



MOORHEAD PUBLIC SERVICE COMMISSION

MEETING AGENDA

Tuesday, October 21, 2025 - 4:30 PM

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

Commissioners:

Joel Paulsen, Chairperson
Paul Baker, Vice Chairperson
Lisa Borgen, Secretary
Matt Leiseth
Jason Ness
Ward 2 (Vacant)

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 September 23, 2025**

***5. Approve Bills for Payment**

6. Customers to Be Heard/Recognitions

7. Old Business

8. **Public Hearing at 5:30 PM**
 - a. **Reading of Rules of Conduct**
 - b. **Conduct Electric Rate Hearing**
 - c. **Conduct Water Rate Hearing**
 - d. **Schedule of Rate Adoption**
9. **Reports**
 - a. **City Council**
 - b. **Public Service Commission**
 - c. **General Manager's Report**
 - d. **Accept 2025 Water Rate Study by MRES**
 - e. **Accept Report on Electric Service Extension Surcharges**
 - f. **Accept Report #1 on the Proposed 2026 Budget**
 - g. **Accept Report on MRES' Smart Energy Squad School Program**
10. **Approve Moorhead's Continuation of 100 Percent Net-Zero Carbon Power Supply Through MRES' Bright Energy Choices Program for 2026**
- *11. **Approve Specifications and Authorize Advertisement for Bids for MPS' 115 kV Transmission Line Upgrade Project from the Fargo Substation to the Sheyenne Diversion**
- *12. **Approve Task Order No. 3 with Terracon Consultants for Phase 1 Environmental Site Assessment at MPS' Future Northeast Substation**
13. **Award Bid for 2025/2026 Tree Trimming**
14. **Award Bids for 2026 Electrical Materials**
15. **Approve Statement of Work with Advanced Utility Systems for MPS' Customer Information System Upgrade**
- *16. **Approve Task Order No. 12 with Apex Engineering Group for Engineering Services for MPS' 2026 Watermain Improvement Projects**
17. **Approve General Manager's Performance Evaluation/Compensation**
 - a. **Approve Summary of Conclusions of Performance Evaluation of the General Manager**
 - b. **Approve Compensation for the General Manager**
18. **Close Meeting for Executive Session (if needed)**
19. **Upcoming Meetings**
 - a. **Public Service Commission Meetings**
November 4, 2025 (if needed)
November 18, 2025
 - b. **Meeting Opportunities for Commissioners^(A)**
 - **APPA Customer Connections Conference**
November 2-5, 2025, Salt Lake City, UT
 - **Midwest Energy Summit**
November 19, 2025, West Fargo, ND

20. 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, September 23, 2025 – 4:30 PM

MEMBERS PRESENT: Paul Baker, Lisa Borgen, Heidi Durand, Matthew Leiseth, Jason Ness, and Joel Paulsen (Interactive Technology—Personal) [joined meeting at 5:00 PM]

MEMBERS ABSENT: None

OTHERS PRESENT: General Manager Travis Schmidt; Staff Members Adam Benhardt, Jake Long, Mark Moilanen, Lisa Norstad, Marc Pritchard, James Sumba, and Jason Yonke; MPS Attorney John Boulger; Assistant City Manager Mike Rietz

1. CALL TO ORDER.

Vice Chairperson Baker called the meeting to order at 4:30 PM. A quorum of the following members was present: Baker, Borgen, Durand, Leiseth, and Ness.

2. APPROVE AGENDA.

Commissioner Leiseth made a motion to approve the agenda. Commissioner Borgen seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

3. APPROVE CONSENT AGENDA.

Commissioner Ness made a motion to approve the consent agenda. Commissioner Durand seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. 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 AUGUST 26, 2025.**

Commissioner Ness made a motion to approve the minutes of August 26, 2025. Commissioner Durand seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

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

Commissioner Ness made a motion to approve the bills for payment. Commissioner Durand seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

***6. APPROVE SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR 2026 ELECTRICAL MATERIALS.**

Commissioner Ness made a motion to approve the specifications and authorize the advertisement for bids for 2026 Electrical Materials. Commissioner Durand seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

***7. APPROVE SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR 2025/2026 TREE TRIMMING.**

Commissioner Ness made a motion to approve the specifications and authorize advertisement for bids for 2025/2026 Tree Trimming. Commissioner Durand seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

***8. APPROVE AMENDMENTS TO FIRM ELECTRIC SERVICE AND CONSOLIDATED FACILITY ARRANGEMENTS CONTRACTS WITH WAPA AND REVISIONS TO INTERCONNECTION AND TIE LINE(S) CONTRACT WITH SOUTHWEST POWER POOL.**

Commissioner Ness made a motion to approve the following:

- (A) Amendment No. 1 to Firm Electric Service Contract No. 14-UGPR-1008 between Western Area Power Administration and the City of Moorhead;*
- (B) Amendment No. 1 to Consolidated Facility Arrangements Contract No. 14-UGPR-3008 between Western Area Power Administration and the City of Moorhead;*
- (C) Revisions to Interconnection and Tie Line(s) Contract No. 14-UGPR-2008.2 between Western Area Power Administration, the City of Moorhead, and the Southwest Power Pool, which terminates Interconnection and Tie Line(s) Contract No. 14-UGPR-2008.1; and*
- (D) Recommend approval of the same to the Moorhead City Council.*

Commissioner Durand seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

***9. APPROVE SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR 2026 WATER TREATMENT AND WASTEWATER TREATMENT CHEMICALS.**

Commissioner Ness made a motion to approve the specifications and authorize advertisement for bids for 2026 Water Treatment and Wastewater Treatment Chemicals. Commissioner Durand seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

10. CUSTOMERS TO BE HEARD/RECOGNITIONS.

There were no customers to be heard.

