



MOORHEAD PUBLIC SERVICE COMMISSION

MEETING AGENDA

Tuesday, August 26, 2025 - 4:30 PM

**Hjemkomst Center
202 First Avenue North, Moorhead
Auditorium**

Commissioners:

Joel Paulsen, Chairperson
Paul Baker, Vice Chairperson
Lisa Borgen, Secretary
Heidi Durand
Matt Leiseth
Jason Ness

Travis L. Schmidt, General Manager

The Moorhead Public Service Commission welcomes and encourages customer input on issues listed on the agenda or of general water/electric utility interest—time and Commission permitting. Speakers are limited to 3-minute presentations. Customers wishing to address the Commission regarding a specific agenda item will be afforded an opportunity during the discussion of that item. Customers wishing to speak on matters not listed on the agenda will be given the opportunity to do so under the heading “Customers to Be Heard/Recognitions.” Each person requesting the opportunity to speak is asked to fill out a *Request to Speak Form* (located on the table in the back of the room) and present it to the Administrative Assistant in attendance at the meeting. Any follow-up or feedback will be done by e-mail on anything that cannot be resolved this evening.

1. Call to Order

2. Approve Agenda

3. Approve Consent Agenda

All agenda items listed with an asterisk (*) are on the consent agenda and are considered routine or non-controversial. These items may be enacted by the Commission in one motion, which is a motion to approve the consent agenda. No discussion is expected for the items on the consent agenda; however, prior to approving the consent agenda, the Commission may request specific items be removed from the consent agenda for discussion and separate action.

***4. Approve Minutes of July 15, 2025**

***5. Approve Bills for Payment**

6. Customers to Be Heard/Recognitions

7. Old Business

8. **Reports**
 - a. **City Council**
 - b. **Public Service Commission**
 - c. **General Manager's Report**
 - d. **Accept Report on Regional Electric Rates**
 - e. **Accept Report on Reserved Capacity Agreements with MRES and Transmission for Potential Large-Load Customers**
 - f. **Accept Report on Potential Use of Lime Sludge in Roadway Construction**
 - g. **Accept Report on MPS' Advanced Metering Infrastructure Project**
- *9. **Approve Change Orders No. 1 and 2 with Border Construction, LLC, for Construction of MPS' Redundant Network Operations Center**
10. **Approve Task Order No. 3 with MBN Engineering for MPS' 115 kV Transmission Line Upgrade Project from the Fargo Substation to the Sheyenne Diversion**
11. **Award Bid for Furnishing Electric Power Transformers at MPS' Northeast Substation**
12. **Award Bid for Furnishing 115 kV Breakers at MPS' Northeast Substation**
13. **Review Preliminary 2026 Budget Timetable, Appoint Commission Working Groups, and Set Date for Water and Electric Rate Hearings**
14. **Close Meeting for Executive Session (if needed)**
15. **Upcoming Meetings**
 - a. **Public Service Commission Meetings**
September 2, 2025 (if needed)
September 23, 2025
 - b. **Meeting Opportunities for Commissioners^(A)**
 - **MN AWWA Annual Conference**
September 16-19, 2025, Duluth, MN
 - **MRES' Municipal Power Leadership Academy**
September 17-18, 2025, Sioux Falls, SD
 - **APPA Customer Connections Conference**
November 2-5, 2025 Salt Lake City, UT

16. Adjourn

How to obtain Public Service Commission agendas:

View on the Internet. Any attachments that are not available online may be viewed at the offices of Moorhead Public Service. E-mail subscription: mps@mpsutility.com
Request a copy at MPS' Business Office located at 2901 S. Frontage Road, Suite 2, Moorhead, MN 56560. Upon request, accommodations for individuals with disabilities, language barriers, or other needs to allow participation in Commission meetings will be provided. To arrange assistance, call Moorhead Public Service at 218.477.8003 (voice) or 711 (TDD/TTY).**Moorhead Public Service Commission meetings are broadcast live on Channel 12-Moorhead Community Access Television in Moorhead and digital Channels 67 and 68 for the metro area.**

Some members of the Moorhead Public Service Commission may be attending today's meeting via interactive technology.

^(A) APPA = American Public Power Association - www.publicpower.org
MMUA = Minnesota Municipal Utilities Association - www.mmua.org
MRES = Missouri River Energy Services - www.mrenergy.com
AWWA = American Water Works Association - www.aww.org
MN AWWA = American Water Works Association-Minnesota Section - www.mnawwa.org
RRBC = Red River Basin Commission - www.redriverbasincommission.org

Minutes of the Moorhead Public Service Commission
Hjemkomst Center, Auditorium
Tuesday, July 15, 2025 – 4:30 PM

MEMBERS PRESENT: Lisa Borgen, Matthew Leiseth, Jason Ness, and Joel Paulsen (Interactive Technology—Personal)

MEMBERS ABSENT: Heidi Durand and Paul Baker

OTHERS PRESENT: General Manager Travis Schmidt; Staff Members Adam Benhardt, Cheryl Glasoe, Taylor Holte, Jake Long, Andrew Nord, Marc Pritchard, and James Sumba; MPS Attorney John Boulger; Assistant City Manager Mike Rietz

1. CALL TO ORDER.

Commissioner Borgen called the meeting to order at 4:30 PM. A quorum of the following members was present: Borgen, Leiseth, Ness, and Paulsen.

2. APPROVE AGENDA.

Commissioner Leiseth made a motion to approve the agenda. Commissioner Ness seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

3. APPROVE CONSENT AGENDA.

Commissioner Ness made a motion to approve the consent agenda. Commissioner Leiseth seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

[The consent agenda approved above includes all items shown herein with an asterisk (*). These items were considered routine or non-controversial by the Commission and were enacted by the Commission in one motion, which is the motion above to approve the consent agenda.]

***4. APPROVE MINUTES OF JUNE 17, 2025.**

Commissioner Ness made a motion to approve the minutes of June 17, 2025. Commissioner Leiseth seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

***5. APPROVE BILLS FOR PAYMENT.**

Commissioner Ness made a motion to approve the bills for payment. Commissioner Leiseth seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

- *6. APPROVE REVISED EXHIBITS TO THE FIRM ELECTRIC SERVICE CONTRACT WITH WAPA AND THE REVISED INTERCONNECTION CONTRACT AND EXHIBITS WITH WAPA AND SPP.**

Commissioner Ness made a motion to approve the following:

- (A) Revision 1 to Exhibit B of the Firm Electric Service Contract No. 14-UGPR-1008 between Western Area Power Administration and the City of Moorhead;*
- (B) Revision 1 to Exhibit C of Firm Electric Service Contract No. 14-UGPR-1008 between Western Area Power Administration and the City of Moorhead;*
- (C) Revision to Interconnection Contract No. 14-UGPR-2008.2 between Western Area Power Administration, the City of Moorhead, and Southwest Power Pool, which supersedes Interconnection Contract No. 14-UGPR-2008.1;*
- (D) Revision 2 to Exhibit A of Consolidated Facility Arrangements Contract No. 14-UGPR-3008 between Western Area Power Administration and the City of Moorhead;*
- (E) Revision 1 to Exhibit A of Interconnection Contract No. 14-UGPR-2008.2 between Western Area Power Administration, the City of Moorhead, and Southwest Power Pool; and*
- (F) Revision 1 to Exhibit B of Interconnection Contract No. 14-UGPR-2008.2 between Western Area Power Administration, the City of Moorhead, and Southwest Power Pool.*

Commissioner Leiseth seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

- *7. APPROVE LICENSE AND INDEMNIFICATION AGREEMENT WITH CENTER FOR PLASTIC SURGERY.**

Commissioner Ness made a motion to approve the License and Indemnification Agreement with Center for Plastic Surgery to allow for the installation of a sign within Moorhead Public Service's transmission line easement, contingent upon final legal approval. Commissioner Leiseth seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

- *8. APPROVE AMENDMENT NO. 1 TO TASK ORDER NO. 2025-1 WITH SANDMAN STRUCTURAL ENGINEERS FOR CONSTRUCTION OF MPS' REDUNDANT NETWORK OPERATIONS CENTER.**

Commissioner Ness made a motion to approve Amendment No. 1 to Task Order No. 2025-1 with Sandman Structural Engineers for the construction of Moorhead Public Service's redundant Network Operations Center in an amount not-to-exceed \$60,000. Commissioner Leiseth seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

- *9. APPROVE TASK ORDER NO. 10 WITH SEH FOR CONSTRUCTION PHASE ENGINEERING SERVICES FOR THE OZONE GENERATOR AND EQUIPMENT REPLACEMENT PROJECT AT MPS' WATER TREATMENT PLANT.**

Commissioner Ness made a motion to approve Task Order No. 10 with Short Elliott Hendrickson, Inc., in an amount not-to-exceed \$184,856 for professional services related to construction phase engineering services for the Ozone Generator and Equipment Replacement Project at Moorhead Public Service's Water Treatment Plant, contingent upon final legal approval. Commissioner Leiseth seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

10. CUSTOMERS TO BE HEARD/RECOGNITIONS.

There were no customers to be heard.

11. OLD BUSINESS.

There was no old business to discuss.

12. REPORTS.

City Council.

Commissioner Borgen stated that she attended a recent Moorhead City Council (Council) Workshop, where Chris Helmick, Moorhead's new Chief of Police, provided an update to the Council. Borgen also mentioned that the Commission's Budget Working Group, MPS staff, and City staff met to discuss the Moorhead City Hall project.

Public Service Commission.

No report was made.

General Manager's Report.

General Manager Travis Schmidt provided an update on the U.S. Environmental Protection Agency's recommendations regarding lead service lines. Water Distribution Manager Jake Long responded to questions of the Commission. Water Plant Manager Marc Pritchard provided an update on information that MPS received from the Minnesota Department of Transportation regarding land applying MPS' lime byproduct material. Schmidt stated that several MPS linemen traveled to Hillsboro, North Dakota, to assist with outages that occurred due to a storm in June 2025. Schmidt also mentioned that he was recently appointed to serve on MRES' Board of Directors and as secretary of the Western Minnesota Municipal Power Agency.

Accept Report on MPS' Financing and Bonding Capacity Projects.

Christine Hogan, Director with Baker Tilly Municipal Advisors, LLC, explained her role with MPS and presented a PowerPoint, which included MPS' current Moody's rating, projected future financing needs, projected debt service and debt service coverage, bonding covenants, and rating scorecard summary. Hogan responded to questions of the Commission.

Commissioner Ness made a motion to accept the report on Moorhead Public Service's financing and bonding capacity projects. Commissioner Paulsen seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

13. AWARD BID FOR CONSTRUCTION PHASE OF OZONE GENERATOR AND EQUIPMENT REPLACEMENT PROJECT AT MPS' WATER TREATMENT PLANT.

Water Plant Manager Marc Pritchard provided information on the bids received for the project, and the lowest, qualified bid was below the engineer's estimate by approximately \$110,000 (the engineer's estimate was \$661,900). Pritchard responded to questions of the Commission.

Commissioner Leiseth made a motion to award the bid for the construction phase of the Ozone Generator and Equipment Replacement Project at Moorhead Public Service's Water Treatment Plant to CC Steel, LLC, for \$550,000 for the base bid and \$3,000 for Alternate No. 1, for a total bid price of \$553,000, as shown on the Bid Tabulation Sheet attached hereto and made a part of these minutes. Commissioner Ness seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

14. APPROVE SPONSORSHIP REQUESTS FROM MOORHEAD PARKS AND RECREATION FOR UPCOMING SPECIAL EVENTS.

General Manager Travis Schmidt provided information on the sponsorship requests from Moorhead Parks and Recreation for upcoming special events.

Commissioner Ness made a motion to approve the sponsorship requests from Moorhead Parks and Recreation for RiverArts, Greater Moorhead Days, and Trunk or Treat in the amount of \$3,850. Commissioner Paulsen seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

15. APPROVE SPONSORSHIP REQUEST FROM CLAY COUNTY EARLY CHILDHOOD INITIATIVE FOR THE LONGEST TABLE MOORHEAD AND DILWORTH.

General Manager Travis Schmidt provided information on the sponsorship request from Clay County Early Childhood Initiative for The Longest Table Moorhead and Dilworth event.

Commissioner Leiseth made a motion to approve the sponsorship request from Clay County Early Childhood Initiative for The Longest Table Moorhead and Dilworth in the amount of \$1,000. Commissioner Paulsen seconded the motion. General Manager Travis Schmidt mentioned that MPS provides water to the City of Dilworth. The motion was amended by Commissioner Leiseth to increase the amount to \$3,500. Commissioner Paulsen seconded the amended motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

16. APPROVE MARKETING OPPORTUNITY WITH FARGO MOORHEAD WEST FARGO CHAMBER OF COMMERCE FOR THE MIDWEST ENERGY SUMMIT.

General Manager Travis Schmidt provided information on the marketing opportunity with the Fargo Moorhead West Fargo Chamber of Commerce for the Midwest Energy Summit.

Commissioner Paulsen made a motion to approve the marketing opportunity with the Fargo Moorhead West Fargo Chamber of Commerce for the Midwest Energy Summit in the amount of \$10,000. Commissioner Paulsen seconded the motion. The motion passed with a 4-0 vote. Voting Yes: Borgen, Leiseth, Ness, and Paulsen. Voting No: None.

17. CLOSE MEETING FOR EXECUTIVE SESSION.

The meeting was not closed for executive session.

18. UPCOMING MEETINGS.

Upcoming meetings of the Moorhead Public Service Commission are scheduled for August 5, 2025 (if needed), and August 26, 2025.

19. ADJOURN.

The meeting adjourned at 5:34 PM.

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The minutes herein are approved on this 26th day of August, 2025.

APPROVED BY:

ATTEST:

Joel Paulsen
Chairpersonⁱ

Lisa Borgen
Secretaryⁱ

ⁱ Pursuant to the Bylaws of the Moorhead Public Service Commission adopted January 18, 2022, Article 3, Section 11, states, “The Chairperson and Secretary shall sign, execute, and acknowledge all instruments authorized by the Commission or as are incident to the office. If either the Chairperson or Secretary is unavailable to execute an instrument, the Vice Chairperson may execute the instrument in place of the unavailable officer. Execution of instruments by two officers is required.

General Manager's Report

1. 2025 Second Quarter Strategic Plan Update.

On December 3, 2024, the Commission approved a new, three-year Strategic Plan to commence in 2025 through 2027. The Commission approved the 2025-2027 Strategic Plan based on the Commission's and staff's recommendation to include six Strategic Directions that were simplified from the previous Strategic Plan before the 2022-2024 plan, which is more in line with Moorhead Public Service's (MPS') current and future needs. The 2025-2027 Strategic Plan also includes 1st Year Accomplishments for 2025, along with Key Performance Indicators to quantify the operational distinction of MPS. MPS staff completed quarterly updates of their action plans that correlate with the Commission's Strategic Plan. Below are the six Strategic Directions of MPS and highlights of MPS' activities for the second quarter of 2025.

Strategic Directions:

- Community
- Our Team
- Water
- Electric
- Finance
- Technology

Community:

- MPS and Missouri River Energy Services (MRES) staffs have continued to connect with key account customers to obtain updated contact information and provide updates on rebates available through MRES' Bright Energy Solutions® (BES) Program. MPS staff has been attending design meetings for the planning of the Moorhead Center Mall redevelopment, the Moorhead City Hall remodeling project, and the 11th Street Grade Separation Project. Staff also worked on other customer projects, including the reconstruction of Horizon Middle School. Staff provided Moorhead Area Public Schools with a \$46,206 rebate check during the second quarter of 2025 for an LED lighting upgrade project. Additionally, staff worked with Minnesota State University Moorhead and customers regarding potential projects for 2025 and other ongoing needs.
- MPS staff continues to modify MPS' website, which includes drought conditions, the status of the electric grid, and any pertinent information, as needed. Additional water and electric content continues to be added to MPS' social media platforms.
- Staff continues to work on other solar installation projects, including residential solar initiatives.
- On October 14, 2024, the Commission approved net-zero carbon for the remaining portion of MPS' power supply by purchasing Renewable Energy Certificates (RECs) through MRES' Bright Energy Choices Program for 2025. Staff will continue to monitor costs in 2025 to evaluate MPS' approach to RECs for 2026, and determine whether the Commission wants to continue providing a net-zero carbon power supply for all MPS electric customers.

Our Team:

- MPS staff continues to work on updating and adding new job descriptions for positions within MPS' Organizational Structure. Two positions were opened and filled during the second quarter of 2025, with two open positions expected to be filled during the third quarter of 2025.

- During the second quarter of 2025, MPS did experience two reportable incidents or accidents, and one non-reportable. None of the incidents resulted in additional employee time off, except for treatment.
- MPS staff held two events for MPS employees during the second quarter of 2025.
- MPS staff continues to work on a training plan for new and current employees related to job functions, software and operational technology, continued education, and leadership. Several employees from all divisions started leadership training for 2025, which began during the second quarter of 2025 and will be completed in the early part of the fourth quarter of 2025.
- MPS employees continue to attend training provided by American Water Works Association, American Public Power Association, and Minnesota Municipal Utilities Association (MMUA), as well as other specific training that is beneficial to MPS' operations. Two employees completed MMUA's underground training, and one additional employee completed his/her boiler certification.

Water:

- MPS staff and contractors continue to replace 1.5 miles of cast-iron watermain in 2025, which is more than the 1.25 miles of annual replacement within MPS' Strategic Plan.
- MPS staff continued to work on developing the technical memo with consultants for the South Buffalo Wells Groundwater Supply Pipeline Replacement Project to assist with evaluating and completing a preliminary review of replacement options for the approximately 3.2-mile pipeline between the South Buffalo Wells and MPS' Water Treatment Plant.
- Water Division staff continues to work with regulators and other public entities regarding water supply and water quality that impact MPS. Staff also continues to work on the sustainability and long-term viability of the Moorhead and Buffalo Aquifers with State of Minnesota entities. Staff continued the process of the 10-year update to the Wellhead Protection Plan for MPS' groundwater sources, which includes the Buffalo and Moorhead Aquifers.
- Water Division staff continues to discuss and mitigate ongoing performance issues with the lime sludge dewatering press from the construction of the Lime Sludge Dewatering Facility. Several adjustments to the lime press occurred during the second and third quarters of 2024. Additional modifications will continue to be addressed in 2025.
- Staff continues to replace aging equipment that was installed in MPS' Water Treatment Plant approximately 30 years ago, including the ozone generators used for the water disinfection process. MPS is working internally, and with consultants, to replace the failing equipment. During the second quarter of 2025, advertisement for bids for the construction phase of the project was completed, and bids are expected to be awarded early in the third quarter of 2025.

Electric:

- The Electric Division started the 2025 construction season projects during the second quarter of 2025, which are based upon the asset management matrix criteria and other outside factors, such as coordinating the work with the City.
- Construction was completed at the Moorhead DOE Substation during the fourth quarter of 2024, and staff continues to work on a few items that need to be finalized. These items were anticipated to be completed during the first half of 2025, but are expected to be completed during the third quarter.
- MPS staff continues working on the Northeast Substation design layouts and finalized the specifications for long lead times on equipment for the relocation of the Northeast Substation. Staff also continued working on planning for system capacity improvements for both distribution and transmission needs.
- During the third quarter of 2024, MPS staff applied to American Public Power Association (APPA) for the Reliable Public Power Provider (RP3) designation. During the second quarter of 2025, MPS received the award and RP3 designation from APPA.

Finance:

- MPS and its auditor, Eide Bailly, LLP, completed the process of reviewing MPS' 2024 Audited Financial Statements and preliminary field work during the second quarter of 2025. The Audited Financial Statement were presented to the Commission, with no findings, during the second quarter of 2025..
- The Electric Division ended the second quarter of 2025 with a net position that exceeded budget. Most of these revenues were from market value changes in investment carrying values, including revenues being slightly less than the budget, and operating expenses being slightly higher than the budget.
- The Water Division ended the second quarter of 2025 with a net position that exceeded budget. Most of these revenues were from market value changes in investment carrying values, including revenues being better than the budget, and operating expenses being less than the budget.
- Staff continues to monitor the Commission's Policy on Financial Strength on an ongoing basis. At the end of the second quarter of 2025, MPS' water and electric days of cash on hand met the Commission's Policy on Financial Strength.

Technology:

- MPS has ongoing best practice assessments for cybersecurity that are reviewed by staff, which then implements any recommendations. MPS did not experience any cyber data breaches, nor did MPS experience a loss of data during the second quarter of 2025. The IT Division provides valuable Key Performance Indicators that have been incorporated into a dashboard that will provide valuable insight into what IT staff accomplishes quarterly.
- MPS' redundant Network Operations Center Project was advertised and awarded during the second quarter of 2025.
- The AMI Project completed the System Acceptance Test (SAT) deployment of meters and several other modifications, and adjustments and testing occurred during the second quarter of 2025.

2. Quarterly Dashboard Reports.

Attached are the 2025 Dashboard Reports for the second quarter. The dashboards include information for Electric, Energy Services, Finance, Human Resources, Information Technology, Safety Committee, Social Media, Water, and other information that the Commission should be informed about.

3. Press Release from Missouri River Energy Services.

Attached is a press release from Missouri River Energy Services titled, "Missouri River Energy Services submits application for Toronto Power Plant." The proposed facility is being designed to provide reliable, on-demand electricity to help meet growing regional energy needs in South Dakota.

4. Thank You Note from Moorhead Legacy Education Foundation.

Attached is a thank you note from Moorhead Legacy Education Foundation thanking MPS for providing a \$2,500 scholarship. The scholarship was awarded to Moorhead High School senior Jaden Lee, who plans to attend Harvard University, and focus on applied math and economics.

5. Thank You Letter from Clay County Early Childhood Initiative.

Attached is a thank you letter from Clay County Early Childhood Initiative thanking MPS for providing a \$3,500 sponsorship for The Longest Table Moorhead and Dilworth event. The sponsorship covered the cost of food for the event.

6. **MPS Participated in Safe City Nights.**

MPS staff participated in two of the three events for Safe City Nights. On June 18, 2025, MPS' Electric Division provided a presentation on electrical safety at Robert Asp Elementary School. On July 16, 2025, MPS' Water Division provided a presentation on the process for water filtration at Queens Park. These events were an opportunity for MPS staff to connect with Moorhead neighborhoods.

7. **MPS Participated in United Way School Supply Drive.**

MPS held a school supply drive from July 14-25, 2025, for the United Way of Cass-Clay. MPS employees donated a total of 1,270 items, which is a 12.5 percent decrease from 2024 of 1,452 items. The donated items were dropped off at the FARGODOME on July 29, 2025, and were distributed to those in need between August 6-8, 2025.

8. **MPS Participated in Moorhead Business Association's Second Annual Expo.**

MPS staff participated in the Moorhead Business Association's Second Annual Business Expo on July 23, 2025, from 4:00 PM TO 6:30 PM. This event was an opportunity for staff to network and connect with local businesses in the Moorhead area.

9. **MPS Participated in RiverArts Event.**

MPS staff participated in a RiverArts event that was held at the Hjemkomst Center on August 6, 2025, from 5:30 PM to 8:00 PM. The event was a chance for staff to meet with customers of MPS and provide energy efficiency items, such as LED bulbs, aerators, and leak detection tablets.

Division/Response Person: Travis L. Schmidt, General Manager.

Moorhead Public Service Strategic Direction Matrix 2025-2027

Community		Our Team		Water	
Current Reality	Success	Current Reality	Success	Current Reality	Success
<ul style="list-style-type: none"> Need more customer connections Need to step up key accounts program Communications, Marketing, Energy Services position is vacant Communication by letters, bill stuffers, website and social media Lacking customer cell or email information Limit on max payment on bill 10 events this year 	<ul style="list-style-type: none"> Key accounts – annual in person, quarterly check-in Visiting top 50 customers annually 10 events per year Communications, Marketing, Energy Services position filled Gathering updated customer contact information Education on costs and transfer Customer portal 	<ul style="list-style-type: none"> Vacant positions (5) Evaluating needs vs. wants in positions Working on succession planning Leadership training Staff professional development General training Some standard operating procedures (SOPs) and need review Spread out over 3 locations Business office move and transition Team safety 	<ul style="list-style-type: none"> Fully staffed All SOPs done and updated Successful transition with knowledge transfer Continued training and development Identify professional development opportunities Zero incidents or accidents More cross department mixing Clear and concise communication Employee input on needs/wants Ensure dissemination of information Great attitudes/culture from all Job fairs for recruitment Education requirement review on job descriptions Chlorine training for all 	<ul style="list-style-type: none"> Aging infrastructure Master plan in process Water asset management plan Lead/Copper survey at state Lead service line pilot project Water supply crossroads Discussions with regulatory agencies Reliable Capacity for growth limited 	<ul style="list-style-type: none"> Lead service lines identified and plan for replacement Water supply long-term identified and plan Facilities master plan Regulatory support Ozone project complete Efficiency in water main replacements Supervisor positions filled Sharing knowledge Communication system up to safety standards
1 st Year Accomplishments		1 st Year Accomplishments		1 st Year Accomplishments	
<ul style="list-style-type: none"> ⊕ Visit 25 customers ⊕ 10 events with full participation ⊕ Communications, Marketing, Energy Services position filled 		<ul style="list-style-type: none"> ⊕ Zero incidents or accidents ⊕ Positions defined as needed and filled ⊕ Continued training and development ⊕ Find and list development and training opportunities by department/position ⊕ Consistent day after commission meeting updates 		<ul style="list-style-type: none"> ⊕ Technical memo for south buffalo line ⊕ Request for proposal (RFP) complete for master plan consultant ⊕ 1.25 miles of line replacement ⊕ Finish design for ozone project ⊕ Supervisor positions filled 	
Key Performance Indicators (KPI)		Key Performance Indicators (KPI)		Key Performance Indicators (KPI)	
<ul style="list-style-type: none"> * Key account goals * Social media stats * Community engagement outreach 		<ul style="list-style-type: none"> * Position stats * Training report * Turnover rate * Safety stats * Records management stats * Report of culture events 		<ul style="list-style-type: none"> * CCR/water quality * Taste awards * Regulatory 100% compliance * Watermain breaks * Zero zoning changes that impact source water protection 	

Complete

In-Process/On-Going

Gathering information - not started

Moorhead Public Service Strategic Direction Matrix 2025-2027

Electric		Finance		Technology	
Current Reality	Success	Current Reality	Success	Current Reality	Success
<ul style="list-style-type: none"> Reliability 99.995% Capacity for growth limited 75% complete LED streetlight conversion 25% overhead to 75% underground ratio APPA Smart Energy Provider (SEP) APPA Reliable Public Power Provider (RP3) NERC compliant NE substation planning Load management limited 	<ul style="list-style-type: none"> Continued reliability Continued APPA SEP and RP3 designations 100% LED streetlight conversion 80% overhead to 20% underground ratio NE substation near completion Updated load management plan Positions filled Capacity improvement plan 	<ul style="list-style-type: none"> Lowest regional electric rates Competitive water rates Aa2 bond rating Clean audit Budget process successful 22.6% transfer rate to the city Transition in office space Customer interactions less escalated events Increased costs Accounting software near end of life 	<ul style="list-style-type: none"> Lowest regional electric rates Competitive water rates Maintain/improve bond rating Clean audits Budget process successful Stable or lower transfer to city Office space resolved Accounting software solution 	<ul style="list-style-type: none"> AMI in progress CIS on version 3 Phone system out of date GIS needs update and RFP is out 78% of water assets are GPS located 54% of electric assets are GPS located No redundant data center 	<ul style="list-style-type: none"> AMI complete Management review for access CIS on version 5 Phone system upgraded Redundant data center Email migration GIS upgrade complete 95% of water assets are GPS located 70% of electric assets are GPS located Timely resolve of tickets Fiber added to maps when updated Ensuring staff has all they need for equipment Timely correspondence
1 st Year Accomplishments		1 st Year Accomplishments		1 st Year Accomplishments	
<ul style="list-style-type: none"> ⊕ NE substation design ⊕ Long lead time equipment ordered for NE substation ⊕ North half of Moorhead LED streetlight conversion ⊕ Capacity improvement plan 		<ul style="list-style-type: none"> ⊕ Clean audit ⊕ Review and analyze office space needs and options ⊕ Continued financial strength 		<ul style="list-style-type: none"> ⊕ Email migration plan - moving to 2026 ⊕ Redundant data center complete ⊕ Phone system upgrade ⊕ Firewall replacement ⊕ AMI SAT area complete 	
Key Performance Indicators (KPI)		Key Performance Indicators (KPI)		Key Performance Indicators (KPI)	
<ul style="list-style-type: none"> ✱ Reliability/outages ✱ NERC compliance ✱ BES Stats ✱ Load management ✱ Street light LED conversion rate 		<ul style="list-style-type: none"> ✱ Financial statements ✱ Billing/collection stats ✱ Reserve requirement report ✱ Customer financial assistance stats 		<ul style="list-style-type: none"> ✱ Cybersecurity training stats ✱ AMI project status ✱ GIS conversion to Pro status 	

