately \$1500.00 per pole including pole, inventory, and labor. All GRPU labor.

Expenditures	2023	2024	2025	2026	2027	Total
Labor	30,000					30,000
Inventory	20,000					20,000
Total	50,000					50,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	50,000					50,000
Total	50,000					50,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2312
Project Name Convert 7200 volt systems to 23 kV

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$100,000

Description

Convert 7200 volt systems to 23 kV system.

Justification

Reduces reliance on step down transformers, reduces requirement to keep 7200 volt distribution transformers in stock.

Expenditures	2023	2024	2025	2026	2027	Total
Labor	60,000					60,000
Inventory	30,000					30,000
Vehicle Usage	10,000					10,000
Total	100,000					100,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	100,000					100,000
Total	100,000					100,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2314
Project Name Electric System Reliability Upgrades

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$100,000

Description

Increase reliability of electric distribution system

Justification

Additional switches and infrastructure needs to increase reliability of electric system.
 Labor: (\$41) x (970 hrs) = \$39,770
 Inventory: \$39,600
 Contractor Labor: \$10,000
 Overhead/surveying/easements: \$2000
 Vehicle Usage: (400 hrs) x (\$15/hr) = \$6000

Expenditures	2023	2024	2025	2026	2027	Total
Labor	40,800					40,800
Contractor Labor	10,400					10,400
Outside Services	2,000					2,000
Inventory	40,800					40,800
Vehicle Usage	6,000					6,000
Total	100,000					100,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	100,000					100,000
Total	100,000					100,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2315
Project Name Crystal Springs Conversion

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$146,000

Description
 Convert Crystal Springs single phase overhead distribution to underground from existing step down transformer to end of Stony Point Road.

Justification
 Reduce outages caused by trees and squirrels on overhead electric distribution system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	54,500					54,500
Labor	46,500					46,500
Contractor Labor	45,000					45,000
Total	146,000					146,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	146,000					146,000
Total	146,000					146,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2316
Project Name Maple Street Conversion

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$29,000

Description
 Convert Maple Street from overhead to underground

Justification
 Inaccessible backyard overhead lines, reduced reliability due to trees and squirrels.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	13,000					13,000
Labor	7,000					7,000
Contractor Labor	9,000					9,000
Total	29,000					29,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	29,000					29,000
Total	29,000					29,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2317
Project Name SW 1st Ave Conversion

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$30,000

Description
 Convert alley between SW 1st Ave and SW 2nd Ave north of SW 4th St from overhead to underground.

Justification
 Significant outages on overhead line due to squirrels and trees.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	13,000					13,000
Labor	8,000					8,000
Contractor Labor	9,000					9,000
Total	30,000					30,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	30,000					30,000
Total	30,000					30,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2318
Project Name Backyard Machine

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 20
Category Vehicles
Priority 02 - Significant Need
Status Active

Total Project Cost: \$90,000

Description

Purchase backyard track vehicle

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	90,000					90,000
Total	90,000					90,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	90,000					90,000
Total	90,000					90,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	200,000					200,000
Total	200,000					200,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2401
Project Name Distribution System Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$40,000

Description

New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification

Account designated for the GRPUC share of new or upgraded services.
 Cost to GRPU:
 40 residential or commercial services per year x \$1000 service allowance = \$40,000
 Revenue, amount over \$950 paid by customer, 10.451.0000: (15 services)x(\$1800 ea) = \$27,000 for residential. (6 commercial services)x(\$11,000 ea) = \$66,000

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		40,000				40,000
Total		40,000				40,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		40,000				40,000
Total		40,000				40,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2402
Project Name Distribution System Dual Fuel Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$2,637

Description

New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification

Account designated for the GRPUC share of new or upgraded services.
 Cost to GRPU:
 40 residential or commercial services per year x \$1000 service allowance = \$40,000
 Revenue, amount over \$950 paid by customer, 10.451.0000: (15 services)x(\$1800 ea) = \$27,000 for residential. (6 commercial services)x(\$11,000 ea) = \$66,000

Expenditures	2023	2024	2025	2026	2027	Total
Labor		422				422
Inventory		2,060				2,060
Vehicle Usage		155				155
Total		2,637				2,637

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		2,637				2,637
Total		2,637				2,637

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2403
Project Name Distribution System Security Lighting

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$14,296

Description

Replacement costs of existing LED security light fixtures due to failures. Additional cost due to new customer requested lights.

Justification

Failure of existing security lights, addition lights on system due to customer requests.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		10,300				10,300
Labor		3,996				3,996
Total		14,296				14,296

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		14,296				14,296
Total		14,296				14,296

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Project # ELEC2404
Project Name Overhead power line replacements and repairs

Total Project Cost: \$61,800

Description
 Overhead power line replacements and repairs

Justification
 Fund used for overhead power line replacements as designated by staff over the year. Used for smaller projects such as power pole replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		9,270				9,270
Labor		37,080				37,080
Inventory		15,450				15,450
Total		61,800				61,800

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		61,800				61,800
Total		61,800				61,800

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2405
Project Name Underground power line replacements and repairs

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$30,900

Description

Underground power line replacements and repairs

Justification

Fund used for underground power line replacements as designated by staff over the year. Used for smaller projects such as underground cable replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		4,635				4,635
Labor		18,540				18,540
Inventory		7,725				7,725
Total		30,900				30,900

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		30,000				30,000
Total		30,000				30,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2406
Project Name Distribution System Transformers

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$150,000

Description

Transformer purchase.

Justification

Purchase of replacement and new transformers allocated for new and upgraded services, failures, and service life replacements.

Expenditures	2023	2024	2025	2026	2027	Total
Inventory		150,000				150,000
Total		150,000				150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		150,000				150,000
Total		150,000				150,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2407
Project Name Purchase of electric AMI meters

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$25,750

Description
 Purchase of electric AMI meters

Justification
 Replacement of malfunctioning meters, new electric service metes.
 2S Disconnect meters: \$180.00 x 100 = \$18000.00
 9S Electric Meters: \$525.00 x 10 = \$5250.00
 Add other as needed: \$1750.00

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		25,750				25,750
Total		25,750				25,750

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		25,750				25,750
Total		25,750				25,750

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2410
Project Name Replace Truck 84

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 20
Category Vehicles
Priority 01 - Required
Status Active

Total Project Cost: \$35,000

Description
 Replace primary meter technician vehicle.

Justification
 Aging vehicles require higher maintenance and no longer can be serviced.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		35,000				35,000
Total		35,000				35,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		35,000				35,000
Total		35,000				35,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2411
Project Name Inspect and replace power poles

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$51,500

Description
 Inspect and replace power poles

Justification
 Replace aging power poles prior to catastrophic failure. Damage and weakening of power poles caused by insect and fungal damage.

Expenditures	2023	2024	2025	2026	2027	Total
Labor		30,900				30,900
Inventory		20,600				20,600
Total		51,500				51,500

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		51,500				51,500
Total		51,500				51,500

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2412
Project Name Convert 7200 volt systems to 23 kV

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$50,000

Description

Convert 7200 volt systems to 23 kV system.

Justification

Reduces reliance on step down transformers, reduces requirement to keep 7200 volt distribution transformers in stock.

Expenditures	2023	2024	2025	2026	2027	Total
Labor		20,000				20,000
Inventory		30,000				30,000
Total		50,000				50,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		50,000				50,000
Total		50,000				50,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2413
Project Name Replace Truck 63

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 20
Category Vehicles
Priority 02 - Significant Need
Status Active

Total Project Cost: \$200,000

Description
 Replace Truck 63, large bucket truck.

Justification
 This large daily use bucket truck will be reaching its end of use.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		200,000				200,000
Total		200,000				200,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		200,000				200,000
Total		200,000				200,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	200,000					200,000
Total	200,000					200,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2414
Project Name Electric System Reliability Upgrades

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$100,000

Description
 Increase reliability of electric distribution system

Justification
 Additional switches and infrastructure needs to increase reliability of electric system.
 Labor: (\$41) x (970 hrs) = \$39,770
 Inventory: \$39,600
 Contractor Labor: \$10,000
 Overhead/surveying/easements: \$2000
 Vehicle Usage: (400 hrs) x (\$15/hr) = \$6000

Expenditures	2023	2024	2025	2026	2027	Total
Labor		40,800				40,800
Contractor Labor		10,400				10,400
Outside Services		2,000				2,000
Inventory		40,800				40,800
Vehicle Usage		6,000				6,000
Total		100,000				100,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		100,000				100,000
Total		100,000				100,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2415
Project Name Crystal Springs Conversion

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$110,000

Description
 Convert Crystal Springs single phase overhead distribution to underground from existing step down transformer to end of Stony Point Road.

Justification
 Reduce outages caused by trees and squirrels on overhead electric distribution system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		45,000				45,000
Labor		30,000				30,000
Contractor Labor		35,000				35,000
Total		110,000				110,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure		110,000				110,000
Total		110,000				110,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2501
Project Name Distribution System Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$40,000

Description

New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification

Account designated for the GRPUC share of new or upgraded services.
 Cost to GRPU:
 40 residential or commercial services per year x \$1000 service allowance = \$40,000
 Revenue, amount over \$950 paid by customer, 10.451.0000: (15 services)x(\$1800 ea) = \$27,000 for residential. (6 commercial services)x(\$11,000 ea) = \$66,000

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			40,000			40,000
Total			40,000			40,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			40,000			40,000
Total			40,000			40,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2502
Project Name Distribution System Dual Fuel Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$2,716

Description

New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification

Account designated for the GRPUC share of new dual fuel services.
 10 switches,
 One hour labor each: \$41x10=\$410
 \$200 parts each: \$200x10) = \$2000
 Vehicle usage: \$15x10=\$150

Expenditures	2023	2024	2025	2026	2027	Total
Labor			435			435
Inventory			2,122			2,122
Vehicle Usage			159			159
Total			2,716			2,716

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			2,716			2,716
Total			2,716			2,716

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2503
Project Name Distribution System Security Lighting

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$14,725

Description

Replacement costs of existing LED security light fixtures due to failures. Additional cost due to new customer requested lights.

Justification

Failure of existing security lights, addition lights on system due to customer requests.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			10,609			10,609
Labor			4,116			4,116
Total			14,725			14,725

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			14,725			14,725
Total			14,725			14,725

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2504
Project Name Overhead power line replacements and repairs

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$63,654

Description
 Overhead power line replacements and repairs

Justification
 Fund used for overhead power line replacements as designated by staff over the year. Used for smaller projects such as power pole replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			9,548			9,548
Labor			38,192			38,192
Inventory			15,914			15,914
Total			63,654			63,654

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			63,654			63,654
Total			63,654			63,654

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2505
Project Name Underground power line replacements and repairs

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$31,827

Description
 Underground power line replacements and repairs

Justification
 Fund used for underground power line replacements as designated by staff over the year. Used for smaller projects such as underground cable replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			4,774			4,774
Labor			19,096			19,096
Inventory			7,957			7,957
Total			31,827			31,827

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			31,827			31,827
Total			31,827			31,827

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2506
Project Name Distribution System Transformers

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$150,000

Description
 Transformer purchase.

Justification
 Purchase of replacement and new transformers allocated for new and upgraded services, failures, and service life replacements.

Expenditures	2023	2024	2025	2026	2027	Total
Inventory			150,000			150,000
Total			150,000			150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			150,000			150,000
Total			150,000			150,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2507
Project Name Purchase of electric AMI meters

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$26,523

Description
 Purchase of electric AMI meters

Justification
 Replacement of malfunctioning meters, new electric service metes.
 2S Disconnect meters: \$180.00 x 100 = \$18000.00
 9S Electric Meters: \$525.00 x 10 = \$5250.00
 Add other as needed: \$1750.00

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			26,523			26,523
Total			26,523			26,523

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			26,523			26,523
Total			26,523			26,523

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2510
Project Name Convert SW Grand Rapids to Underground

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$200,000

Description
 Convert SW Grand Rapids to underground

Justification
 Reduce outages caused by trees and squirrels on overhead electric distribution system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			80,000			80,000
Labor			60,000			60,000
Contractor Labor			60,000			60,000
Total			200,000			200,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			200,000			200,000
Total			200,000			200,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2511
Project Name Inspect and replace power poles

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$53,045

Description
 Inspect and replace power poles

Justification
 Replace aging power poles prior to catastrophic failure. Damage and weakening of power poles caused by insect and fungal damage.

Expenditures	2023	2024	2025	2026	2027	Total
Labor			31,827			31,827
Inventory			21,218			21,218
Total			53,045			53,045

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			53,045			53,045
Total			53,045			53,045

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2512
Project Name Convert 7200 volt systems to 23 Kv

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$100,000

Description

Convert 7200 volt systems to 23 kV system.

Justification

Reduces reliance on step down transformers, reduces requirement to keep 7200 volt distribution transformers in stock.

Expenditures	2023	2024	2025	2026	2027	Total
Labor			40,000			40,000
Inventory			60,000			60,000
Total			100,000			100,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			100,000			100,000
Total			100,000			100,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Project # ELEC2513
Project Name Overhead to Underground Conversions

Total Project Cost: \$200,000

Description

Convert overhead distribution systems to underground.

Justification

Reduce outages caused by trees and squirrels on overhead electric distribution system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			80,000			80,000
Labor			60,000			60,000
Contractor Labor			60,000			60,000
Total			200,000			200,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure			200,000			200,000
Total			200,000			200,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2601
Project Name Distribution System Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$40,000

Description

New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification

Account designated for the GRPUC share of new or upgraded services.
 Cost to GRPU:
 40 residential or commercial services per year x \$1000 service allowance = \$40,000
 Revenue, amount over \$950 paid by customer, 10.451.0000: (15 services)x(\$1800 ea) = \$27,000 for residential. (6 commercial services)x(\$11,000 ea) = \$66,000

Expenditures	2023	2024	2025	2026	2027	Total
Purchases				40,000		40,000
Total				40,000		40,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				40,000		40,000
Total				40,000		40,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2602
Project Name Distribution System Dual Fuel Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$2,797

Description

New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification

Account designated for the GRPUC share of new or upgraded services.
 Cost to GRPU:
 40 residential or commercial services per year x \$1000 service allowance = \$40,000
 Revenue, amount over \$950 paid by customer, 10.451.0000: (15 services)x(\$1800 ea) = \$27,000 for residential. (6 commercial services)x(\$11,000 ea) = \$66,000

Expenditures	2023	2024	2025	2026	2027	Total
Labor				448		448
Inventory				2,185		2,185
Vehicle Usage				164		164
Total				2,797		2,797

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				2,797		2,797
Total				2,797		2,797

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2603
Project Name Distribution System Security Lighting

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$15,167

Description

Replacement costs of existing LED security light fixtures due to failures. Additional cost due to new customer requested lights.

Justification

Failure of existing security lights, addition lights on system due to customer requests.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases				10,927		10,927
Labor				4,240		4,240
Total				15,167		15,167

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				15,167		15,167
Total				15,167		15,167

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2604
Project Name Overhead power line replacements and repairs

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$65,564

Description
 Overhead power line replacements and repairs

Justification
 Fund used for overhead power line replacements as designated by staff over the year. Used for smaller projects such as power pole replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases				9,835		9,835
Labor				39,338		39,338
Inventory				16,391		16,391
Total				65,564		65,564

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				65,564		65,564
Total				65,564		65,564

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2605
Project Name Underground power line replacements and repairs

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$32,781

Description

Underground power line replacements and repairs

Justification

Fund used for underground power line replacements as designated by staff over the year. Used for smaller projects such as underground cable replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases				4,917		4,917
Labor				19,669		19,669
Inventory				8,195		8,195
Total				32,781		32,781

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				32,781		32,781
Total				32,781		32,781

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2606
Project Name Distribution System Transformers

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$150,000

Description

Transformer purchase.

Justification

Purchase of replacement and new transformers allocated for new and upgraded services, failures, and service life replacements.