General Manager Travis Schmidt recognized IT Administrator Aaron Southard and Water Plant Lab Supervisor Adam McCallister for reaching their 10-year employment milestones.

11. OLD BUSINESS.

There was no old business to discuss.

12. REPORTS.

City Council.

Commissioner Lisa Borgen reported that the Moorhead City Council (City Council) received interest from a prospective buyer seeking to purchase the former Moorhead City Library. At its meeting on September 22, 2025, the City Council passed a resolution to proceed with the sale, contingent upon favorable conditions. Borgen also noted that the City Council is responsible for setting the City of Moorhead's (City's) tax levy limit by October 1, 2025. During the meeting, City Council members engaged in approximately two hours of discussion regarding the City's proposed budget and its implications.

Public Service Commission.

Commissioners Lisa Borgen and Matt Leiseth shared their experience attending Missouri River Energy Services' (MRES') Municipal Power Leadership Academy—describing it as a valuable and worthwhile course. They encouraged other Moorhead Public Service (MPS) staff and Commissioners to consider participating in future sessions. Discussion was held.

General Manager's Report.

General Manager Travis Schmidt provided an introduction to the General Manager's Report, which included MPS' participation in MRES' upcoming Retail Customer Survey and receiving notification from Landis+Gyr Technology, Inc., regarding the surrender of its Pole Attachment License. Assistant Water Plant Supervisor Jason Yonke provided an update on the annual Emergency Response Coordination meeting that was held on September 4, 2025. Additionally, Schmidt noted that MPS participated in the Greater Moorhead Days Parade and received thank you notes from both Moorhead Area Public Schools and the Moorhead Legacy Education Foundation.

13. APPROVE UPDATED PART 1 OF MPS' WELLHEAD PROTECTION PLAN.

Water Plant Manager Marc Pritchard provided an overview of MPS' Wellhead Protection Plan (WHPP), outlining its two-part planning process and describing Part 1 and Part 2 in detail. Pritchard stated that staff works to update the WHPP every ten years to reinforce strategies to safeguard the quality of water stored in local aquifers. Pritchard responded to questions of the Commission. Discussion was held.

Commissioner Borgen made a motion to approve updated Part 1 of Moorhead Public Service's Wellhead Protection Plan. Commissioner Ness seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

14. APPROVE SPONSORSHIP REQUEST FROM MOORHEAD BUSINESS ASSOCIATION FOR ANNUAL MEMBER CELEBRATION.

General Manager Travis Schmidt provided information on a sponsorship request that MPS received from the Moorhead Business Association for its Annual Member Celebration. Discussion was held.

Commissioner Leiseth made a motion to approve the sponsorship request from Moorhead Business Association for its Annual Member Celebration in the amount of \$2,500. Commissioner Ness seconded the motion. The motion passed with a 5-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, and Ness. Voting No: None.

15. APPROVE POLICY ON ADVANCED METERING INFRASTRUCTURE OPT-OUTSIDE OPTION.

General Manager Travis Schmidt provided background on the planned upgrade to the existing metering system, including concerns raised by some customers regarding the placement of communication modules inside their home/building. Schmidt stated that the Policy on Advanced Metering Infrastructure Opt-Outside Option will help replace electric and water meters and offer options for customers who prefer external placement of the communication module. Schmidt responded to questions of the Commission. Discussion was held.

CHAIRPERSON PAULSEN JOINED THE MEETING AT 5:00 PM.

Commissioner Borgen made a motion to approve the Policy on Advanced Metering Infrastructure Opt-Outside Option, a copy of which policy is attached hereto and made a part of these minutes. Commissioner Paulsen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, Ness, and Paulsen. Voting No: None.

16. CLOSE MEETING FOR EXECUTIVE SESSION.

Chairperson Baker stated that the meeting will be closed for executive session as authorized by Minnesota Statutes, Section 13D.05, Subdivision 3(a), to evaluate the performance of the General Manager.

Commissioner Ness made a motion to close the meeting for executive session and adjourn upon conclusion of executive session. Commissioner Durand seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Durand, Leiseth, Ness, and Paulsen. Voting No: None.

General Manager Travis Schmidt informed the Commission that Commissioner Durand's last meeting will be on September 23, 2025. Schmidt, Commissioner Baker, and Chairperson Paulsen thanked Commissioner Durand for her years of service on the Moorhead Public Service Commission.

THE MEETING WAS CLOSED FOR EXECUTIVE SESSION AT 5:06 PM.

PRESENT IN CLOSED SESSION WERE: COMMISSIONERS PAUL BAKER, LISA BORGEN, HEIDI DURAND, MATT LEISETH, JASON NESS, AND JOEL PAULSEN (INTERACTIVE TECHNOLOGY); GENERAL MANAGER TRAVIS SCHMIDT (JOINED EXECUTIVE SESSION AT 6:28 PM); STAFF MEMBER MARK MOILANEN; MPS ATTORNEY JOHN BOULGER.

COMMISSIONER DURAND LEFT THE MEETING AT 6:03 PM.

COMMISSIONER LEISETH LEFT THE MEETING AT 6:47 PM.