Complete

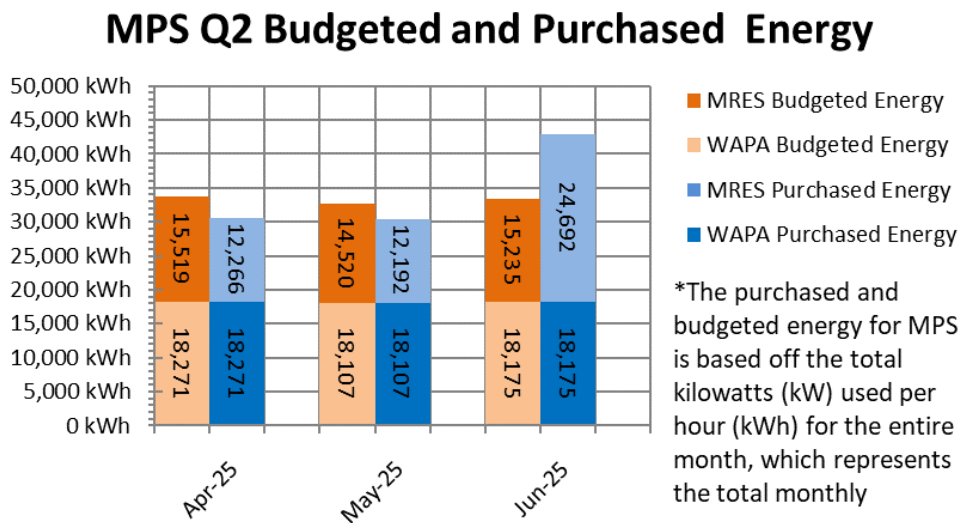
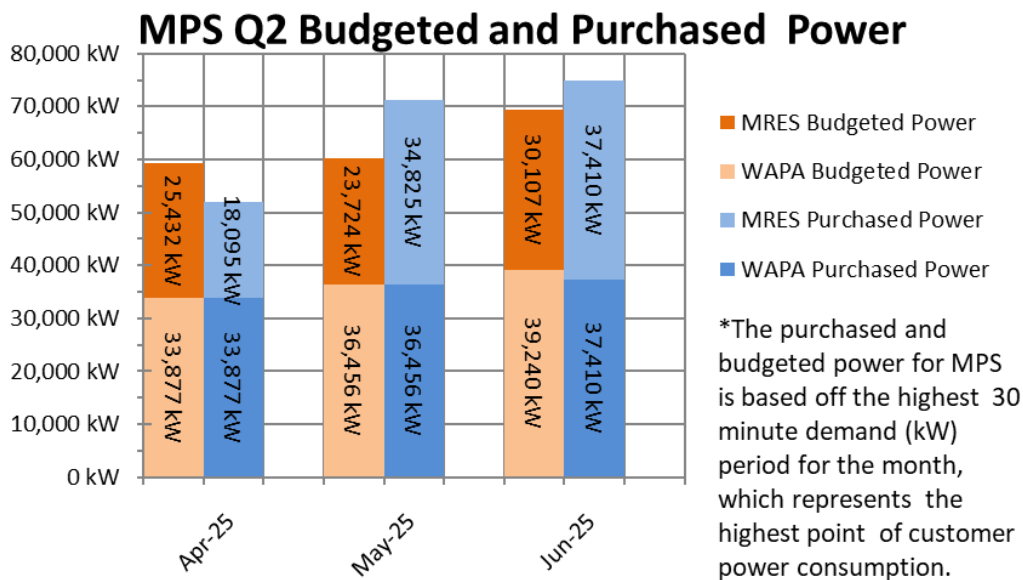
In-Process/On-Going

Gathering information - not started

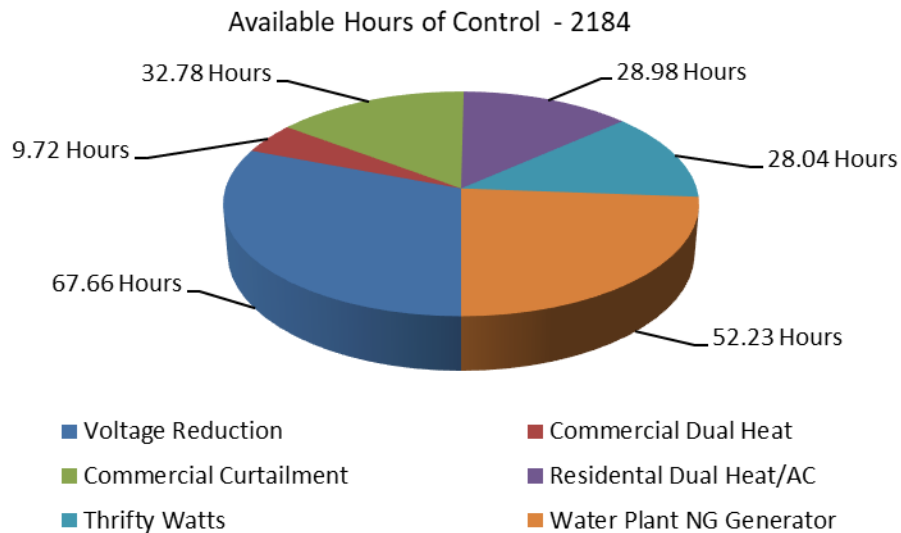
Electric Division Second Quarter – 2025 Dashboard



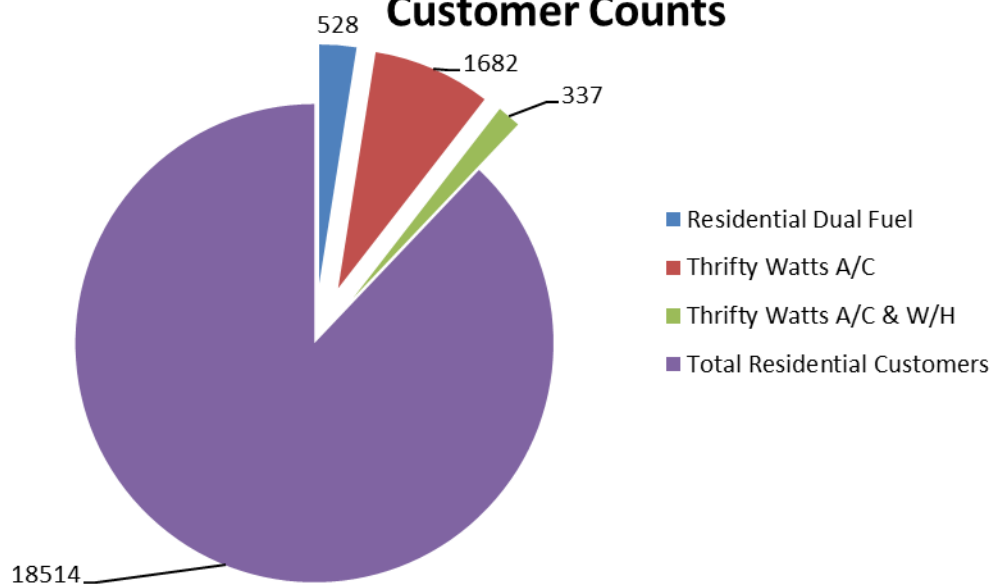
Moorhead Public Service – Electric Division is to provide safe, efficient, reliable, and environmentally – responsible electric power that is innovative and maximizes rate payer’s satisfaction. Below are several graphs that are dashboard to show how the electric division is completing these requirements on a quarterly basis.



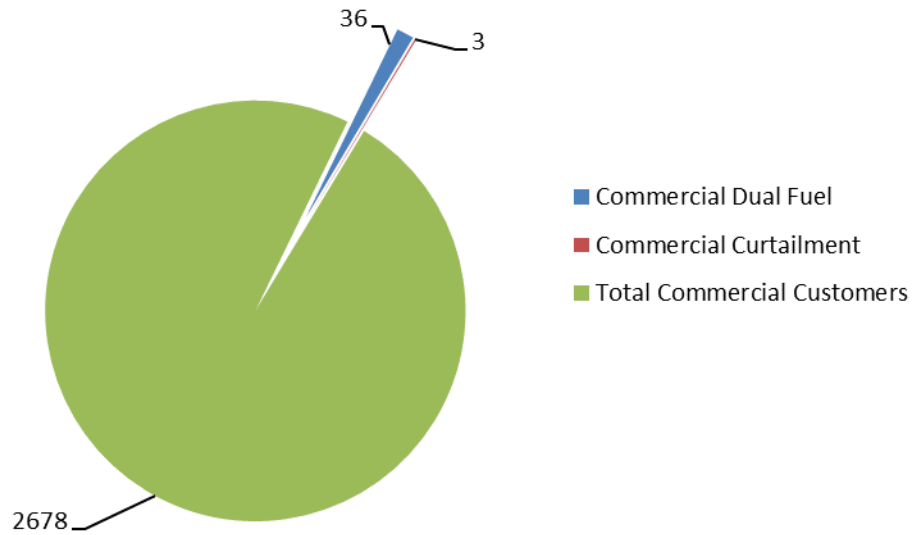
MPS Q2 Load Management Control Hours



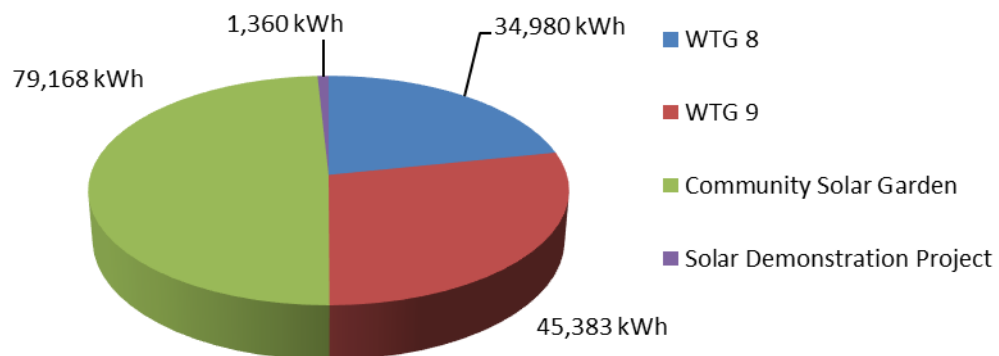
MPS Q2 Load Management Residential Customer Counts



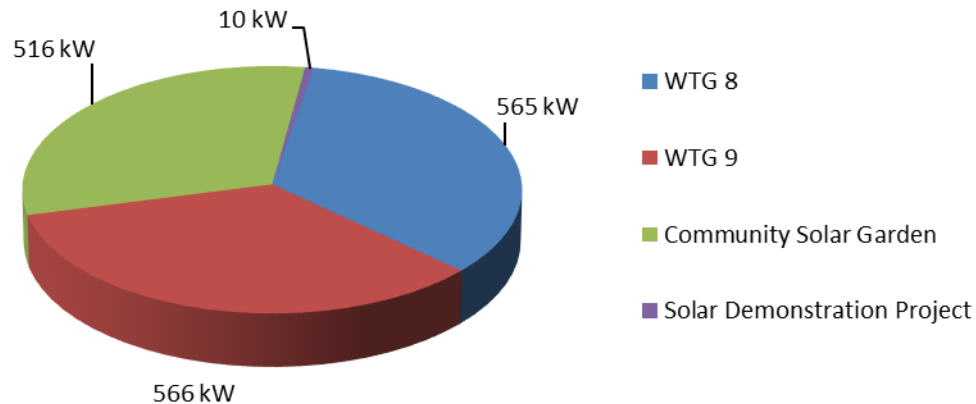
MPS Q2 Load Management Commercial Customer Counts



MPS Q2 Renewables Energy Production



MPS Q2 Renewables Power Production



MPS Q2 NERC Compliance Updates

Self-Certifications in Q2 2025

- During the 2nd quarter, MPS was notified by the Midwest Reliability Organization that they were selected to perform a self-certification during the 3rd quarter, 2025.

New NERC Standards in Q2 2025

- None

Updated NERC Standards in Q2 2025

- MPS revised two NERC Standards in preparation for implementation on July 1, 2025. These revised NERC Standards were already met by MPS and only required updated documentation.

Other Compliance Updates

- None.

Electric Operations Second Quarter – 2025 Dashboard

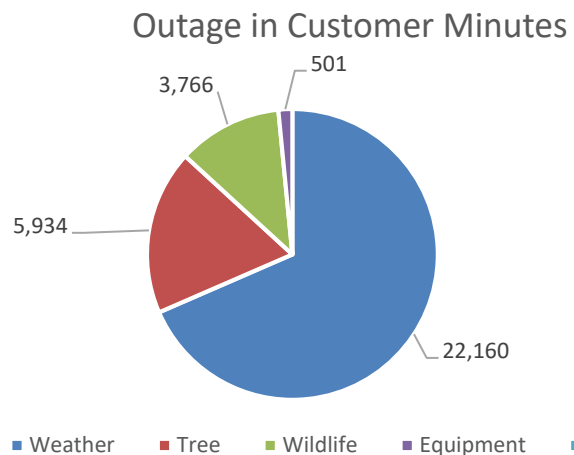


Street/Security Lighting

- 9 LED street light conversions
- 4 New LED street light installs

Outages

- 13 outages – 31,035 customer minutes
 - Weather – 22,160
 - Tree – 5,934
 - Wildlife – 3,766
 - Equipment – 501



Meter Testing

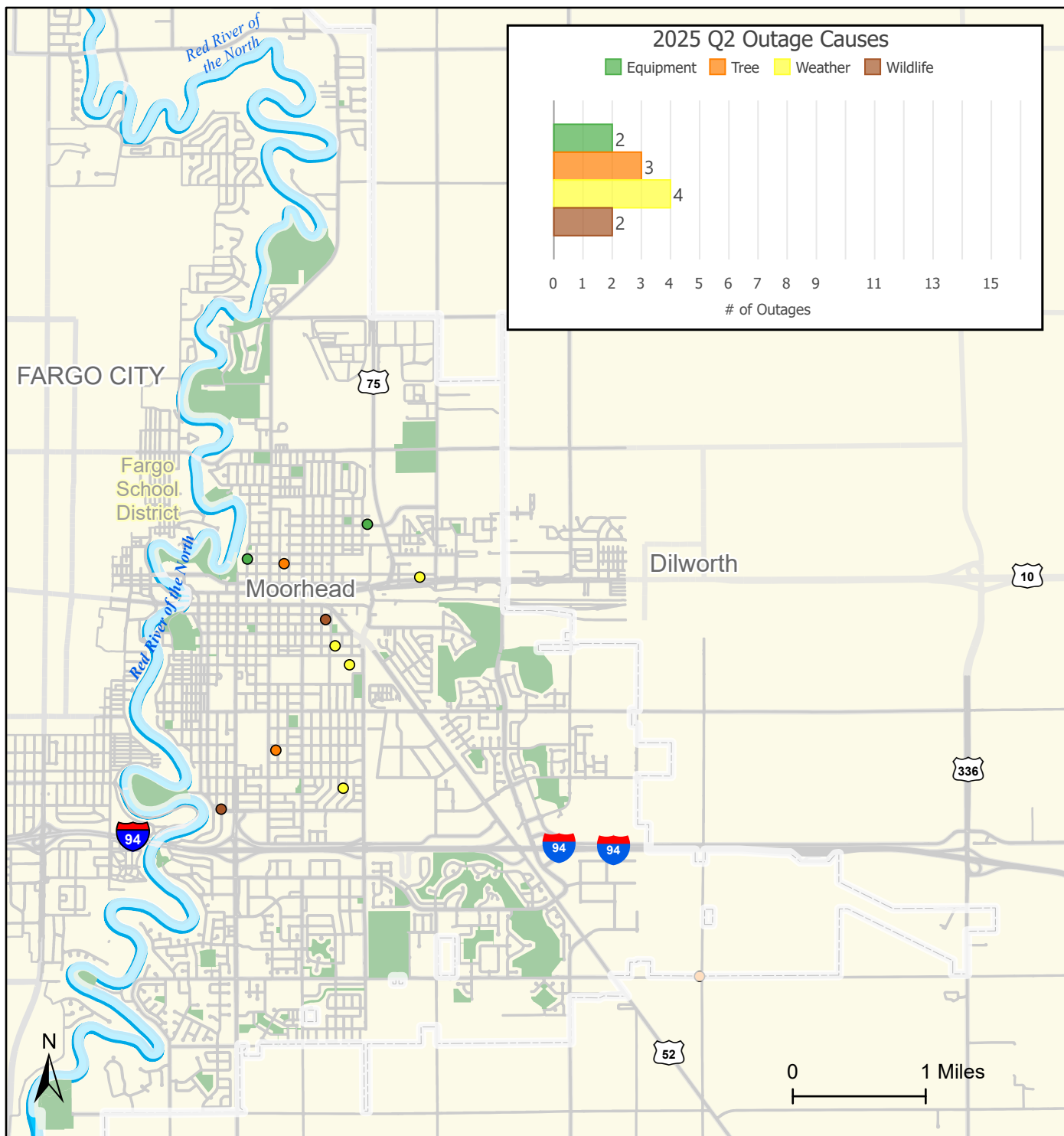
- 142 meters tested
 - 84 Pass
 - 58 Failed

Upgrades & Repairs

- Completed 2025 downtown utility install
- Installed Lift No. 2
- Installed Oakport storm lift
- Set poles for Morningside conversion
- Began annual boring projects
- Completed 2025 planned Hillsboro projects
- Assisted Hillsboro in storm restoration
- Installed 20 New services
- Began 2026 Prolec transformer replacements

Electric Outage Q2 2025

● Equipment (2) ● Tree (3) ● Weather (4) ● Wildlife (2)



Outage Details:

Outages: 11

Outage Minutes: 843

Customer Minutes: 31,035

CAIDI: 77.39

Standard: 60 Minutes or less

SAIFI: 0.02

Standard: 1.00 outages a year or less
or 0.25 outages a quarter or less

SAIDI: 1.515

Standard: 60 minutes or less

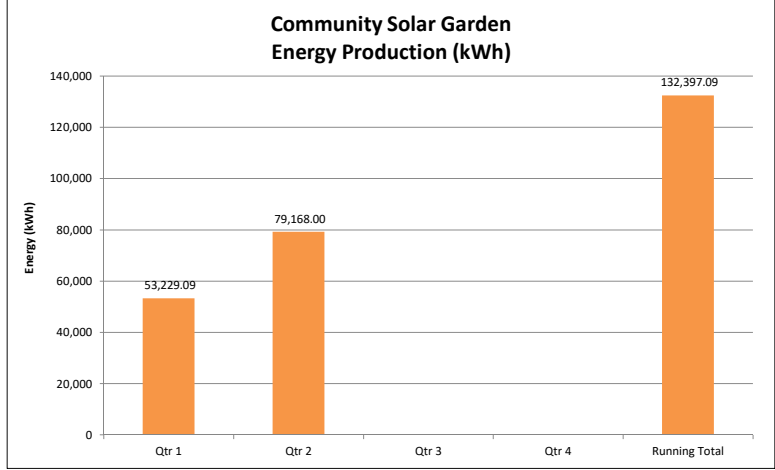
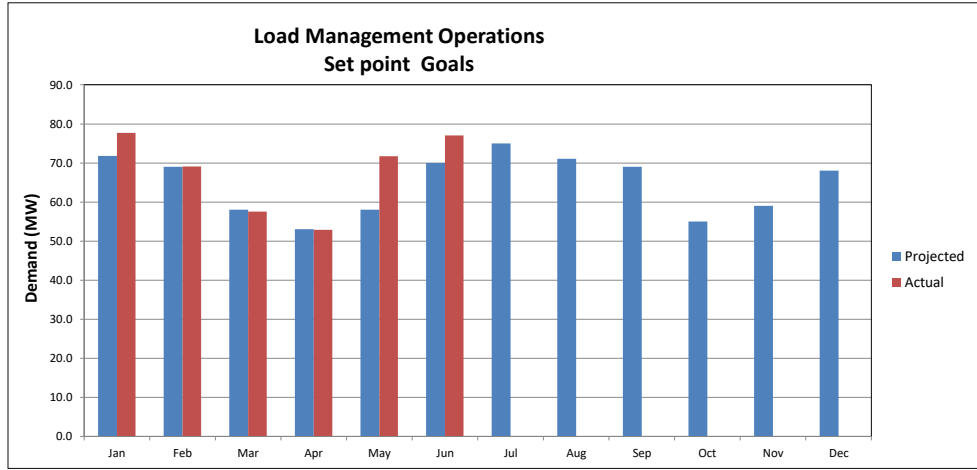
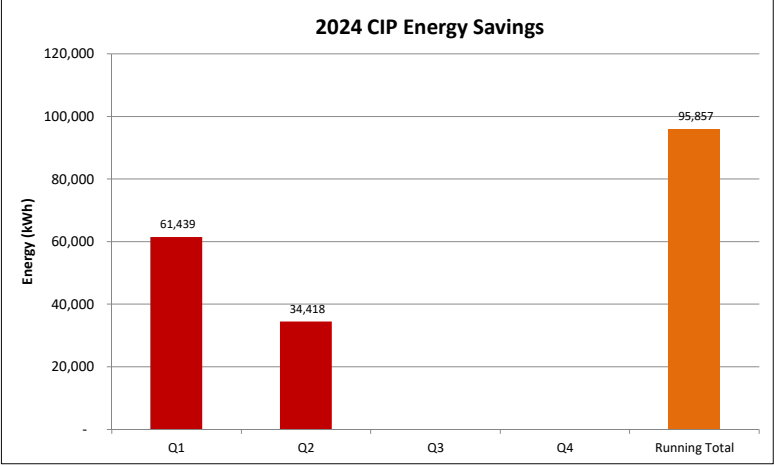
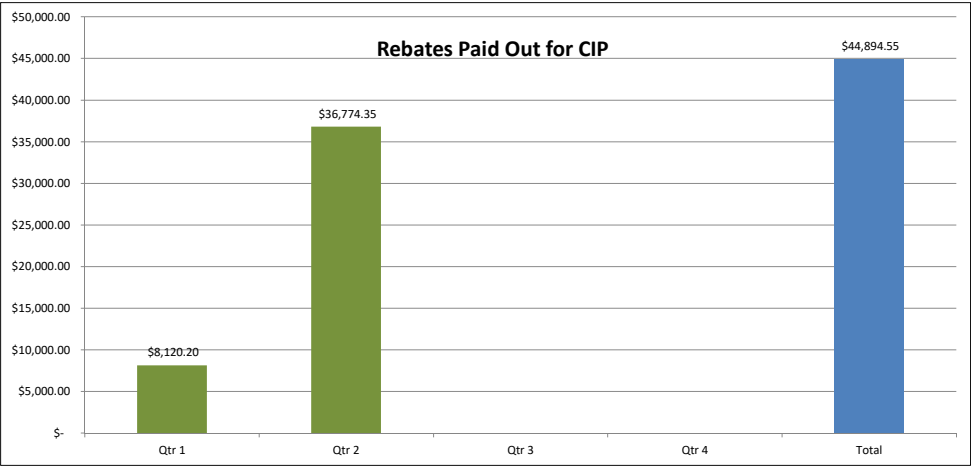
ASAI: 99.999

Goal: 99.999%



Energy Services Dashboard

2025 Quarter 2



Moorhead Public Service Quarterly Billing and Collections Summary

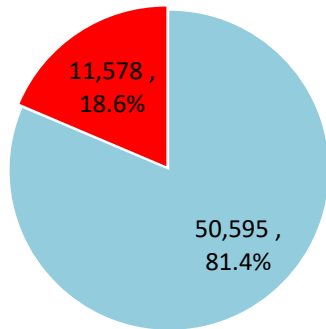
Quarterly Totals

Q2

2025

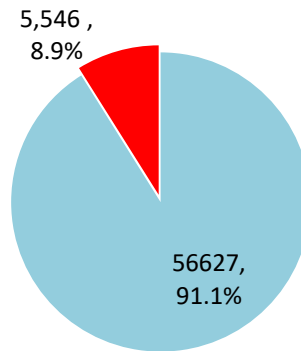
Cycle	Billed	Account Balance		(1st Notice)	% Past	(2nd Notice)	% Requiring	Service	
		Current	% Current	Past Due / Cut-off Notice	Due	Auto Calls Over 12- 15 Days Late	2nd Notice	Disconnected	% Disconnected
10	4,521	3,756	83.1%	765	16.9%	213	4.7%	65	1.4%
20	4,285	3,425	79.9%	860	20.1%	384	9.0%	53	1.2%
30	4,838	3,638	75.2%	1,200	24.8%	679	14.0%	78	1.6%
50	5,304	4,529	85.4%	775	14.6%	312	5.9%	49	0.9%
60	6,287	5,218	83.0%	1,069	17.0%	540	8.6%	79	1.3%
70	7,724	6,030	78.1%	1,694	21.9%	936	12.1%	94	1.2%
80	4,876	3,761	77.1%	1,115	22.9%	595	12.2%	57	1.2%
85	6,461	5,130	79.4%	1,331	20.6%	678	10.5%	102	1.6%
90	7,136	6,251	87.6%	885	12.4%	385	5.4%	32	0.4%
95	10,741	8,857	82.5%	1,884	17.5%	824	7.7%	128	1.2%
Total	62,173	50,595	81.4%	11,578	18.6%	5,546	8.9%	737	1.2%

Total Bills



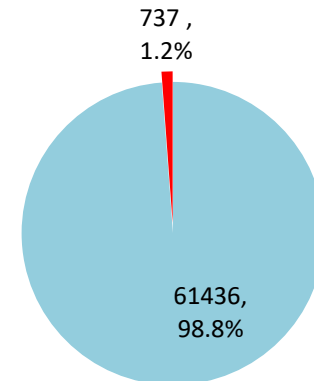
■ Account Balance Current ■ (1st Notice) Past Due / Cut-off Notice

2nd Notice - Automated Call Reminder



■ 2nd Notice Not Required ■ (2nd Notice) Auto Calls Over 12-15 Days Late

Final Resolution - Service Disconnected



■ Service Not Disconnected ■ Service Disconnected

Moorhead Public Service Quarterly Billing and Collections Summary

Quarter-by-Quarter Recap

Cycle	Billed	Account Balance		(1st Notice)	(2nd Notice)	Auto Calls Over 12-15 Days Late	% Requiring 2nd Notice	Service	
		Current	% Current	Past Due / Cut-off Notice	% Past Due			Disconnected	% Disconnected
2018 Q3	58,836	50,332	85.5%	8,504	14.5%	3,741	6.4%	645	1.1%
2018 Q4	59,737	51,313	85.9%	8,424	14.1%	3,447	5.8%	534	0.9%
2019 Q1	60,199	51,800	86.0%	8,399	14.0%	3,053	5.1%	229	0.4% *
2019 Q2	60,579	51,481	85.0%	9,098	15.0%	4,045	6.7%	364	0.6%
2019 Q3	59,505	49,916	83.9%	9,589	16.1%	4,197	7.1%	389	0.7%
2019 Q4	60,074	50,601	84.2%	9,473	15.8%	4,428	7.4%	188	0.3%
2020 Q1	63,127	53,785	85.2%	9,342	14.8%	2,636	4.2%	89	0.1% #
2020 Q2	61,045	51,336	84.1%	9,709	15.9%	0	0.0%	0	0.0% #
2020 Q3	60,146	50,402	83.8%	9,744	16.2%	5,300	8.8%	0	0.0% #
2020 Q4	60,337	50,366	83.5%	9,971	16.5%	5,760	9.5%	0	0.0% #
2021 Q1	60,308	50,657	84.0%	9,651	16.0%	5,544	9.2%	63	0.1% %
2021 Q2	60,188	51,158	85.0%	9,030	15.0%	4,161	6.9%	719	1.2%
2021 Q3	60,262	51,008	84.6%	9,254	15.4%	4,705	7.8%	585	1.0%
2021 Q4	60,412	51,063	84.5%	9,349	15.5%	4,687	7.8%	393	0.7%
2022 Q1	60,560	51,078	84.3%	9,482	15.7%	4,322	7.1%	315	0.5%
2022 Q2	60,381	50,309	83.3%	10,072	16.7%	4,939	8.2%	370	0.6%
2022 Q3	60,458	50,490	83.5%	9,968	16.5%	5,239	8.7%	321	0.5%
2022 Q4	61,016	50,921	83.5%	10,095	16.5%	5,619	9.2%	310	0.5%
2023 Q1	61,460	50,602	82.3%	10,858	17.7%	5,695	9.3%	330	0.5%
2023 Q2	61,130	50,871	83.2%	10,259	16.8%	5,644	9.2%	517	0.8%
2023 Q3	61,141	49,965	81.7%	11,176	18.3%	5,892	9.6%	664	1.1% **
2023 Q4	61,494	50,398	82.0%	11,096	18.0%	5,527	9.0%	560	0.9%
2024 Q1	62,082	51,027	82.2%	11,055	17.8%	5,434	8.8%	569	0.9%
2024 Q2	61,769	51,075	82.7%	10,694	17.3%	5,705	9.2%	654	1.1%
2024 Q3	61,973	50,629	81.7%	11,344	18.3%	5,815	9.4%	645	1.0%
2024 Q4	62,349	50,774	81.4%	11,575	18.6%	5,852	9.4%	564	0.9%
2025 Q1	62,495	51,414	82.3%	11,081	17.7%	5,422	8.7%	520	0.8%
2025 Q2	62,173	50,595	81.4%	11,578	18.6%	5,546	8.9%	737	1.2%

* Per city council and MN Department of Commerce direction, ceased disconnection of water or electric service to collect unpaid city charges.