Expenditures	2023	2024	2025	2026	2027	Total
Inventory				150,000		150,000
Total				150,000		150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				150,000		150,000
Total				150,000		150,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2607
Project Name Purchase of electric AMI meters

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$27,318

Description
 Purchase of electric AMI meters

Justification
 Replacement of malfunctioning meters, new electric service metes.
 2S Disconnect meters: \$180.00 x 100 = \$18000.00
 9S Electric Meters: \$525.00 x 10 = \$5250.00
 Add other as needed: \$1750.00

Expenditures	2023	2024	2025	2026	2027	Total
Purchases				27,318		27,318
Total				27,318		27,318

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				27,318		27,318
Total				27,318		27,318

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2610
Project Name Convert SW Grand Rapids to Underground

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$200,000

Description
 Convert SW Grand Rapids to underground

Justification
 Reduce outages caused by trees and squirrels on overhead electric distribution system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases				80,000		80,000
Labor				60,000		60,000
Contractor Labor				60,000		60,000
Total				200,000		200,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				200,000		200,000
Total				200,000		200,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2611
Project Name Inspect and replace power poles

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$54,637

Description
 Inspect and replace power poles

Justification
 Replace aging power poles prior to catastrophic failure. Damage and weakening of power poles caused by insect and fungal damage.

Expenditures	2023	2024	2025	2026	2027	Total
Labor				32,782		32,782
Inventory				21,855		21,855
Total				54,637		54,637

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				54,637		54,637
Total				54,637		54,637

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2612
Project Name Convert 7200 volt systems to 23 Kv

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$100,000

Description
 Convert 7200 volt systems to 23 kV system.

Justification
 Reduces reliance on step down transformers, reduces requirement to keep 7200 volt distribution transformers in stock.

Expenditures	2023	2024	2025	2026	2027	Total
Labor				40,000		40,000
Inventory				60,000		60,000
Total				100,000		100,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				100,000		100,000
Total				100,000		100,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2613
Project Name Overhead to Underground Conversions

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$200,000

Description
 Convert overhead distribution systems to underground.

Justification
 Reduce outages caused by trees and squirrels on overhead electric distribution system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases				80,000		80,000
Labor				60,000		60,000
Contractor Labor				60,000		60,000
Total				200,000		200,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure				200,000		200,000
Total				200,000		200,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2701
Project Name Distribution System Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$40,000

Description

New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification

Account designated for the GRPUC share of new or upgraded services.
 Cost to GRPU:
 40 residential or commercial services per year x \$1000 service allowance = \$40,000
 Revenue, amount over \$950 paid by customer, 10.451.0000: (15 services)x(\$1800 ea) = \$27,000 for residential. (6 commercial services)x(\$11,000 ea) = \$66,000

Expenditures	2023	2024	2025	2026	2027	Total
Purchases					40,000	40,000
Total					40,000	40,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					40,000	40,000
Total					40,000	40,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2702
Project Name Distribution System Dual Fuel Services

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Description **Total Project Cost:** \$2,881
 New or upgraded electrical services. Customer receives \$1000 service allowance per service. Estimated 40 services per year.

Justification
 Account designated for the GRPUC share of new or upgraded services.
 Cost to GRPU:
 40 residential or commercial services per year x \$1000 service allowance = \$40,000
 Revenue, amount over \$950 paid by customer, 10.451.0000: (15 services)x(\$1800 ea) = \$27,000 for residential. (6 commercial services)x(\$11,000 ea) = \$66,000

Expenditures	2023	2024	2025	2026	2027	Total
Labor					461	461
Inventory					2,251	2,251
Vehicle Usage					169	169
Total					2,881	2,881

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					2,881	2,881
Total					2,881	2,881

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2703
Project Name Distribution System Security Lighting

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$15,622

Description
 Replacement costs of existing LED security light fixtures due to failures. Additional cost due to new customer requested lights.

Justification
 Failure of existing security lights, addition lights on system due to customer requests.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases					11,255	11,255
Labor					4,367	4,367
Total					15,622	15,622

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					15,622	15,622
Total					15,622	15,622

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2704
Project Name Overhead power line replacements and repairs

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$67,531

Description
 Overhead power line replacements and repairs

Justification
 Fund used for overhead power line replacements as designated by staff over the year. Used for smaller projects such as power pole replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases					10,130	10,130
Labor					40,518	40,518
Inventory					16,883	16,883
Total					67,531	67,531

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					67,531	67,531
Total					67,531	67,531

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2705
Project Name Underground power line replacements and repairs

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$33,765

Description

Underground power line replacements and repairs

Justification

Fund used for underground power line replacements as designated by staff over the year. Used for smaller projects such as underground cable replacements, replacing smaller infrastructure as needed.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases					5,065	5,065
Labor					20,259	20,259
Inventory					8,441	8,441
Total					33,765	33,765

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					33,765	33,765
Total					33,765	33,765

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2706
Project Name Distribution System Transformers

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$150,000

Description

Transformer purchase.

Justification

Purchase of replacement and new transformers allocated for new and upgraded services, failures, and service life replacements.

Expenditures	2023	2024	2025	2026	2027	Total
Inventory					150,000	150,000
Total					150,000	150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					150,000	150,000
Total					150,000	150,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2707
Project Name Purchase of electric AMI meters

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$28,138

Description
 Purchase of electric AMI meters

Justification
 Replacement of malfunctioning meters, new electric service metes.
 2S Disconnect meters: \$180.00 x 100 = \$18000.00
 9S Electric Meters: \$525.00 x 10 = \$5250.00
 Add other as needed: \$1750.00

Expenditures	2023	2024	2025	2026	2027	Total
Purchases					28,138	28,138
Total					28,138	28,138

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					28,138	28,138
Total					28,138	28,138

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2711
Project Name Inspect and replace power poles

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 50
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$56,275

Description

Inspect and replace power poles

Justification

Replace aging power poles prior to catastrophic failure. Damage and weakening of power poles caused by insect and fungal damage.

Expenditures	2023	2024	2025	2026	2027	Total
Labor					33,765	33,765
Inventory					22,510	22,510
Total					56,275	56,275

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					56,275	56,275
Total					56,275	56,275

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2712
Project Name Convert 7200 volt systems to 23 Kv

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$100,000

Description
 Convert 7200 volt systems to 23 kV system.

Justification
 Reduces reliance on step down transformers, reduces requirement to keep 7200 volt distribution transformers in stock.

Expenditures	2023	2024	2025	2026	2027	Total
Labor					40,000	40,000
Inventory					60,000	60,000
Total					100,000	100,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					100,000	100,000
Total					100,000	100,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # ELEC2713
Project Name Overhead to Underground Conversions

Department 1-Electric
Contact Jeremy Goodell
Type Unassigned
Useful Life 30
Category Electric System
Priority 01 - Required
Status Active

Total Project Cost: \$400,000

Description
 Convert overhead distribution systems to underground.

Justification
 Reduce outages caused by trees and squirrels on overhead electric distribution system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases					160,000	160,000
Labor					120,000	120,000
Contractor Labor					120,000	120,000
Total					400,000	400,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure					400,000	400,000
Total					400,000	400,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR1903
Project Name City Project- NW Street Reconstruction

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$157,080

Description
 City Project CP 2025/2016-1A
 Water main replacement.
 6th Ave. NW (TH2 - 5th Str.)
 6th Str. NW (Hwy 38-4th Ave.)
 10th Str. NW (Pokegama Ave. to 4th Ave.)
 2nd Ave NW (11th Str. To dead end)
 11th Str.NW (Hwy 38 to 4th Ave.)

Justification
 City of Grand Rapids NW Reconstruction Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor			157,080			157,080
Total			157,080			157,080

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure			157,080			157,080
Total			157,080			157,080

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects			157,080			157,080
Total			157,080			157,080

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR1904
Project Name City Project - 11th St. NE (2nd to 3rd Ave.)

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 25
Category City Construction or Reconstru
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$83,600

Description
 City Project No. 2022/2018-4
 Street Reconstruction

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		83,600				83,600
Total		83,600				83,600

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure		83,600				83,600
Total		83,600				83,600

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		83,600				83,600
Total		83,600				83,600

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2001
Project Name City Project - 5th Ave. NE (TH 2 to 5th St NE)

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category Water System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$35,772

Description
 City Project # 2026/2007-5
 Street Reconstruction
 5th Ave. NE (TH#2 to 5th Str NE)

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				35,772		35,772
Total				35,772		35,772

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure				35,772		35,772
Total				35,772		35,772

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				35,772		35,772
Total				35,772		35,772

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2002
Project Name City Project - 3rd Ave NE (5th-8th) & 7th S. NE

Department 2-Water
Contact
Type Unassigned
Useful Life 50
Category Water System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$235,375

Description
 City Project 2024/2010-1
 3rd Ave. NE Feasibility Report. Water main is 4-inch CIP.
 Watermain Replacement 3rd Ave. NE (5th-8th)

Justification
 City of Grand Rapids
 3rd Ave. Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		235,375				235,375
Total		235,375				235,375

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure		235,375				235,375
Total		235,375				235,375

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		235,375				235,375
Total		235,375				235,375

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2003
Project Name City Project - 11th St NE (2nd- 3rd ave)

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category Water System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$83,600

Description
 City of Grand Rapids project 2024/2018-4

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		83,600				83,600
Total		83,600				83,600

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure		83,600				83,600
Total		83,600				83,600

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		83,600				83,600
Total		83,600				83,600

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2004
Project Name Well 2 Rehabilitation

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 01 - Required
Status Active

Total Project Cost: \$55,000

Description
 Rehabilitation of a well is necessary to restore throughput, clean and sanitize and inspect pump, piping and casing.

Justification
 Well number 2 has not been rehabilitated in ten years.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	55,000					55,000
Total	55,000					55,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	55,000					55,000
Total	55,000					55,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	55,000					55,000
Total	55,000					55,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2005
Project Name High Service Pump Control Improvement

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$152,120

Description
 The clay valves used on the high service pump discharges are beyond their useful life and parts are obsolete. Installing a VFD, swing check valve and an isolation valve will improve and smooth out the performance of the system.

Justification
 Aged clay valves are causing issues with pressure control of the high service pumps and must be replaced.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	20,000					20,000
Labor	40,000					40,000
Total	60,000					60,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	60,000					60,000
Total	60,000					60,000

Budget Impact/Other
 VFD = 22000
 Check Valve = 7600
 Butterfly = 7800
 Piping Parts = 2500.00
 Labor Setup (12 hrs @ \$151) = \$1812
 Labor Install (12 hrs @ \$106) = \$1272
 Labor Electric (120 hrs @ \$80) = \$9600
 Contingency (5%) = \$2500

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	60,000					60,000
Total	60,000					60,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2101
Project Name City Project - Ha-Car Neighborhood SE, Phase 1

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$362,500

Description
 City Project 2025/2021-1
 Street Reconstruction, water and sewer replacement

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor			362,500			362,500
Total			362,500			362,500

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure			362,500			362,500
Total			362,500			362,500

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects			362,500			362,500
Total			362,500			362,500

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category Water System
Priority 01 - Required
Status Active

Project # WATR2107
Project Name Mid-Tower Coating Repairs

Total Project Cost: \$101,000

Description
 All water towers requirement routine inspection and routine repair in order to preserve the asset well into the future.

Justification
 The mid-tower was inspected by KLM engineering and Badger State Inspection. Per both of the reports, there are some areas that will need to be repaired.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	38,000					38,000
Total	38,000					38,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	38,000					38,000
Total	38,000					38,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	38,000					38,000
Total	38,000					38,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category Buildings
Priority 01 - Required
Status Active

Project # WATR2108
Project Name WTP Security

Total Project Cost: \$43,000

Description
 The Environmental Protection Agency risk and resilience assessment addresses security of the water treatment plant and its distribution system. Card access, door locks, cameras, fencing are all key components to improving site security.

Justification
 Section 2013 of America's Water Infrastructure Act of 2018 (AWIA) requires community water systems that serve more than 3,300 people need to complete a risk and resilience assessment and develop an emergency response plan. This is a big part of security of our system. Things identified were card access, improved door locks, alarm, cameras, and fencing.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	43,000					43,000
Total	43,000					43,000

Funding Sources	2023	2024	2025	2026	2027	Total
Grants	43,000					43,000
Total	43,000					43,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	43,000					43,000
Total	43,000					43,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2201
Project Name City Project - 6th Street NE (2nd Ave.-5th Ave.)

Department 2-Water
Contact Dennis Doyle
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$119,239

Description
 City Project 2026/2012-1 Reconstruction. Replace water main. The old main consist of 4-inch CIP.

Justification
 Installed some time between 1900 and 1940. City of Grand Rapids Feasibility Report.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				119,239		119,239
Total				119,239		119,239

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure				119,239		119,239
Total				119,239		119,239

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				119,239		119,239
Total				119,239		119,239

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2203
Project Name Hydrant Meters

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category Water System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$17,160

Description
 Hydrant meters are an essential part of the customers requests to be able to access bulk water. New water hydrant meters are necessary to be able to monitor water usage and also to utilize the AMI system.

Justification
 New metes will allow us to hook up a node to the hydrant meter to be able to capture data immediately versus seasonally. This will allow us to have a better handle on usage.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	8,700					8,700
Total	8,700					8,700

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	8,700					8,700
Total	8,700					8,700

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	8,700					8,700
Total	8,700					8,700

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2204
Project Name WTP Flow Meters

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category Water System
Priority 02 - Significant Need
Status Active

Description **Total Project Cost: \$30,000**
 The influent and effluent flow need to be accurate in order for us to be able to complete an accurate water balance and reduce unaccounted flow.

Justification
 The WTP influent and effluent flow meters are decades old and parts have become obsolete.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	24,000					24,000
Labor	6,000					6,000
Total	30,000					30,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	30,000					30,000
Total	30,000					30,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	30,000					30,000
Total	30,000					30,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2205
Project Name WTP Sludge Pump

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$11,000

Description

WTP Sludge pump necessary to get rid of the remaining waste from the water production process.

Justification

This pump is 33 years old and past its useful life and is an important part of the water treatment process. A modernized pump will help ensure good water treatment at the facility.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	8,500					8,500
Labor	2,500					2,500
Total	11,000					11,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	11,000					11,000
Total	11,000					11,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	11,000					11,000
Total	11,000					11,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2206
Project Name WTP Sewage Ejector System

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$35,000

Description
 WTP Sewage ejector system allows the WTP to pump wastewater into the collection system.

Justification
 The 33 year old galvanized tank is leaking and rotting away. The two pumps are of the same condition and barely holding on.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	15,000					15,000
Labor	5,000					5,000
Total	20,000					20,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	20,000					20,000
Total	20,000					20,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	20,000					20,000
Total	20,000					20,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 03 - Moderate Need
Status Active

Project # WATR2207
Project Name WTP Turbidity Meters

Total Project Cost: \$60,000

Description

WTP turbidity meters are an essential part of good quality water. They tell the operators when it is time to backwash the filters. The current ones are decades old and do not have spare parts for repair.

Justification

The current WTP turbidity meters are obsolete and spare parts do no exist.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	27,000					27,000
Labor	3,000					3,000
Total	30,000					30,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	30,000					30,000
Total	30,000					30,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	30,000					30,000
Total	30,000					30,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2208
Project Name WTP Aerator Media

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$24,000

Description

Aerator Media is a plastic ball, that looks similar to a child's wiffle ball. These are a very necessary component in the aerator that allows fresh air to strip hydrogen sulfide and other gasses from the fresh well water. WTP aerator media needs to be cleaned and replaced on a regular basis.

Justification

Having the media on hand will allow the WTP operators to clean the existing media over time rather than paying overtime to clean and install back into the aerator immediately.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	10,000		10,000			20,000
Labor	2,000		2,000			4,000
Total	12,000		12,000			24,000

Funding Sources	2023	2024	2025	2026	2027	Total
Grants	12,000					12,000
Rplcmt Fund-WWC Infrastructure			12,000			12,000
Total	12,000		12,000			24,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	12,000		12,000			24,000
Total	12,000		12,000			24,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2209
Project Name Fire Hydrant Repairs

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 02 - Significant Need
Status Active

Description **Total Project Cost: \$194,000**
 Annual hydrant flushing allows us to not only clean out the distribution system but also monitor the performance and functionality of the hydrants.

Justification
 Many hydrants need maintenance based on the inspection/use from hydrant flushing, and other annual inspections.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	35,000	25,000	20,000	20,000	20,000	120,000
Total	35,000	25,000	20,000	20,000	20,000	120,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	35,000	25,000	20,000	20,000	20,000	120,000
Total	35,000	25,000	20,000	20,000	20,000	120,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	35,000	25,000	20,000	20,000	20,000	120,000
Total	35,000	25,000	20,000	20,000	20,000	120,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2211
Project Name WTP Communication with Wells

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category Water System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$15,000

Description
 The radio communication system between the WTP and remote wells is a critical communication link and must be working in order to supply the plant with water.