[No action was taken in closed session; therefore, a motion was not presented in closed session.]

17. UPCOMING MEETINGS.

Upcoming meetings of the Moorhead Public Service Commission are scheduled for October 7, 2025 (if needed), and October 21, 2025.

18. ADJOURN.

The meeting adjourned at 7:03 PM.

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The minutes herein are approved on this 21st day of October, 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."

MOORHEAD PUBLIC SERVICE COMMISSION POLICY	
Category: Administrative/Customer Relations	Policy Title: Advanced Metering Infrastructure (AMI) Opt-Outside Option
Explanation: This policy provides eligible customers with the option to have their electric meter or water communication module installed outside the home/building.	
Date of Adoption: 9/23/2025	Amended:

Policy:

It shall be the policy of the Moorhead Public Service Commission (Commission) that all customers receiving water and electric services from Moorhead Public Service (MPS) will be equipped with Advanced Metering Infrastructure (AMI) compatible water and electric meters. Incompatible water and electric meters are not permitted due to concerns regarding overall system integrity and performance, as well as billing and meter reading efficiencies and administrative operational costs. However, eligible customers meeting all of MPS' requirements may have the AMI electric meter and water communication module relocated on the outside of the home/building at the customer's expense.

Water meters are required to be installed inside climate-controlled buildings due to external weather conditions (i.e., freezing temperatures). Water meters are typically installed in the basement, or in a ground-level utility room if there is no basement, near the water service line entering the home/building. The water communication module, which is necessary for the water meter to communicate, may be mounted outside on the exterior wall of the home/building.

The water communication module is a low radio-frequency (RF) device connected to the water meter via a wire and is installed near the water meter. The water meter data is sent to the electric meter through the water communication module via RF, and then relayed back to MPS. The water communication module transmits significantly less RF transmission waves than other indoor devices, such as baby monitors, microwaves, Wi-Fi, or cellphones.

Customers may request to have the water communication module installed outside the home/building on an exterior wall. If a customer chooses this option, the customer will be responsible for all expenses incurred to install the water meter wiring (25 feet of wire connected to the water meter) to the exterior of the home/building. Once the wire has been fed through the exterior wall and meets all of MPS' requirements, MPS, or its approved contractor, will connect the water meter wiring to the water communication module.

Customers will be required to complete MPS' AMI Opt-Outside Option form before MPS, or its approved contractor, installs the new AMI-compatible water meters. If a customer requests modifications after the original installation has been completed, MPS will assess charges for truck usage and labor, as well as any additional expenses incurred, as outlined above.

If the customer's electric meter is located inside the home/building and qualifies for relocation outside, the customer can hire a licensed electrician to relocate the meter outside. Customers who relocate their electric meter in full compliance with the requirements outlined in the Commission's Policy on Residential Meter Relocation Credit will be eligible to receive a bill credit in accordance with that policy.

Customers who fail to schedule an appointment for the required replacement of their water and electric meters as part of MPS' AMI Project, or who do not comply with this policy, will be subject to suspension of water and/or electric service.

APPROVED BY THE MOORHEAD PUBLIC SERVICE COMMISSION ON SEPTEMBER 23, 2025.



Joel Paulsen, Chairperson
Moorhead Public Service Commission



Travis L. Schmidt, General Manager
Moorhead Public Service

General Manager's Report

1. Annual Generation Verification Test.

The Centennial Generating Station (CGS) is a generating plant with five diesel generators that were commissioned in 2011. The CGS is capable of generating approximately 10 megawatts, which is one-eighth of Moorhead Public Service's (MPS') load on a peak day or one-fifth of MPS' load on a non-peak day. On July 1, 2025, MPS staff completed the annual generation verification test as required by the Reserved Capacity Agreement (RCA) between MPS and Missouri River Energy Services (MRES). MPS demonstrated the capability of generating 10,090 kilowatts, which meets the requirements specified in the RCA (see attached letter from MRES).

2. MPS Participated in Red River Water Festival.

The annual Red River Water Festival, which is sponsored by River Keepers of Fargo-Moorhead, was held between September 16-19 and September 22-23, 2025, at the Hjemkomst Center in Moorhead. MPS' Water Division staff, including Water Plant Chemist Chris Knutson, Water Plant Lab Supervisor Adam McCallister, and Water Plant Manager Marc Pritchard, led the "Water Treatment Plant Officer" activity in coordination with City of Fargo Water Treatment Plant staff. This activity teaches students how water is drawn from the Red River and aquifer sources and treated to meet drinking water standards. The students participated in a hands-on activity that demonstrated how solids are settled and filtered out of the water. As in previous years, this activity was well received by both students and event organizers.

3. MPS Receives Award at MRES' 2025 Technology Days.

MRES held Technology Days on September 24-25, 2025, in Sioux Falls, South Dakota. The WattSTAR Awards were presented in five categories—Utilities That Never Stop, Extraordinary Event, Innovative Utility, Utilities Making a Difference, and Marketing Gurus. MPS submitted nominations for two out of the five categories and received the WattSTAR Award for "Extraordinary Event."