Ceased service disconnections per PSC action related to COVID pandemic.

% Disconnections for non-payment reinstated May 2021

** Collection of unpaid city services initiated for residences with a separate water service.

Quarter-by-Quarter Recap - State Energy (and Water*) Assistance

	Customers	Amount Received	Average Per Household
2020 Q1	1121	225,019.93	200.73
2020 Q2	717	169,331.87	236.17
2020 Q3	157	32,466.00	206.79
2020 Q4	488	79,015.00	161.92
Total 2020	1,330	505,832.80	380.33
2021 Q1	865	239,685.07	277.09
2021 Q2	724	267,529.23	369.52
2021 Q3	538	195,205.03	362.83
2021 Q4	625	633,298.66	1,013.28 *Water Assistance Started
Total 2021	1,501	1,335,717.99	889.89
2022 Q1	795	638,937.37	803.69
2022 Q2	668	378,506.13	566.63
2022 Q3	1,138	170,764.68	150.06
2022 Q4	673	312,725.80	464.67
Total 2022	1,667	1,500,933.98	900.38
2023 Q1	882	411,873.00	466.98
2023 Q2	817	400,588.05	490.32
2023 Q3	271	52,458.00	193.57 *Water Assistance Ended
2023 Q4	917	281,192.62	306.64
Total 2023	1,606	1,146,111.67	713.64
2024 Q1	601	201,551.38	335.36
2024 Q2	312	84,461.73	270.71
2024 Q3	24	2,579.00	107.46
2024 Q4	991	348,850.68	352.02
Total 2024	1,400	637,442.79	455.32
2025 Q1	538	190,888.00	354.81
2025 Q2	272	80,933.00	297.55
2025 Q3			
2025 Q4			
Total 2024	810	271,821	335.58

MOORHEAD PUBLIC SERVICE
SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
ELECTRIC DIVISION
FOR THE PERIOD ENDING 6/30/2025

CURRENT QUARTER	QUARTER BUDGET	VAR FR BDGT	VAR %	PRIOR YR QUARTER	PR YR VAR	PR YR CHG		YTD ACTUAL	YTD BUDGET	VAR FR BDGT	VAR %	PRIOR YR	PR YR VAR	PR YR CHG
9,769,900	9,876,590	(106,690)	-1%	9,498,735	271,164	3%	OPERATING REVENUE	21,237,576	21,290,770	(53,194)	0%	20,049,322	1,188,254	6%
679,765	719,940	(40,175)	-6%	759,249	(79,484)	-10%	Sales of Electricity	1,358,443	1,484,910	(126,467)	-9%	1,522,361	(163,917)	-11%
10,449,665	10,596,530	(146,865)	-1%	10,257,984	191,680	2%	Other Operating Revenue	22,596,019	22,775,680	(179,661)	-1%	21,571,682	1,024,337	5%
							TOTAL OPERATING REVENUES							
44,233	42,440	1,793	4%	76,676	(32,443)	-42%	OPERATING EXPENSES	80,314	111,430	(31,116)	-28%	116,848	(36,533)	-31%
4,242,480	4,422,940	(180,460)	-4%	3,848,495	393,985	10%	Production	9,118,394	9,395,830	(277,436)	-3%	8,355,556	762,838	9%
588,488	699,420	(110,932)	-16%	579,344	9,145	2%	Purchased Power	1,155,472	1,423,090	(267,618)	-19%	1,175,781	(20,309)	-2%
655,362	957,320	(301,958)	-32%	571,172	84,190	15%	Transmission	1,595,639	1,846,590	(250,951)	-14%	1,416,899	178,740	13%
235,394	205,580	29,814	15%	125,088	110,306	88%	Distribution	368,346	370,760	(2,414)	-1%	290,223	78,123	27%
8,703	6,080	2,623	43%	6,015	2,688	45%	Customer Accounts	11,903	13,450	(1,547)	-12%	6,346	5,557	88%
32,723	41,900	(9,177)	-22%	21,550	11,173	52%	Customer Info, Educ., & Awareness	46,580	115,940	(69,360)	-60%	31,163	15,416	49%
988,321	746,110	242,211	32%	808,604	179,716	22%	CIP Programs	1,779,010	1,442,330	336,680	23%	1,613,787	165,223	10%
1,031,808	682,160	349,648	51%	717,912	313,896	44%	Admin & General	2,068,827	1,366,230	702,597	51%	1,545,460	523,367	34%
25,836	25,740	96	0%	25,836	0	0%	Depreciation	51,672	51,480	192	0%	51,672	0	0%
7,853,347	7,829,690	23,657	0%	6,780,691	1,072,657	16%	Buy-Out Amortization	16,276,157	16,137,130	139,027	1%	14,603,735	1,672,422	11%
							TOTAL OPERATING EXPENSES							
2,596,318	2,766,840	(170,522)	-6%	3,477,294	(880,976)	-25%	OPERATING INCOME (LOSS)	6,319,862	6,638,550	(318,688)	-5%	6,967,948	(648,085)	-9%
83,250	89,490	(6,240)	-7%	83,250	0	0%	NONOPERATING INCOME (EXPENSE)	166,500	178,980	(12,480)	-7%	166,500	0	0%
564,452	265,680	298,772	112%	791,652	(227,201)	-29%	Revenue from Nonutility Operations	1,341,522	497,520	844,002	170%	1,005,035	336,487	33%
58,633	3,530	55,103	1561%	22,319	36,314	163%	Investment Interest & Market Adj	80,777	(21,760)	102,537	-471%	39,587	41,190	104%
(308,342)	(362,740)	54,398	-15%	(11,625)	(296,717)	2552%	Miscellaneous Items	(617,064)	(758,780)	141,716	-19%	(64,223)	(552,841)	861%
397,993	(4,040)	402,033	-9951%	885,596	(487,603)	-55%	Interest Expense	971,736	(104,040)	1,075,776	-1034%	1,146,899	(175,163)	-15%
2,994,310	2,762,800	231,510	8%	4,362,890	(1,368,580)	-31%	NONOPERATING INCOME (EXPENSE)	7,291,598	6,534,510	757,088	12%	8,114,847	(823,249)	-10%
							INCOME BEFORE TRANSFERS							
(1,899,990)	(1,899,990)	0	0%	(1,868,700)	(31,290)	2%	TRANSFERS TO CITY	(3,799,980)	(3,799,980)	0	0%	(3,737,400)	(62,580)	2%
0	0	0	0%	0	0	0%	General Fund - Base	0	0	0	0%	0	0	0%
(12,300)	(12,300)	0	0%	(12,300)	0	0%	General Fund - One-Time	(24,600)	(24,600)	0	0%	(24,600)	0	0%
(504,000)	(504,000)	0	0%	(495,000)	(9,000)	2%	Economic Development	(1,008,000)	(1,008,000)	0	0%	(990,000)	(18,000)	2%
(2,416,290)	(2,416,290)	0	0%	(2,376,000)	(40,290)	2%	Capital Improvement	(4,832,580)	(4,832,580)	0	0%	(4,752,000)	(80,580)	2%
							TOTAL TRANSFERS TO CITY							
50,575	0	50,575	0%	13,603	36,971	272%	CONTRIBUTIONS & OTHER ITEMS	56,426	0	56,426	0%	913,603	(857,177)	-94%
628,595	346,510	282,085	81%	2,000,493	(1,371,898)	-69%	CHANGE IN NET POSITION	2,515,444	1,701,930	813,514	48%	4,276,450	(1,761,006)	-41%
628,595	346,510	282,085	81%	2,000,493	(1,371,898)	-69%	Check Figure	2,515,444	1,701,930	813,514	48%	4,276,450	(1,761,006)	-41%

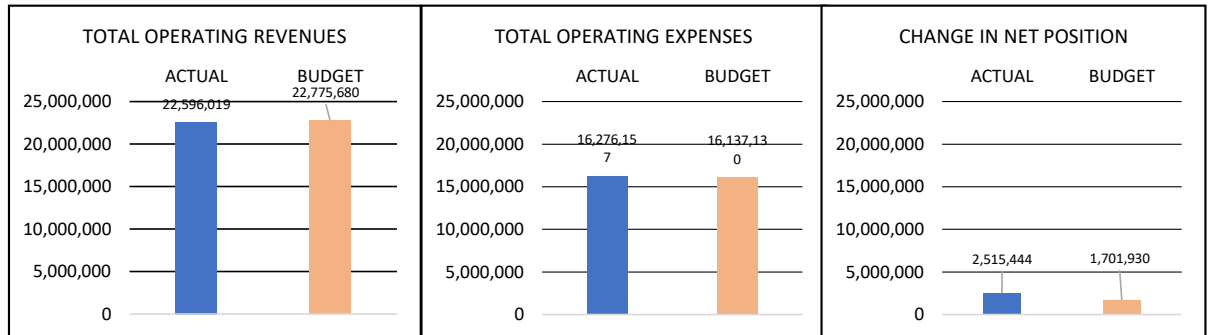
NOTES

For the quarter, Total Operating Revenues were 1% under budget. For the year-to-date, Total Operating Revenues were also 1% under budget

For the quarter, Total Operating Expenses were within 1% over budget. For the year-to-date, Total Operating Expenses were 1% over budget. Within Operating Expenses, total Purchased Power and Transmission expenses were 4% under budget for the quarter and were 3% under budget for the year-to-date.

For the quarter, Non-Operating items generated \$402,000 more revenue than expected and for the year-to-date, Non-Operating items generated just over \$1 million more than budgeted. The vast majority of the revenue was a result of interest earned and market valuation increases to investments. As a result, Income Before Transfers for the quarter was 12% over budget.

The combination of Operating and Non-operating items resulted in the Change in Net Position for the quarter to be 81% over budget and year-to-date to be 48% over budget.



03/31/2025 Days Cash On Hand Summary

Cash and Reserves	Budget Daily Exp	Calc. Days on Hand	Req'd Days	Excess or (Deficit) Days
39,713,421	107,532	369.3	200	169.3

MOORHEAD PUBLIC SERVICE
SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
WATER DIVISION
FOR THE PERIOD ENDING 6/30/2025

CURRENT QUARTER	QUARTER BUDGET	VAR FR BDGT	VAR %	PRIOR YR QUARTER	PR YR VAR	PR YR CHG		YTD ACTUAL	YTD BUDGET	VAR FR BDGT	VAR %	PRIOR YR	PR YR VAR	PR YR CHG
OPERATING REVENUE														
3,186,016	2,966,240	219,776	7%	2,966,778	219,238	7%	Sales of Water	5,818,308	5,445,670	372,638	7%	5,577,515	240,793	4%
7,346	5,280	2,066	39%	7,599	(253)	-3%	Other Operating Revenue	12,056	8,150	3,906	48%	12,503	(447)	-4%
3,193,362	2,971,520	221,842	7%	2,974,377	218,985	7%	TOTAL OPERATING REVENUES	5,830,363	5,453,820	376,543	7%	5,590,018	240,346	4%
OPERATING EXPENSES														
97,843	92,440	5,403	6%	76,408	21,435	28%	Source of Supply	158,880	211,100	(52,220)	-25%	169,286	(10,406)	-6%
980,035	1,277,210	(297,175)	-23%	1,173,520	(193,485)	-16%	Water Treatment	1,788,522	2,149,580	(361,058)	-17%	2,167,019	(378,497)	-17%
376,955	372,470	4,485	1%	323,319	53,636	17%	Distribution	672,863	684,160	(11,297)	-2%	598,050	74,813	13%
114,202	106,230	7,972	8%	82,829	31,374	38%	Customer Accounts	192,687	197,780	(5,093)	-3%	171,455	21,232	12%
1,390	910	480	53%	0	1,390	0%	Customer Info., Education, & Awareness	1,390	1,140	250	22%	186	1,204	648%
553,681	469,710	83,971	18%	407,461	146,220	36%	Admin & General	1,063,602	932,090	131,512	14%	853,674	209,928	25%
643,551	578,640	64,911	11%	594,930	48,621	8%	Depreciation	1,287,102	1,157,280	129,822	11%	1,189,859	97,242	8%
2,767,658	2,897,610	(129,952)	-4%	2,658,467	109,191	4%	TOTAL OPERATING EXPENSES	5,165,045	5,333,130	(168,085)	-3%	5,149,529	15,516	0%
425,704	73,910	351,794	476%	315,910	109,794	35%	OPERATING INCOME (LOSS)	665,318	120,690	544,628	451%	440,489	224,830	51%
NON-OPERATING INCOME/(EXPENSE)														
55,500	59,610	(4,110)	-7%	55,500	0	0%	Revenue from Nonutility Operations	111,000	119,220	(8,220)	-7%	111,000	0	0%
136,035	37,670	98,365	261%	156,470	(20,435)	-13%	Investment Int Inc & Market Adj.	343,464	66,280	277,184	418%	220,610	122,854	56%
24,347	15,910	8,437	53%	18,021	6,327	35%	Miscellaneous Non-operating	41,679	31,180	10,499	34%	65,906	(24,228)	-37%
(130,171)	(132,990)	2,819	-2%	(130,362)	191	0%	Bond and Loan Int Expense	(279,704)	(251,590)	(28,114)	11%	(263,280)	(16,423)	6%
85,711	(19,800)	105,511	-533%	99,629	(13,918)	-14%	NONOPERATING INCOME (EXPENSE)	216,439	(34,910)	251,349	-720%	134,236	82,203	61%
511,415	54,110	457,305	845%	415,539	95,876	23%	INCOME(LOSS) BEFORE TRANSFERS	881,758	85,780	795,978	928%	574,725	307,033	53%
TRANSFERS TO CITY														
(131,250)	(137,430)	6,180	-4%	(133,500)	2,250	-2%	General Fund	(262,500)	(274,860)	12,360	-4%	(267,000)	4,500	-2%
(31,500)	(31,500)	0	0%	(31,500)	0	0%	Capital Improvements Fund	(63,000)	(63,000)	0	0%	(63,000)	0	0%
(162,750)	(168,930)	6,180	-4%	(165,000)	2,250	-1%	TOTAL CITY TRANSFERS	(325,500)	(337,860)	12,360	-4%	(330,000)	4,500	-1%
0	0	0	0%	2,527	(2,527)	-100%	CONTRIBUTIONS & OTHER ITEMS	6,967	0	6,967	0%	4,352	2,614	60%
348,665	(114,820)	463,485	-404%	253,066	95,599	38%	CHANGE IN NET POSITION	563,224	(252,080)	815,304	-323%	249,077	314,147	126%

NOTES

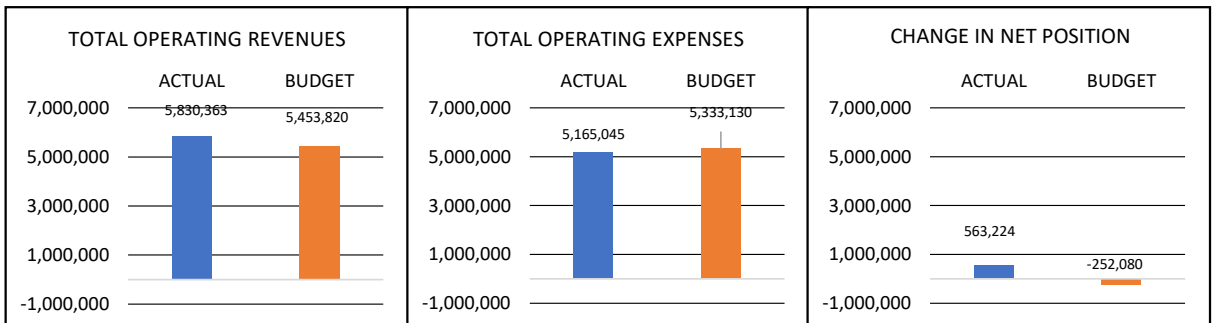
For the quarter, Total Operating Revenues were 7% over budget. Year-to-date revenues were also 7% over budget.

For the quarter, Total Operating Expenses were 4% under budget. For the year-to-date, Total Operating Expenses were 3% under budget. Within the Expenses, improved water quality in the river and aquifer resulted in Water Treatment costs coming in 23% under budget for the quarter. For the year-to-date Water Treatment costs were in 17% under budget.

For the quarter, net Non-Operating items exceeded the budgeted non-operating net expense by nearly \$105,000. For the year-to-date, net non-operating items exceeded budgeted non-operating expense by just over \$251,000. The largest contributor within this account group was higher than expected interest income and book market value gains on investments for the both the quarter and year-to-date.

For the quarter, Income Before Transfers was 845% over budget. For the year-to-date, Income Before Transfers was 928% over budget

The combination of Operating, Non-operating, and contributed items resulted in the Change in Net Position for the quarter to be over budget by just over \$815,000.



Days Cash On Hand Summary

Cash and Reserves	Budget Daily Exp	Calc. Days on Hand	Req'd Days	Excess or (Deficit) Days
11,951,650	25,542	467.9	225	242.9

Human Resources Quarterly Dashboard

2025 Quarter 2

U.S. Bureau of Labor Statistics (BLS) Employee Counts Reported

(Full-time and part-time employees to include paid Commissioners)

April 2025	69
May 2025	69
June 2025	76

New Hires Processed During Quarter

(Payroll Setup / Federal E-Verify (I-9) Processed / MN New Hire Reporting)

Full-time	0
Part-time and Commissioners	7
Total	7

Full-Time Separations Processed During Quarter

(State PERA Reporting / (COBRA) Health Insurance Notifications)

1

OSHA / Workers Compensation Reporting

Total Injury Incidents Reported During Quarter	3
OSHA Form 301 Recordable Incident Reports Initiated*	2
Workers Compensation First Claims Initiated**	2

* Only incidents that require attention from a medical provider are reported on OSHA Form 301 incident reports. Per OSHA recordkeeping requirements, minor injuries requiring only routine first aid attention do not need to be recorded.

** Workers' Compensation Filings submitted when there is notification of an office visit, medical visit or other situation that may have a financial or cost impact.

Quarterly Reporting and Testing Requirements

Completed

Commercial Driver's License (CDL) Quarterly Random Tests Completed	X
--	---

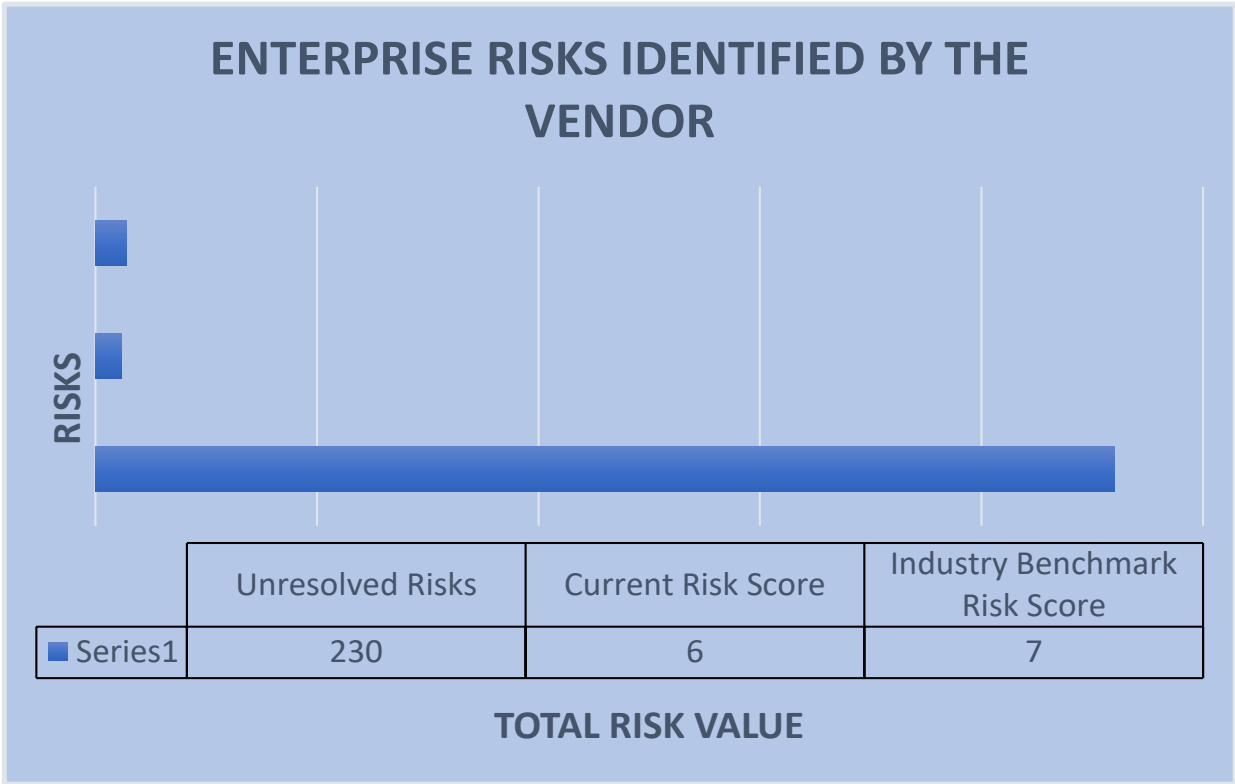
The following are completed during the first month following the end of the quarter:

Federal Quarterly Withholding Tax Reported / Filed	X
MN State Quarterly Withholding Tax Reported / Filed	X
ND Quarterly Withholding Tax Reported / Filed	X
MN Quarterly Unemployment Insurance Income Reported / Filed	X

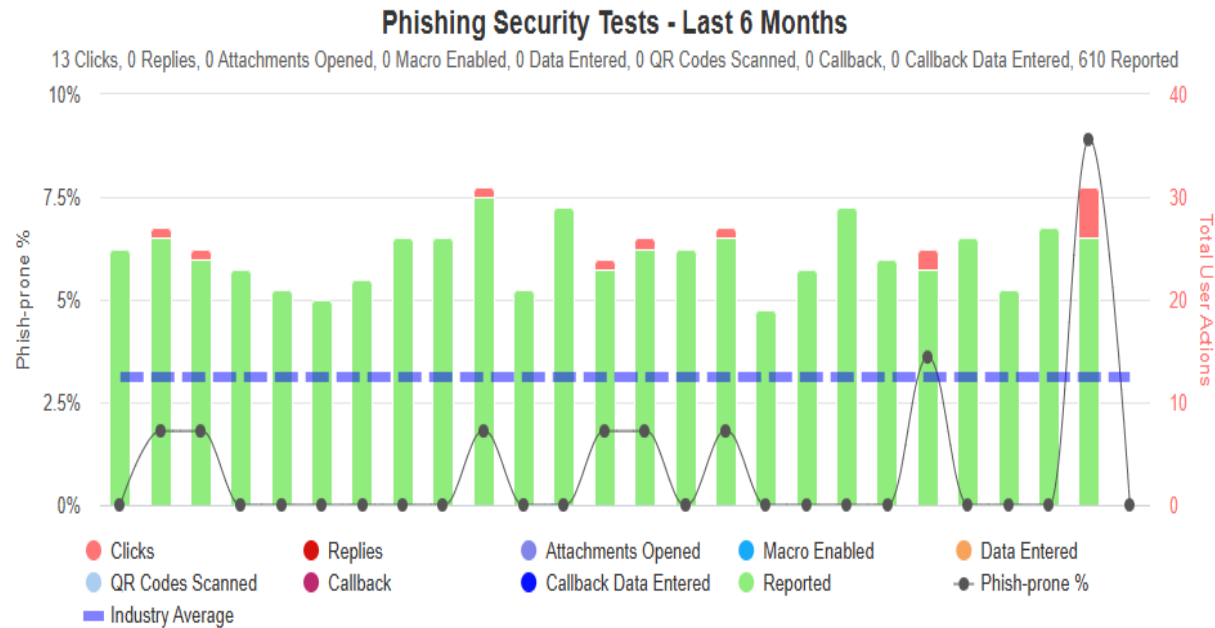
Other Items During Quarter

Payments to benefit providers made using 2025 rates	X
---	---

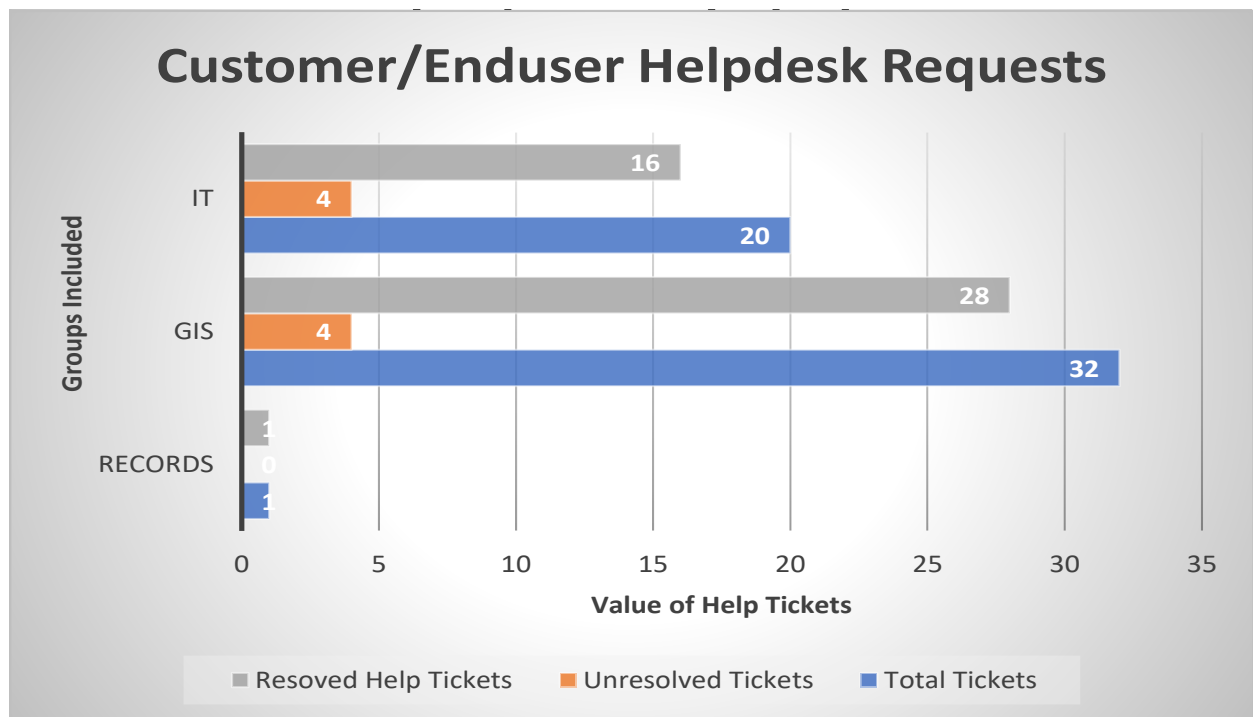
Enterprise Risk Identified by the Vendor