Justification
 The communication system between the remote wells and the WTP fails 3-4 times weekly causing water supply challenges. A new updated communication system will help the reliability of the water production process.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	15,000					15,000
Total	15,000					15,000

Funding Sources	2023	2024	2025	2026	2027	Total
Grants	15,000					15,000
Total	15,000					15,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	15,000					15,000
Total	15,000					15,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2212
Project Name WTP Main Valve

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 25
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$22,500

Description

The main valve is used to isolate the WTP from the wells. This valve is 33 years old and past its useful life.

Justification

This valve is showing considerable wear and is past its useful life. In order to provide service well into the future it should be strategically replaced.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	20,000					20,000
Labor	2,500					2,500
Total	22,500					22,500

Funding Sources	2023	2024	2025	2026	2027	Total
Grants	22,500					22,500
Total	22,500					22,500

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	22,500					22,500
Total	22,500					22,500

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2213
Project Name Water Plant Renovation

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$4,943,400

Description

The Water Plant has reached the end of its useful life. A major renovation is needed to update all the critical equipment.

Justification

In order to meet the future supply needs of the growing community, a major renovation is necessary.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	4,943,400					4,943,400
Total	4,943,400					4,943,400

Funding Sources	2023	2024	2025	2026	2027	Total
Debt	2,443,400					2,443,400
Grants	2,500,000					2,500,000
Total	4,943,400					4,943,400

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	4,943,400					4,943,400
Total	4,943,400					4,943,400

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2301
Project Name City Project - 6th Ave NW (4th to 5th st)

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$81,000

Description
 City of Grand Rapids project 2026/2016-1 Street repair and water main replacement.

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				81,000		81,000
Total				81,000		81,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure				81,000		81,000
Total				81,000		81,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				81,000		81,000
Total				81,000		81,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2302
Project Name Booster Station Panel View

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$30,000

Description
 The booster station ensures that water gets to the south tower to provide water to the south part of town and the high-pressure dsitric. A PLC is used to help esnure that this happens.

Justification
 The PLC for the booster station is obsolete. This is a critical piece of equipment for water distribution.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	30,000					30,000
Total	30,000					30,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	30,000					30,000
Total	30,000					30,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	30,000					30,000
Total	30,000					30,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2304
Project Name WTP Valve Updates

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$100,000

Description

The WTP is full of valves for every unit operation within it. The majority of these valves have been in place since the WTP was started 33 years ago.

Justification

WTP Valves have reached the end of their useful life.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	18,000	18,000	18,000	18,000	18,000	90,000
Labor	2,000	2,000	2,000	2,000	2,000	10,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	20,000	20,000	20,000	20,000	20,000	100,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	20,000	20,000	20,000	20,000	20,000	100,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2305
Project Name Curb Stop Replacements

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$700,000

Description

There are countless curbstops throughout the distribution system that require significant maintenance.

Justification

Maintainence of the dstribution system is necessary to ensure quality control and good customer service.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	100,000	150,000	150,000	150,000	150,000	700,000
Total	100,000	150,000	150,000	150,000	150,000	700,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	100,000	150,000	150,000	150,000	150,000	700,000
Total	100,000	150,000	150,000	150,000	150,000	700,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	100,000	150,000	150,000	150,000	150,000	700,000
Total	100,000	150,000	150,000	150,000	150,000	700,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2306
Project Name City Project - City Wide Overlays- Sylvan

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$1,712,000

Description
 City Project 2023/2015-1

Justification
 City of Grand Rapids Feasibility Report. Assets/infrastructure are well beyond useful life.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	1,202,000	510,000				1,712,000
Total	1,202,000	510,000				1,712,000

Funding Sources	2023	2024	2025	2026	2027	Total
Debt	1,202,000	510,000				1,712,000
Total	1,202,000	510,000				1,712,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	1,202,000	510,000				1,712,000
Total	1,202,000	510,000				1,712,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 02 - Significant Need
Status Active

Project # WATR2307
Project Name WTP Backwash Valve

Total Project Cost: \$5,000

Description

Backwash valves are a critical piece of water quality. These valves are used when the filter is no longer working properly and needs to be cleaned.

Justification

The backwash valves are of age and starting to fail to operate per design.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	5,000					5,000
Total	5,000					5,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	5,000					5,000
Total	5,000					5,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	5,000					5,000
Total	5,000					5,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2308
Project Name Radio Communication Upgrades

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category Water System
Priority 02 - Significant Need
Status Active

Description **Total Project Cost:** \$30,000
 The WTP utilizes radio communication for control of water tower levels, valve positioning amongst other things.

Justification
 The radio communication devices have a limited lifetime and the current system has reached the end of its useful life with limited spare parts available.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	30,000					30,000
Total	30,000					30,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	30,000					30,000
Total	30,000					30,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	30,000					30,000
Total	30,000					30,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2309
Project Name Replace Fiber (SH to City Hall)

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$15,000

Description
 The process network at GRPU is isolated from the internet to satisfy risk and resilience with the EPA/MN DOH and it works on its own independent fiber network. The fiber leg from the Screen house to city hall is a non-traced line.

Justification
 The fiber optic cable needs to be replaced from the screen house to south of city hall, buried with proper tracer.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	15,000					15,000
Total	15,000					15,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	7,500					7,500
Rplcmt Fund-WWC Infrastructure	7,500					7,500
Total	15,000					15,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	15,000					15,000
Total	15,000					15,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2310
Project Name South Tower Coating Repairs

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category Water System
Priority 01 - Required
Status Active

Total Project Cost: \$150,000

Description
 All water towers requirement routine inspection and routine repair in order to preserve the asset well into the future.

Justification
 The south tower was inspected by Badger State Inspection. Per their detailed report, there are some areas that will need to be repaired.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	150,000					150,000
Total	150,000					150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure	150,000					150,000
Total	150,000					150,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	150,000					150,000
Total	150,000					150,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2311
Project Name City Project - River Road Roundabout

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category City Construction or Reconstru
Priority 01 - Required
Status Active

Total Project Cost: \$144,245

Description
 Itasca County is renovating the intersection of River Road and Airport Road with a roundabout. The infrastructure under the road is 47 to 64 years old and needs to be replaced.

Justification
 City of Grand Rapids Feasibility Report, Itasca County Road reconstruction project

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	82,455					82,455
Total	82,455					82,455

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Electric Infrastructure	82,455					82,455
Total	82,455					82,455

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	82,455					82,455
Total	82,455					82,455

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2312
Project Name WWC Category 1- Piping Replacement

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$1,850,000

Description
 Sanitary lines that require extra cleaning and extra attention are referred to as category 1. These lines needs to be replaced to improve the sanitary flow in the respective area.

Justification
 If the street is tore up to repair sanitary line, then water line repairs will be necessary as well.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	350,000	350,000	350,000	400,000	400,000	1,850,000
Total	350,000	350,000	350,000	400,000	400,000	1,850,000

Funding Sources	2023	2024	2025	2026	2027	Total
Debt	350,000	350,000	350,000	400,000	400,000	1,850,000
Total	350,000	350,000	350,000	400,000	400,000	1,850,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	350,000	350,000	350,000	400,000	400,000	1,850,000
Total	350,000	350,000	350,000	400,000	400,000	1,850,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2313
Project Name City Project - Paradise Park

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 25
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$85,000

Description
 City Project to extend water services to Paradise Park near south tower

Justification
 Adding city water to these GRPU customers is positive addition.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	85,000					85,000
Total	85,000					85,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water share/business	85,000					85,000
Total	85,000					85,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	85,000					85,000
Total	85,000					85,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 03 - Moderate Need
Status Active

Project # WATR2401
Project Name NEW WELL

Total Project Cost: \$590,000

Description

GRPU currently provides water to customers through the source of 5 different wells of varying water quality and capacity. Future growth within Grand Rapids may require adding a new high capacity well.

Justification

A new well may be necessary to ensure future growth capacity in the city of Grand Rapids.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		590,000				590,000
Total		590,000				590,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2402
Project Name Well 4 Rehabilitation

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category Water System
Priority 01 - Required
Status Active

Total Project Cost: \$45,000

Description
 Rehabilitation of a well is necessary to restore throughput, clean and sanitize and inspect pump, piping and casing.

Justification
 The well has not been rehabilitated in ten years.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		45,000				45,000
Total		45,000				45,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure		45,000				45,000
Total		45,000				45,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		45,000				45,000
Total		45,000				45,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2403
Project Name S-E-H Projects from Study

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$1,300,000

Description
 SEH conducted a comprehensive water system plan in 2021 that identified areas within the distribution system that needs improvement.

Justification
 These are improvements/repairs due to necessary sanitary repairs in the area.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		400,000	350,000	250,000	300,000	1,300,000
Total		400,000	350,000	250,000	300,000	1,300,000

Funding Sources	2023	2024	2025	2026	2027	Total
Debt		400,000	350,000	250,000	300,000	1,300,000
Total		400,000	350,000	250,000	300,000	1,300,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		400,000	350,000	250,000	300,000	1,300,000
Total		400,000	350,000	250,000	300,000	1,300,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2501
Project Name North Tower Coating Repairs

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category Water System
Priority 01 - Required
Status Active

Total Project Cost: \$150,000

Description
 All water towers requirement routine inspection and routine repair in order to preserve the asset well into the future.

Justification
 The north tower was inspected by Badger State Inspection. Per their report, there are some areas that will need to be repaired.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor			150,000			150,000
Total			150,000			150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure			150,000			150,000
Total			150,000			150,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects			150,000			150,000
Total			150,000			150,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2601
Project Name City Project - Ha-car Neighborhood, Phase 2

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$362,500

Description
 City Project 2026/2021-1
 Street Reconstruction

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				362,500		362,500
Total				362,500		362,500

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure				362,500		362,500
Total				362,500		362,500

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				362,500		362,500
Total				362,500		362,500

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WATR2703
Project Name Tower Painting

Department 2-Water
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category Water System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$700,000

Description
 Water towers are assets that get a tremendous amount of sunlight and UV light exposure. They need to have adequate coatings and protection to ensure many years of service.

Justification
 The exterior coating is of age and needs to be repainted.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor					700,000	700,000
Total					700,000	700,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water Infrastructure					700,000	700,000
Total					700,000	700,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects					700,000	700,000
Total					700,000	700,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO1804
Project Name Mains and Services

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category WW System
Priority 04 - Minor Need
Status Active

Total Project Cost: \$200,000

Description
 Replacement of mains, services and manholes. Televising the entire collection system for the first time identifies suspect areas that need to be addressed to prevent future issues.

Justification
 Minor replacement of mains, services and manholes is necessary to maintain and or improve systems reliability.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	15,000	15,000	15,000			45,000
Total	15,000	15,000	15,000			45,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	15,000	15,000	15,000			45,000
Total	15,000	15,000	15,000			45,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	15,000	15,000	15,000			45,000
Total	15,000	15,000	15,000			45,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$322,500

Project # WWCO1805
Project Name Manhole Replacements

Description

Throughout the course of any year, normal wear and tear will show its impacts on manhole lids, frame, chimney, gaskets, rings, extension rings, etc . Furthermore, by working to televise the entire collection system our crews are inspecting more manholes than ever before in the utility, thus discovering things that need attention.

Justification

Maintenance of the collection system is necessary to maintain safe streets at grade and also to ensure that the integrity fo the manhole is not compromised.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	15,000	65,000	70,000	20,000	20,000	190,000
Labor	5,000	10,000	30,000	5,000	5,000	55,000
Total	20,000	75,000	100,000	25,000	25,000	245,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	20,000	75,000	75,000	25,000	25,000	220,000
Total	20,000	75,000	75,000	25,000	25,000	220,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	20,000	75,000	75,000	25,000	25,000	220,000
Total	20,000	75,000	75,000	25,000	25,000	220,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO1904
Project Name City Project - NW Street Reconstruction

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$114,600

Description
 City of Grand Rapids project 2025/2016-1A

Justification
 NW Reconstruction Feasibility Report
 Sewer Main replacement.
 6th Ave. NW (TH2 - 5th Str.)
 6th Str. NW (Hwy 38-4th Ave.)
 10th Str. NW (Pokegama Ave. to 4th Ave.)
 2nd Ave NW (11th Str. To dead end)
 11th Str.NW (Hwy 38 to 4th Ave.)

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor			114,600			114,600
Total			114,600			114,600

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure			114,600			114,600
Total			114,600			114,600

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects			114,600			114,600
Total			114,600			114,600

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO2001
Project Name City Project - 5th Ave NE (Hwy2 to 5th St. NE)

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$66,435

Description
 City Project 2026/2007-5

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				66,435		66,435
Total				66,435		66,435

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure				66,435		66,435
Total				66,435		66,435

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				66,435		66,435
Total				66,435		66,435

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Project # WWCO2002
Project Name City Project - 3rd Av.NE (4-8th) 7th st (3rd -5th)

Total Project Cost: \$25,000

Description
 City of Grand Rapids project 2024/2010-1. Sanitary Sewer and Manhole Repairs.

Justification
 5th Street (3rd Ave. NW to 8th Ave. NE) Feasibility Report.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		25,000				25,000
Total		25,000				25,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure		25,000				25,000
Total		25,000				25,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		25,000				25,000
Total		25,000				25,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO2003
Project Name City Project - 11th Ave NE (5-7th St NE)

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$115,000

Description
 City Project 2020/2020-1

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				115,000		115,000
Total				115,000		115,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure				115,000		115,000
Total				115,000		115,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				115,000		115,000
Total				115,000		115,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category Equipment

Priority 01 - Required

Status Active

Total Project Cost: \$291,323

Project # WWCO2005
Project Name Lift Station Pumps

Description

After a thorough asset management review was conducted of the entire collection system a replacement schedule was created to ensure that we proactively replaced pumps throughout the collection system are reaching the end of their useful life.

Justification

In order to maintain the integrity of the collection system, the retirement of aged pumps are necessary. From the asset review a strategic plan was put in place to replace 1-2 worn out pumps per year with a phased approach.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	35,000	35,000	38,000	40,000	40,000	188,000
Total	35,000	35,000	38,000	40,000	40,000	188,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	35,000	35,000	38,000	40,000	40,000	188,000
Total	35,000	35,000	38,000	40,000	40,000	188,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	27,000					27,000
Total	27,000					27,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 25
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Project # WWCO2021
Project Name City Project - Ha-Car SE Neighborhood, Phase 1

Total Project Cost: \$250,000

Description
 City of Grand Rapids project 2026/2021-1
 Street Reconstruction

Justification
 City of Grand Rapids feasibility report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				250,000		250,000
Total				250,000		250,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure				250,000		250,000
Total				250,000		250,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				250,000		250,000
Total				250,000		250,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$20,000

Project # WWCO2103
Project Name DeltaV Secondary for Clinic Lift plus alarm agent

Description
 The clinic lift only operates on the primary network for Delta V. The rest of the system has both a primary and secondary network for reliability.

Justification
 The operation of the clinic lift is critical for us to properly treat waste. The redundancy of the secondary network is the necessary to ensure operation.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	20,000					20,000
Total	20,000					20,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	20,000					20,000
Total	20,000					20,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	20,000					20,000
Total	20,000					20,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO2201
Project Name City Project - 6th Street NE (2 - 5th Ave)

Department 3-Wastewater Collection
Contact Dennis Doyle
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$110,067

Description
 City Project 2026/2012-1.

Justification
 City of Grand Rapids Feasibility report. The sanitary sewer is 8-inch VCP and was constructed some time between 1900 and 1940.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		110,067				110,067
Total		110,067				110,067

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure		110,067				110,067
Total		110,067				110,067

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		110,067				110,067
Total		110,067				110,067

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Project # WWCO2202
Project Name City Wide Overlays-Rural

Total Project Cost: \$60,000

Description
 City of Grand Rapids project 2024/2013-2

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		60,000				60,000
Total		60,000				60,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure		60,000				60,000
Total		60,000				60,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		60,000				60,000
Total		60,000				60,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 01 - Required

Status Active

Project # WWCO2203
Project Name Lift Station 13 Controls Update

Total Project Cost: \$26,500

Description

After a thorough asset management review was conducted of the entire collection system a replacement schedule was created to ensure that we proactively replaced lift stations throughout the collection system that are reaching the end of their useful life.

Justification

The controls for this lift station need to be updated due to outdated components.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			26,500			26,500
Total			26,500			26,500

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure			26,500			26,500
Total			26,500			26,500

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects			26,500			26,500
Total			26,500			26,500

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO2207
Project Name Lift Station 2 - Generator and switch

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category WW System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$36,490

Description

Lift station 2 is a major lift station that services all of Cohasset. This lift station does not have any backup power supply to ensure that it doesn't overflow into the Mississippi river.