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

September 10, 2025

Travis Schmidt
General Manager
Moorhead Public Service
P.O. Box 779
Moorhead, MN 56561

RE: Annual Generation Verification Test Capacity

Dear Travis,

On July 1, 2025, Moorhead Public Service (MPS) operated its generating equipment at the request of Missouri River Energy Services (MRES) to perform the annual Generation Verification Test Capacity (GVTC). Under the Reserved Capacity Agreement (RCA) between MPS and MRES dated May 4, 2023, GVTC testing is to be conducted annually in accordance with Section 5.3 of the RCA. Through this testing, your equipment demonstrated a capability of 10,090 kilowatts (kW), via the revenue meter, less auxiliary loads. The contracted generation capacity specified in the RCA is 10,000 kW. This capacity does meet MRES expectations under the agreement and will remain in effect through August 31, 2026.

Southwest Power Pool (SPP) requires the results of the annual GVTC to be entered into SPP's Engineering Data Submission Tool (EDST). Since you are in the SPP market, MRES has entered MPS's test results of 10.0 megawatts as the net test capacity into the SPP EDST system.

Respectfully,



Brent A. Moeller, P.E.
Director of Generation Resources

c: Generation Verification File
Tammie Krumm

Accept 2025 Water Rate Study by MRES

RECOMMENDATION:

The General Manager respectfully requests the Commission accept the 2025 Water Rate Study that was completed by Missouri River Energy Services.

BACKGROUND:

On January 21, 2025, the Commission approved a proposal from Missouri River Energy Services (MRES) to complete a 2025 Water Rate Study. The Commission's Policy on Financial Strength requires that Moorhead Public Service's (MPS') Water Division completes a cost-of-service study at least once every seven years to "...analyze the costs of providing service and the appropriate pricing plans to cover future costs, as well as providing the appropriate allocation of costs and distribution to each class of customer." When the last Water Rate Study was completed in 2022, MPS anticipated completing another study in 2026 to determine the rates for 2027 through 2030. However, due to the announcement in late 2024 that Anheuser-Busch would be closing its malting plant in Moorhead in early 2025, it was determined that the 2026 Water Rate Study would be completed in 2025 instead.

MRES was engaged to conduct a review of MPS' water rates, including an analysis of revenues and revenue requirements for the study period from 2025 to 2029, the allocation of costs to serve each customer class and meter size, and the design of retail rates. As with prior rate studies, the 2025 Water Rate Study (available upon request) was prompted in part by the need to review rates to ensure that they accurately recover the costs associated with service charges, as well as meter size and volume rates, by class. In addition, the 2025 Water Rate Study includes an evaluation of the adequacy of projected revenues and cash reserves to meet the requirements of the Commission's Policy on Financial Strength.

Tim Miller, MRES' Director of Rates, will present the 2025 Water Rate Study at Tuesday's meeting. Mr. Miller completed water rate studies for MPS in 2004, 2012, 2017, and 2022.

The 2025 Water Rate Study incorporates upcoming capital projects, including the replacement or upgrade of the Highway 10 raw water line, as well as the potential development of the Sabin Wellfield to provide water resource redundancy. The 2025 Water Rate Study also incorporates all current and future potential debt service, as well as relatively flat water volume sales.

Although Moorhead has experienced growth over the past two decades, the volume of water sold has not increased. Over the last decade, consistent with national trends, the amount of water sold has remained relatively steady, even with an increase in the number of homes and businesses. Despite a larger customer base, stable sales volumes can be attributed to several factors, including more efficient indoor water fixtures and appliances, weather conditions, evolving industrial customer needs, and mandatory conservation measures.

The 2025 Water Rate Study's principal objectives included:

- To determine whether estimated total revenues will be sufficient to cover the estimated revenue requirements and provide a reserve for replacements and contingencies.
- To determine the cost to serve each customer class.
- To design retail rates for 2026 through 2029.
- To compare MPS' water rates to other regional utilities.

MRES' recommendations include:

- Implementing a series of 5.5 percent overall rate increases for 2026 through 2029.
- Continuing the rate structures for customer classes that were originally implemented in 2013, including seasonal rates for all customer classes and individualized goal rates for residential customers.

KEY ISSUES:

- Using industry standards and rate determination methodologies, MRES has completed the 2025 Water Rate Study and analyzed the current and projected future costs of MPS providing water service. As part of the 2025 Water Rate Study, the appropriate rates have been calculated for each customer class.
- Major element updates since the 2022 Water Rate Study include expanded infrastructure improvements with associated debt service and the continuation of stable water sales volume.
- MRES recommends continuing the rate structures that were originally implemented in 2013, including seasonal rates for all customer classes and individualized goal rates for residential customers.

FINANCIAL CONSIDERATIONS:

- The 2025 Water Rate Study, completed by MRES, recommends implementing a series of 5.5 percent overall revenue rate increases for 2026 through 2029, with an understanding that adjustments to the rates may be necessary during the Water Rate Study's coverage period if water system characteristics or MPS' financial needs change drastically.

Respectfully submitted,



Travis L. Schmidt
General Manager

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

Attachments: Available upon request.

Accept Report on Electric Service Extension Surcharges

RECOMMENDATION:

The General Manager respectfully requests the Commission accept a report on the review of the Electric Service Extension Surcharges that are outlined in the Commission's Policy on Service Extensions.

BACKGROUND:

The attached Commission's Policy on Service Extensions (Policy) discusses electric service extensions and providing electric service to former customers of another utility, such as in the case of Americana Estates in south Moorhead, and Oakport Township (Oakport) in north Moorhead. The Policy, amended on August 27, 2019, indicates that improvements shall conform to, among others, MPS' Electric Service Rules and Regulations (Regulations). Specifically, Section 304 of the Regulations states:

"304 Service Extension Costs

304.1 New Subdivision Infrastructure Costs. The costs incurred by MPS to provide electric facilities in new subdivisions will not be charged to the owner(s) of that development unless the anticipated revenue over a reasonable time period does not cover the cost to extend the service. If a revenue shortfall is anticipated, the owner(s) shall pay the difference between MPS' costs and the anticipated revenue.