Phishing Security Test -Last 3 Months

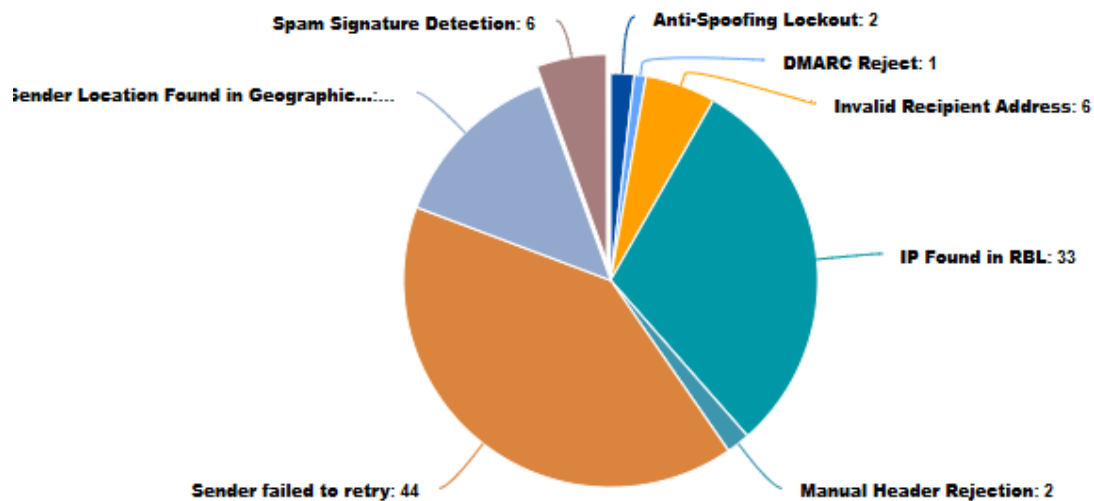


Technical Requests Made by MPS User



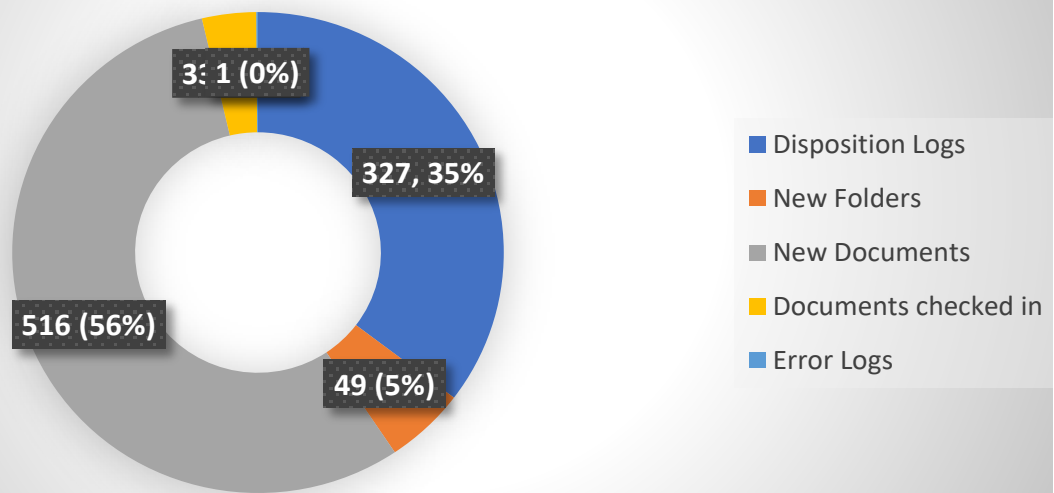
Internal Simulated Phishing Campaign Rejection Overview

Total Rejection Count: 5291

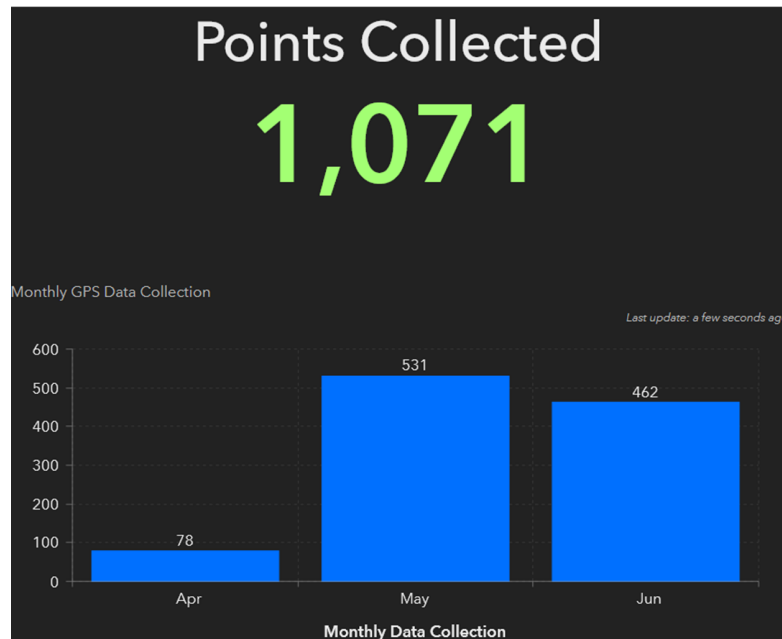


MPS Records Management New Inventory

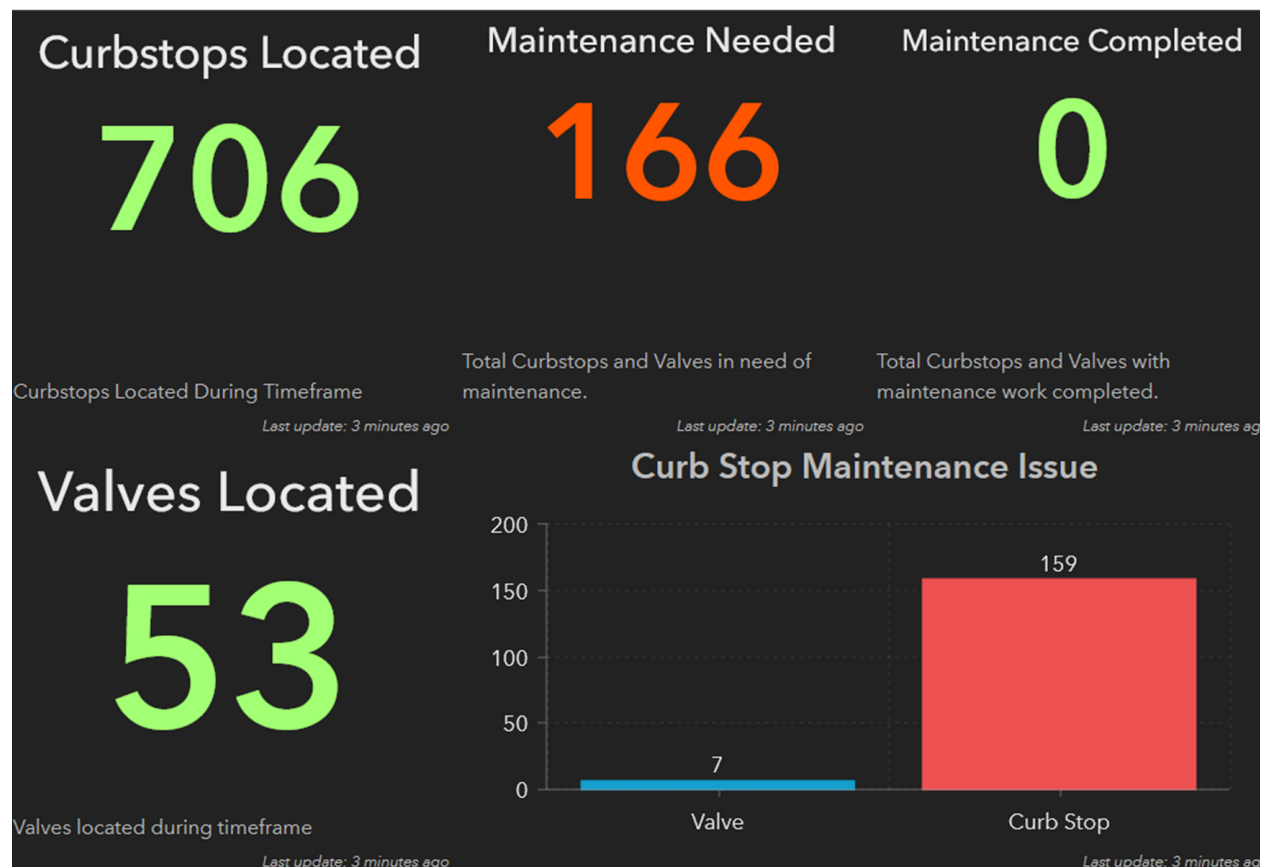
Electronic Document Logs & Reports



GPS Points Collected—Water Facilities



Water Distribution Maintenance



SAFETY COMMITTEE UPDATES

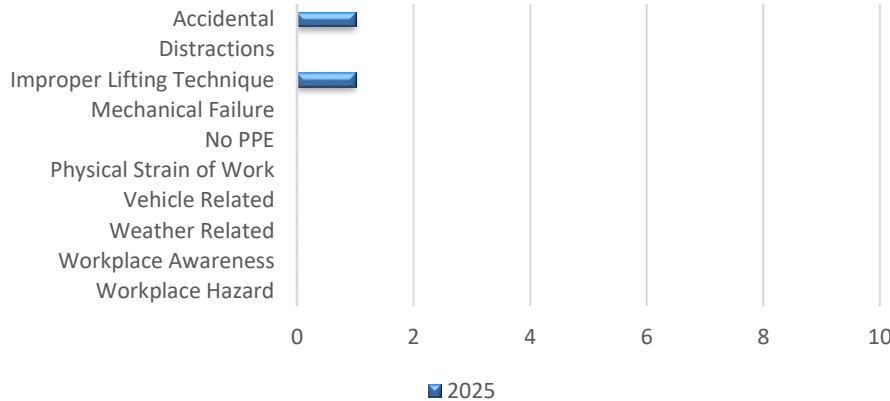
The Safety Committee meets every month to discuss upcoming safety training topics, address safety concerns, and review injury reports, when needed.

An OSHA Consultation report was completed on April 29, 2025.
A Safety Inspection was performed on June 3, 2025.
A Facility Audit was performed on June 30, 2025.

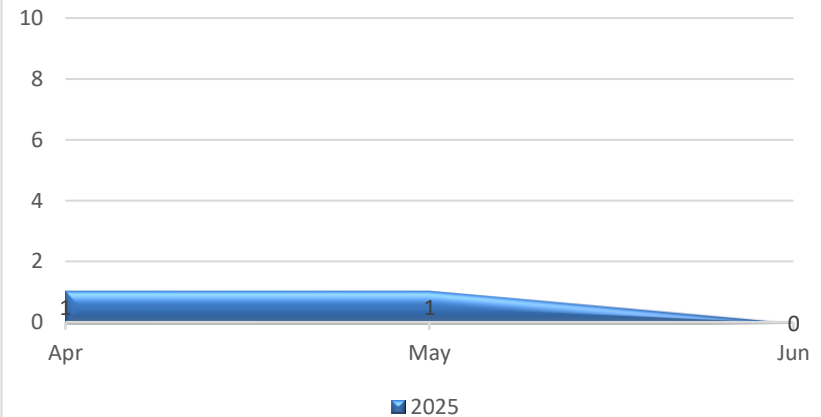
2ND QUARTER OF 2025

There were two injuries reported during the second quarter of 2025. On April 9, 2025, an employee was struck in the head when a pipe broke while they were attempting to repair a curb box. On May 8, 2025, an employee cut their thumb while splicing wires and peeling the semi-con.

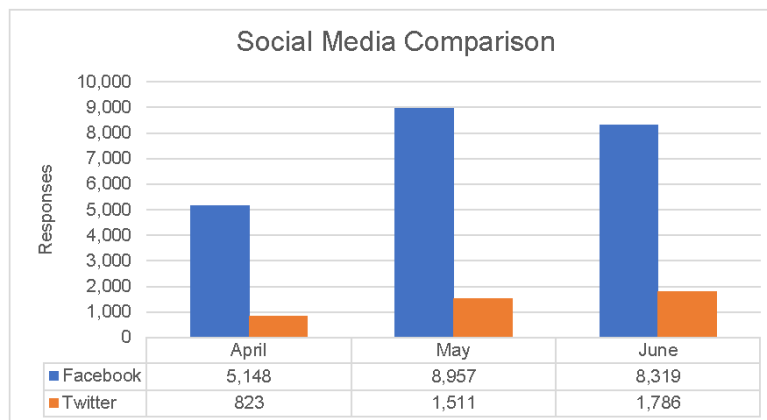
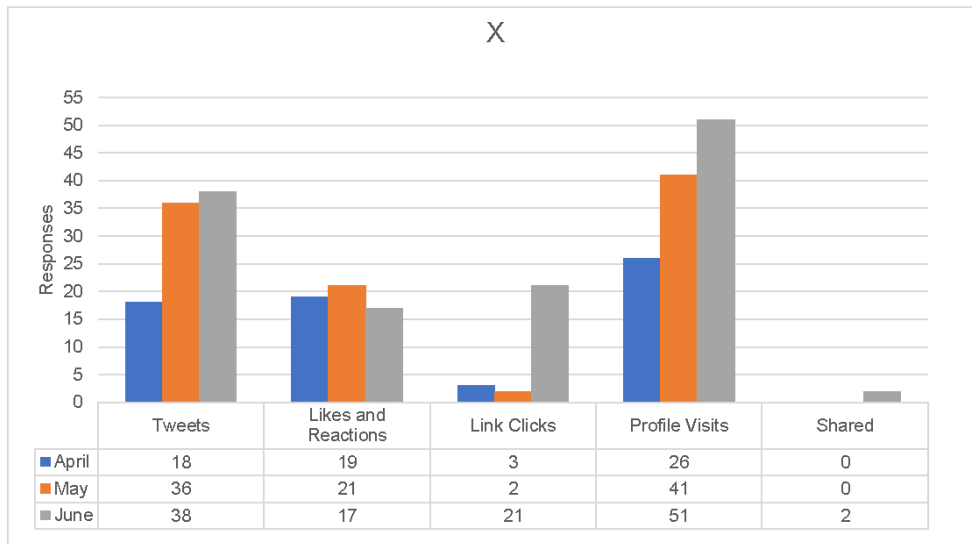
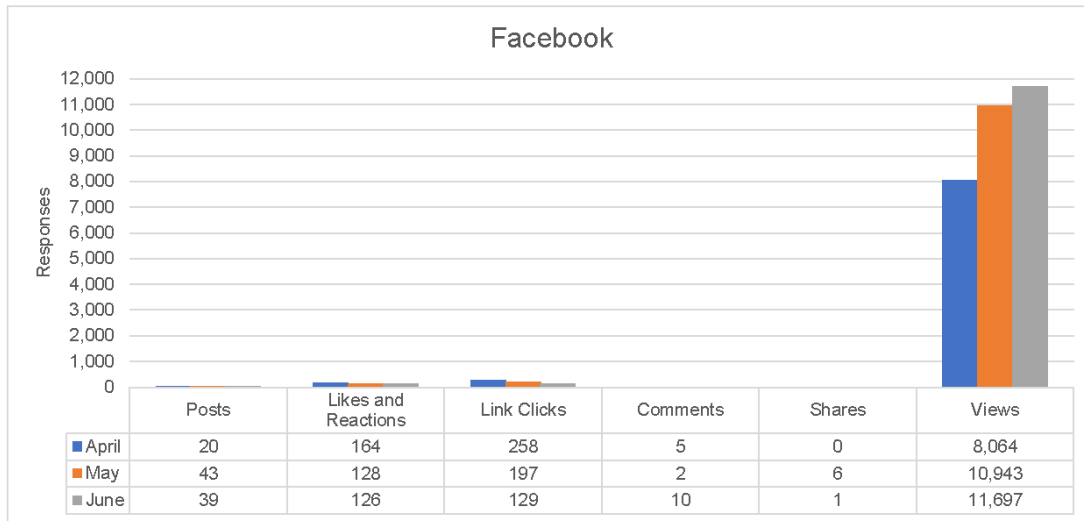
Injuries by Type



Injuries by Month



SOCIAL MEDIA STATISTICS - 2ND QUARTER



Audience

Demographics

Trends

Segments

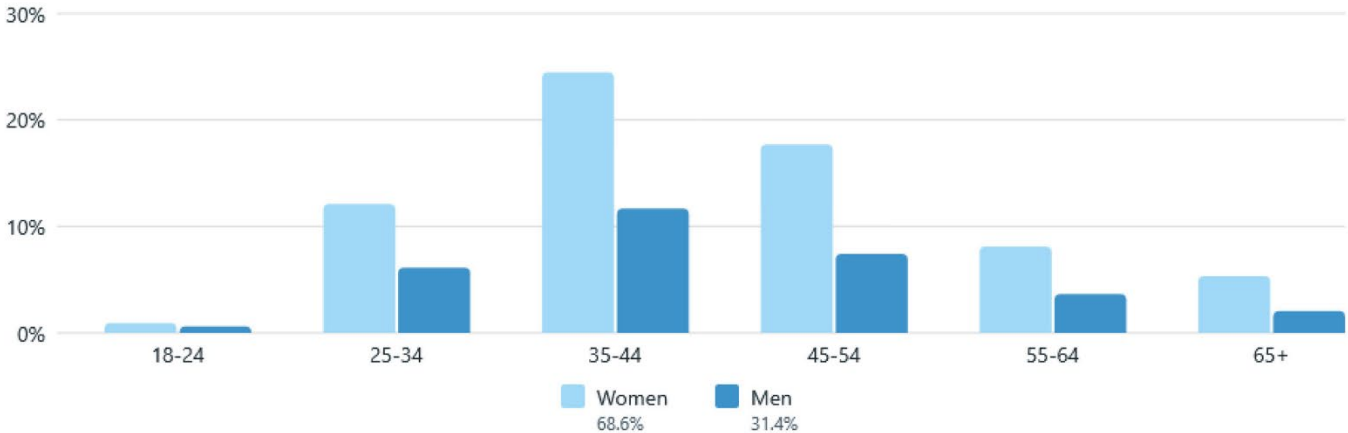
Potential audience

Followers ⓘ

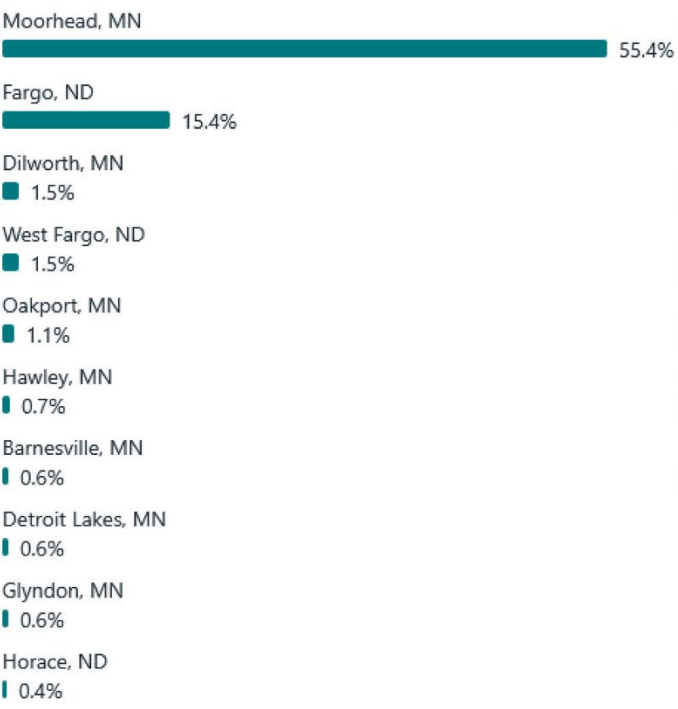
Lifetime

3,250

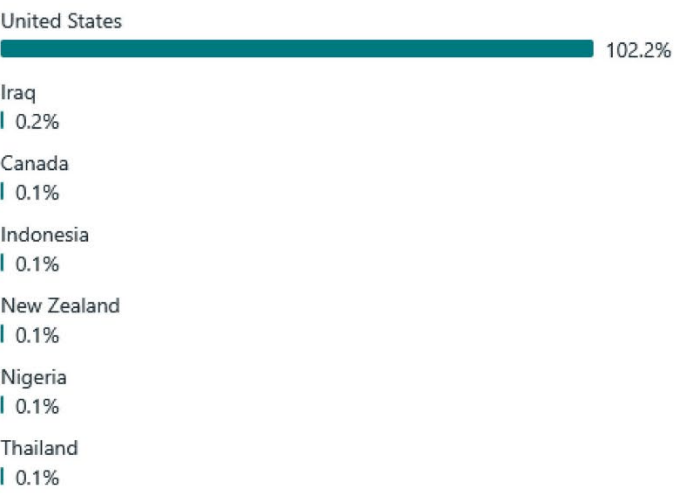
Age & gender ⓘ



Top cities



Top countries



Water Division 2nd Quarter 2025 Dashboard



What Are We Known For?