Justification

The generator and switch would serve as a backup power supply to address any power outage effecting the lift station.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	36,490					36,490
Total	36,490					36,490

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	36,490					36,490
Total	36,490					36,490

Budget Impact/Other

Ziegler pricing is state bid pricing through Sourcewell Contract #120617-CAT

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	36,490					36,490
Total	36,490					36,490

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 03 - Moderate Need

Status Active

Total Project Cost: \$32,825

Project # WWCO2208
Project Name Lift Station 3 - Generator and switch

Description
 Lift station 2 is a major lift station that services all of the SW part of town including the new west school, hospital, clinics and the old ainsworth property. This lift station does not have any backup power supply to ensure that it doesn't overflow into the surrounding environment.

Justification
 The generator and switch would serve as a backup power supply to address any power outage effecting the lift station.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	32,825					32,825
Total	32,825					32,825

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	32,825					32,825
Total	32,825					32,825

Budget Impact/Other
 Ziegler pricing is state bid pricing through Sourcewell Contract #120617-CAT

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	32,825					32,825
Total	32,825					32,825

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO2302
Project Name City Project - 6th Ave NW (4th-5th)

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 50
Category City Construction or Reconstru
Priority 02 - Significant Need
Status Active

Total Project Cost: \$52,000

Description
 City of Grand Rapids project 2026/2016-1

Justification
 City of Grand Rapids Feasibility Report

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	52,000					52,000
Total	52,000					52,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	52,000					52,000
Total	52,000					52,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	52,000					52,000
Total	52,000					52,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 03 - Moderate Need

Status Active

Total Project Cost: \$60,000

Project # WWCO2303
Project Name Jetting Camera

Description

After heavy utilizing of the jetting camera system during 2022. It was apparent that there was more maintenance required than originally anticipated with this equipment. The downtime experienced for camera repair made it difficult to keep up with the aggressive jetting/televising schedule during the summer months.

Justification

Two to five weeks of downtime during the summer to repair the camera is unacceptable. Our crews need to be able to stay after it in order to meet the annual goal of jettign and televising. An additional camera will allow time for necessary repairs to be made while they keep working on servicing the collection system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	60,000					60,000
Total	60,000					60,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	60,000					60,000
Total	60,000					60,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 01 - Required

Status Active

Total Project Cost: \$35,000

Project # WWCO2304
Project Name Lift Station 9 Controls Update

Description
 After a thorough asset management review was conducted of the entire collection system a replacement schedule was created to ensure that we proactively replaced lift stations throughout the collection system that are reaching the end of their useful life.

Justification
 The controls for this lift station need to be updated due to outdated components.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	35,000					35,000
Total	35,000					35,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 01 - Required

Status Active

Total Project Cost: \$25,000

Project #	WWCO2305
Project Name	Lift Station 2 Pump

Description
Lift station 2 manages 100% of Cohasset's flow and is a critical lift station on the west side of town. Lift station 2 has 24 hp pumps.

Justification
Lift station 2 does not have any backup pump in the event of an issue. With the purchase of a pump, one in service will be replaced with a new one. This will allow the lift station to have 2 pumps ready (both of varying age). Additionally the one pulled will be rebuilt with internal labor and ready to be put into service in the event of an emergency.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	25,000					25,000
Total	25,000					25,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	25,000					25,000
Total	25,000					25,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	25,000					25,000
Total	25,000					25,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 01 - Required

Status Active

Total Project Cost: \$35,000

Project # WWCO2307
Project Name Lift Station 6 I/I Repairs

Description

The high water table in the vicinity of lift station 6 provides easy access into the collection system via any cracks, suspect connections or suspect service lines. This provides unnecessary inflow into the collection system and also causes the pump to run more than necessary. Sanitary sewer near Lift station 6 needs major repairs.

Justification

Improving the connections in the area will significantly reduce if not eliminate the extra water flow into the collection system.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	35,000					35,000
Total	35,000					35,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	35,000					35,000
Total	35,000					35,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	35,000					35,000
Total	35,000					35,000

Capital Plan

Data in Year 2023 and 2027

Department 3-Wastewater Collection

Grand Rapids Public Utilities Commission

Contact

Project # WWCO2308
Project Name WWC Category 1- Piping Repairs

Type Unassigned

Useful Life 30

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$1,850,000

Description

Sanitary lines that require extra cleaning and extra attention are referred to as category 1. These lines needs to be replaced to improve the sanitary flow in the respective area so they flow as they should.

Justification

Constant improving of the system is a key component to having reliable service for our customers. Bad areas will be excavated, repaired and or replaced to improve the flow conditions.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	350,000	350,000	350,000	400,000	400,000	1,850,000
Total	350,000	350,000	350,000	400,000	400,000	1,850,000

Funding Sources	2023	2024	2025	2026	2027	Total
Debt	350,000	350,000	350,000	400,000	400,000	1,850,000
Total	350,000	350,000	350,000	400,000	400,000	1,850,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	350,000	350,000	350,000	400,000	400,000	1,850,000
Total	350,000	350,000	350,000	400,000	400,000	1,850,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO2309
Project Name Lift Station 2 Flow Meter

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 20
Category WW System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$8,000

Description
 Lift station 2 receives all of Cohasset's sanitary flow. GRPU does not have its own measurement of that flow.

Justification
 In order to properly bill our customers, it is imperative to accurately measure flow information.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	4,000					4,000
Labor	4,000					4,000
Total	8,000					8,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	8,000					8,000
Total	8,000					8,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	8,000					8,000
Total	8,000					8,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 30

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$1,521,000

Project # WWCO2310
Project Name City Project - City Wide Overlays- Sylvan

Description
 City Project 2023 2015-1

Justification
 City of Grand Rapids Feasibility Report
 Assets/infrastructure are well beyond useful life.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	1,010,000	511,000				1,521,000
Total	1,010,000	511,000				1,521,000

Funding Sources	2023	2024	2025	2026	2027	Total
Debt	1,010,000	511,000				1,521,000
Total	1,010,000	511,000				1,521,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	1,010,000	511,000				1,521,000
Total	1,010,000	511,000				1,521,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWCO2312
Project Name City Project - River Road Roundabout

Department 3-Wastewater Collection
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category City Construction or Reconstru
Priority 01 - Required
Status Active

Total Project Cost: \$369,848

Description
 Itasca County is renovating the intersection of River Road and Airport Road with a roundabout. The infrastructure under the road is 47 to 64 years old and needs to be replaced.

Justification
 City of Grand Rapids Feasibility Report, Itasca County Road reconstruction project

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	210,959					210,959
Total	210,959					210,959

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	210,959					210,959
Total	210,959					210,959

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	210,959					210,959
Total	210,959					210,959

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 50

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWCO2402
Project Name SE 11th St Sanitary Sewer Replacement

Total Project Cost: \$1,300,000

Description

A comprehensive sanitary sewer plan was conducted by S-E-H. The Recommendation from sewer plan was to increase the size of this line to be able to accomodate all the proposed changes in the south end of town.

Justification

Increasing the size of the sanitary line is needed to eliminate the possibility of maxxng out the pipe during certain times which could easily cause back-ups.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				1,300,000		1,300,000
Total				1,300,000		1,300,000

Funding Sources	2023	2024	2025	2026	2027	Total
Debt				1,300,000		1,300,000
Total				1,300,000		1,300,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				1,300,000		1,300,000
Total				1,300,000		1,300,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 01 - Required

Status Active

Project # WWCO2601
Project Name Lift Station 8 Controls Update

Total Project Cost: \$35,000

Description

After a thorough asset management review was conducted of the entire collection system a replacement schedule was created to ensure that we proactively replaced lift stations throughout the collection system that are reaching the end of their useful life.

Justification

The controls for this lift station need to be updated due to outdated components.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	35,000					35,000
Total	35,000					35,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 30

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$65,000

Project # WWCO2602
Project Name Lift Station 5 Forcemain Replacement

Description
 S-E-H completed a Comprehensive sanitary sewer plan to identify potential issues within the system that would inhibit the current and future use of the collection system.

Justification
 Recommendation from S-E-H after the Comprehensive sanitary sewer plan. Increasing the size of the sanitary line is needed to improve overall flow from this lift station into the remaining part of the collection system.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				65,000		65,000
Total				65,000		65,000

Funding Sources	2023	2024	2025	2026	2027	Total
Debt				65,000		65,000
Total				65,000		65,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects				65,000		65,000
Total				65,000		65,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category Vehicles

Priority 03 - Moderate Need

Status Active

Total Project Cost: \$60,000

Project # WWCO2701
Project Name Replace Truck 61

Description
 Service Truck 61 and service body are reaching the end of their useful life and will increase maintenance costs and reliability will start too inhibit the crews.

Justification
 This vehicle has 100 thousand miles and will be 10 years old.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases					60,000	60,000
Total					60,000	60,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Water share/business					30,000	30,000
Rplcmt Fund-WWC share/business					30,000	30,000
Total					60,000	60,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects					55,000	55,000
Total					55,000	55,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 3-Wastewater Collection

Contact Steve Mattson

Type Unassigned

Useful Life 30

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$140,000

Project # WWCO2704
Project Name Lift Station 2 Forcemain Replacement

Description
 S-E-H completed a Comprehensive sanitary sewer plan to identify potential issues within the system that would inhibit the current and future use of the collection system.

Justification
 The discharge piping segment from lift station 2 was identified as an area that is limiting throughput. Replacement of a 150 ft pipe segment was highly recommended.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor			140,000			140,000
Total			140,000			140,000

Funding Sources	2023	2024	2025	2026	2027	Total
Debt			140,000			140,000
Total			140,000			140,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects			140,000			140,000
Total			140,000			140,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4a-WWT Domestic

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category Equipment

Priority 02 - Significant Need

Status Active

Project #	WWDO1801
Project Name	Rebuild Domestic Screen

Total Project Cost: \$150,000

Description

The Parkson Domestic Screen is used to separate coarse solids from the incoming waste water prior to being pumped up the secondary plant. The screen has been in service for a couple decades and is showing signs of significant wear.

Justification

The current screen is reaching the end of its useful life and is in need of major repairs. To ensure good screening of domestic waste for the foreseeable future, it needs to be overhauled.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	150,000					150,000
Total	150,000					150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-WWC Infrastructure	150,000					150,000
Total	150,000					150,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	150,000					150,000
Total	150,000					150,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4a-WWT Domestic

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWDO2301
Project Name Flow Meter for Domestic Flow

Total Project Cost: \$7,000

Description

The flow meter is a critical measure of all the domestic wastewater that enters into the wastewater plant. This is a requirement of the NPDES permit and must be accurate. The current sonic level transmitter is eastimated to be 15 years old.

Justification

The current flow meter is antiquated and needs to be updated.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	7,000					7,000
Total	7,000					7,000

Funding Sources	2023	2024	2025	2026	2027	Total
Reserves-Unrestricted	7,000					7,000
Total	7,000					7,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4a-WWT Domestic

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWDO2302
Project Name Trash Compactor

Total Project Cost: \$50,000

Description

The trash compactor for the domestic screen compacts coarse rejects from the screen to reduce the amount of waste that goes into the trash bin. This part of the domestic screen is also a couple decades old.

Justification

The trash compactor is reaching the end of its useful life with wear items being beyond repair. Repair will ensure consistent service well into the future.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	50,000					50,000
Total	50,000					50,000

Funding Sources	2023	2024	2025	2026	2027	Total
Reserves-Unrestricted	50,000					50,000
Total	50,000					50,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4a-WWT Domestic

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 02 - Significant Need

Status Active

Project #	WWDO2401
Project Name	VFD Upgrades On Lift Pumps

Total Project Cost: \$45,000

Description

The current variable frequency drives (VFD's) are antiquated and do not have parts nor spares.

Justification

All three pumps are required to be operational per our NPDES permit. The VFD is a critical component of the control strategy for operating the pumps and thus needs to be operational and repairable.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		30,000		15,000		45,000
Total		30,000		15,000		45,000

Funding Sources	2023	2024	2025	2026	2027	Total
Reserves-Unrestricted		15,000	15,000	15,000		45,000
Total		15,000	15,000	15,000		45,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4b-WWT Screenhouse

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$48,000

Project # WWSH2301
Project Name VFD Upgrades for Lift Pumps

Description
 The current variable frequency drives (VFD's) are antiquated and do not have parts nor spares.

Justification
 All four pumps are required to be operational per our NPDES permit. The VFD is a critical component of the control strategy for operating the pumps and thus needs to be operational and repairable.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	12,000	12,000	12,000	12,000		48,000
Total	12,000	12,000	12,000	12,000		48,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	12,000	12,000	12,000	12,000		48,000
Total	12,000	12,000	12,000	12,000		48,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4b-WWT Screenhouse

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWSH2302
Project Name Replace Fiber Segment 1

Total Project Cost: \$12,000

Description

The Fiber optic line from the screen house towards city hall (segment 1) is overhead cable that was buried and does not have any trace wire.

Justification

This fiber optic cable is past its useful life and does not have any locating wires associated with it.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	12,000					12,000
Total	12,000					12,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	12,000					12,000
Total	12,000					12,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	12,000					12,000
Total	12,000					12,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4b-WWT Screenhouse

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWSH2401
Project Name Drive Gear Boxes for Parkson Screens

Total Project Cost: \$16,000

Description

The drive gear boxes are used to run the parkson coarse screen and are essential for the operation of it. The gearboxes are over thirty years old and are past their useful life.

Justification

The drive gear boxes are past their useful life and need to be repaired/replaced to be able to ensure good service well into the future.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		16,000				16,000
Total		16,000				16,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM		16,000				16,000
Total		16,000				16,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4b-WWT Screenhouse

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 02 - Significant Need

Status Active

Project #	WWSH2402
Project Name	Gear Box for Bark Dumper

Total Project Cost: \$8,000

Description

The bark dumper is a hopper that stores all the rejected material from the parkson coarse screen. This hopper is then emptied into a dump truck and hauled to the wastewater plant for disposal. The aged gearbox on the bark dumper is showing signs of significant wear.

Justification

The dumper gear box is reaching the end of its useful life. In order to continue to be able to manage screen rejects the gearbox needs to be repaired/replaced.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		8,000				8,000
Total		8,000				8,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM		8,000				8,000
Total		8,000				8,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWPP2001
Project Name Demo of Old Primary Plant

Department 4c-WWT Primary Plant
Contact Steve Mattson
Type Unassigned
Useful Life N/A
Category Buildings
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$50,000

Description

The buildings at the old primary site have been idle for close to eight years. They are starting to fall apart and pose a serious safety threat to employees and any contractor that is within the site.

Justification

The buildings at the old primary site have been idle for close to eight years. They are starting to fall apart and pose a serious safety threat to employees and any contractor that is within the site. In September 2018, the WWTP maintenance crew discovered that the outside brick wall of the digester building had delaminated from the structure and was ready to fall down.

Expenditures	2023	2024	2025	2026	2027	Total
Outside Services	50,000					50,000
Total	50,000					50,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	50,000					50,000
Total	50,000					50,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4c-WWT Primary Plant

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category Equipment

Priority 03 - Moderate Need

Status Active

Project # WWPP2003
Project Name Painting Primary Clarifiers

Total Project Cost: \$75,000

Description

The primary clarifiers have been in service for almost a decade. The metal parts have been showing wear and rust. In order to protect the investment the metal parts of the structure and rake arm need to be sandblasted and repainted professionally.

Justification

The primary clarifiers have been in service for almost a decade. The metal parts have been showing wear and rust. In order to protect the investment the metal parts of the structure and rake arm need to be sandblasted and repainted professionally.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	40,000					40,000
Total	40,000					40,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	40,000					40,000
Total	40,000					40,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	40,000					40,000
Total	40,000					40,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4c-WWT Primary Plant

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWPP2103
Project Name Sludge Screw Conveyor - Screw Replacement

Total Project Cost: \$188,535

Description

There are five sections of screw for the custom sludge scew conveyor. In order to maintain runnability, the second and third screw should be replaced.

Justification

There are five sections of screw for the custom sludge scew conveyor. In order to maintain runnability, the second and third screw should be replaced. The first section was replaced in 2020 which significantly improved the operation of the conveyor and reduced maintenance downtime.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	45,000	45,000				90,000
Labor	5,000	5,000				10,000
Total	50,000	50,000				100,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	50,000	50,000				100,000
Total	50,000	50,000				100,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	50,000	50,000				100,000
Total	50,000	50,000				100,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4c-WWT Primary Plant

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 03 - Moderate Need

Status Active

Total Project Cost: \$12,000

Project # WWPP2202
Project Name Forks for Front End Loader

Description
 Fork attachment for the Front End loader for unloading equipment and materials.