304.2 New Subdivision Electric Buyout Costs. When the City extends its corporate boundaries through annexation or consolidation to an area that has existing electric service from another electric utility and the Commission elects to provide electric service to those newly annexed customers. MPS may negotiate with the existing electric utility for the purchase of electric facilities and customers. The negotiated purchase price may include facilities, lost revenues, and re-integration costs, and are recovered from customer's base on the following:

Electric Service Extension Surcharge – all customers are required to pay an electric service extension surcharge for lost revenues and re-integration costs paid to the existing utility by MPS:

(1) If the MPS rate for a similar-classed customer is less than the rate charged by the previous electrical supplier, the customer will pay approximately one-half (1/2) the difference in rates to reimburse MPS for the lost revenue and reintegration costs. The customer will pay this fee as adjusted from time to time pursuant to Section 304.2.3 until such time that the lost revenue and reintegration costs are reimbursed in full.

(2) If the MPS rate for a similar-classed customer is greater than the rate charged by the previous electrical supplier, MPS will not require the customer to reimburse MPS for the lost revenue and reintegration costs.

(3) The Electric Service Extension Surcharge will be adjusted from time to time by the Commission as rates of MPS and the previous electric supplier fluctuate."

The language on service extensions above originates from the Oakport Orderly Annexation Agreement that was approved in 1990 between the City of Moorhead and Oakport. On January 1, 2015, the City of Moorhead annexed Tract 2 of Oakport under the Orderly Annexation Agreement.

To determine if adjustments are necessary, staff updates utility rate information annually from electric service providers Red River Valley Cooperative Power Association (RRVCPA) and Xcel Energy (Xcel). Prior to 2012, there was one Electric Service Extension Surcharge. In 2012, the Commission approved separate surcharges for each prior service provider in preparation for the annexation of Oakport Tract 2.

Below is a history of surcharges (includes the proposed residential service surcharges for 2026):

Historical Trend – Electric Service Extension Surcharge Rates (per kWh)

	Surcharge	Residential Surcharge (Xcel)	Residential Surcharge (RRVCPA)	Dual-Fuel Surcharge (Xcel)	Dual-Fuel Surcharge (RRVCPA)
2026	--	\$0.03848	\$0.03421	\$0.00940	\$0.01374
2025	--	\$0.03241	\$0.02676	\$0.0099	\$0.01215
2024	--	\$0.00698	\$0.02512	\$0.0043	\$0.0115
2023	--	\$0.02434	\$0.02633	\$0.00481	\$0.0121
2022	--	\$0.01427	\$0.02963	\$0.00094	\$0.0110
2021	--	\$0.0128	\$0.0276	\$0.0009	\$0.0110
2020	--	\$0.0177	\$0.0268	\$0.000	\$0.0100
2019	--	\$0.0113	\$0.0268	\$0.0006	\$0.0100
2018	--	\$0.0113	\$0.0268	\$0.0006	\$0.0088
2017	--	\$0.0131	\$0.0250	\$0.0013	\$0.0088
2016	--	\$0.0100	\$0.0220	\$0.0010	\$0.0060

Updated Electric Service Extension Surcharges will be included in MPS' rate-setting process for MPS' 2026 budget.

KEY ISSUES:

- It is recommended that the Residential Surcharge (RRVCPA) be set to \$0.03421 per kWh and the Dual-Fuel Surcharge (RRVCPA) be set to \$0.01374 per kWh.
- It is recommended that the Residential Surcharge (Xcel) be set to \$0.03848 per kWh and the Dual-Fuel Surcharge (Xcel) be set to \$0.00940 per kWh.
- Any changes in the electric surcharge rates will be included in MPS' rate-setting process for MPS' 2026 budget.
- The surcharge will remain on customers' bills until the investments are paid off.

FINANCIAL CONSIDERATIONS:

- The rate surcharge is required by the Commission Policy on Service Extensions and the Oakport Orderly Annexation Agreement. The surcharge provides for the recovery of costs for acquiring the electric service territory from another electrical supplier, in MPS' case, RRVCPA and Xcel.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Adam Benhardt, Construction Manager.

Attachments:
Policy on Service Extensions

MOORHEAD PUBLIC SERVICE COMMISSION POLICY

Category: Administrative/Financial Viability

Policy Title: Service Extensions

Explanation: Provides direction for the extension of services

Date of Adoption: 09/24/2002

Amended: 08/27/2019

Policy:

It is the policy of the Moorhead Public Service Commission (Commission) to provide electric and water services to all customers within Moorhead Public Service (MPS) service territory as defined by the Minnesota Public Utilities Commission, City of Moorhead (City) corporate boundaries, or to property owned by the City. Electric and water services may be provided to residents outside these boundaries, on a case-by-case basis, as approved by the Commission.

Utility improvements shall conform to MPS' Electric Service Rules and Regulations, MPS' Water Service Rules and Regulations, City Codes, and State law.

AMENDED BY THE MOORHEAD PUBLIC SERVICE COMMISSION ON AUGUST 27, 2019.