- Class A Surface Water Treatment Plant
- Ozone Disinfection
- Great Tasting Water
- Innovative Staff
- Leaders in the field

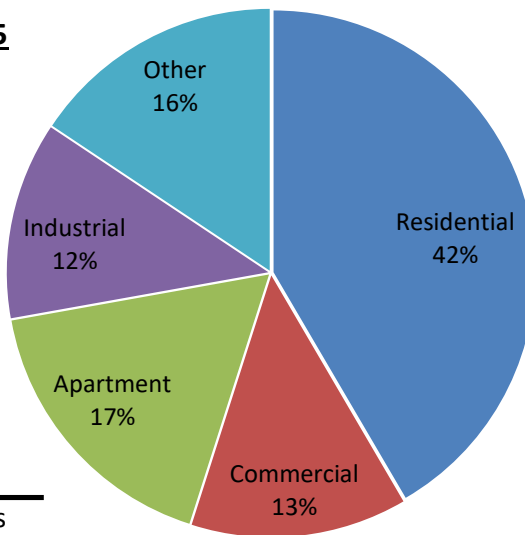
2025 1st Quarter Water Division (Gallons) = 328,193,575

Revenue Mix:

42%	Residential	136,409,947
13%	Commercial	43,867,971
17%	Apartment	56,616,135
12%	Industrial	39,936,468
16%	Other	51,363,054

Water usage

Gallons By User Type



Customer Base

Residential Customers	12,089
Commercial Customers	818
Apartment Customers	432
Industrial Customers	3
Regional Customers	1
Other Customers	0

13,343
Customers

Water Quality Sampling Protocol

Bacteriological Samples

Sampled	Passed	Percent
150	150	100%

Bromate Samples

Sampled	Passed	Percent
3	3	100%

Turbidity Samples

Sampled	Passed	Percent
546	546	100%

Trihalomethanes & Haloacetic Acids

Sampled	Passed	Percent
4	4	100%

Fluoride Samples

Sampled	Low	High
273	0.63 mg/L	0.74 mg/L

Total Organic Carbon Internal Samples

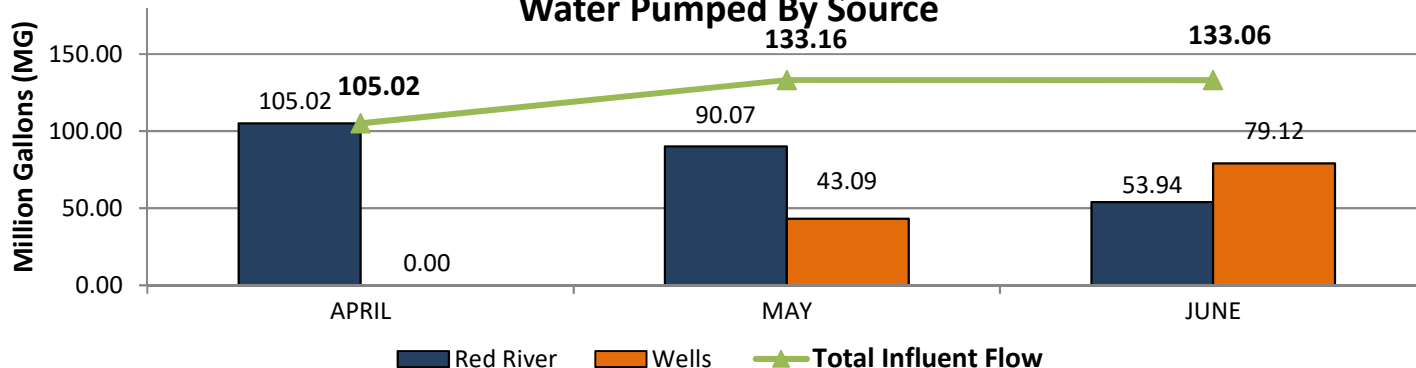
Sampled	Passed	Percent
180	180	100%

Alkalinity and TOC Reduction Samples

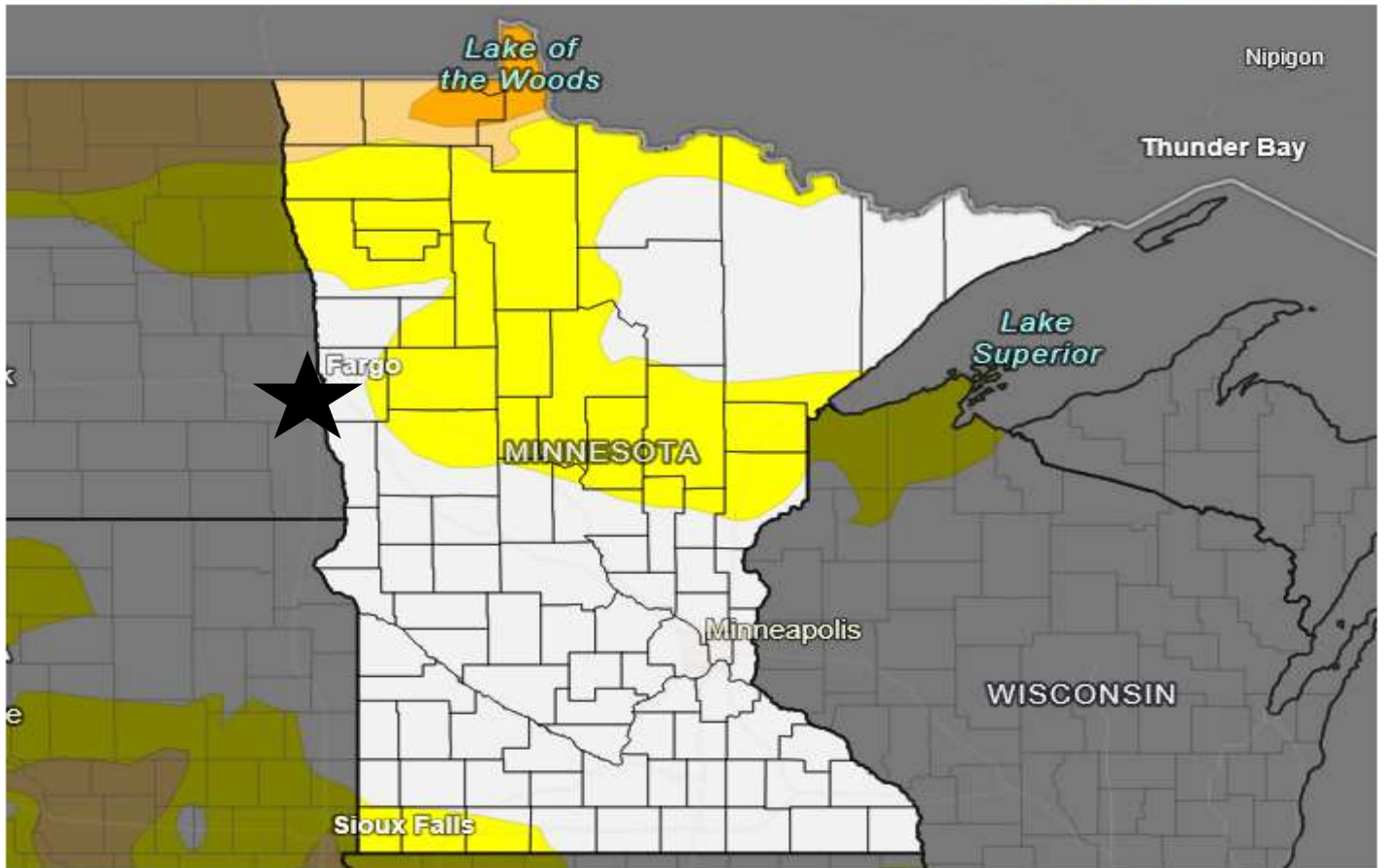
Sampled	Passed	Percent
3	3	100%

General Water Quality Parameters for new Lead and Copper Rule Improvements


Water Pumped By Source



U.S. Drought Monitor



Drought & Dryness Categories

	% of MN
 D0 – Abnormally Dry	32.2%
 D1 – Moderate Drought	3.1%
 D2 – Severe Drought	1.7%
 D3 – Extreme Drought	0.0%
 D4 – Exceptional Drought	0.0%
 Total Area in Drought (D1–D4)	4.8%

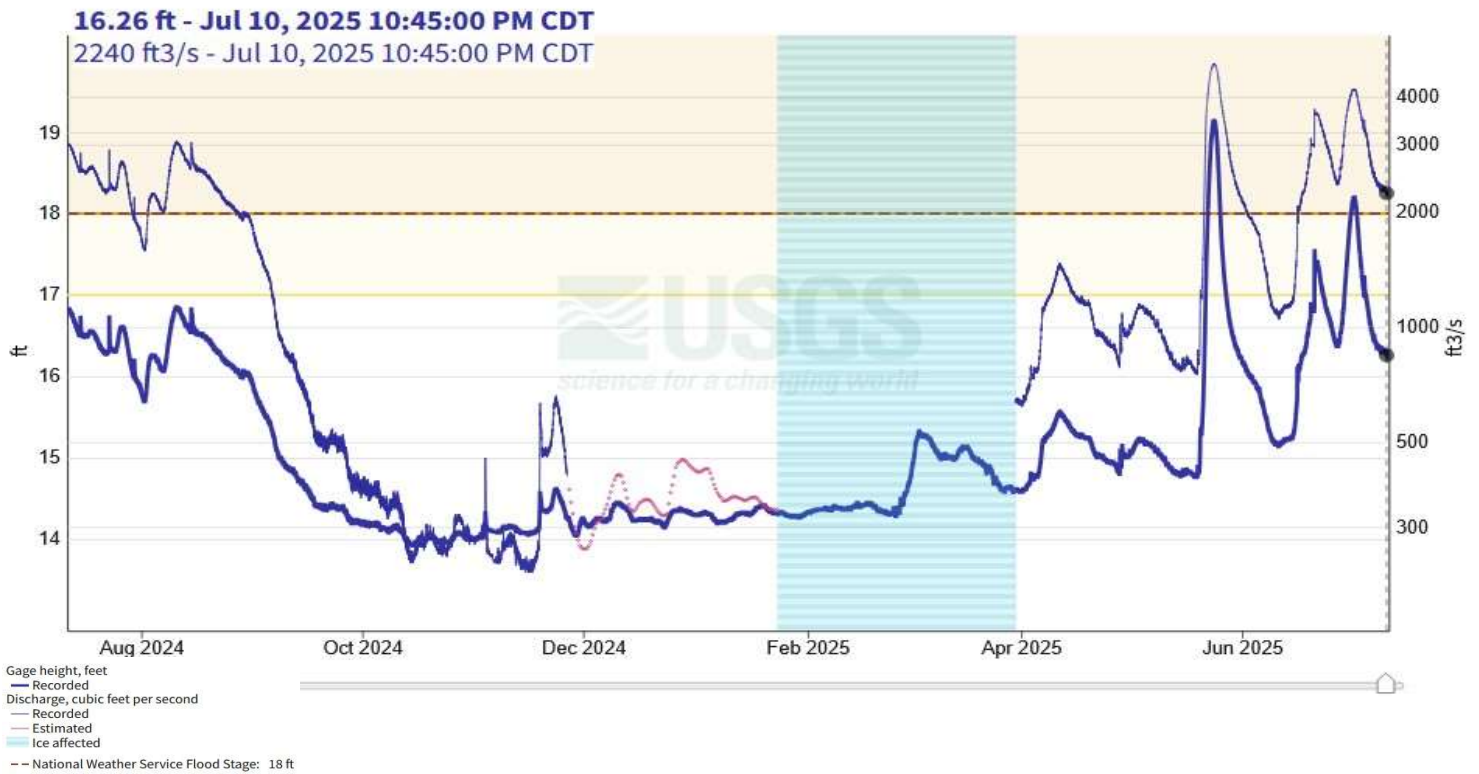
Source(s): NDMC, NOAA, USDA

Data Valid: 07/08/25

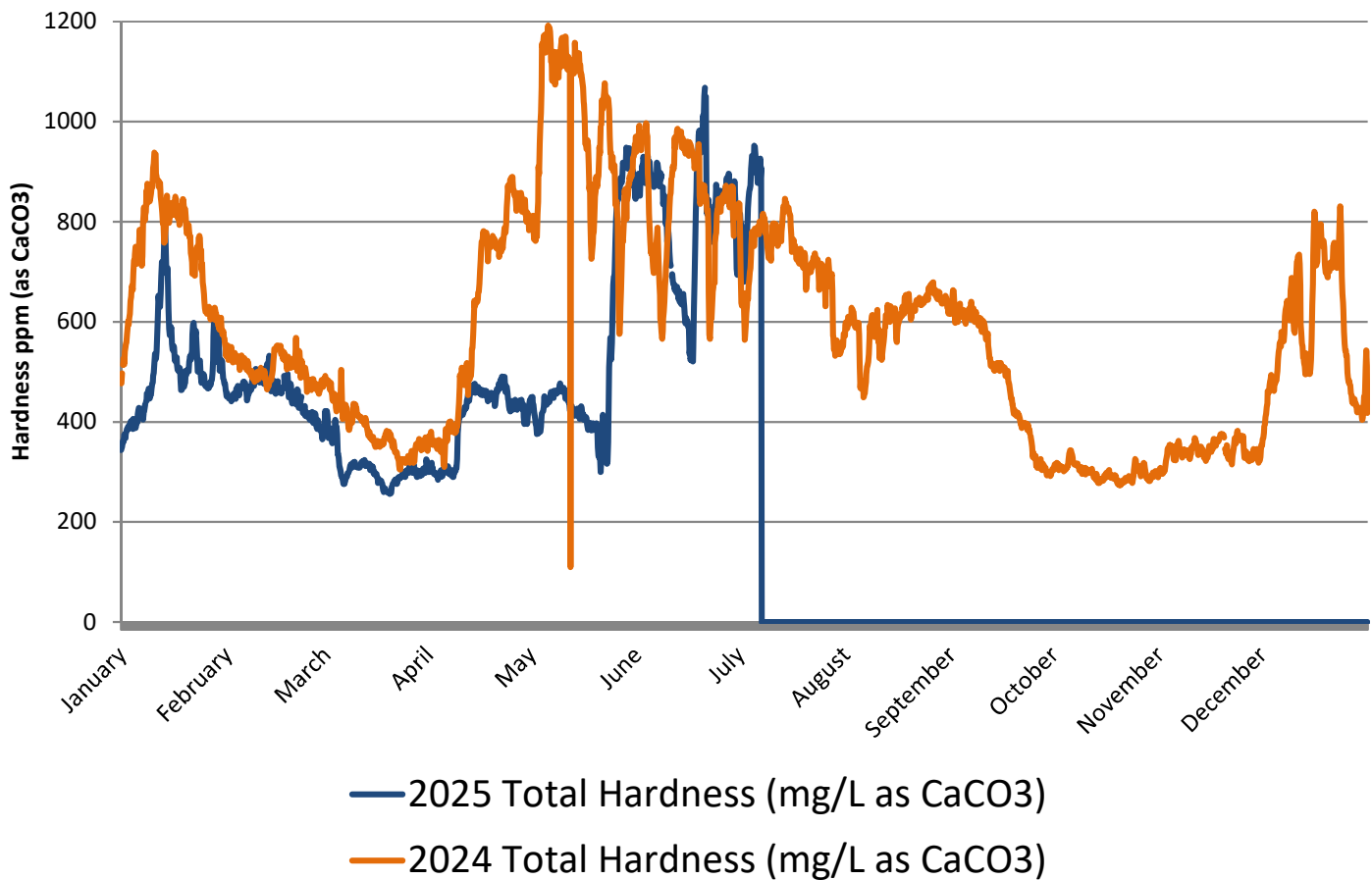
Drought.gov

Drought conditions currently alleviated by regular rain showers and increased soil moisture

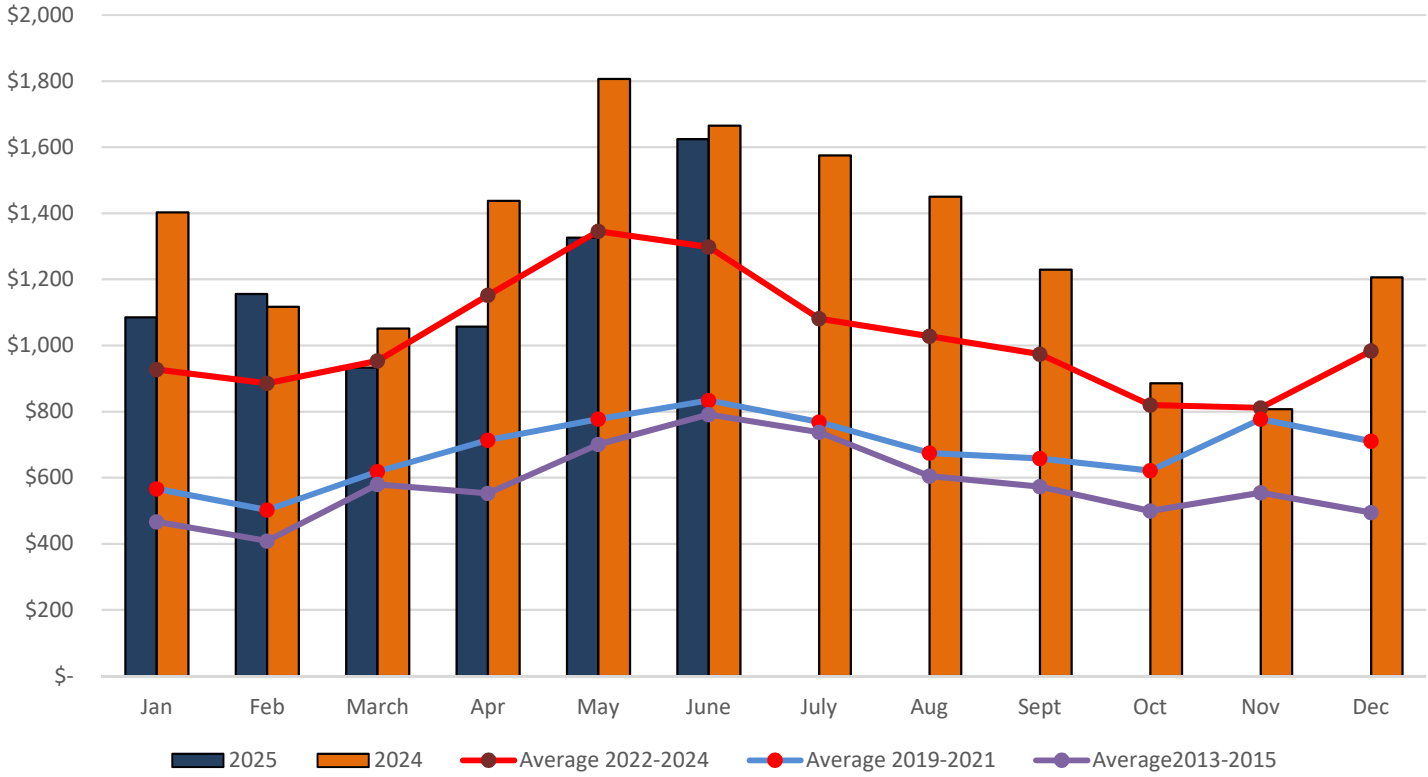
July 11, 2024 - July 11, 2025
Gage height, feet
Discharge, cubic feet per second



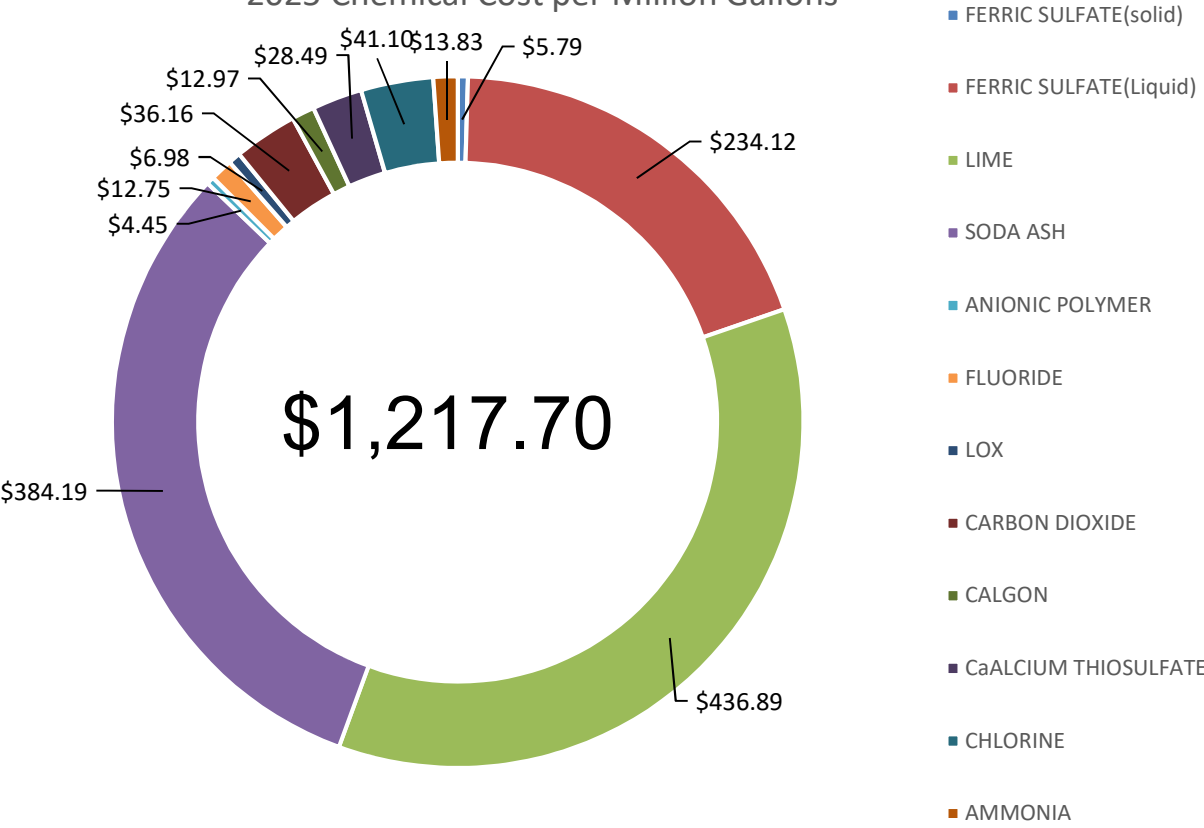
Total Hardness Comparison Red River



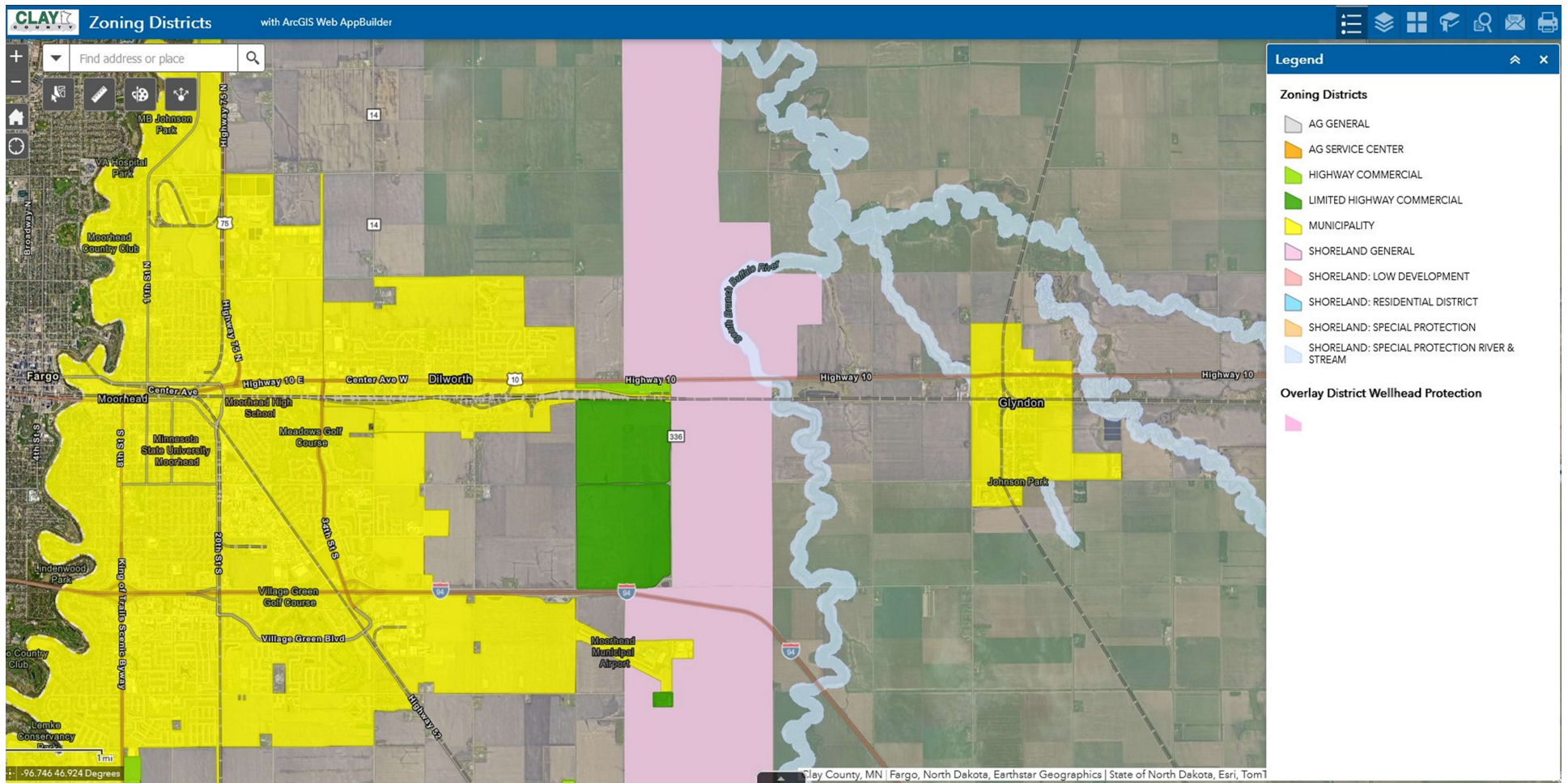
Chemical Cost per Million Gallons Treated Monthly



2025 Chemical Cost per Million Gallons



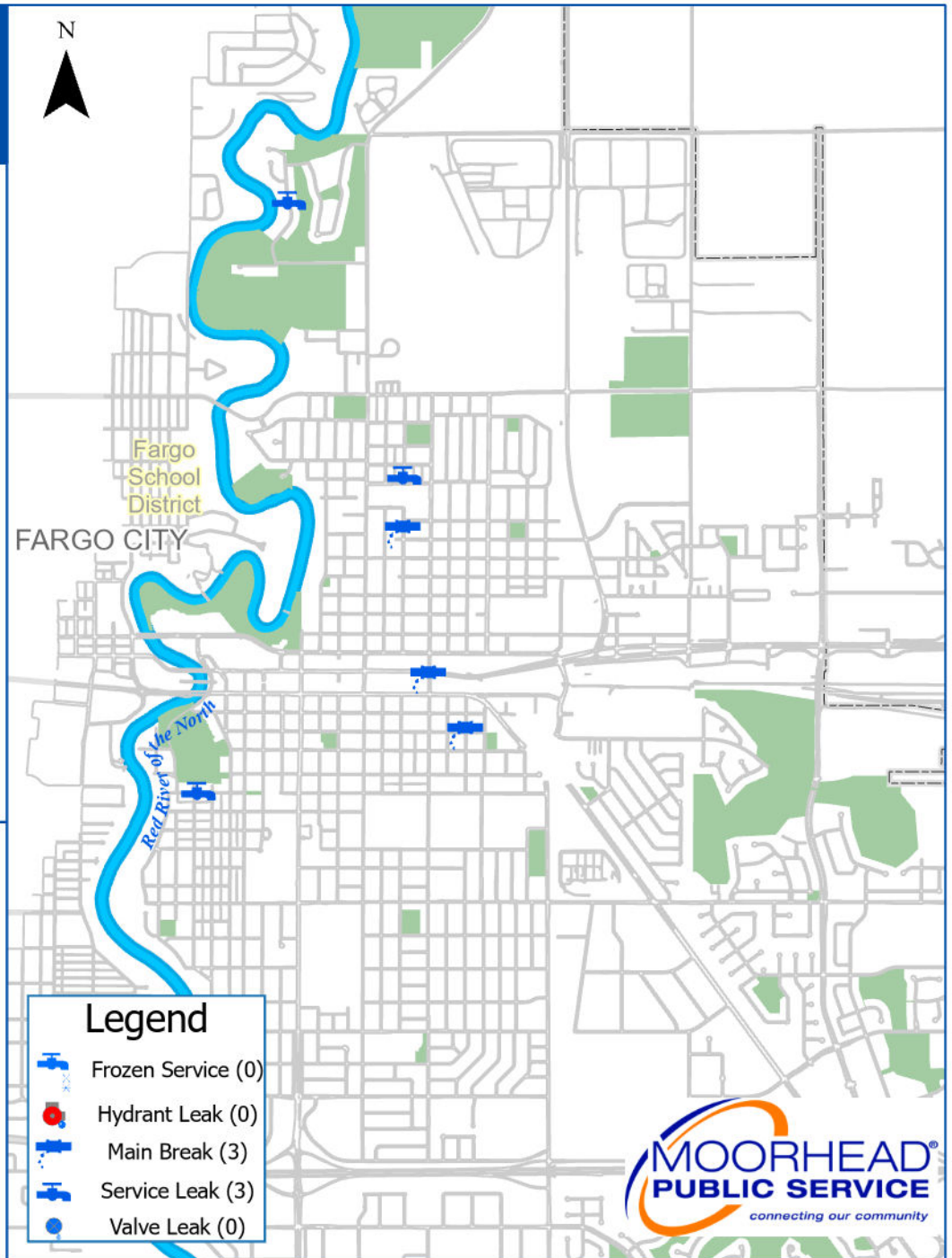
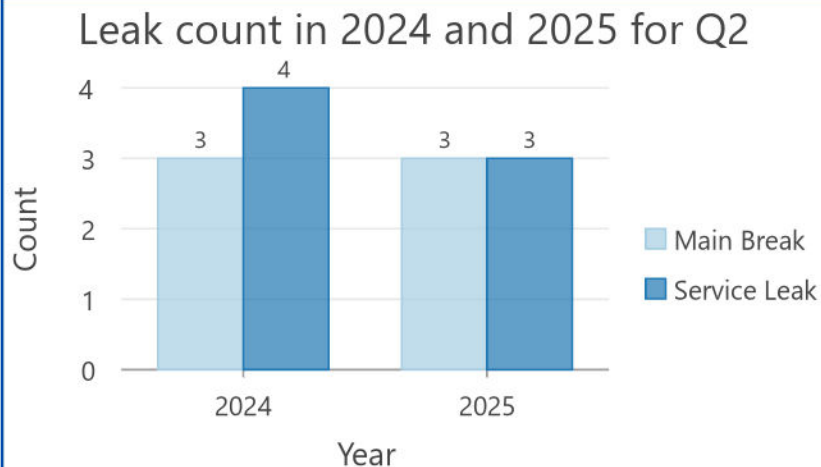
Buffalo Aquifer Zoning and Protection



Note: Wellhead Protection Plan Update is underway
Awaiting responses for Wellhead Protection Team Appointees
Phase I - Wellhead Vulnerability Status Update is underway with MDH

Q2 Water Leaks 2025

Repair Date	Leak Type	Location Description	Pipe Diameter
5/14/2025	Main Break	217 16th St S	6 inch
5/15/2025	Main Break	Center Ave & 14th St	12 inch
5/30/2025	Service Leak	208 6th Ave S	1 inch
5/30/2025	Service Leak	1008 13th St N	3/4 inch
6/23/2025	Service Leak	2510 River Dr N	1 inch
6/26/2025	Main Break	713 13th St N	6 inch



FOR IMMEDIATE RELEASE

Aug. 7, 2025

Missouri River Energy Services Submits Application for Toronto Power Plant

Sioux Falls, S.D. — Missouri River Energy Services (MRES) announced today that it has submitted a facility permit application to the South Dakota Public Utilities Commission (PUC) to construct the Toronto Power Plant — a natural gas-fired generating facility located two miles north of Toronto, South Dakota.