Justification
 Forks will allow the maintenance crew to be able to safely unload/load equipment and also facilitate the installation of equipment.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	12,000					12,000
Total	12,000					12,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	12,000					12,000
Total	12,000					12,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	12,000					12,000
Total	12,000					12,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4c-WWT Primary Plant

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWPP2301
Project Name Primary Sludge Pump VFD's

Total Project Cost: \$24,000

Description

Variable Frequency Drive are necessary for control of positive displacement sludge pumps. The current ones have failed and caused serious operational challenges.

Justification

Current VFD's have had internal components failing causing operational hardship.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	24,000					24,000
Total	24,000					24,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	24,000					24,000
Total	24,000					24,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4c-WWT Primary Plant

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWPP2302
Project Name Screw Press VFD

Total Project Cost: \$8,000

Description

Variable Frequency Drive are necessary for control of screw press. The current manufacturer have failed and caused serious operational challenges.

Justification

The current VFD have components that are failing causing operational hardship.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	8,000					8,000
Total	8,000					8,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	8,000					8,000
Total	8,000					8,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4c-WWT Primary Plant

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWPP2303
Project Name Primary Plant Sludge Pumps

Total Project Cost: \$140,000

Description

The primary plant is over ten years old and the pumps are starting to reach the end of their useful lives. The sludge pumps are critical for the WW operation.

Justification

The pumps are at a point that they need to be rebuilt in order to continue to run the WW plant.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	28,000	28,000	28,000	28,000	28,000	140,000
Total	28,000	28,000	28,000	28,000	28,000	140,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	28,000	28,000	28,000	28,000	28,000	140,000
Total	28,000	28,000	28,000	28,000	28,000	140,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4c-WWT Primary Plant

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 02 - Significant Need

Status Active

Project # WWPP2304
Project Name WWTP Alarm Agent

Total Project Cost: \$6,500

Description

After hours alarms are needed to keep track of the extended process.

Justification

To be able to keep track of all the critical alarms.

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	6,500					6,500
Total	6,500					6,500

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	6,500					6,500
Total	6,500					6,500

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	6,500					6,500
Total	6,500					6,500

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4d-WWT Sludge Disposal

Contact Steve Mattson

Type Unassigned

Useful Life 10

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$24,000

Project # WWSD2101
Project Name Leachate Phase Pump

Description
 We are required be permit to continuously pump out leachate from the sumps of nine phases in the landfill. Failure of a pump would require weeks to repair which would lead to a violation. A spare pump will allow maintenance to immediatedly address the issue.

Justification
 We are required be permit to continuously pump out leachate from the sumps of nine phases in the landfill. Failure of a pump would require weeks to repair which would lead to a violation. A spare pump will allow maintenance to immediatedly address the issue.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	8,000					8,000
Total	8,000					8,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	8,000					8,000
Total	8,000					8,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	8,000					8,000
Total	8,000					8,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWSD2301
Project Name Landill Cover Work Phase 1-4, Kettle D

Department 4d-WWT Sludge Disposal
Contact Steve Mattson
Type Unassigned
Useful Life 30
Category WW System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$1,550,000

Description
 The leachate generation from phase 1-4, kettle D is excessive. In order to get the landfill into post closure, the landfill cover needs to be redone.

Justification
 MPCA dicates how much leachate generation should come from a closed landfill, we are currently creating more than we should.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	250,000					250,000
Contractor Labor		1,300,000				1,300,000
Total	250,000	1,300,000				1,550,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	230,000	1,300,000				1,530,000
Reserves-Unrestricted	20,000					20,000
Total	250,000	1,300,000				1,550,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		1,300,000				1,300,000
Total		1,300,000				1,300,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWSD2302
Project Name Landill Phase Pumps

Department 4d-WWT Sludge Disposal
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category WW System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$90,000

Description

Leachate landfill pumps have a relatively short service life. It is a MPCA landfill requirement to keep leachate head levels below predetermined threshold. Therefore, we must have working pumps and spares on hand.

Justification

Leachate landfill pumps have a relatively short service life. It is a MPCA landfill requirement to keep leachate head levels below predetermined threshold. Therefore, we must have working pumps and spares on hand.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	18,000	18,000	18,000	18,000	18,000	90,000
Total	18,000	18,000	18,000	18,000	18,000	90,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	16,560	16,560	16,560	16,560	16,560	82,800
Reserves-Unrestricted	1,440	1,440	1,440	1,440	1,440	7,200
Total	18,000	18,000	18,000	18,000	18,000	90,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4e-WWT Service Center

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$54,000

Project # WWSC2301
Project Name Replace Fiber ASV to CSC

Description
 The fiber optic cable that is used is overhead cable without any tracer wire that is buried. .

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	54,000					54,000
Total	54,000					54,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	37,800					37,800
Reserves-Unrestricted	16,200					16,200
Total	54,000					54,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	54,000					54,000
Total	54,000					54,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # WWSC2401
Project Name Replace Truck 78

Department 4e-WWT Service Center
Contact Steve Mattson
Type Unassigned
Useful Life 10
Category WW System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$65,000

Description
 Truck 78 is need of replacement

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		65,000				65,000
Total		65,000				65,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM		56,875				56,875
Reserves-Unrestricted		8,125				8,125
Total		65,000				65,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4f-WWT Secondary Treatment

Contact Steve Mattson

Type Unassigned

Useful Life 25

Category Equipment

Priority 02 - Significant Need

Status Active

Total Project Cost: \$280,000

Project # WWSP1702
Project Name Rebuild Blower Number 3

Description
 Rebuild no 3 Dresser Roots blower mechanically and modernize the controls. It is a MPCA permit requirement to have redundant blower equipment in good working order. Aeration equipment must run 24/7/365.

Justification
 The blower needs to be rebuilt and modernize the controls. The blowers need to be able to run as they supply air 24/7 to the operation.

Expenditures	2023	2024	2025	2026	2027	Total
Labor		280,000				280,000
Total		280,000				280,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-Cohasset		3,056				3,056
Customer Contributions-LaPrairie		1,808				1,808
Customer Contributions-UPM		240,000				240,000
Rplcmt Fund-WWC Infrastructure		35,136				35,136
Total		280,000				280,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects		280,000				280,000
Total		280,000				280,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4f-WWT Secondary Treatment

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category Equipment

Priority 02 - Significant Need

Status Active

Project # WWSP1802
Project Name B1 Pond Dredging

Total Project Cost: \$150,000

Description
 Cell B1 only has 6 feet of waterspace above the sludge that has settled over the years. The pond is 15 feet deep so there is 9-10 feet of sludge in it.

Justification
 Cell B1 only has 6 feet of waterspace above the sludge that has settled over the years. The pond is 15 feet deep so there is 9-10 feet of sludge in it.

Expenditures	2023	2024	2025	2026	2027	Total
Outside Services			150,000			150,000
Total			150,000			150,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-Cohasset			1,146			1,146
Customer Contributions-LaPrairie			678			678
Customer Contributions-UPM			135,000			135,000
Rplcmt Fund-WWC Infrastructure			13,176			13,176
Total			150,000			150,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects			150,000			150,000
Total			150,000			150,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4f-WWT Secondary Treatment

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category Equipment

Priority 02 - Significant Need

Status Active

Project # WWSP1804
Project Name Secondary Aeration Basin Mixer Repairs

Total Project Cost: \$1,345,000

Description

The thirty-plus year old aeration basin mixers need to be overhauled in order to provide the mixing needed within our activated sludge process. This work will include rebuilding the gearbox and replacing the shaft and both lower and upper impellers of two mixers when necessary.

Justification

Upon inspection of aeration basins, lower impellers have fallen off, mixer shafts have sheared off. Additionally the gearboxes need to be rebuilt. The project will include removing the existing gearbox, shaft and impellers and replacing with a rebuilt gearbox and a new shaft and impellers. We started this process a few years ago and our industrial partner would like us to continue to work at revamping these.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	175,000	135,000	135,000	175,000	175,000	795,000
Total	175,000	135,000	135,000	175,000	175,000	795,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-Cohasset	4,011	3,094	4,925	4,011	4,011	20,052
Customer Contributions-LaPrairie	2,373	1,831		2,373	2,373	8,950
Customer Contributions-UPM	122,500	94,500	94,500	122,500	122,500	556,500
Reserves-Unrestricted		35,575	35,575	46,116	46,116	163,382
Rplcmt Fund-WWC Infrastructure	46,116					46,116
Total	175,000	135,000	135,000	175,000	175,000	795,000

Budget Impact/Other

By replacing the worn components we can extend the life of the mixer for years as well as prevent the hundreds of thousands of dollars for new.

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4f-WWT Secondary Treatment

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category WW System

Priority 03 - Moderate Need

Status Active

Project # WWSP2301
Project Name Septic Hauler Dump Station

Total Project Cost: \$350,000

Description

The sale of the old plant property will force the relocation of the septic hauler dump station to the secondary plant.

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	350,000					350,000
Total	350,000					350,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 4f-WWT Secondary Treatment

Contact Steve Mattson

Type Unassigned

Useful Life 20

Category Equipment

Priority 01 - Required

Status Active

Project # WWSP2302
Project Name Bleach Tank Repair/Replacement

Total Project Cost: \$50,000

Description

The tanks used for sodium hypochlorite for disinfection in the secondary plant need repair or replacement .

Justification

The old poly tanks require a threaded bung in order to connect to the discharge piping. This requires a part on the inside of the tank and a gasket and a nut to seal the discharge. This makes for an unsafe maintenance project whenever we have leaks.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	35,000					35,000
Labor	5,000					5,000
Contractor Labor	10,000					10,000
Total	50,000					50,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-Cohasset	1,146					1,146
Customer Contributions-LaPrairie	678					678
Customer Contributions-UPM	35,000					35,000
Rplcmt Fund-WWC share/business	13,176					13,176
Total	50,000					50,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	50,000					50,000
Total	50,000					50,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2302
Project Name Personal Computer Replacements

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$4,000

Description
 Annual replacement/upgrade of GRPUC personal computers/workstations

Justification
 Maintenance. Replace personal computers due to obsolescence.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	4,000					4,000
Total	4,000					4,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	1,320					1,320
Rplcmt Fund-Elec share/business	1,680					1,680
Rplcmt Fund-Water share/business	600					600
Rplcmt Fund-WWC share/business	400					400
Total	4,000					4,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2303
Project Name Mobile Computers

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 04 - Minor Need
Status Active

Total Project Cost: \$4,000

Description

Purchase 2 mobile computers (laptops or tablets)

Justification

Improve efficiency. Purchase mobile computers for use by Electric, Water and Wastewater Collection field and maintenance crews for mapping and WO use. Allow better tracking of work.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	4,000					4,000
Total	4,000					4,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business	2,000					2,000
Rplcmt Fund-Water share/business	1,000					1,000
Rplcmt Fund-WWC share/business	1,000					1,000
Total	4,000					4,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2304
Project Name Server Upgrades

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$65,000

Description
 Upgrade Yukon servers

Justification
 Maintenance. Network enhancement due to increased technology use.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	65,000					65,000
Total	65,000					65,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	0					0
Rplcmt Fund-Elec share/business	45,500					45,500
Rplcmt Fund-Water share/business	9,750					9,750
Rplcmt Fund-WWC share/business	9,750					9,750
Total	65,000					65,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2308
Project Name Software Upgrades

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 02 - Significant Need
Status Active

Total Project Cost: \$10,000

Description
 Upgrade GP Dynamics/Cogsdale to latest builds.

Justification
 Maintenance. Annual business accounting software upgrade.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	10,000					10,000
Total	10,000					10,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	2,500					2,500
Rplcmt Fund-Elec share/business	4,700					4,700
Rplcmt Fund-Water share/business	1,700					1,700
Rplcmt Fund-WWC share/business	1,100					1,100
Total	10,000					10,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2309
Project Name Miscellaneous Computer Hardware

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 04 - Minor Need
Status Active

Total Project Cost: \$2,000

Description
 Replace computer equipment, as needed.

Justification
 Maintenance. Replace failed equipment..

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	2,000					2,000
Total	2,000					2,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM	500					500
Rplcmt Fund-Elec share/business	940					940
Rplcmt Fund-Water share/business	340					340
Rplcmt Fund-WWC share/business	220					220
Total	2,000					2,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2310
Project Name NEW ERP SOFTWARE - UB AR AP PROJ PYRL FS BUDG

Department 5-Technology
Contact Jean Lane
Type Unassigned
Useful Life 7
Category Computer System
Priority 01 - Required
Status Active

Description **Total Project Cost: \$250,000**
 New ERP software system. Utility billing, accounts receivable, accounts payable, budget, payroll, projects, financial statements, purchase orders.

Justification
 Microsoft has given notification they will discontinue support of GP Dynamics within 5 years. Current software is not efficient and lacks reportability.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	250,000					250,000
Total	250,000					250,000

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	250,000					250,000
Total	250,000					250,000

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2402
Project Name Personal Computer Replacements

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$4,000

Description
 Annual replacement/upgrade of GRPUC personal computers/workstations

Justification
 Maintenance. Replace personal computers due to obsolescence.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		4,000				4,000
Total		4,000				4,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM		1,320				1,320
Rplcmt Fund-Elec share/business		1,680				1,680
Rplcmt Fund-Water share/business		600				600
Rplcmt Fund-WWC share/business		400				400
Total		4,000				4,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2403
Project Name Mobile Computers

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 04 - Minor Need
Status Active

Total Project Cost: \$4,000

Description

Purchase 2 mobile computers (laptops or tablets)

Justification

Improve efficiency. Purchase mobile computers for use by Electric, Water and Wastewater Collection field and maintenance crews for mapping and WO use. Allow better tracking of work.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		4,000				4,000
Total		4,000				4,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business		2,000				2,000
Rplcmt Fund-Water share/business		1,000				1,000
Rplcmt Fund-WWC share/business		1,000				1,000
Total		4,000				4,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2404
Project Name Server Upgrades

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$65,000

Description
 Upgrade host server for GRPUC business network.

Justification
 Maintenance. Network enhancement due to increased technology use.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		65,000				65,000
Total		65,000				65,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM		16,250				16,250
Rplcmt Fund-Elec share/business		30,550				30,550
Rplcmt Fund-Water share/business		11,050				11,050
Rplcmt Fund-WWC share/business		7,150				7,150
Total		65,000				65,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2408
Project Name Software Upgrades

Department 5-Technology

Contact Tyanne Betts

Type Unassigned

Useful Life 5

Category Computer System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$10,000

Description

Upgrade GP Dynamics/Cogsdale to latest builds.

Justification

Maintenance. Annual business accounting software upgrade.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		10,000				10,000
Total		10,000				10,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM		2,500				2,500
Rplcmt Fund-Elec share/business		4,700				4,700
Rplcmt Fund-Water share/business		1,700				1,700
Rplcmt Fund-WWC share/business		1,100				1,100
Total		10,000				10,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 5-Technology

Contact Tyanne Betts

Type Unassigned

Useful Life 5

Category Computer System

Priority 04 - Minor Need

Status Active

Project # CITE2409
Project Name Miscellaneous Computer Hardware

Total Project Cost: \$2,000

Description
Replace computer equipment, as needed.

Justification
Maintenance. Replace failed equipment..