David O. Anderson, Chairman
Moorhead Public Service Commission



William E. Schwandt, General Manager
Moorhead Public Service

Accept Report #1 on the Proposed 2026 Budget

RECOMMENDATION:

The General Manager respectfully requests the Commission accept Report #1 on the Proposed 2026 Budget and Strategic Plan.

Future updates to this ongoing report will be shown in strike-and-underline throughout.

BACKGROUND:

Moorhead Public Service (MPS) staff has been updating financial forecasts and gathering key (preliminary) inputs for the 2026 budget to include items such as purchased power costs, transmission costs, Southwest Power Pool (SPP) Transmission Cost Reimbursement, transfer payments to the City of Moorhead (City), operating expenses, and capital improvements. In addition, MPS staff has provided City staff with the preliminary 2026 estimated transfer amounts to the City.

The Commission has taken the following actions that will impact MPS' 2026 budget, rates, and 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 at Moorhead Water Treatment Plant

July 2025

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

September 2025

- Approve Specifications and Authorize Advertisement for Bids for 2026 Electrical Materials
- Approve Specifications and Authorize Advertisement for Bids for 2025/2026 Tree Trimming

On October 6, 2025, Commissioners Paul Baker and Lisa Borgen, members of the Commission's Budget Working Group, met with staff to review and discuss MPS' current and future projects, other items that could impact future rates, and the projected rates for 2026. The group's consensus was to present proposed rate increases of 2.0 percent overall for electric services and 5.5 percent overall for water services at the Electric and Water Rate Hearings scheduled for October 21, 2025.

KEY ISSUES:

Preliminary operating and long-term capital project planning information was presented to the Budget Working Group on October 6, 2025.

- Electric Division:
 - After reviewing preliminary inputs and discussing items, the Budget Working Group agreed to present a proposed, overall rate increase of 2.0 percent for 2026. This falls within the previously communicated potential range of rate impacts, which was from no increase to up to a 4.0 percent increase for 2026 electric rates.
 - Preliminary information from MPS' purchased power providers indicated that both providers will have rate increases in 2026. Information received from Missouri River Energy Services indicated a 5.0 percent increase in 2026. Additionally, MRES indicated that transmission costs are likely to increase by 5.0 percent in 2026. Preliminary information received from Western Area Power Administration indicated a very high likelihood that rates would increase by 6.0 percent in 2026. This follows a 7.5 percent increase that occurred in 2025.
 - The Budget Working Group reviewed the history and mechanics behind the third Electric Fund Transfer Agreement currently in place with the City and is comfortable with the 2026 impact, which will result in an annual increase of \$125,000 in the floor of the General Fund transfer.
- Water Division:
 - After reviewing preliminary inputs and discussing items, the Budget Working Group agreed to present a proposed, overall rate increase of 5.5 percent for 2026. This falls within the previously communicated potential range of rate impacts, which was from a 3.0 percent to 7.0 percent increase for 2026 water rates.

Respectfully submitted,



Travis L. Schmidt
General Manager

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

Attachments:

Budget Binder (PSC Only—distributed separately)

Accept Report on MRES' Smart Energy Squad School Program

RECOMMENDATION:

The General Manager respectfully requests the Commission accept a report on Missouri River Energy Services' Smart Energy Squad School Program (fka Bright Energy Solutions® Power Team EnergyWise® Program) and the Smart Energy Squad Annual Summary Report for 2024-2025.

BACKGROUND:

Several years ago, Moorhead Public Service (MPS) was looking for a way to provide a high-quality, relevant energy-efficiency program to Moorhead schools. When Missouri River Energy Services (MRES) presented the Power Team EnergyWise® Program (Power Team Program) at its 2013 annual meeting, MPS staff immediately recognized the value of the program and proceeded to take the steps needed to get the program implemented in Moorhead schools.

The 2014-2015 school year was the first year that MPS, in collaboration with MRES, provided a teacher's curriculum supplement designed to teach students about energy efficiency. The Power Team Program was very well received and has been implemented every year thereafter.

In August 2023, MRES used a new vendor, Tinker, LLC, to rebrand the program, and it is now called the Smart Energy Squad School Program (Smart Energy Program). Curriculum topics include: 1) Energy—forms of energy and natural resources including renewable and non-renewable, 2) Natural gas, and 3) Electricity—getting it to your home, conserving at home, and measuring energy consumption. Standard correlation charts are included showing teachers how the curriculum meets State standards in math, science, and language arts. Students are able to enter an energy-efficiency photo and/or video contest for an opportunity to win prizes. The Smart Energy Program is open to all Moorhead schools—both public and private. Although several private schools have participated in the past, only the public schools participated in 2023-2024.

For the 2024-2025 school year, each of the 560 participating 5th Grade students, the target audience for this level of material, and 22 teachers received an Energy Efficiency Kit and student workbook. Listed below are the items included in the Energy Efficiency Kits:

Students and Teachers Received:

- Student Guide
- Student Workbook
- Program Introduction/Pledge Letter to Parent or Guardian*
- Pre/Post Test Survey
- Home Check-up and Home Activities Survey Form
- Certificate of Achievement
- Energy Efficiency Kit containing:
 - Two LED Bulbs
 - Two LED Night Lights
 - Digital Thermometer
 - Reminder Stickers
 - Quick Start Guide
 - MPS Label

*Materials/installation instructions are provided in both English and Spanish.