The proposed facility will feature four combustion turbine-generators with a combined output of 145 megawatts. It is designed to provide reliable, on-demand electricity to help meet growing regional energy needs. The project also includes a tap into an existing natural gas pipeline, construction of a 4.9-mile 345-kilovolt transmission line and a connection to a substation that accesses the regional energy market.

“As our public power communities continue to grow, along with their energy consumption, we’re taking proactive steps to ensure reliability and affordability,” said Terry Wolf, vice president and chief operating officer at MRES. “The Toronto Power Plant will provide flexible, fast-start generation that complements the needs of the regional grid today, which helps us deliver reliable power to our municipal electric utilities.”

The project site was carefully selected based on its proximity to existing transmission infrastructure, fuel supply, and to minimize environmental impacts. If approved, construction is expected to begin in spring 2027 with the facility projected to be operational by the end of 2029.

The next step in the regulatory process will be a public input meeting held by the PUC, starting at 5:30 p.m. on **Wednesday, Sept. 24**, at the **Deubrook Elementary School gym in Toronto, South Dakota**. The application and other documents in the [docket](#) may be accessed on the PUC’s website at <https://puc.sd.gov/Dockets/Electric/2025/EL25-028.aspx>.

MRES is committed to working closely with state regulators and local stakeholders to ensure the project is developed responsibly and transparently. The application to the PUC includes detailed information about the facility’s design, environmental considerations and public benefits.

For more information about the [Toronto Power Plant](#) and [MRES](#), visit: mrenergy.com/energy-resources/generation. For more information about the [South Dakota PUC](#), visit puc.sd.gov.

###

For more information, please contact Tammie Krumm, MRES vice president of human resources and administration, and interim vice president and chief strategy officer, at 605-338-4042 or info@mrenergy.com.

About Missouri River Energy Services

Missouri River Energy Services (MRES) is a not-for-profit joint-action agency that provides wholesale electricity and energy-related services to 61 member municipalities in Iowa, Minnesota, North Dakota, and South Dakota. MRES is

committed to enhancing the value of member utilities to their communities by supplying reliable, cost-effective, long-term energy and energy services in a fiscally responsible and environmentally sensitive manner.



2025

Dear Travis and the MPS Commission,
Moorhead Legacy Education
Foundation is grateful for your
partnership in providing a
generous scholarship for a
Moorhead graduate this year.
The \$2500.00 scholarship went
to Jaden (Jinu) Lee who will attend
Harvard this fall. →

LEGACY EDUCATION FOUNDATION

MOORHEAD



Through your gift to the Moorhead Legacy Education Foundation, you are making a difference in the lives of Spuds. Together we are providing the basic needs, scholarships, and innovative educational experiences students need to succeed both now and into the future.

*Thank you for your
investment in our students
education!*

MOORHEAD LEGACY EDUCATION FOUNDATION

P.O. BOX 1006

MOORHEAD, MN 56561

moorheadlegacyfoundation@gmail.com

*Sincerely,
Janette Leiseth*

Executive Director

July 21, 2025

Moorhead Public Service
PO Box 779
Moorhead, MN 56561-0779

Dear Moorhead Public Service:

Thank you for your gift of \$3,500.00, which we received on July 21, 2025. We appreciate your generosity and as you have requested, the above amount has been designated for the Clay County Early Childhood Initiative.

Please keep this letter for your tax records concerning your charitable contributions, which are tax deductible to the extent allowed by IRS regulations.

If you have any questions regarding your contribution, or if there is any additional information we can provide you, please feel free to contact our office. Your gift makes a difference to the people and communities of west central Minnesota.

Sincerely,



Rebecca L. Petersen | Director of Development

*This fund is a component fund of West Central Initiative.
Gifts to West Central Initiative, a 501(c)(3) nonprofit organization,
are tax deductible to the full extent of the law.
No goods or services were provided in exchange for this gift.
Gifts to West Central Initiative are non-refundable.*

Accept Report on Regional Electric Rates

RECOMMENDATION:

The General Manager respectfully requests the Commission accept a report on regional electric rates.

BACKGROUND:

Electric rates are an important benchmark measuring our efficiency and effectiveness in fulfilling our duties as a utility. Furthermore, electric rates establish our competitive standing in relation to surrounding utilities and are an important factor in Moorhead Public Service's (MPS') credit rating.

Rate competitiveness is one of the eight rating factors used by Moody's Investors Service (Moody's) to assign MPS' credit rating. Moody's formally updated MPS' overall credit rating in 2023 and it was upgraded to Aa2. MPS' rate competitiveness was also upgraded to Aa at the same time. It should be noted that Moody's rate competitiveness rating is based upon comparing MPS' rates against statewide averages—not local and regional averages as used in this report. Thus, MPS should focus on improving its rate competitiveness in order to maintain the overall Aa2 rating in the future.

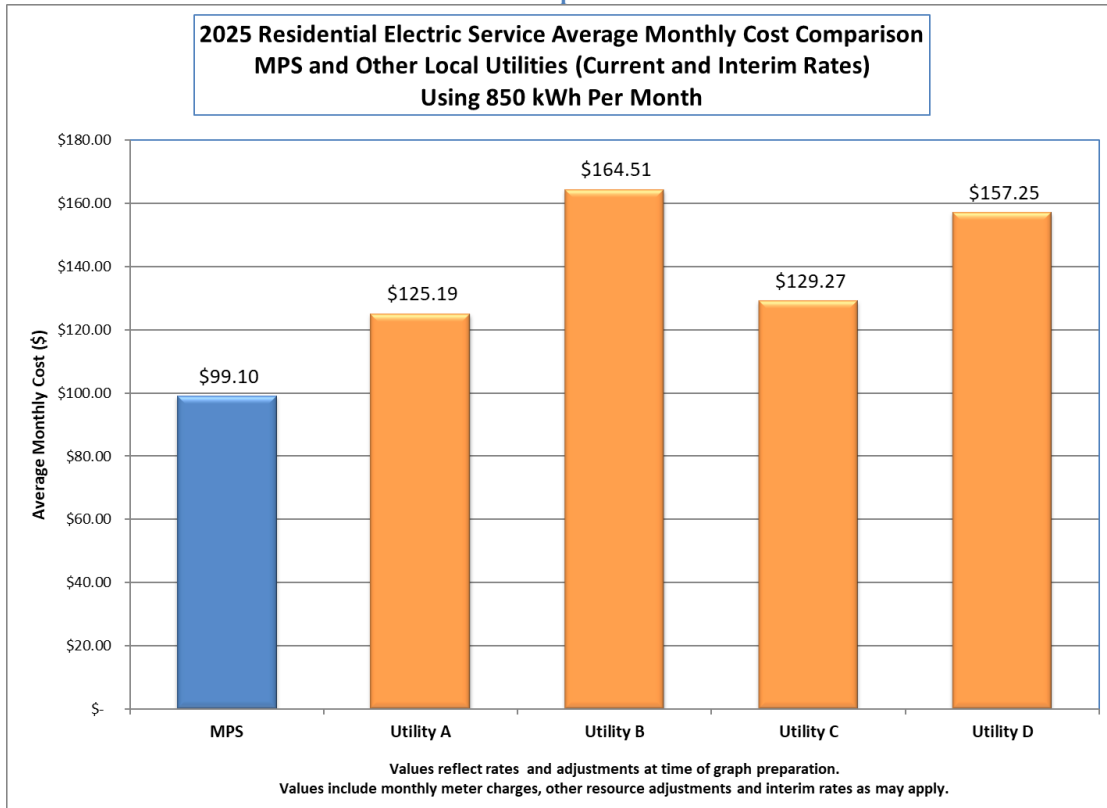
This report analyzes and compares residential rates, as well as rates for three different commercial accounts similar to what is used in Missouri River Energy Services' electric rate studies. The four categories examined are:

1. Residential
2. Small General Service
3. General Service with secondary service
4. General Service with primary service

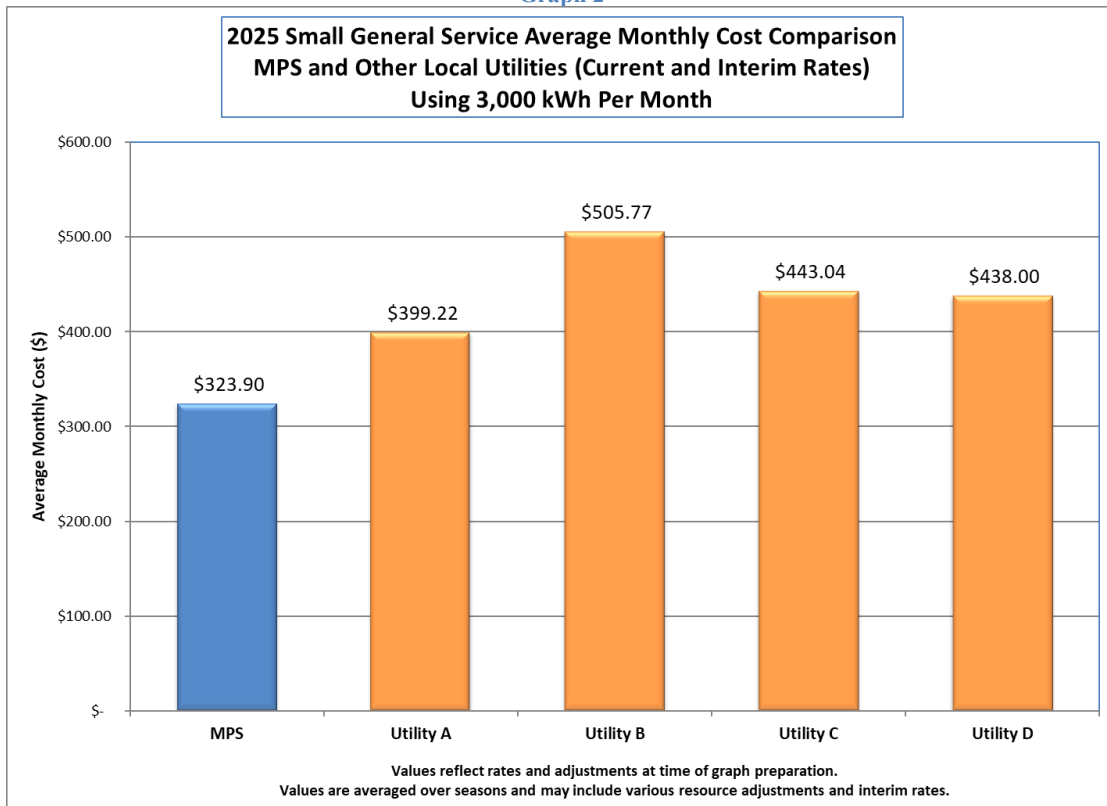
Simply looking at published rates for service, energy, and demand charges seldom gives a complete picture when comparing rates between utilities. The full, monthly amount paid by customers is also affected by the occasional interim rate adjustments, fuel adjustment charges, and a number of other adjustments that vary from utility to utility.

The graphs on the following pages show what each customer category would pay in total, on average, at each utility per month for their average level of service with these ancillary costs included. As can be seen on the graphs, MPS is the lowest cost provider in all categories that were examined for the current year. Also included in the graphs on the following pages is information showing what customers would pay in total, on average, under the current proposed rates for MPS as well as proposed rates for surrounding utilities. Under these proposed rates, MPS is still the lowest cost provider in all categories that were examined for 2025, as well as the proposed rates for 2026.

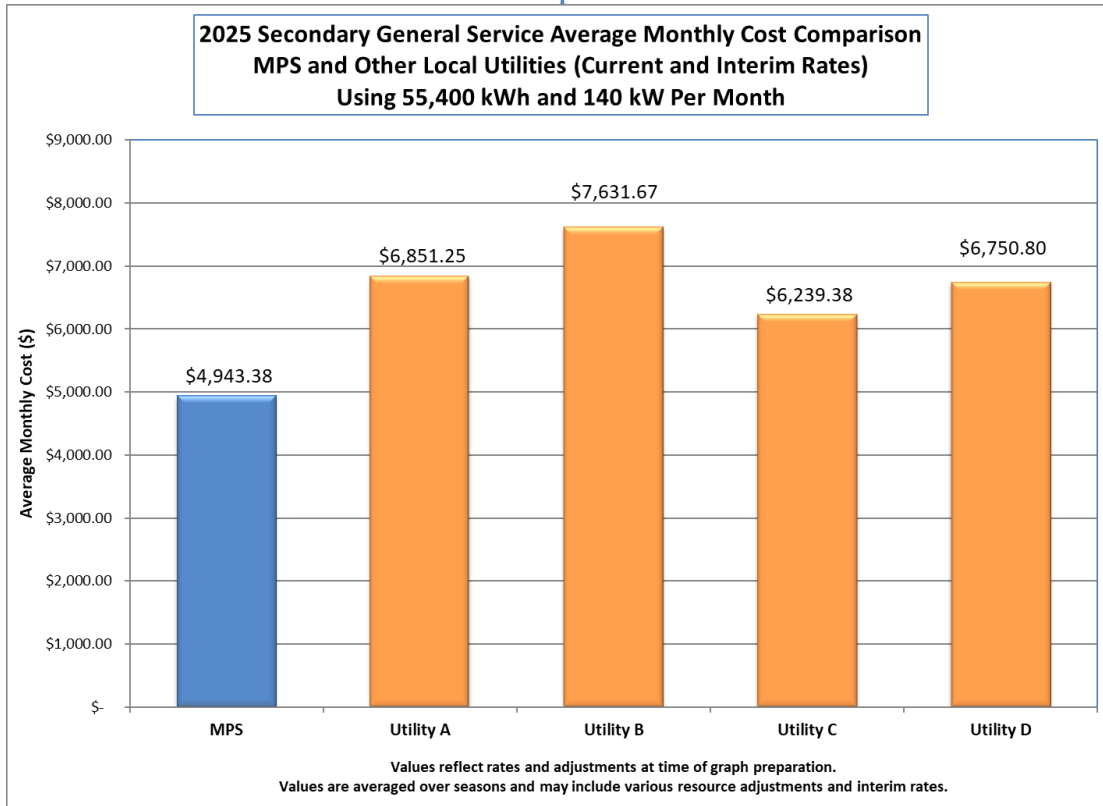
Graph 1



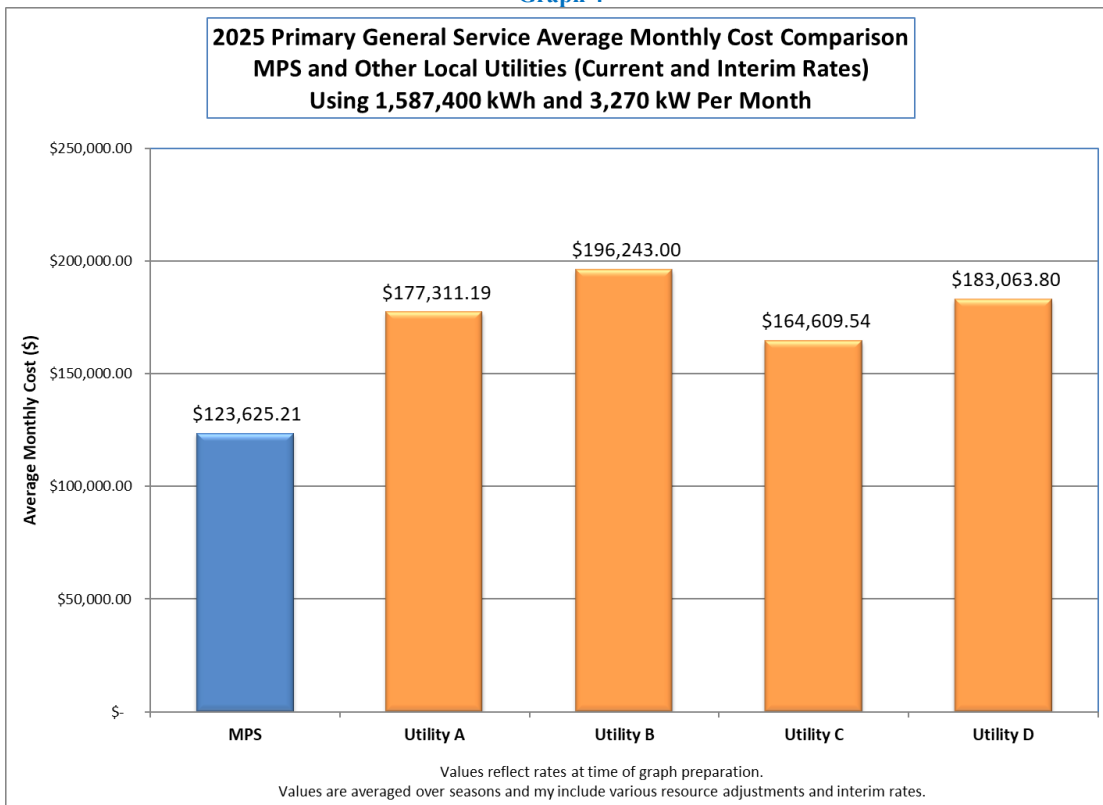
Graph 2



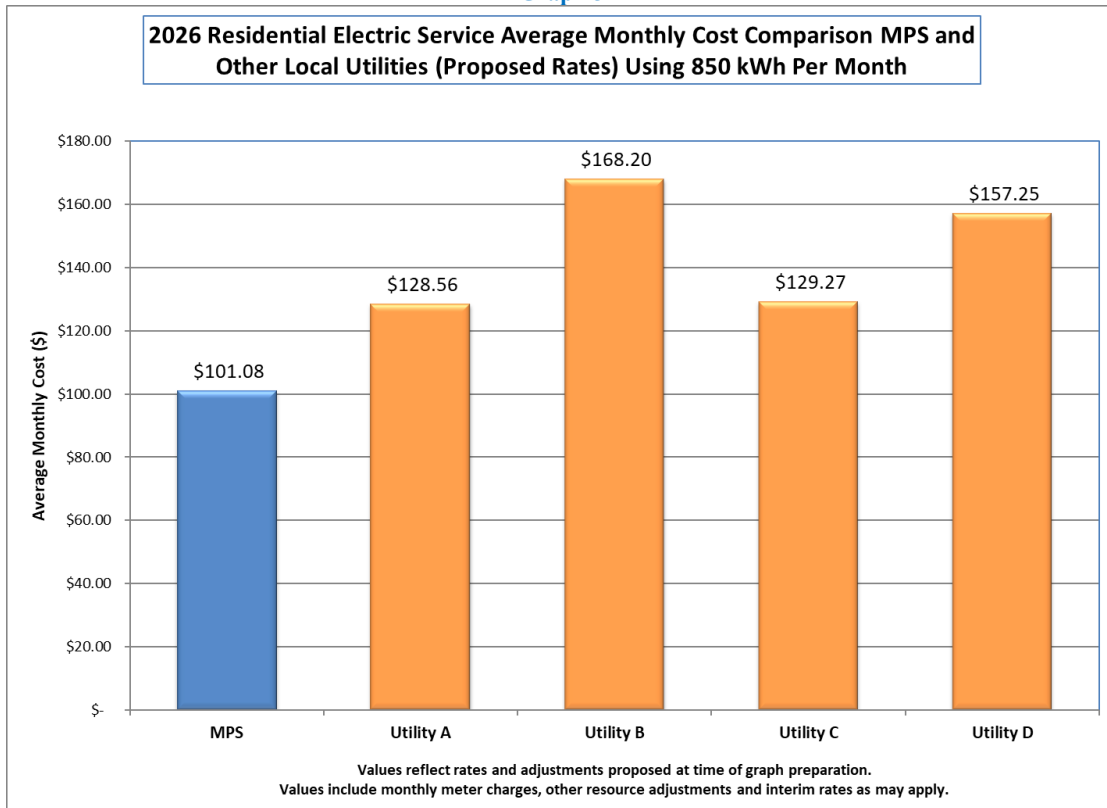
Graph 3



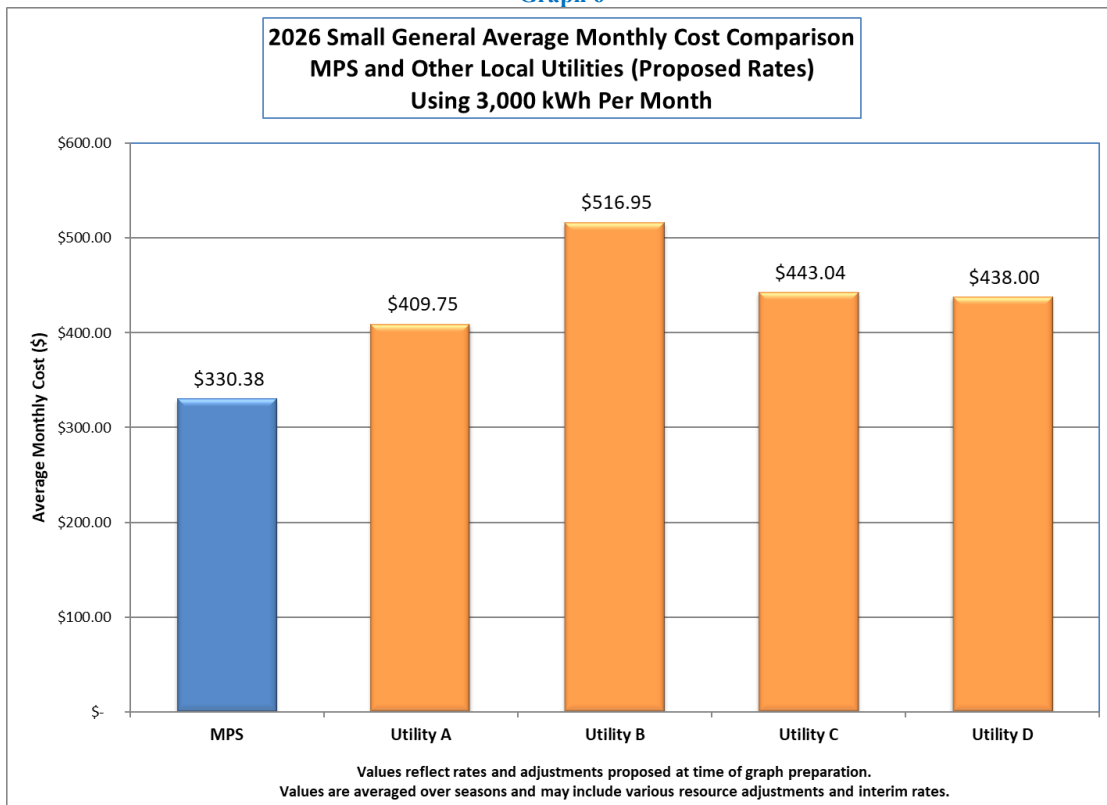
Graph 4



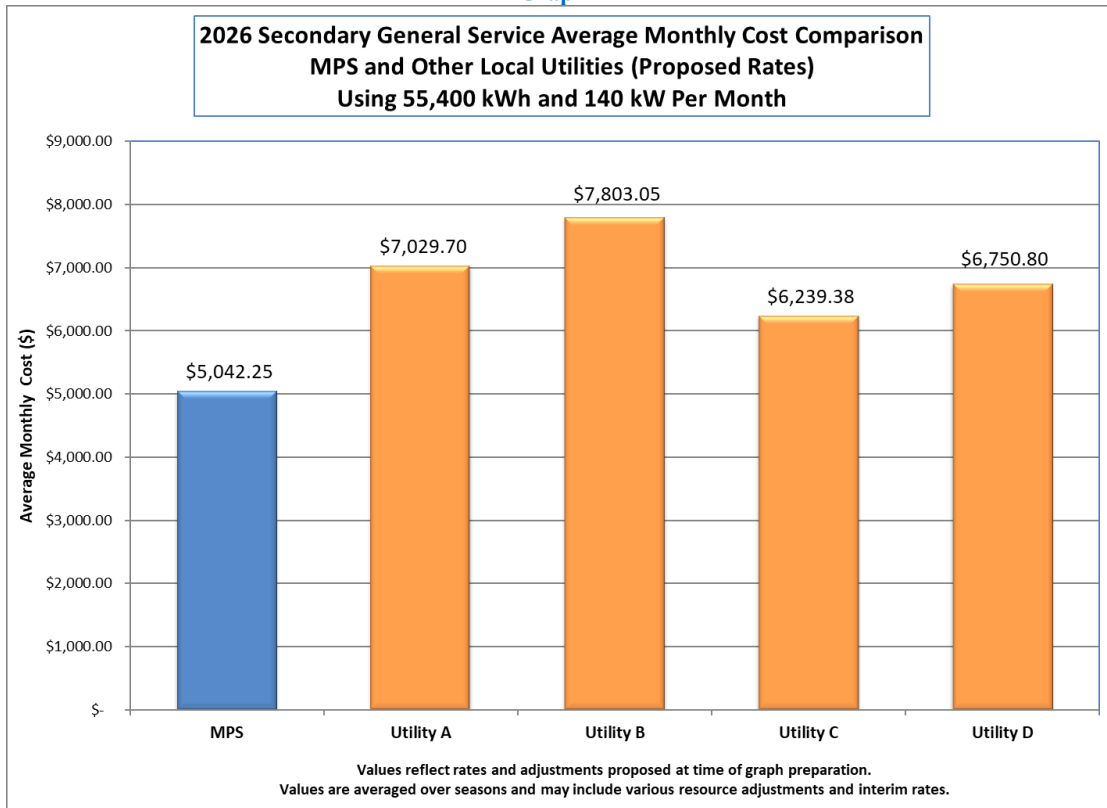
Graph 5



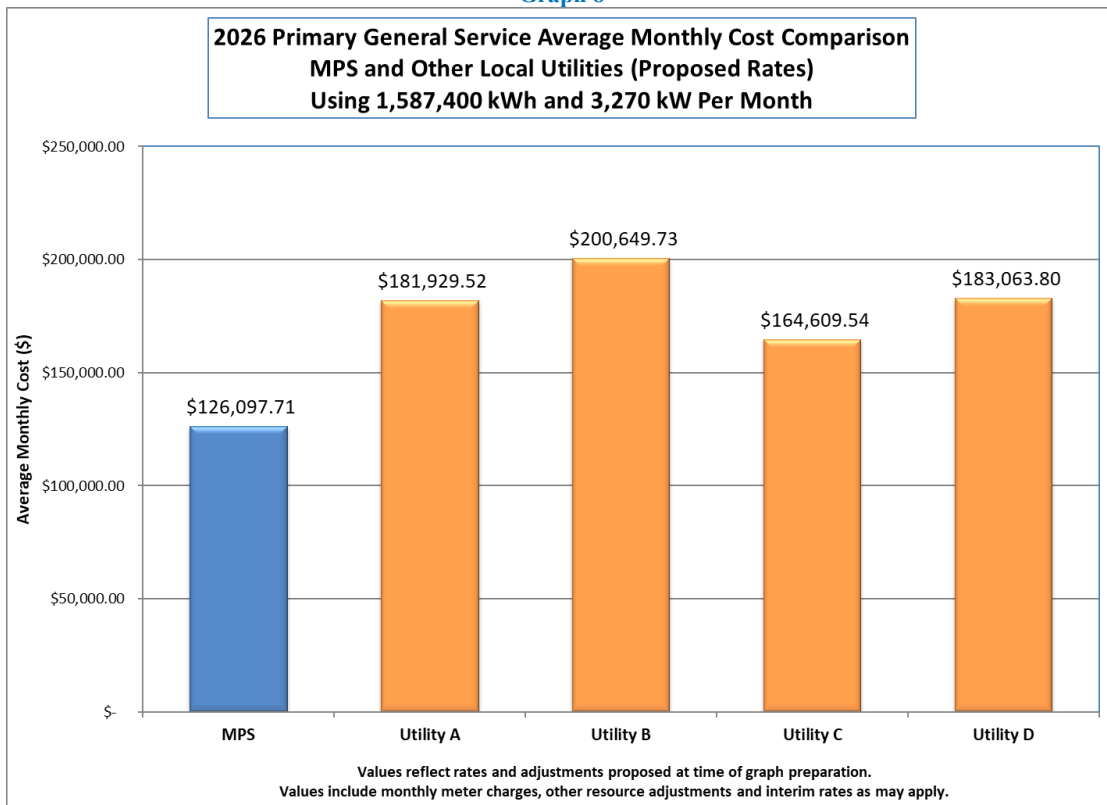
Graph 6



Graph 7



Graph 8



KEY ISSUES:

- Electric rates are an important benchmark measuring our efficiency and effectiveness in fulfilling our duties as a utility.
- Rate competitiveness is one of the eight rating factors used by Moody's to assign MPS' credit rating. Moody's formally updated MPS' overall credit rating in 2023 and it was upgraded to Aa2.
- Moody's rate competitiveness rating is based upon comparing MPS' rates against statewide averages—not local and regional averages as used in this report.
- Rate comparisons include meter service, energy, and demand charges, as well as known rate adjustments.
- MPS is the lowest cost provider in all categories that were examined for 2025 as well as the proposed rates for 2026.