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		2,000				2,000
Total		2,000				2,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM		500				500
Rplcmt Fund-Elec share/business		940				940
Rplcmt Fund-Water share/business		340				340
Rplcmt Fund-WWC share/business		220				220
Total		2,000				2,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2502
Project Name Personal Computer Replacements

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$4,000

Description
 Annual replacement/upgrade of GRPUC personal computers/workstations

Justification
 Maintenance. Replace personal computers due to obsolescence.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			4,000			4,000
Total			4,000			4,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM			1,320			1,320
Rplcmt Fund-Elec share/business			1,680			1,680
Rplcmt Fund-Water share/business			600			600
Rplcmt Fund-WWC share/business			400			400
Total			4,000			4,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2503
Project Name Mobile Computers

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 04 - Minor Need
Status Active

Total Project Cost: \$4,000

Description

Purchase 2 mobile computers (laptops or tablets)

Justification

Improve efficiency. Purchase mobile computers for use by Electric, Water and Wastewater Collection field and maintenance crews for mapping and WO use. Allow better tracking of work.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			4,000			4,000
Total			4,000			4,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business			2,000			2,000
Rplcmt Fund-Water share/business			1,000			1,000
Rplcmt Fund-WWC share/business			1,000			1,000
Total			4,000			4,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2506
Project Name Network Switch Upgrades

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 03 - Moderate Need
Status Active

Total Project Cost: \$12,000

Description
 Replace/upgrade GRPUC business network switches

Justification
 Maintenance. Scheduled replacement due to technological changes.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			12,000			12,000
Total			12,000			12,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM			3,000			3,000
Rplcmt Fund-Elec share/business			5,640			5,640
Rplcmt Fund-Water share/business			2,040			2,040
Rplcmt Fund-WWC share/business			1,320			1,320
Total			12,000			12,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2507
Project Name Computer Backup Hardware

Department 5-Technology
Contact Tyanne Betts
Type Unassigned
Useful Life 5
Category Computer System
Priority 01 - Required
Status Active

Total Project Cost: \$8,000

Description
 Upgrade/replace server backup hardware.

Justification
 Maintenance. Replace/upgrade backup hardware due to age/changes in technology.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			8,000			8,000
Total			8,000			8,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM			2,000			2,000
Rplcmt Fund-Elec share/business			3,760			3,760
Rplcmt Fund-Water share/business			1,360			1,360
Rplcmt Fund-WWC share/business			880			880
Total			8,000			8,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CITE2508
Project Name Software Upgrades

Department 5-Technology

Contact Tyanne Betts

Type Unassigned

Useful Life 5

Category Computer System

Priority 02 - Significant Need

Status Active

Total Project Cost: \$10,000

Description

Upgrade GP Dynamics/Cogsdale to latest builds.

Justification

Maintenance. Annual business accounting software upgrade.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			10,000			10,000
Total			10,000			10,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM			2,500			2,500
Rplcmt Fund-Elec share/business			4,700			4,700
Rplcmt Fund-Water share/business			1,700			1,700
Rplcmt Fund-WWC share/business			1,100			1,100
Total			10,000			10,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 5-Technology

Contact Tyanne Betts

Type Unassigned

Useful Life 5

Category Computer System

Priority 04 - Minor Need

Status Active

Total Project Cost: \$2,000

Project #	CITE2509
Project Name	Miscellaneous Computer Hardware

Description
Replace computer equipment, as needed.

Justification
Maintenance. Replace failed equipment..

Expenditures	2023	2024	2025	2026	2027	Total
Purchases			2,000			2,000
Total			2,000			2,000

Funding Sources	2023	2024	2025	2026	2027	Total
Customer Contributions-UPM			500			500
Rplcmt Fund-Elec share/business			940			940
Rplcmt Fund-Water share/business			340			340
Rplcmt Fund-WWC share/business			220			220
Total			2,000			2,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 6-Service Center
Contact Julie Kennedy
Type Unassigned
Useful Life 20
Category Buildings
Priority 02 - Significant Need
Status Active

Project # CSCW2022
Project Name South Gate Replacement

Total Project Cost: \$20,000

Description
 Replace south gate at CSC so we can card access and mechanical parts protected from outside elements.

Justification
 Facility security

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	15,000					15,000
Labor	5,000					5,000
Total	20,000					20,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business	13,000					13,000
Rplcmt Fund-Water share/business	4,000					4,000
Rplcmt Fund-WWC share/business	3,000					3,000
Total	20,000					20,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 6-Service Center
Contact Julie Kennedy
Type Unassigned
Useful Life 25
Category Buildings
Priority 02 - Significant Need
Status Active

Project # CSCW2023-3
Project Name CSC Lighting Upgrades - Garage Area

Total Project Cost: \$10,450

Description
 Upgrade combined service center lighting to LED fixtures. 2023 is focused on the mechanics bay area and vapor tight lights for the wash bay.

Justification
 Lower energy use by LED lights combined with motion detectors reduce overall energy consumption with an average of a 3 year payback.

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	10,450					10,450
Labor	0					0
Total	10,450					10,450

Funding Sources	2023	2024	2025	2026	2027	Total
City Contributions	10,450					10,450
Total	10,450					10,450

Budget Impact/Other

Budget Items	2023	2024	2025	2026	2027	Total
Capital Projects	1					1
Total	1					1

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 6-Service Center
Contact Julie Kennedy
Type Unassigned
Useful Life 20
Category Buildings
Priority 03 - Moderate Need
Status Active

Project # CSCW2102
Project Name Building Security Upgrade

Total Project Cost: \$33,000

Description
 Convert key system to upgraded card system.

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	25,000					25,000
Labor	3,000					3,000
Contractor Labor	5,000					5,000
Total	33,000					33,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business	21,450					21,450
Rplcmt Fund-Water share/business	6,600					6,600
Rplcmt Fund-WWC share/business	4,950					4,950
Total	33,000					33,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CSCW2103
Project Name Building Landscaping

Department 6-Service Center
Contact Julie Kennedy
Type Unassigned
Useful Life 20
Category Buildings
Priority 04 - Minor Need
Status Active

Total Project Cost: \$14,000

Description
 Plant shrubs in front of building-create sitting area for lunch and break.

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	7,000					7,000
Labor	2,000					2,000
Contractor Labor	5,000					5,000
Total	14,000					14,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business	9,100					9,100
Rplcmt Fund-Water share/business	2,800					2,800
Rplcmt Fund-WWC share/business	2,100					2,100
Total	14,000					14,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CSCW2201
Project Name North Roof Replacement

Department 6-Service Center

Contact Julie Kennedy

Type Unassigned

Useful Life 20

Category Buildings

Priority 02 - Significant Need

Status Active

Total Project Cost: \$80,000

Description
 Replace north roof

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Purchases		80,000				80,000
Total		80,000				80,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business		52,000				52,000
Rplcmt Fund-Water share/business		16,000				16,000
Rplcmt Fund-WWC share/business		12,000				12,000
Total		80,000				80,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CSCW2301
Project Name South Roof Replacement

Department 6-Service Center

Contact Julie Kennedy

Type Unassigned

Useful Life 20

Category Buildings

Priority 02 - Significant Need

Status Active

Total Project Cost: \$275,000

Description
 Replace south roof

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Purchases	275,000					275,000
Total	275,000					275,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business	178,750					178,750
Rplcmt Fund-Water share/business	55,000					55,000
Rplcmt Fund-WWC share/business	41,250					41,250
Total	275,000					275,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CSCW2302
Project Name Red Rubber Flooring Replacement

Department 6-Service Center
Contact Julie Kennedy
Type Unassigned
Useful Life 30
Category Buildings
Priority 02 - Significant Need
Status Active

Total Project Cost: \$125,000

Description
 red flooring replacement

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor	125,000					125,000
Total	125,000					125,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business	81,250					81,250
Rplcmt Fund-Water share/business	25,000					25,000
Rplcmt Fund-WWC share/business	18,750					18,750
Total	125,000					125,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 6-Service Center

Contact

Type Unassigned

Useful Life

Category Water System

Priority

Status Active

Total Project Cost: \$20,000

Project # CSCW2400
Project Name Misc CSC CIP

Description

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor		20,000				20,000
Total		20,000				20,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business		13,000				13,000
Rplcmt Fund-Water share/business		4,000				4,000
Rplcmt Fund-WWC share/business		3,000				3,000
Total		20,000				20,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CSCW2500
Project Name Misc CSC CIP

Department 6-Service Center
Contact
Type Unassigned
Useful Life
Category Water System
Priority
Status Active

Total Project Cost: \$20,000

Description

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor			20,000			20,000
Total			20,000			20,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business			13,000			13,000
Rplcmt Fund-Water share/business			4,000			4,000
Rplcmt Fund-WWC share/business			3,000			3,000
Total			20,000			20,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Project # CSCW2600
Project Name Misc CSC CIP

Department 6-Service Center
Contact
Type Unassigned
Useful Life
Category Water System
Priority
Status Active

Total Project Cost: \$20,000

Description

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor				20,000		20,000
Total				20,000		20,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business				13,000		13,000
Rplcmt Fund-Water share/business				4,000		4,000
Rplcmt Fund-WWC share/business				3,000		3,000
Total				20,000		20,000

Budget Impact/Other

Capital Plan

Data in Year 2023 and 2027

Grand Rapids Public Utilities Commission

Department 6-Service Center

Contact

Type Unassigned

Useful Life

Category Water System

Priority

Status Active

Total Project Cost: \$20,000

Project # CSCW2700
Project Name Misc CSC CIP

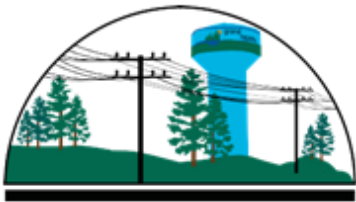
Description

Justification

Expenditures	2023	2024	2025	2026	2027	Total
Contractor Labor					20,000	20,000
Total					20,000	20,000

Funding Sources	2023	2024	2025	2026	2027	Total
Rplcmt Fund-Elec share/business					13,000	13,000
Rplcmt Fund-Water share/business					4,000	4,000
Rplcmt Fund-WWC share/business					3,000	3,000
Total					20,000	20,000

Budget Impact/Other



**GRAND RAPIDS
PUBLIC UTILITIES**

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BUSINESS SERVICES DEPARTMENT MONTHLY REPORT December 2022 Commission Meeting

Effective Wholesale Electric Power Rate Last Month

The attached graph shows the effective wholesale electric rate for last month and a chart on the aggregated NEMMPA peak versus non-NEMMPA peak.

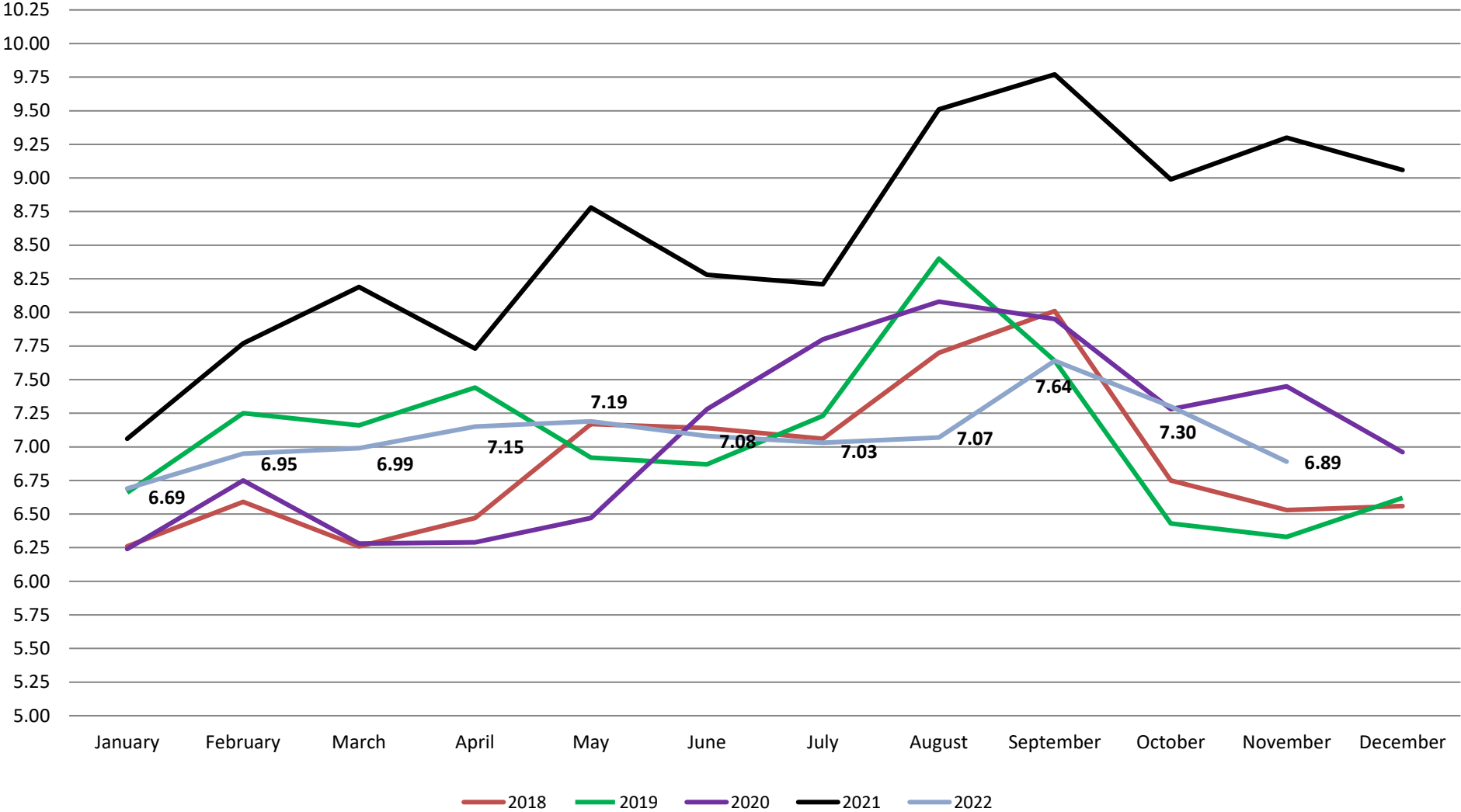
Projects Performed Last Month

- Met with Managers and Directors on budget versus actual financial reporting.
- CSR team prepared several standard operating procedures for customer service applications, billing cycle, disconnect procedures, and new customer services.
- PIT Crew meetings for ERP software project to discuss process improvements.
- Work with managers on 2023 budget document preparation.
- Internal audit by CSR team for customer with sales tax exemption and multi-family rate structure versus commercial rates.
- Provided customer data usage for electric and water to consultant for rate water and electric rate studies.
- Assist with managers in review of cost of service data in electric, water, and waste collection rate studies.
- Work with managers and directors on draft 2023 operations and capital budget.

Projects Scheduled for This Month

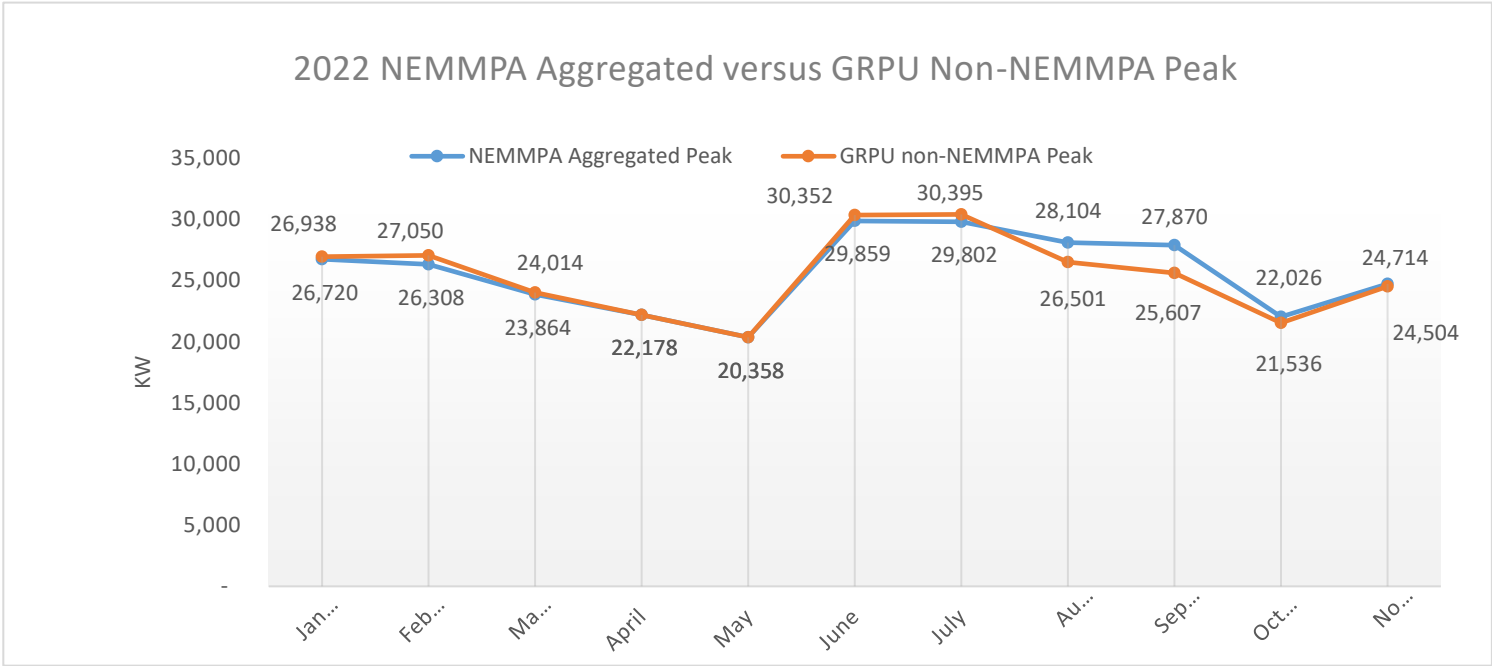
- Finalize draft RFP ERP with GFOA and send RFP to vendor list.
- Prepare for Department of Revenue sales tax audit.
- Finalize review of chart of accounts number schematic and determine effectiveness any recommendation for change in schematic.
- Finalize 2023 operations and capital budget for presentation to Commission.
- Develop several data reports requested from customer and accounting data.
- Review proposed rate structures from water, waste collection, and electric rate studies.
- CSR team will work with water director to make final customer appointments to install water nodes to complete AML water project.
- CSR team reduces costs of utility billing by working with Cogsdale to reformat the billing template to fit standard #10 window envelope.