Each Teacher/Classroom Received:

- Teacher Book
- Step-by-Step Program Checklist
- Lesson Plans
- Tutorial Videos
- Watt Meter
- Minnesota State and National Academic Standards Chart
- Teacher Program Evaluation
- Watt Meter Sheet for Classroom
- Watt Meter Sheet for Home
- Pre/Post Test Survey Answer Key
- Electricity Poster for Classroom
- Self-Addressed, Postage-Paid Envelope

MPS and MRES share the cost of the \$40 kits equally. MPS' share of the cost can be counted toward its Conservation Improvement Program (CIP) State-mandated spending requirement, and there is no cost to the school or students. This same Smart Energy Program, with similar costs, is being planned and budgeted for the 2025-2026 school year.

The Smart Energy Squad Annual Report (attached) tabulates and summarizes all participant responses, home surveys, student letters, and parental feedback.

KEY ISSUES:

- The Smart Energy Program provides a way to teach and promote energy efficiency to 5th Grade students.
- A total of 560 students and 22 teachers participated in the Smart Energy Program in 2024-2025.
- The Smart Energy Program is open to all Moorhead schools—both public and private.

FINANCIAL CONSIDERATIONS:

- MPS and MRES share the cost of the \$40 kits equally. MPS' share of the cost can be counted toward its Conservation Improvement Program (CIP) State-mandated spending requirement, and there is no cost to the school or students.
- This same Smart Energy Program, with similar costs, is being planned and budgeted for the 2025-2026 school year.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Taylor Holte, Project Engineer.

Attachments:

MPS and MRES Smart Energy Squad School Program Annual Report (2024-2025)

SCHOOL YEAR 2024-2025 ANNUAL REPORT

25



Missouri River Energy Services

Moorhead Public Service

Smart Energy Squad School Program

Designed and implemented by Tinker LLC



SMART ENERGY SQUAD PROGRAM

MESSAGE FROM
TINKER LLC

•
Joseph Thrasher



Thank you for choosing Tinker LLC to deliver the Smart Energy Squad School Program. It's been a privilege to partner with you this school year, and we're grateful for the continued opportunity to support your educational initiatives.

Enclosed is the final report summarizing the outcomes of the 2024–2025 program year. We've worked hard to ensure the program was meaningful for students, educators, and families across your service area, and we hope you find the results reflect that effort.

We remain committed to providing high-quality programming and look forward to continuing our work together. Please don't hesitate to reach out if you'd like to review any part of this report.

Cheerfully,

A handwritten signature in blue ink, appearing to read 'J. Thrasher', with a long horizontal flourish extending to the right.

Joseph Thrasher

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SMART ENERGY SQUAD EXECUTIVE SUMMARY

School Year 2024-2025

Tinker LLC is pleased to submit this annual report describing the implementation and outcomes of the Smart Energy Squad School Program. From August 2024 through June 2025, Tinker LLC supported energy education efforts within Missouri River Energy Service (MRES) member communities through a partnership with Moorhead Public Service.

The program was developed to educate fifth grade students about electric energy, energy conservation, and other local energy topics through the implementation of a locally based education program within schools. Tinker LLC and MRES staff developed a curriculum that included science, technology, engineering and mathematics ("STEM") activities, digital program resources, student contests, teacher grants, and an Energy Efficiency Kit containing energy-saving devices for each student. Program objectives included the following:

- Leverage classroom teachers from schools within the jurisdiction to provide their fifth grade students with quality, age-appropriate instruction regarding electric energy and energy conservation.
- Encourage energy conservation at home by engaging students and their families in activities that support and reinforce energy efficiency concepts.
- Provide age-appropriate tools to facilitate student participation and incentives to encourage follow-through for all program participants.
- Enhance the brand as a trusted energy advisor.
- Maintain or enhance customer satisfaction.

Tinker LLC managed all aspects of the program design and implementation, including school recruitment, lesson development, day-to-day program management, and reporting.

Moorhead Public Service

At a glance

1 School participated
22 Teachers participated
560 Students participated
95.54 kWh saved annually per kit

Below are the program outcomes:

- 1. Curriculum.** To support educational goals, Tinker worked with MRES staff to develop lessons specifically for MRES students. Each lesson included locally based information, teacher resources, hands-on activities, and supported state education standards.
- 2. School Participation.** During the 2024–2025 school year, Horizon Middle School participated with 22 teachers and 560 fifth-grade students. Each student received an Energy Efficiency Kit and access to digital learning resources.
- 3. Knowledge Retention.** Program-wide, students in the 30 participating schools completed a pre-program assessment before beginning the program to determine their baseline knowledge. On average, students correctly answered 6.54 of 10 questions. At the conclusion of the lessons, a post-assessment was administered to evaluate knowledge gain. On average, students correctly answered 8.63 of 10 questions, a 32 percent increase.
- 4. Energy Efficiency Kits.** A take-home Energy Efficiency Kit was provided to 560 students and 22 teachers in Moorhead. Each kit contained products that can be used at home to conserve energy. Students work with their parents to use the products and report on their actions. Based on the reported data, projected resource savings can be found below.



Energy Efficiency Kit

Projected Energy Savings

At a glance

95.54 kWh

Annual Household Savings

1,220 kWh

Lifetime Household Savings

53,501.45 kWh

Annual Program-wide Savings

683,364 kWh

Lifetime Program-wide Savings

SMART ENERGY SQUAD

DESCRIPTION

School Year 2024-2025

The Smart Energy Squad School Program is a locally based curriculum designed to teach fifth-grade school students about energy and how to use it wisely. Developed and administered by Tinker LLC, the program combines engaging classroom lessons with at-home action, digital tools, and measurable community impact.