FINANCIAL CONSIDERATIONS: None at this time.

Respectfully submitted,

Travis L. Schmidt
General Manager**Division/Response Person:** Adam Benhardt, Construction Manager.**Attachments:** None.

Accept Report on Reserved Capacity Agreements with MRES and Transmission for Potential Large-Load Customers

RECOMMENDATION:

The General Manager respectfully requests the Commission accept a report on Reserved Capacity Agreements with Missouri River Energy Services and transmission for potential large-load customers.

BACKGROUND:

Reserved Capacity Agreements—Generation.

Since August 2011, Moorhead Public Service (MPS) has had a Reserved Capacity Agreement with Missouri River Energy Services (MRES) for reserved capacity at MPS' Centennial Generating Station. As MPS moves forward with relocating and constructing the new Northeast Substation (NE Substation), MPS has an opportunity to build a second generating station, which would be of similar capacity to the Centennial Generating Station. Terry Wolf, MRES' Vice President and Chief Operating Officer, will present a PowerPoint at Tuesday's meeting regarding how adding a second generating station would benefit Moorhead, as well as MRES. The purpose of this presentation is to inform the Commission on the opportunities and costs associated with adding more capacity before presenting professional service agreements for engineering and permitting, along with construction plans, for Commission approval.

Transmission Planning and System Capacity.

Over the past three years, MPS, MRES, and its consultants have been working on a plan to expand the capacity of MPS' existing system and infrastructure to allow for natural growth and economic development. Mr. Wolf will also be presenting a plan to expand capacity, which will include coordinating requests for large loads, transmission planning needs, timelines, costs, and other impacts and considerations. Again, the goal is to update the Commission so that, as these projects move forward, the Commission is well informed and able to make sound decisions.

KEY ISSUES:

- As MPS moves forward with relocating and constructing the new NE Substation, MPS has an opportunity to build a second generating station, which would be of similar capacity to the Centennial Generating Station.
- Over the past three years, MPS, MRES, and its consultants have been working on a plan to expand the capacity of MPS' existing system and infrastructure to allow for natural growth and economic development.

FINANCIAL CONSIDERATIONS: None at this time.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Travis L. Schmidt, General Manager.

Attachments: None.

Accept Report on Potential Use of Lime Sludge in Roadway Construction

RECOMMENDATION:

The General Manager respectfully requests the Commission accept a report on the potential use of lime sludge in roadway construction.

BACKGROUND:

Moorhead Public Service (MPS) utilizes lime softening to reduce hardness in its raw water sources. A byproduct of this process is lime sludge, which is currently stored in 12 sludge ponds and each pond is reaching its maximum capacity. To improve sludge and solids processing, MPS constructed the Lime Sludge Dewatering Facility, that has been operational since 2021. A significant portion of MPS' Water Division's annual operating costs is attributed to trucking and land application of dewatered lime solids.

Since 2016, MPS staff has been actively researching enhanced lime solids management strategies. A promising opportunity emerged through collaboration with Minnesota Department of Transportation's (MnDOT's) geomaterials personnel to assess the feasibility of incorporating lime in regional roadway construction projects. Over several years of discussion, MPS and MnDOT expanded the initiative by sending dewatered lime samples to research laboratories at Michigan State University and Texas A&M University to evaluate the samples' potential use in roadway subgrade applications.

On July 9, 2025, MPS staff met with university geomaterials researchers and received confirmation that proof-of-concept studies were successful. Results demonstrated that dewatered lime material, when blended with traditional subgrade materials, can serve as a viable option for roadway construction. Research findings indicated improved subgrade durability, reduced soil plasticity, and "no noticeable negative impact on engineering performance" of the materials tested when mixed with cement base, as shown in the attached durability assessments. This represents a key milestone in advancing a circular economy approach for reusing lime sludge.

Further research will likely focus on freeze-thaw cycle effects under varying moisture conditions, and conducting ongoing structural stability analyses of lime-infused roadways. MnDOT personnel are currently gathering additional data to support upcoming field pilot tests.

KEY ISSUES:

- A significant portion of MPS' Water Division's annual operating costs is attributed to trucking and land application of dewatered lime solids.
- A promising opportunity emerged through collaboration with MnDOT's geomaterials personnel to assess the feasibility of incorporating lime in regional roadway construction projects.
- Research findings indicated improved subgrade durability, reduced soil plasticity, and "no noticeable negative impact on engineering performance" of the materials tested when mixed with cement base. This represents a key milestone in advancing a circular economy approach for reusing lime sludge.

FINANCIAL CONSIDERATIONS: None at this time.

Respectfully submitted,

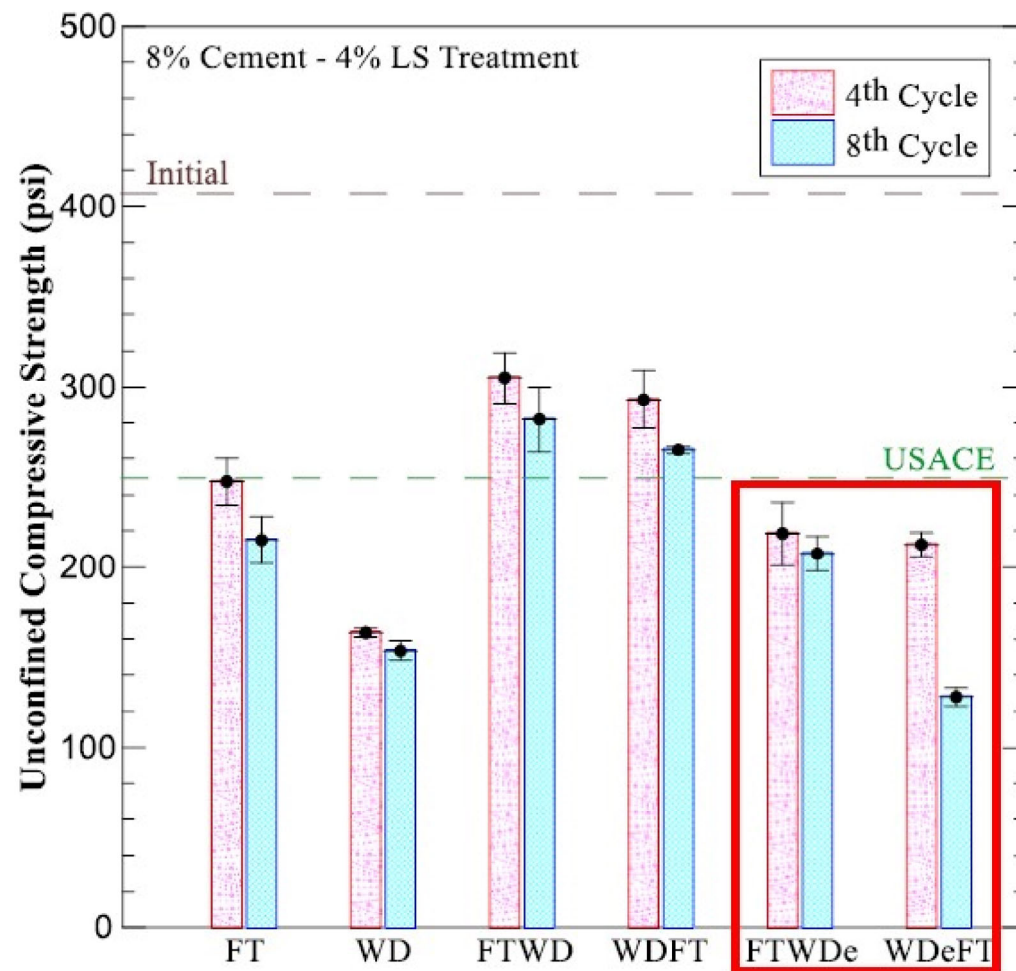
A handwritten signature in black ink, appearing to read "Travis L. Schmidt".

Travis L. Schmidt
General Manager

Division/Response Person: Marc Pritchard, Water Plant Manager.

Attachments:
Durability Assessments

Durability Assessments



Cement base stabilization (8C4S) showed improved performance during durability:

- Reduced mass loss
- Reduced volumetric change
- Strength improved under all durability conditions

Modified coupled durability condition resulted in greater damage than the initial coupled condition.

Summary and Recommendation

- Lime sludge showed **no noticeable negative impact** on engineering performance and **improved subgrade soil durability** under lime and cement stabilization.
- Although current lime sludge **cannot react or form binding gels** like hydrated lime or cement, its inert nature **helps reduce the plasticity** of clayey soil, leading to **improved performance** of lime and cement stabilization.
- It is worth investigating how the **pH of lime sludge** influences the **effectiveness of traditional stabilizers** to **maximize its reuse**, as well as its performance when **combined with other chemical stabilization techniques**.
- **Pilot tests in the field** can further evaluate and validate laboratory results.

Accept Report on MPS' Advanced Metering Infrastructure Project

RECOMMENDATION:

The General Manager respectfully requests the Commission accept a report on Moorhead Public Service's Advanced Metering Infrastructure Project.

BACKGROUND:

Moorhead Public Service (MPS) maintains and operates the electric and water utility within the city of Moorhead and is in the process of upgrading MPS' existing metering system from Automated Meter Reading to Advanced Metering Infrastructure (AMI).

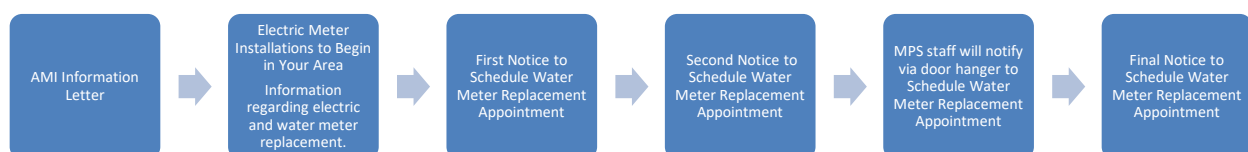
MPS has completed the installation phase of electric and water meters in the System Acceptance Test (SAT) area, except for a limited number of remaining electric and water meter exchanges—referred to as “Return to Utility” accounts. These are meter exchanges that are returned to MPS from the installation contractor due to scheduling or other operational issues.

The SAT is a test of the process, equipment, software, and all other applicable contract equipment and supplies. This test is used to demonstrate and determine whether the systems and the scope of work in the initial phase are compliant with the functional and performance requirements set forth in the SAT protocol, as stated in the contract with Wesco.

Over the past several months, MPS and Katama Technologies, Inc. (Katama), have been completing various sections of the SAT document. Most of the functional and performance requirements listed in the SAT document are compliant and approved. However, MPS is actively working with Honeywell and Wesco to complete the remaining requirements before approving the overall SAT. The next phase of the project will resume on September 8, 2025, and will include electric and water meter installations, as additional electric and water meter exchanges are required to complete and finalize the SAT. Customers in the next phase will begin to receive a series of notices informing them of the AMI Project.

MPS is dedicated to ensuring a smooth transition and keeping customers informed throughout the AMI Project. Customers can expect to receive at least three mailed letters regarding the project. Due to the unique features of each type of meter, the electric and water meters will be installed by two different contractors on different dates. The first letter will inform customers about the project and the assistance that MPS will require from customers to complete the project. The second letter will notify customers when the electric meter replacement is about to begin in their area, and provide additional information on what to expect during water and electric meter replacements. Most electric meters are located outside of the home or building, so no appointment is necessary. Since most water meters are located inside a home or building, the third letter will include instructions on how to schedule an appointment to replace the water meter.

Below is a flowchart detailing the communication process and appointment scheduling that will occur throughout the project:



Customers who fail to schedule an appointment will receive two additional mailed letters, and MPS staff will place a door hanger notice on the customer's door. If, after approximately 10 days following the third and final letter being mailed, customers have not allowed access to the meter or scheduled an appointment, those customers may be subject to suspension of service in accordance with MPS' Water Service Rules and Regulations. Timely customer assistance in scheduling meter appointments is critical for future utility operations to ensure that the project is completed efficiently and cost-effectively.

The costs associated with the AMI Project were included in MPS' 2023 budget, and future years, due to this being a multi-year project.

KEY ISSUES:

- Over the past several months, MPS and Katama have been completing various sections of the SAT document.
- The next phase of the project will resume on September 8, 2025, and will include electric and water meter installations, as additional electric and water meter exchanges are required to complete and finalize the SAT.
- MPS is dedicated to ensuring a smooth transition and keeping customers informed throughout the project. Staff has prepared a series of notices to inform customers throughout the meter exchange process.
- Timely customer assistance in scheduling meter appointments is critical for future utility operations to ensure that the project is completed efficiently and cost-effectively.

FINANCIAL CONSIDERATIONS:

- The costs associated with the AMI project were included in MPS' 2023 budget, and future years, due to this being a multi-year project.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Kurt McClain, IT Division Manager, and Jake Long, Water Distribution Manager.

Attachments: None.

Approve Change Orders No. 1 and 2 with Border Construction, LLC, for Construction of MPS' Redundant Network Operations Center

RECOMMENDATION:

The General Manager respectfully requests the Commission approve Change Orders No. 1 and 2 for the construction of Moorhead Public Service's redundant Network Operations Center to Border Construction, LLC, in the total amount of \$55,503.98.

BACKGROUND:

On June 17, 2025, the Commission awarded the bid for the construction of Moorhead Public Service's (MPS') redundant Network Operations Center (NOC) to Border Construction, LLC (Border Construction), in the amount of \$463,000.00.

During the review of the final design and submittal to the City of Moorhead's (City's) Planning and Zoning Division for approval, several changes needed to be made to meet the City's requirements and codes.

Change Order No. 1 (attached) in the amount of \$10,695.45 is for labor and materials to install stronger and more secure doors. Due to the sensitive use of the NOC and its remote location, additional security is required than what was in the original design.

Change Order No. 2 (attached) in the amount of \$44,808.53 is for additional insulation and landscaping, as well as revisions to the site layout. A majority of this cost is to meet the City's requirements and codes for this property.

The total amount for Change Orders No. 1 and 2 is \$55,503.98 and will increase the total contract price by 12 percent—bringing the final contract amount to \$518,503.98. This project is 42.4 percent below the engineer's estimate of \$900,000.00, which includes the costs of Change Orders No. 1 and 2. Construction is expected to be substantially completed on or before December 9, 2025.

MPS staff recommends approving Change Orders No. 1 and 2 for this project. This project is included in MPS' 2025 budget.

KEY ISSUES:

- On June 17, 2025, the Commission awarded the bid for the construction of MPS' redundant NOC to Border Construction in the amount of \$463,000.00.
- During the review of the final design and submittal to the City's Planning and Zoning Division for approval, several changes needed to be made to meet the City's requirements and codes.
- Construction of the NOC is expected to be substantially completed on or before December 9, 2025.

FINANCIAL CONSIDERATIONS:

- The total amount for Change Orders No. 1 and 2 is \$55,503.98 and will increase the total contract price by 12 percent—bringing the final contract amount to \$518,503.98.
- This project is included in MPS' 2025 budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Travis L. Schmidt".

Travis L. Schmidt
General Manager

Division/Response Person: Adam Benhardt, Construction Manager.

Attachments:

Change Orders No. 1 and 2

Date of Issuance: 07/31/2025

Effective Date: 07/31/2025

Project: Moorhead Public Services - Redundant Network Operations Center

Owner: Moorhead Public Services

Owner's Contract No.: _____

Engineer: Sandman/MBN Engineers

Date of Contract: July 24, 2025

Contractor: Border Construction, LLC

Engineer's Project No.: MBN 24-252

The Contract Documents are modified as follows upon execution of this Change Order:

Description:

COR# 1 - Electrified panic hardware and continuous hinges

Attachments (list documents supporting change):

Border Construction - Change Order Request Form, Central Door Quote

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 463,000.00

[Increase] [Decrease] from Previously Approved
Change Orders No. _____ to No. _____:

\$ _____

Contract Price Prior to this Change Order:

\$ 463,000.00

(Increase) [Decrease] of this Change Order:

\$ 10,695.45

Contract Price Incorporating this Change Order:

\$ 473,695.45

CHANGE IN CONTRACT TIMES:

Original Contract Times: ☐ Working Days ☐ Calendar Days

Substantial Completion (days or date): October 31, 2025

Ready for Final Payment (days or date): November 21, 2025

[Increase] [Decrease] from Previously Approved Change Orders
No. _____ to No. _____:

Substantial Completion (days or date): _____

Ready for Final Payment (days or date): _____

Contract Times Prior to this Change Order:

Substantial Completion (days or date): October 31, 2025

Ready for Final Payment (days or date): November 21, 2025

(Increase) [Decrease] of this Change Order:

Substantial Completion (days or date): December 9, 2025

Ready for Final Payment (days or date): December 30, 2025

Contract Times with all Approved Change Orders:

Substantial Completion (days or date): _____

Ready for Final Payment (days or date): _____

RECOMMENDED:

By: _____
Engineer (Authorized Signature)


Print: _____
Title: _____
Date: _____

ACCEPTED:

By: _____
Owner (Authorized Signature)

Print: _____
Title: _____
Date: _____

ACCEPTED:

By: 
Contractor (Authorized Signature)

Print: Tom Jarvis
Title: President
Date: 08/08/2025

Approved by Funding Agency (if applicable):

By: _____
Print: _____

Date: _____
Title: _____



4321 14th Ave N
Fargo, North Dakota 58102
p: 701.478.3113 f: 701.478.3133

Change Order Request

To: Sandman Structural Engineers
1587 30th Ave S
Moorhead, MN 56560

Project: Moorhead Public Service - Redundant Network Operations Center
6202 2nd Street North
Moorhead, MN 56560

Change Order Request #1

Description: Revision to Door Hardware - Electrified Panic Bars/Continuous Hinges

Date: 07/31/25

Job # 25-005

Revised Substantial Completion Date to be 12/9/2025

Revised Final Completion date to be 12/30/2025

<u>Description</u>	<u>Labor</u>	<u>Material</u>	<u>Equipment</u>	<u>Subcontractor</u>	<u>Total</u>
Border Construction - Additional Labor - Continous Hinges (1.5 hrs/door @ \$50/hr)	\$ 150.00				\$ 150.00
Central Door		\$ 8,482.40			\$ 8,482.40
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Total	\$ 150.00	\$ 8,482.40	\$ -	\$ -	
7.875% Mat Tax					\$ 667.99
Border work subtotal					\$ 9,300.39
Border work - 15% O&P					\$ 1,395.06
Subcontractor work subtotal					\$ -
Subcontractor work - 5% O&P					\$ -
Total					\$ 10,695.45



CENTRAL DOOR & HARDWARE INC.

Box 9044 • 602 43rd St. N.W. • Fargo, North Dakota 58106

Toll Free: 1-800-747-9082 • Phone: 701-281-9082 • Fax: 701-281-1707

CDH Project #

DATE: 7/29/2025

PROJECT: 7713 Moorhead Redundant Network Center

TO: Brandon Block

LOCATION: Fargo, ND

WE PROPOSE TO FURNISH THE MATERIAL SPECIFIED BELOW:

Furnishing

- 2 Continous Hinges
- 2 CEPT
- 2 Electrified exit devices

Keeping

- 2 Closers
- 2 sets of gasketing
- 2 sets of sweeps
- 2 sets of rain guards
- 2 sets of thresholds

TOTAL PROPOSAL REQUEST \$ 8,482.40

NO CITY OR STATE TAX INCLUDED

F.O.B. Jobsite

MATERIAL ONLY

A signed copy of this proposal or a formal change order must be return to process the order

This pricing is valid for 30 days

We reserve the right to correct this quote for errors and omissions

This pricing is based on project specific pricing and in no way reflects pricing for material ordered outside the contract.

ACCEPTED: _____

RESPECTFULLY SUBMITTED,

Printed: _____

CENTRAL DOOR & HARDWARE, INC.

DATE: _____

BY:

Date of Issuance: 08/05/2025 Effective Date: 08/05/2025

Project: Moorhead Public Services - Redundant Network Operations Center
Owner: Moorhead Public Services Owner's Contract No.: _____
Engineer: Sandman/MBN Engineers Date of Contract: July 24, 2025
Contractor: Border Construction, LLC Engineer's Project No.: MBN 24-252

The Contract Documents are modified as follows upon execution of this Change Order:

Description:

PR #01 - Added insulation to walls, roof - Added landscaping - revised exterior concrete pads

Attachments (list documents supporting change):

Border Construction - Proposal Request Form, Quotes from subcontractors

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 463,000.00

(Increase) [Decrease] from Previously Approved
Change Orders No. 1 to No. 1:

\$ 10,695.45

Contract Price Prior to this Change Order:

\$ 473,695.45

(Increase) [Decrease] of this Change Order:

\$ 44,808.53

Contract Price Incorporating this Change Order:

\$ 518,503.98

CHANGE IN CONTRACT TIMES:

Original Contract Times: ☐ Working Days ☐ Calendar Days

Substantial Completion (days or date): October 31, 2025

Ready for Final Payment (days or date): November 21, 2025

(Increase) [Decrease] from Previously Approved Change Orders
No. 1 to No. 1:

Substantial Completion (days or date): December 9, 2025

Ready for Final Payment (days or date): December 30, 2025

Contract Times Prior to this Change Order:

Substantial Completion (days or date): December 9, 2025

Ready for Final Payment (days or date): December 30, 2025

~~(Increase)~~ [~~Decrease~~] of this Change Order:

Substantial Completion (days or date): December 9, 2025

Ready for Final Payment (days or date): December 30, 2025

Contract Times with all Approved Change Orders:

Substantial Completion (days or date): December 9, 2025

Ready for Final Payment (days or date): December 30, 2025

RECOMMENDED:

By: _____
Engineer (Authorized Signature)


Print: _____
Title: _____
Date: _____

ACCEPTED:

By: _____
Owner (Authorized Signature)

Print: _____
Title: _____
Date: _____

ACCEPTED:

By: 
Contractor (Authorized Signature)

Print: Tom Jarvis
Title: President
Date: 08/08/2025

Approved by Funding Agency (if applicable):

By: _____ Date: _____
Print: _____ Title: _____



4321 14th Ave N
 Fargo, North Dakota 58102
 p: 701.478.3113 f: 701.478.3133

Proposal Request 01

To: Sandman Structural Engineers
 1587 30th Ave S
 Moorhead, MN 56560

Project: Moorhead Public Service - Redundant Network Operations Center
 6202 2nd Street North
 Moorhead, MN 56560

Proposal Request 01
 Description: PR 01
 8/5/2025
 Job # 25-005

Revised Substantial Completion Date to be 12/9/2025

Revised Final Completion date to be 12/30/2025

<u>Description</u>	<u>Labor</u>	<u>Material</u>	<u>Equipment</u>	<u>Subcontractor</u>	<u>Total</u>
Border Construction - Roof Blocking	\$ 1,200.00	\$ 854.00			\$ 2,054.00
Border Construction - Metal Stud Framing	\$ 3,600.00	\$ 2,648.00			\$ 6,248.00
Interstate Insulation				\$ 3,900.00	\$ 3,900.00
Cash Concrete				\$ 1,500.00	\$ 1,500.00
S&S Landscaping - 19 Trees, staking & hardwood mulch				\$ 10,260.00	\$ 10,260.00
S&S Landscaping - Watering				\$ 1,215.00	\$ 1,215.00
A&R Roofing				\$ 15,670.00	\$ 15,670.00
					\$ -
					\$ -
Total	\$ 4,800.00	\$ 3,502.00	\$ -	\$ 32,545.00	
7.875% Mat Tax					\$ 275.78
Border work subtotal					\$ 8,577.78
Border work - 15% O&P					\$ 1,286.67
Subcontractor work subtotal					\$ 32,545.00
Subcontractor work - 5% O&P					\$ 1,952.70
Bond Cost 1%					\$ 446.38
Total					\$ 44,808.53



Interstate Insulation (458)
1413 5th Ave NE unit #7
WEST FARGO ND 58078
701-492-6208

<https://interstateinsulation.com/>

PROPOSAL

Customer Address

Border Construction
3431 4th Ave. S
FARGO, ND 58103

Job Name

REDUNDANT NETWORK OPERATIONS
CENTER

Job Address

TBD
MOORHEAD, MN 56560
Lot:

Contacts

Phone 1: 701-478-3113
Phone 2:
Email: richelle@borderconstruction.net

Contacts

Phone 1: Same as other
Phone 2:
Email: dave@borderconstruction.net

Date: 7/31/2025		Job: 7553856
Work Area		Inventory Item
Phase: 19006183 5I	REDUNDANT NETWORK OPERATIONS CENTER	PO:
Exterior Walls		Huntsman Heatlok HFO Winter 3" R-22.00 Closed-Cell Foam
Work Area Notes: EXTERIOR WALL, 1070 SQ FT		

We propose hereby to furnish material & labor - complete in accordance with the above specifications, for the sum of : \$3,900.00

Terms: Net 30. Please reference invoice number with payment.

All material will be as provided in the attached description. All work will be completed in a workmanlike fashion in accordance with the standards of the industry. Any alteration or deviation from the above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate(s). All agreements are contingent upon strikes, accidents, acts of God or delays beyond our control. Owner to carry fire and tornado insurance and other insurance that may be required by law. Our workers are covered by workers' compensation insurance to the extent required by law.

We do not warrant against and shall not be liable for any damage or injury, including but not limited to mold accumulation, when due to any of the following causes: the failure of the builder or contractors (other than our Company) to follow the instructions and specifications of the insulation manufacturer; faulty or improper installation or maintenance of drywall or other wall covering; use of accessories or wall preparation materials that do not properly receive the insulation; and compliance with applicable building codes or other government regulations relating to surface preparation, wall coverings, required materials or mandatory procedures.