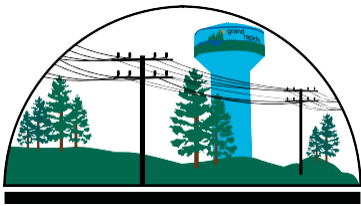
Wholesale Power Effective Electric Rate (¢/kWh)



GRAND RAPIDS PUBLIC UTILITIES
PEAK INFORMATION
2022

	January	February	March	April	May	June	July	August	September	October	November	December
NEMMPA Aggregated Peak	26,720	26,308	23,864	22,178	20,358	29,859	29,802	28,104	27,870	22,026	24,714	
GRPU non-NEMMPA Peak	26,938	27,050	24,014	22,178	20,358	30,352	30,395	26,501	25,607	21,536	24,504	





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Item 14.

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ELECTRIC DEPARTMENT MONTHLY REPORT December 2022 Commission Meeting

Safety

- There were no OSHA recordable accidents last month in the Electric Department.

Power Usage for past month

- The attached graph shows the system load for the past month.

Reliability Last Month

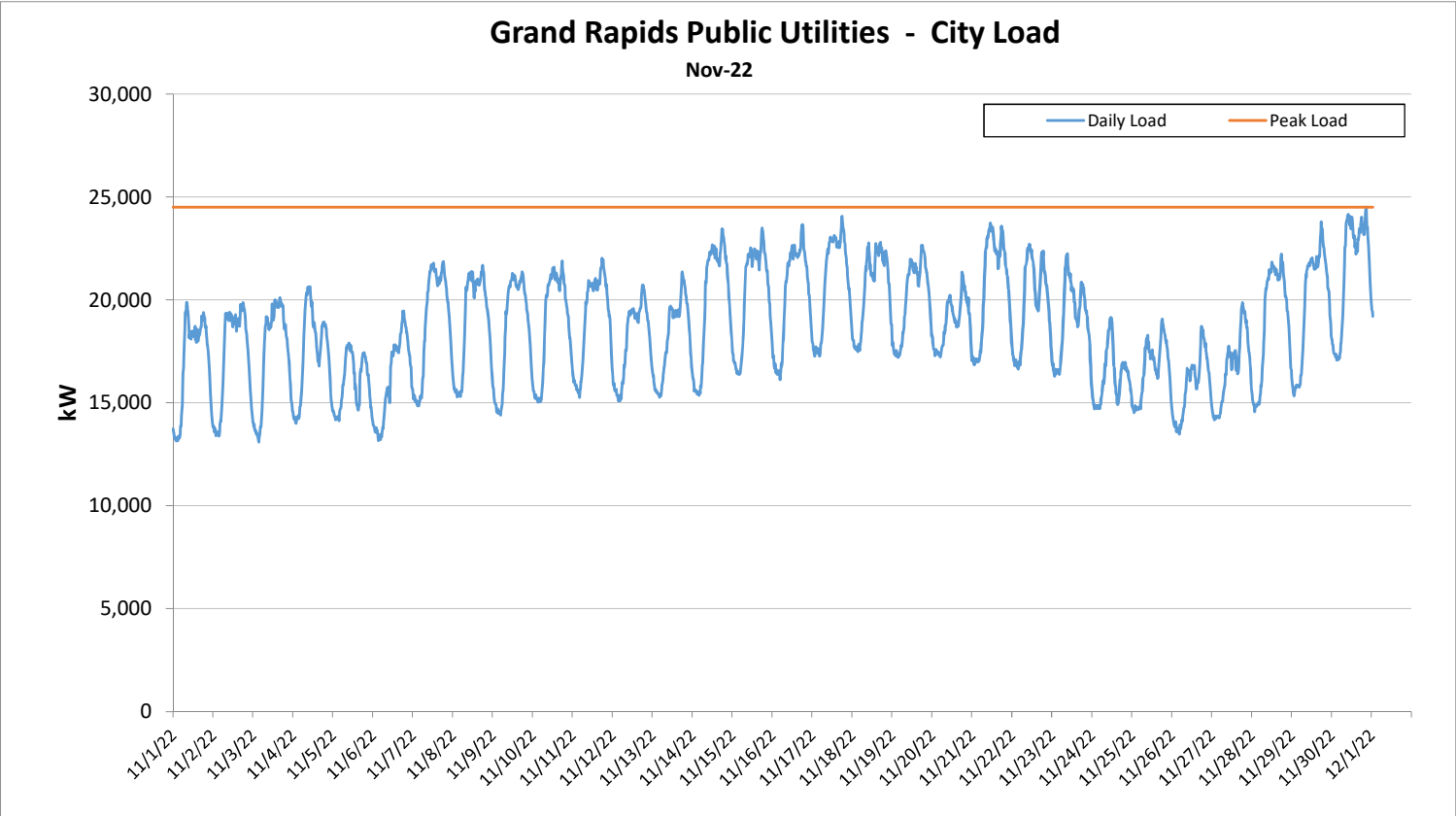
- We are working on the report for outages during the past month.

Projects Performed Last Month

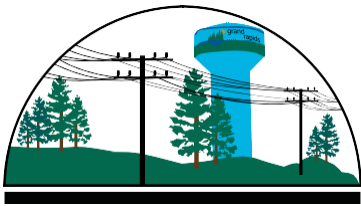
- Transition – standard operating procedures, daily tasks, Master Electrician/Responsible person removal/transition, projects
- Solar plus Battery Storage project
 - Several successful battery discharges with parallel load management operations

Projects Scheduled for This Month

- Complete new service at DNR
- Light fixture replacement at Service Center
- LaPrairie Campground wire placement
- Underground cable replacement in various LCP service acquisition areas



MONTHLY PEAK	
kW	Date/Time
24,504	11/30/22 9:00 PM



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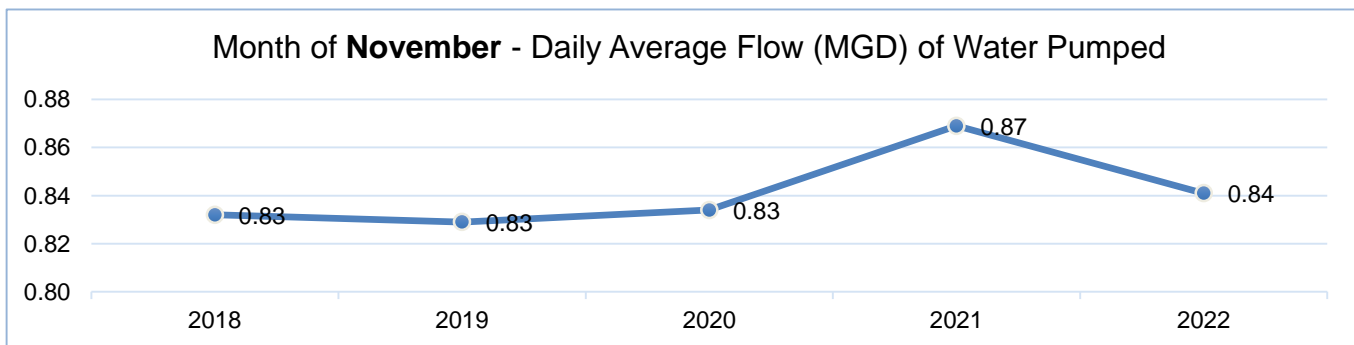
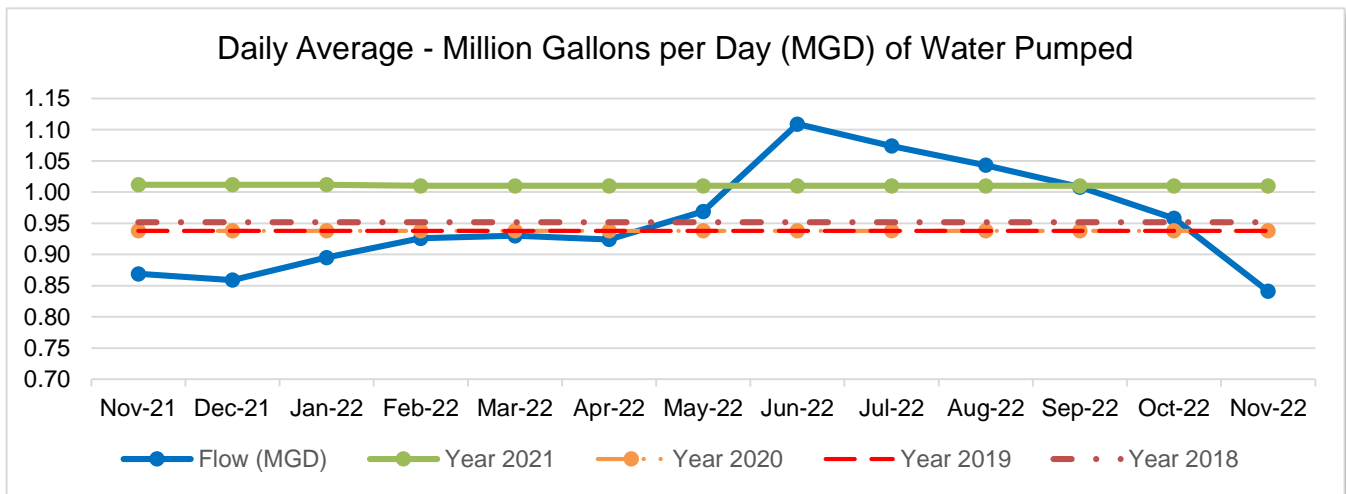
WATER & WASTEWATER DEPARTMENT MONTHLY REPORT December 2022 Commission Meeting

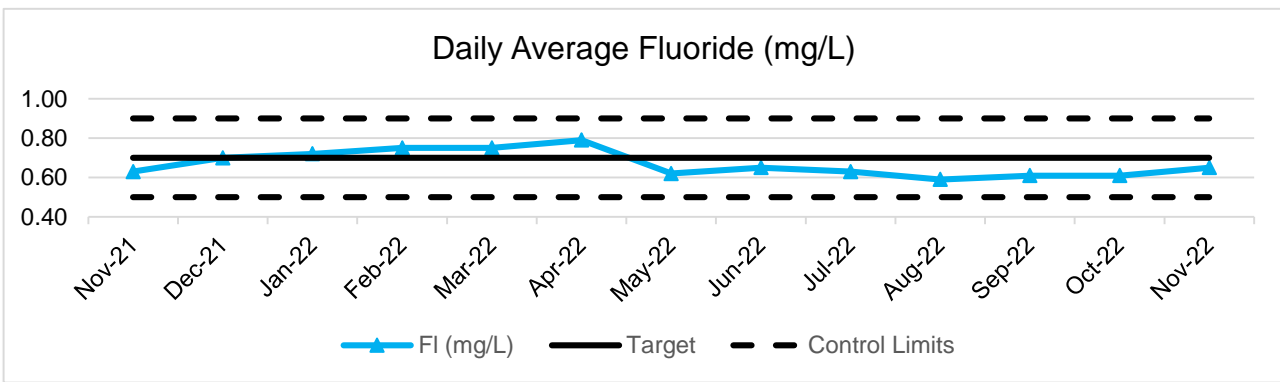
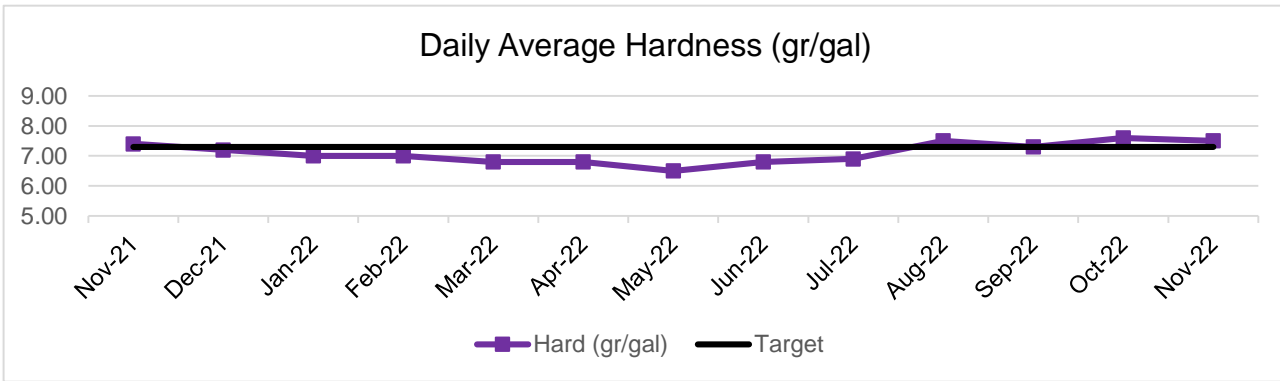
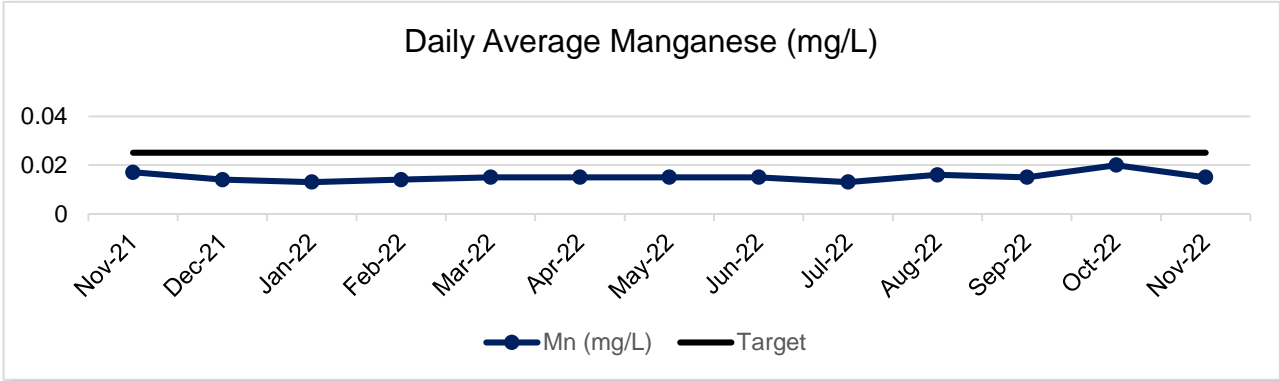
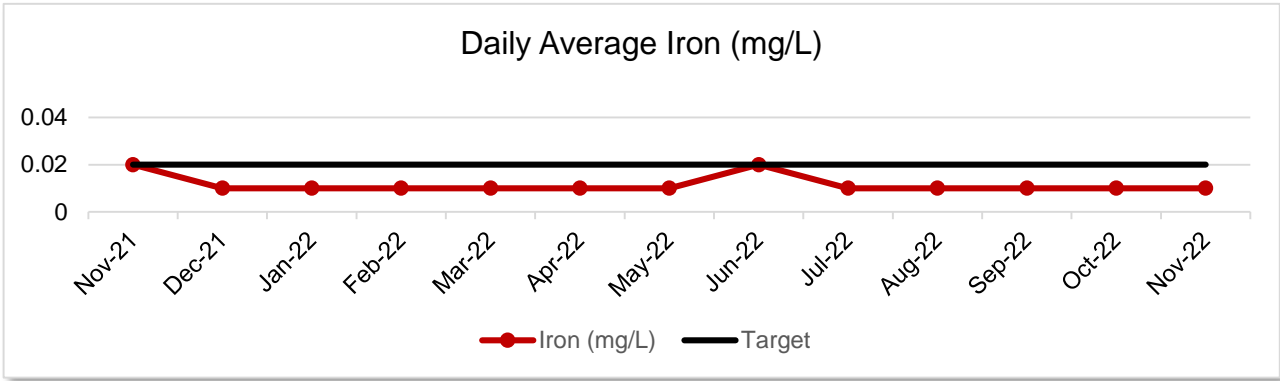
Safety

There were no OSHA recordable accidents last month.