ANY WARRANTIES IMPLIED BY LAW, SUCH AS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXPRESSLY DISCLAIMED. WE SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES OR INCIDENTAL DAMAGES for breach of any warranty associated with the material. Our liability shall in no event exceed the cost of the materials set forth herein. We cannot and shall not be liable to you for the breach of any other express warranties, such as those given to you by other dealers, contractors, applicators, distributors or manufacturers. Your exclusive remedy with respect to defective materials provided by us shall be repair or replacement, at our option, of the defective materials.



Interstate Insulation (458)
1413 5th Ave NE unit #7
WEST FARGO ND 58078
701-492-6208

<https://interstateinsulation.com/>

PROPOSAL

Customer Address

Border Construction
3431 4th Ave. S
FARGO, ND 58103

Job Name

REDUNDANT NETWORK OPERATIONS
CENTER

Job Address

TBD
MOORHEAD, MN 56560
Lot:

Contacts

Phone 1: 701-478-3113
Phone 2:
Email: richelle@borderconstruction.net

Contacts

Phone 1: Same as other
Phone 2:
Email: dave@borderconstruction.net

Date: 7/31/2025 **Job:** 7553856

Note: this proposal may be withdrawn by us if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.

DATE: _____ **SIGNATURE:** _____

Sales Representative: Jared Purdy

DATE: _____ **SIGNATURE:** _____

Customer Representative:

Printed Name _____ **Title** _____

CASH CONCRETE
1817 23RD ST S
MOORHEAD, MN 56529
(701)-219-0425
cashconcrete1@gmail.com

ESTIMATE



cashconcretefm.com

DATE	ESTIMATE #
7/31/25	2374

Project

DESCRIPTION	QTY	RATE	TOTAL
***** CHANGE ORDER MHD RETENTION CENTER ***** ADDITIONAL SQUARE FOOTAGE FOR PROPANE TANK		1,500.00	1,500.00
		Total	\$1,500.00

S & S LANDSCAPING

2777 Fiechtner Dr.

Fargo, North Dakota 58107

Phone 701-235-1515

QUOTATION

www.sandslandscaping.com

PROJECT: Moorhead Redundant Network Operations Center

DATE: July 30, 2025

PR-01

ITEM#	DESCRIPTION	UNIT	QTY	UNIT PRICE	EXTENSION
-------	-------------	------	-----	------------	-----------

A	Landscaping	LS	1	\$10,260.00	\$10,260.00
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Work includes supplying 19 trees with staking and
hardwood mulch, 1 year warranty

B	Watering	LS	1	\$1,215.00	\$1,215.00
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Work includes watering for 9 weeks

Cathedral Elm is not available, would substitute Northern Empress Elm, (NDSU selection)

NOTE: DOES NOT INCLUDE SUPPLYING
PLACING OR ROUGH GRADING TOPSOIL

Total Of Above	\$11,475.00
----------------	-------------

Upon signing this quote, a 50% down payment is required to confirm acceptance of the materials, labor, and provisions. The remaining balance is due upon completion of the work.

ACCEPTED BY: _____

S & S LANDSCAPING CO., INC.

TITLE: _____

BY: _____
Dave Liquin, RLA

A & R Roofing Co., Inc.

975 Armour St NW
West Fargo, ND 58078
Ph: (701) 282-4739

7050 Hwy 2 East - # 115
Minot, ND 58701
Ph: (701) 852-1446

Estimate Proposal

Date: April 30, 2025
To: General Contractors
Job Name: **Moorhead Public Service
Redundant Network Operations Center
Moorhead, MN**

Arch: Sandman Structural Engineers

Addendum: 1, 2, 3, 4

INCLUSIONS

Materials, Tax, Freight & Labor

Scope of work: Adhere one (1) layer ½" coverboard
Fully adhere 60mil EPDM Membrane
Prefabricated metal coping and trim at roof edge
Includes 20yr manufactures warranty with 115 mph wind speed warranty

EXCLUSIONS

All lumber, wood blocking, nailers, plywood and/or sheathing, insulation behind plywood/sheathing, etc.
Mechanical and Electrical Work
Cutting/Patching of roof deck for roof penetrations
Window Trim, Trim at all wall siding and foundation walls.
Through Wall Flashings
Federal wage scale

BASE BID..... \$ 19,220.00

August 5, 2025

PR-01

1. Add 8" of PolyISO insulation mechanically fastened with Versico Approved Fasteners & Plates (we will pre-drill holes into the 8" Solid Precast Plank Deck to install our fasteners into).
2. Add additional metal to cover additional wood blocking (wood blocking furnished and installed by others).

PR-01: ADD to Base Bid: \$ 15,670.00



Quote valid for 30 days from above date unless noted otherwise.

A & R Roofing Co., Inc.

Jim Bowles

Approve Task Order No. 3 with MBN Engineering for MPS' 115 kV Transmission Line Upgrade Project from the Fargo Substation to the Sheyenne Diversion

RECOMMENDATION:

The General Manager respectfully requests the Commission approve Task Order No. 3 with MBN Engineering, Inc., for Moorhead Public Service's 115 kV Transmission Line Upgrade Project from the Fargo Substation to the Sheyenne Diversion, contingent upon final legal approval.

BACKGROUND:

Moorhead Public Service (MPS) has utilized the services of MBN Engineering, Inc. (MBN), for several projects in the past, including the 115 kV transmission line relocation for the 20th/21st underpass, the 115 kV transmission line relocation along 32nd Avenue in West Fargo, and for the 115 kV North American Electric Reliability Corporation verification project. Because MBN has extensive knowledge of MPS' 115 kV transmission line, MPS' standard form of Task Order Agreement for Professional Services has been completed by MBN to cover necessary engineering tasks.

Task Order No. 3 (available upon request) is to provide project management services associated with upgrading MPS' 115 kV transmission line in West Fargo that is located along the north side of 32nd Avenue South, and adjacent to the FM Area Diversion. MPS' project begins at Western Area Power Administration's (WAPA's) Fargo Substation and involves upgrading the conductor between Structures 1 to 7 and Structures 10 through 11, as well as upgrading two additional structures. MBN's project management services include preparing bid specifications, and providing support during the bid process, and providing management and inspection services during the construction phase.

Upgrading the transmission line in this area will complete the final upgrade to this section of the transmission line. Upgrading the conductor is necessary to increase the capacity of the transmission line in order to accommodate for future load growth. Upgrading the structures are necessary to support the weight of the upgraded conductor.

MPS will be charged at an hourly rate for Task Order No. 3, with an amount not-to-exceed \$25,000. The hourly rates will be based on MBN's 2025 hourly rate schedule, which is updated annually. The costs associated with Task Order No. 3 are included in MPS' 2025 budget.

KEY ISSUES:

- Task Order No. 3 is to provide project management services associated with upgrading MPS' 115 kV transmission line in West Fargo that is located along the north side of 32nd Avenue South, and adjacent to the FM Area Diversion.

FINANCIAL CONSIDERATIONS:

- MPS will be charged at an hourly rate for Task Order No. 3, with an amount not-to-exceed \$25,000.
- The costs associated with Task Order No. 3 are included in MPS' 2025 budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Travis L. Schmidt".

Travis L. Schmidt
General Manager

Division/Response Person: Taylor Holte, Project Engineer.

Attachments: Available upon request.

Award Bid for Furnishing Electric Power Transformers at MPS' Northeast Substation

RECOMMENDATION:

The General Manager respectfully requests the Commission award the bid for furnishing electric power transformers at Moorhead Public Service's Northeast Substation to Prolec-GE Waukesha, Inc., in the amount of \$3,617,560, contingent upon final legal approval, and authorize the General Manager to approve all change orders up to a cumulative maximum of 5 percent of the contract amount, not-to-exceed 5 percent of the approved contract.

BACKGROUND:

In December 2024, Moorhead Public Service (MPS) entered into a Task Order Agreement for Professional Services with DGR Engineering (DGR). Task Order No. 12, which was approved by the Commission on January 21, 2025, is for engineering services for the Northeast Substation (NE Substation) Project and consists of building a new substation at a different location and demolishing the existing NE Substation.

MPS owns and operates the NE Substation located in north Moorhead. The current location of the NE Substation experiences water issues that would be difficult and expensive to repair, and contains several major pieces of equipment nearing the end of their lifecycle. The best way to address these issues is to relocate and build a new substation above the floodplain, and then retire and demolish the old substation once the new NE Substation is operational.

DGR prepared specifications for two 115kV/12.47kV, 28 MVA transformers. MPS received four qualified bids at the bid opening on August 6, 2025. The lowest bidder was Prolec-GE Waukesha, Inc. (Prolec), in the amount of \$3,617,560. Attached are DGR's recommendation letter and Bid Tabulation. The transformers are expected to arrive during the third quarter of 2028. Prolec had several exceptions to the terms and conditions of the contract. MPS' legal counsel will review and approve any changes to the contract prior to execution.

The bid price for the two 28 MVA transformers is lower than the engineer's estimate of \$4,800,000 and is included in MPS' budgets for future years.

KEY ISSUES:

- Task Order No. 12, which was approved by the Commission on January 21, 2025, is for engineering services for MPS' NE Substation Project and consists of building a new substation at a different location and demolish the existing NE Substation.
- DGR prepared specifications for two 115kV/12.47kV, 28 MVA transformers that will be installed at the new NE Substation.
- The transformers are expected to arrive during the third quarter of 2028.

FINANCIAL CONSIDERATIONS:

- The lowest, qualified bidder was Prolec in the amount of \$3,617,560.
- The bid price for the two 28 MVA transformers is lower than the engineer's estimate of \$4,800,000, and is included in MPS' budgets for future years.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Travis L. Schmidt".

Travis L. Schmidt
General Manager

Division/Response Person: Taylor Holte, Electric Project Engineer.

Attachments: Recommendation Letter and Bid Tabulation

August 20, 2025



Moorhead Public Service
Attn: Travis Schmidt, P.E., M.B.A., General Manager
PO Box 779
Moorhead, MN 56561-0779

RE: **Recommendation of Award of Contract
Furnishing Electric Power Transformers – Northeast Substation**
DGR Project No. 417024

Dear Travis:

We have reviewed the bids received on August 6, 2025 for the above-referenced project. A bid summary form of the bid results is enclosed. We have checked the bids for mathematical accuracy and compliance with the bid specifications. We are hereby prepared to offer the following recommendation.

When evaluating transformer bids, the "Total Evaluation Price" is used to determine the best bid. The Total Evaluation Price takes into account the losses the transformer will see over its expected lifespan. Large transformer losses will increase the total overall cost of the transformer, and vice-versa. Using this technique, it is possible that a transformer could cost more expensive initially, but end up being less expensive in the long-run.

There were four (4) responsive bids received ranging in price from \$3,617,560.00 to \$4,834,572.00. The apparent low bid evaluated was received from Prolec GE Waukesha, Inc., who submitted a total price of \$3,617,560.00 for two (2) transformers manufactured by Prolec GE. Prolec GE Waukesha, Inc. has successfully completed similar projects for us in the past, and we know of no reasons why they would not perform well on this project. Pending legal review of terms and conditions, we recommend that you award the contract to Prolec GE Waukesha, Inc. for a total price of **\$3,617,560.00**.

Please review our recommendation and feel free to contact us with any questions you or the Commission may have. Please let us know when an award has been made, and we will proceed with preparing the Contract Documents for signatures. We will be sending a copy of the bid summary to all bidders and plan holders.

Best Regards,
DGR Engineering

A handwritten signature in black ink, appearing to read "Paul Davis".

Paul Davis, P.E.
Enclosure: Bid Summary
PAD:ste

BID SUMMARY

Furnishing Electric Power Transformers - Northeast Substation Moorhead Public Service Moorhead, Minnesota

Two (2) 15/20/25 MVA at 55°C, 16.8/22.4/28 MVA at 65°C, ONAN/ONAF/ONAF,
115 kV Delta to 12.47 GRDY/7.2 kV with LTC and accessories.



DGR Project No. 417024
Bid Letting: August 6, 2025 - 1:30 PM
MPS Dispatch Operations Center
Page 1 of 1

Bidder and Address	Bid Security	Ack. Addendum	Base Bid (Qty: 2)		Guaranteed Delivery Date	Manufacturing Location	Comments
			Total Purchase Price	Total Evaluation Price			
Prolec GE Waukesha, Inc. 400 S Prairie Avenue Waukesha, WI 53186	10% Bid Bond	Yes	\$3,617,560.00	\$4,026,984.00	Q2/Q3 2028	Waukesha, WI	
WEG Transformers USA, LLC 6350 WEG Drive Washington, MO 63090	10% Bid Bond	Yes	\$3,805,770.00	\$4,207,490.00	6/15/2028	Washington, MO	65° Rise Only
Hitachi Energy USA 901 Main Campus Drive Raleigh, NC 27606	10% Bid Bond	Yes	\$4,137,400.00	\$4,498,792.00	4/5/2028	Crystal Springs, MS	Did not sign Bid Form Mailing Original Bid Bond Shipping Cost Estimated
Delta Star, Inc. 3550 Mayflower Drive Lynchburg, VA 24501	10% Bid Bond	Yes	\$4,834,572.00	\$5,235,196.00	Estimated 210-220 Weeks ARO	Lynchburg, VA	Did not sign Bid Form Subject to Escalation Pricing

Corrected Bid Amounts Shown Shaded

Award Bid for Furnishing 115 kV Breakers at MPS' Northeast Substation

RECOMMENDATION:

The General Manager respectfully requests the Commission award the bid for furnishing 115 kV breakers at Moorhead Public Service's Northeast Substation to Border States Industries, Inc., in the amount of \$913,800, contingent upon final legal approval, and authorize the General Manager to approve all change orders up to a cumulative maximum of 5 percent of the contract amount, not-to-exceed 5 percent of the approved contract.

BACKGROUND:

In December 2024, Moorhead Public Service (MPS) entered into a Task Order Agreement for Professional Services with DGR Engineering (DGR). Task Order No. 12, which was approved by the Commission on January 21, 2025, is for engineering services for the Northeast Substation (NE Substation) Project and consists of building a new substation at a different location and demolishing the existing NE Substation.

MPS owns and operates the NE Substation located in north Moorhead. The current location of the NE Substation experiences water issues that would be difficult and expensive to repair, and contains several major pieces of equipment nearing the end of their lifecycle. The best way to address these issues is to relocate and build a new substation above the floodplain, and then retire and demolish the old substation once the new NE Substation is operational.

DGR prepared specifications for six 115 kV breakers. MPS received three qualified bids at the bid opening on August 6, 2025. The lowest, qualified bidder was Border States Industries, Inc., in the amount of \$913,800. Attached are DGR's recommendation letter and Bid Tabulation. The breakers are expected to arrive during the first quarter of 2028. The breaker manufacturer, GE Grid Solutions, LLC, had several exceptions to the terms and conditions of the contract. MPS' legal counsel will review and approve any changes to the contract prior to execution.

The bid price for the six 115 kV breakers is higher than the engineer's estimate of \$750,000 and is included in MPS' budgets for future years.

KEY ISSUES:

- Task Order No. 12, which was approved by the Commission on January 21, 2025, is for engineering services for MPS' NE Substation Project and consists of building a new substation at a different location and demolish the existing NE Substation.
- DGR prepared specifications for the six 115 kV breakers that will be installed at the new NE Substation.
- The breakers are expected to arrive during the first quarter of 2028.

FINANCIAL CONSIDERATIONS:

- The lowest, qualified bidder was Border States Industries, Inc., in the amount of \$913,800.
- The bid price for the six 115 kV breakers is higher than the engineer's estimate of \$750,000, and is included in MPS' budgets for future years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Travis L. Schmidt".

Travis L. Schmidt
General Manager

Division/Response Person: Taylor Holte, Project Engineer.

Attachments:

Recommendation Letter and Bid Tabulation



August 20, 2025

Moorhead Public Service
Attn: Travis Schmidt, P.E., M.B.A., General Manager
PO Box 779
Moorhead, MN 56561-0779

RE: **Recommendation of Award of Contract**
Furnishing 115 kV Breakers – Northeast Substation
DGR Project No. 417024

Dear Travis:

We have reviewed the bids received on August 6, 2025 for the above-referenced project. A bid summary form of the bid results is enclosed. We have checked the bids for mathematical accuracy and compliance with the bid specifications. We are hereby prepared to offer the following recommendation.

There were three (3) responsive bids received ranging in price from \$913,800.00 to \$1,100,520.00. The apparent low bid evaluated was received from Border States, who submitted a total price of \$913,800.00 for six (6) breakers manufactured by GE Grid Solutions. Border States has successfully completed similar projects for us in the past, and we know of no reasons why they would not perform well on this project. Pending legal review of terms and conditions, we recommend that you award the contract to Border States for a total price of **\$913,800.00.**

Please review our recommendation and feel free to contact us with any questions you or the Commission may have. Please let us know when an award has been made, and we will proceed with preparing the Contract Documents for signatures. We will be sending a copy of the bid summary to all bidders and plan holders.

Best Regards,

DGR Engineering

A handwritten signature in black ink that reads 'Paul Davis'.

Paul Davis, P.E.
Enclosure: Bid Summary
PAD:ste

BID SUMMARY

Furnishing 115 kV Breakers - Northeast Substation (Qty: 6)
Moorhead Public Service
Moorhead, Minnesota



DGR Project No. 417024
Bid Letting: August 6, 2025 - 2:00 PM
MPS Dispatch Operations Center
Page 1 of 1

Bidder and Address	Bid Security	Ack. Addendum	Bid Price	Manufacturer / Location	Guaranteed Delivery Date	Comments
Border States (GE) 605 25th Street Fargo, ND 58108	10% Bid Bond	Yes	\$913,800.00	GE Gid Solutions / Charleroi, PA	126-130 Weeks ARO	Estimated Delivery Date - Subject to Change without Notice
Border States (Siemens) 605 25th Street Fargo, ND 58108	10% Bid Bond	Yes	\$998,400.00	Siemens Energy / Jackson, MS	95-105 Weeks	Estimated Delivery Date - Subject to Change without Notice
Hitachi Energy USA Inc. 100 Distribution Circle Mount Pleasant, PA 15666	10% Bid Bond	Yes	\$1,100,520.00	Hitachi Energy / Mount Pleasant, PA	110-114 Weeks ARO	\$15,240/unit Tariff adder

Review Preliminary 2026 Budget Timetable, Appoint Commission Working Groups, and Set Date for Water and Electric Rate Hearings

RECOMMENDATION:

The General Manager respectfully requests the Commission appoint a Budget Working Group for the 2026 budget review and recommendations, appoint a Human Resources Working Group to address any potential 2025 year-end and 2026 human resources issues, and set Tuesday, October 21, 2025, as the date for the water and electric rate hearings. For reference, Commissioners Paul Baker, Matt Gilbertson, and Joel Paulsen were appointed to serve as the 2025 Budget Working Group at the Commission meeting on September 3, 2024.

BACKGROUND:

Staff has begun updating the 2025 final budget with revised financial revenue and expenditure forecasts by gathering key preliminary 2026 inputs to include major items such as purchased power costs, transmission costs, Southwest Power Pool (SPP) Annual Transmission Revenue Reimbursement (ATRR), transfer payments to the City of Moorhead (City), and capital projects.

Moorhead Public Service (MPS) staff provided City finance staff with the updated 2026 electric General Fund Transfer amount as calculated in accordance with the current Electric Fund Transfer Agreement between the City of Moorhead and Moorhead Public Service.

In 2025 to date, the Commission took the following actions that will impact MPS' 2026 budget, rates, and long-term financial forecasts:

January 2025

- Approve Task Order No. 12 with DGR Engineering for MPS' Northeast Substation
- Approve Water Rate Study Proposal from Missouri River Energy Services

April 2025

- Approve Task Order No. 13 with DGR Engineering for Control Building and Capacitor Banks at Southeast Substation

May 2025

- Approve Specifications and Authorize Advertisement for Bids for Construction Phase of Ozone Generator and Equipment Replacement Project at MPS' Water Treatment Plant

July 2025

- Award Bid for Construction Phase of Ozone Generator and Equipment Replacement Project at MPS' Water Treatment Plant

Key areas already under review within the budget development process include the following:

Rate Increases:

- Electric—Preliminary budget projections indicate an overall electric rate increase between 0 and 4 percent for 2026.
- Water—Preliminary budget projections indicate an overall water rate increase between 3 and 7 percent for 2026.

Purchased Power and Transmission:

Purchased power and transmission costs remain the most significant expenses within MPS. Preliminary information received from Missouri River Energy Services (MRES) indicates the following:

- Western Area Power Administration (WAPA) imposed a rate increase of approximately 16 percent in 2023. Preliminary indications appear to show that WAPA's rates will likely increase between 4 and 8 percent for 2026.
- Missouri River Energy Services (MRES) is still reviewing rates for 2026. Preliminary information provided to MPS indicates that MRES may be increasing electric rates between 4 and 6 percent, as well as imposing a possible increase in transmission rates. Transmission rate increases have averaged approximately 5 percent annually in recent years.

Electric Division City Transfer Payments:

Transfer payments from MPS' Electric Division to the City are the second largest use of MPS funds. The transfer payments to the City from MPS' Electric Division are comprised of three components—the General Fund, the Capital Improvements Fund, and the Economic Development Fund.

- General Fund Transfer (2025 budget was \$7,600,000).
The Moorhead City Charter authorizes the City Council to transfer, in any fiscal year, "...to the general revenue fund of the city from the net revenues of...(a)...the electric utility, an amount not to exceed 20 percent of gross revenues" (Section 12.11, Subd.4).

In 2014, an initial four-year Transfer Agreement between the City and the Commission was finalized for 2014-2018 that guaranteed either a minimum base payment or a calculated payment based upon actual kilowatt hour (kWh) sales multiplied by a fixed rate per kWh. The Commission and the City Council also approved subsequent Transfer Agreements for 2019-2023 and 2024-2026, and each agreement included annual \$125,000 increases to the minimum base payment amounts.

The calculated transfer for 2026, based upon 2024 kWh sales, would be \$7,205,000. The negotiated base transfer for 2026 was set at \$7,725,000. Because the negotiated base transfer is the larger of the two transfer amounts, the 2026 General Fund Transfer from MPS' Electric Division to the City will be the negotiated base transfer of \$7,725,000.

- Capital Improvements Fund Transfer (2025 budget was \$2,097,000).
The transfer to the City's Capital Improvements Fund from MPS' Electric Division is at the maximum allowed by City Charter, which is 5 percent of gross revenues. The language in the City Charter regarding net and gross revenues for the Capital Improvements Fund is very similar to the City Charter language for the General Fund Transfer: "The city council may...transfer from net revenues in its utility funds to the capital improvements fund an amount not to exceed 5 percent of the gross revenues derived by the commission in that fiscal year..." (Section 12.09, Subd. 2). Select revenue sources are excluded from the calculation. These include items such as fiber leases, generation and transmission leases, SPP ATRR credits, revenues subject to the Economic Development Incentive Rate, and revenues subject to service territory buyout payments.

Based upon the maximum allowed transfer rate of 5 percent, a projected 2 percent electric rate increase, and anticipated electric sales in 2026 expected to remain consistent with 2025 sales, the initial budgeted 2026 Capital Improvement Fund Transfer from MPS' Electric Division to the City will be \$2,075,000.

- Economic Development Fund (2025 budget was \$50,000).
As in 2025, the 2026 budget will include a transfer from MPS' Electric Division to the City's Economic Development Fund of \$50,000, which is the maximum allowed by City Charter.
- Total MPS Electric Division Transfers to the City (2025 budget was \$9,747,000).
Given the above descriptions, the total 2025 transfer payment from MPS' Electric Division to the City was budgeted at \$9,747,000. Based upon preliminary estimates, the total 2026 transfer payment from MPS' Electric Division to the City will be tentatively budgeted at \$9,850,000, which is projected to be 23.5 percent of MPS' projected 2025 electric operating revenues (adjusted for excluded revenues).

Electric Division Capital Improvements:

Preliminary Electric Division infrastructure plans for the next three years include regular distribution system extensions and upgrades, master plan substation and transmission line updates, the ongoing conversion to an Advanced Metering Infrastructure (AMI) system (expected to be completed in 2027), and the continued consolidation of electric operations at one central location.

Water Division City Transfer Payments:

Transfer payments from MPS' Water Division to the City include two different funds—the City's General Fund and the City's Capital Improvements Fund.

- General Fund Transfer (2025 budget was \$604,500).
The City Charter authorizes the City Council to transfer, in any fiscal year, from the net revenues of the water utility an amount not-to-exceed 5 percent of gross revenues. The General Fund Transfer is at its maximum rate of 5 percent of gross revenues. Based upon a preliminary 5.5 percent rate increase in overall water rates, the tentative, projected transfer from MPS' Water Division to the City's General Fund for the 2026 budget is estimated at \$607,600.
- Capital Improvements Fund Transfer (2025 budget was \$126,000).
Beginning in 2012, an annual transfer of \$126,000 from MPS' Water Division to the City's Capital Improvements Fund was added by the City to partially fund the City's flood mitigation bond payments. No increase or decrease is expected for 2026.
- Total MPS Water Division Transfers to the City (2025 budget was \$730,500).
Given the above descriptions, the total 2025 transfer payment from MPS' Water Division to the City was budgeted at \$730,500. The preliminary transfer payment amount for 2026 is tentatively estimated to be \$733,600, which is approximately 6.04 percent of MPS' preliminary projected 2026 water operating revenues adjusted for excluded revenues.

Water Division Capital Improvements:

Preliminary Water Division infrastructure plans for the next three years include continuing the Watermain Asset Management Plan (annual and ongoing), the ongoing conversion to an AMI system (expected to be completed in 2027), updates to water treatment systems within MPS' Water Treatment Plant, and preliminary projects related to the Highway 10 raw water transmission line replacement.

Compensation:

The collective bargaining agreement and supporting Memorandums of Understanding (MOUs) for covered employees for 2025 through 2027 were approved in 2024 and will expire at the end of 2027. The estimated overall net wage increases for 2025 through 2027 were set by the agreement and supporting MOUs. Benefit cost increases have yet to be determined as they may fluctuate from year to year.

Budget Working Group Actions:

The Commission's Budget Working Group will meet as needed throughout the budget process. The initial 2026 detailed budget binder, along with the Budget Working Group's recommendations, will be presented to the full Commission on October 21, 2025.

Timetable for Budget Process:

August 26, 2025, Commission Meeting - Set Rate Hearing Date - Appoint Budget Working Group
From now through completion of the 2026 Budget - Budget Working Group Meetings
October 21, 2025, Commission Meeting - Review Financing and Capital Improvement Plan - Review Strategic Plan, Operating Budgets, and Rates - Review Budget and Budget Working Group's Recommendation - Hold Public Rate Hearings
November 4, 2025, Commission Meeting (if held) - Review Budget (if needed)
November 18, 2025, Commission Meeting - Review Budget (if needed) - Review Customer Comments (if any)
December 2, 2025, Commission Meeting (if held) - Review Budget (if needed) - Review Final Customer Comments (if any)
December 16, 2025, Commission Meeting - Approve 2026 Budget - Approve 2026 Rates

KEY ISSUES:

- Set timetable to review the 2026 budget.
- Set hearing date for 2026 electric and water rates.
- Appoint Commissioners to serve on the Budget Working Group and the Human Resources Working Group.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Mark Moilanen, Administration and Finance Manager.

Attachments: None.