Water Operations

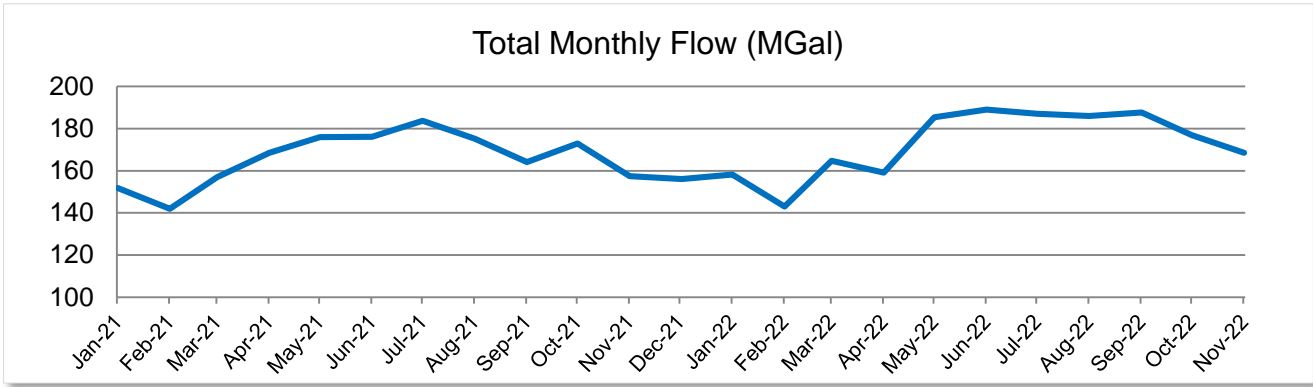
The water plant pumped an average of 0.84 million gallons of water per day (MGD) with a peak of 0.99 million gallons during last month.



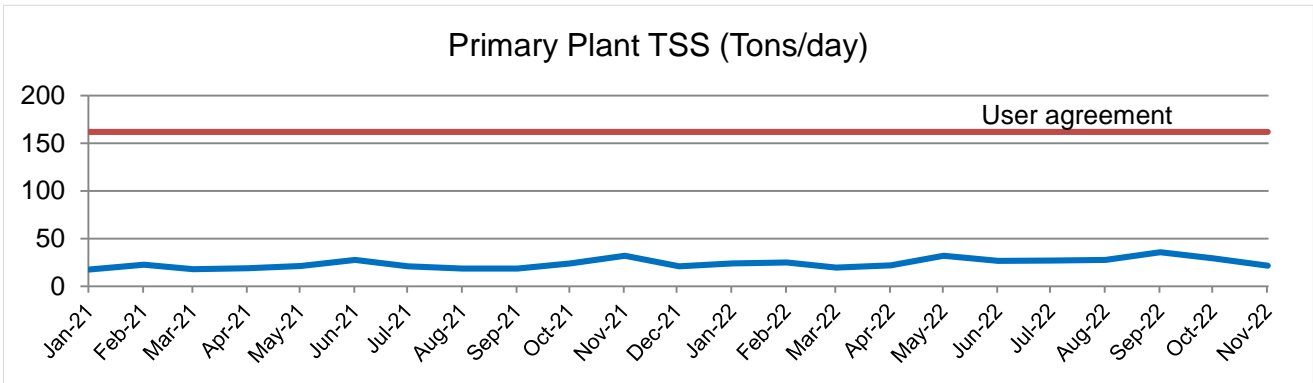


Wastewater Operations

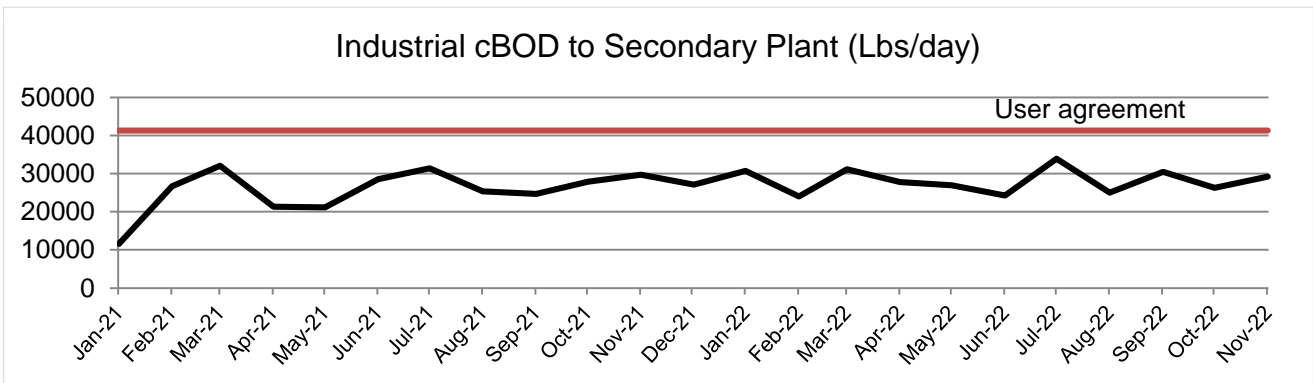
The Wastewater Treatment Plant (WWTP) met all National Pollutant Discharge Elimination System (NPDES) permit requirements last month. We treated 169 million gallons of water removing 99.7% of the Total Suspended Solids (TSS) and 99.5% Biochemical Oxygen Demand (cBOD).

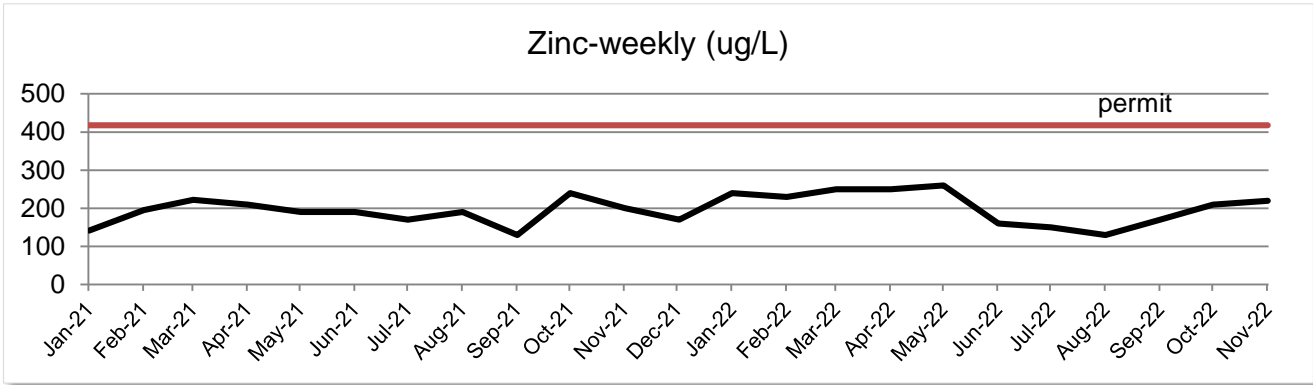


	Design Limits (monthly AVG)	Actual Results
Primary Plant		
Flow (MGD)	13.25	4.3
TSS (Tons/day)	162	21.6
TSS Peak (Tons/Day)	284	53.2

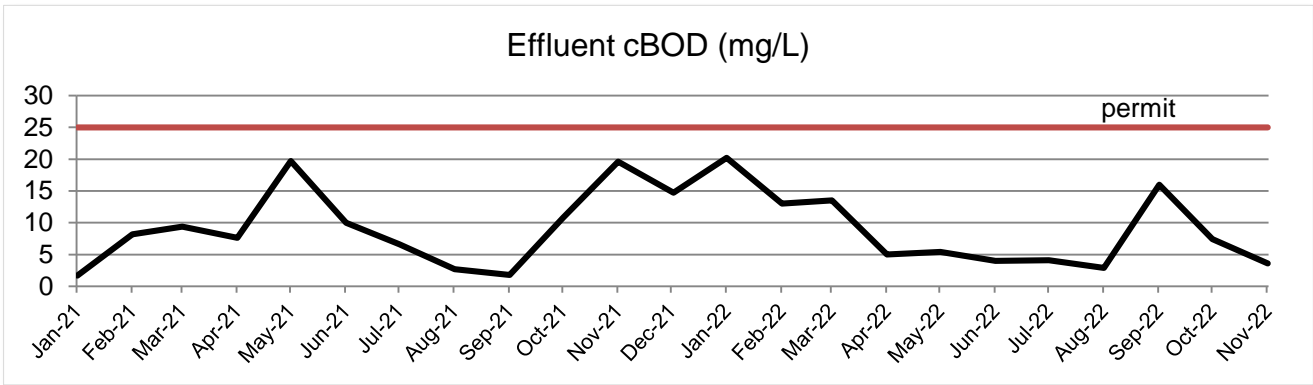
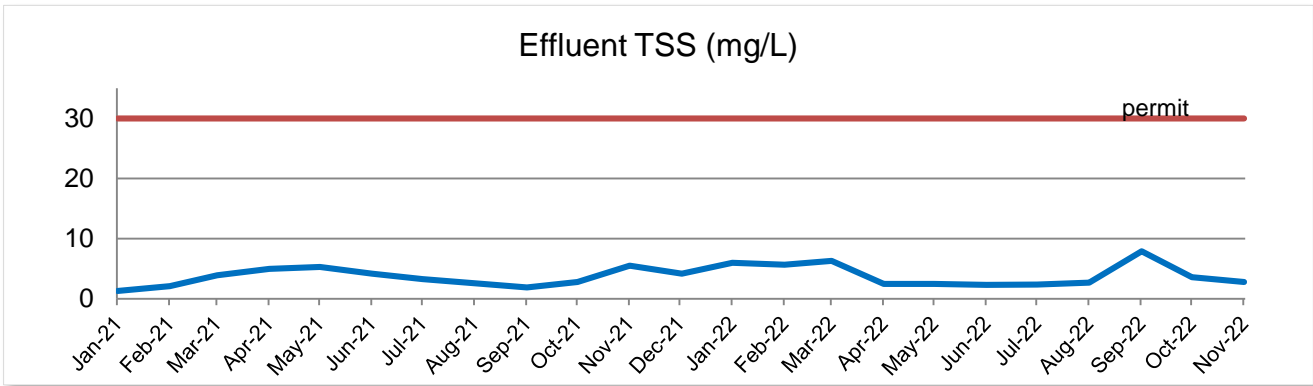


	Design Limits (monthly AVG)	Actual Results
Secondary Plant		
Flow (MGD)	15.25	5.6
cBOD (lbs/Day)	41,300	31,490
Peak cBOD (lbs/Day)	57,350	44,255
Zinc-weekly (ug/L)	418	220
% GRPUC		25.1%



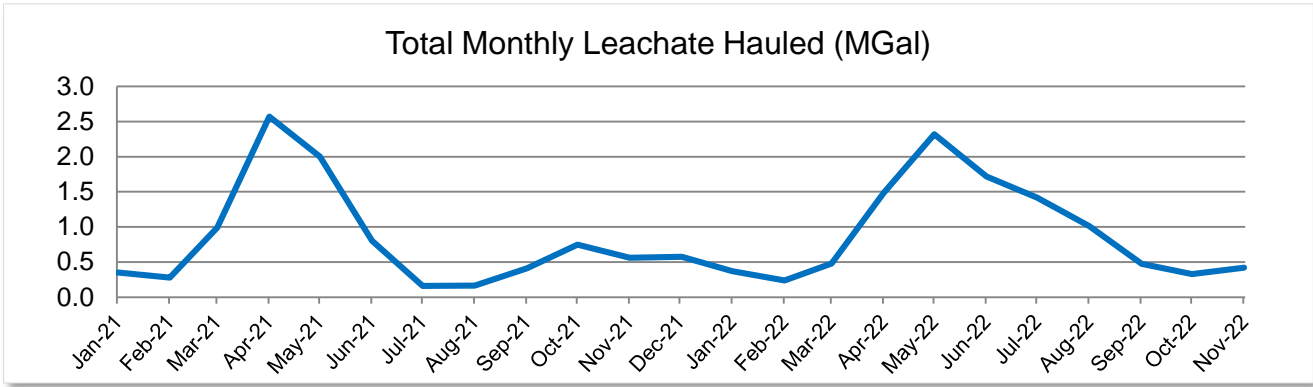


	Permit Limits (monthly AVG)	Actual Results
<u>Effluent</u>		
TSS (mg/L) – monthly average	30	2.8
cBOD (mg/L) – monthly average	25	3.6
Dissolved Oxygen (mg/L)	>1.0	8.2



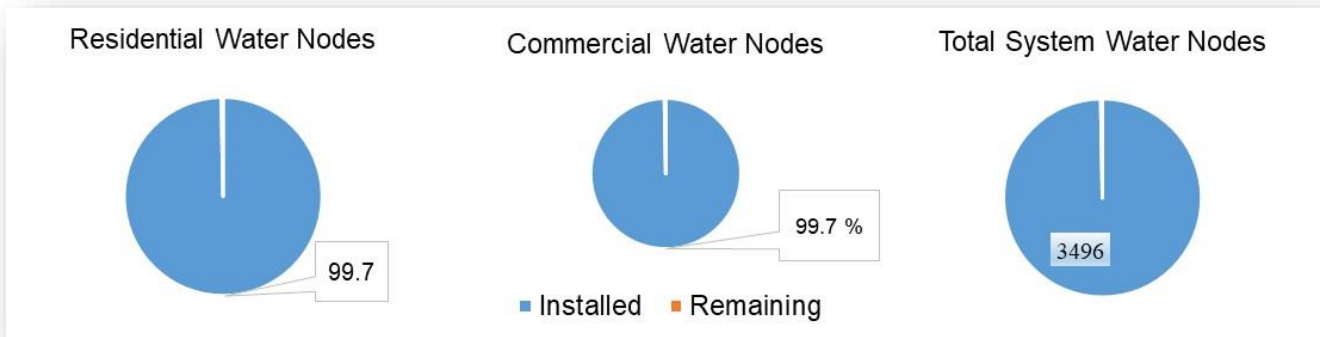
Sludge Landfill Operations

- 0.42 million gallons of leachate were hauled last month
- 3,816 cubic yards of sludge solids were hauled to the landfill



AMI Water Install Last Month

We installed 4 water nodes and/or meters in residential routes. We currently have 3496 (99%) active water nodes installed in the system. We continue working towards getting the remaining nodes installed.

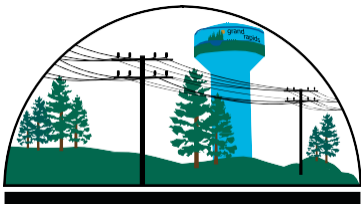


Projects Performed Last Month

- WWT Aeration basin mixer repairs project.
- No. 6 lift station rehabilitation.
- Motor replacement on RST 1 Drum Drive.

Projects Scheduled for This Month

- Rebuild two 5hp lift station pumps.
- WWT Effluent water system check valve replacement.
- RAS pump oil changes 7A and 7B.
- Assisting with lunchroom remodel.



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SAFETY REPORT December 2022 Commission Meeting

Safety Topic Last Month

Winter weather preparation and slips, trips, and falls training was not held in November and will be completed in December.

Safety Topic This Month

Dave Lundberg is no longer working for MMUA. Jason Gorr, from MMUA, has conducted training for us in the past and will be our interim safety coordinator for December until our permanent coordinator, Brad Levasseur, is in place in January 2023.

Accidents Reported last Month by Department

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

Cumulative Accidents for 2022

Recordable Accidents	0
Lost Time Days 2022	0
Restricted Days 2022	0
First Aid Only (not recordable)	1

Total FROI 1

Recordable Accident 5-year History

	2018	2019	2020	2021	2022
ADMIN	0	0	0	0	0
BUS SVCS	1	4	0	0	0
ELEC	1	1	0	0	0
W-WW	3	5	3	1	0
TOTAL	5	10	3	1	0