The curriculum consists of six lessons aligned with state education standards, introducing fifth-grade students to topics such as natural resources, electricity generation and use, the energy-water connection, and practical conservation strategies for everyday life. Each lesson includes interactive classroom activities, online exercises, and student assessments to reinforce key learning objectives.

To turn classroom knowledge into real-world action, each participating student receives a take-home Energy Efficiency Kit containing simple, practical devices such as LED lightbulbs, night lights, and a digital thermometer. Kits are woven into the lessons through guided activities that encourage students and their families to install products, track their savings, and adopt more efficient habits at home.

Tinker LLC manages the entire program on behalf of MRES and Moorhead Public Service, providing:

- **Curriculum development** and customization tailored to local priorities and educational standards
- **A custom-branded digital platform** for Moorhead Public Service, giving students, teachers, and parents secure access, real-time progress tracking, and automated scoring
- **School recruitment and enrollment**, in partnership with utility staff who secure participating schools
- **Logistics and fulfillment**, including kit production, warehousing, and bulk classroom delivery



Energy Efficiency Kit

- **Student engagement tools**, such as digital points challenges, leaderboards, and optional contests to boost participation
- **Teacher support**, including easy-to-use lesson plans, slide decks, live dashboards, and access to classroom mini-grants
- **Parent outreach**, through bilingual communication and an online parent portal with resources and surveys
- **Data collection and analytics**, capturing pre/post assessments, kit installation results, student pledges, and estimated household energy savings
- **Final program reporting**, summarizing participation, engagement, calculated savings, and recommendations for future program growth



Web Application

Unlike a single-day presentation, the Smart Energy Squad is designed to engage students throughout the school year, combining classroom instruction, digital learning, and at-home conservation actions. It strengthens the connection between Moorhead Public Service and the community by introducing families to practical energy-saving steps and reinforcing the utility's role as a trusted local energy advisor.

This layered approach—blending education, tools, custom technology, and measurable results—drives lasting behavior change and demonstrates clear value in supporting energy efficiency and customer satisfaction goals.

SMART ENERGY SQUAD

PROGRAM CURRICULUM

School Year 2024-2025

The curriculum was developed specifically for students attending schools within the utility's service territory. This innovative curriculum was crafted with the following key objectives in mind:

- 1. Teacher-Centric Approach:** Crafted to be seamlessly delivered by classroom teachers, ensuring a smooth integration into the existing classroom environment
- 2. Standards Alignment and 5E Model:** Aligned with the State Education Standards, the lessons are structured similarly to the 5E model, providing a comprehensive and locally relevant educational experience
- 3. Engaging Lesson Plans:** Each lesson plan was designed to foster dynamic class discussions and encourage active student participation
- 4. Grade-Specific Content:** Tailored content for each grade level ensures that students receive age-appropriate and relevant information

Within each grade level unit, the curriculum delves into essential topics:

- a. Natural Resources:
 - Understanding renewable and non-renewable resources
 - Recognizing the vital role of natural resources in the production of energy
 - Exploring the sources and distribution of natural resources
- b. Electric Energy:
 - Identifying how electricity is generated
 - Explaining the electric grid
- c. Energy-Water Nexus:
 - How energy and water are connected
 - Examples of this connection in real-life applications
- d. Conservation and Efficiency:
 - Connecting energy conservation and efficiency to management of the natural resources used to deliver energy for our consumption
 - Learning practical energy conservation strategies
 - Exploring the Energy Efficiency Kit

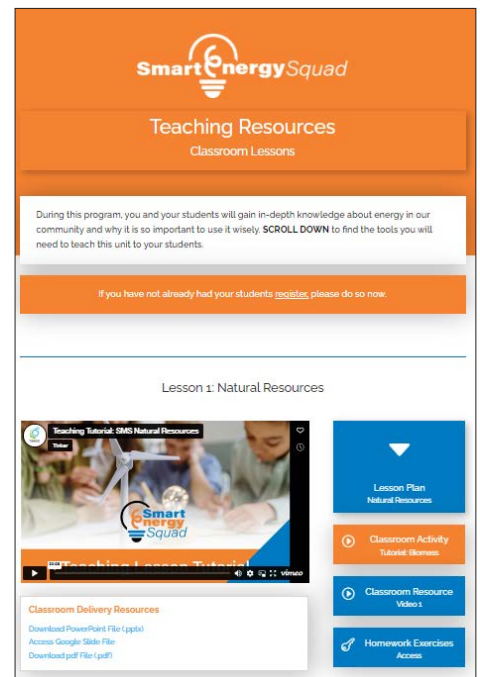
Access to the curriculum is facilitated through a customized version of Tinker's proprietary web application. Teachers and students also receive printed guides to enhance their learning experience. The online platform offers a wealth of resources, including:

1. **Lesson Plans:** Comprehensive guides for educators
2. **Tutorial Videos:** Engaging teaching tutorials for in-depth understanding
3. **Classroom Activity Demos:** Videos demonstrating the hands-on classroom activities
4. **Teacher Slide Decks:** Downloadable presentation materials
5. **Assessment Tools:** Varied assessment methods ensuring student comprehension
6. **Interactive Homework:** Engaging exercises which incorporates videos, interactive digital activities, labeled graphics, and flash card grid activities
7. **Student Competitions:** Detailed information available, enhancing student participation

Every lesson is crafted to be engaging, ensuring optimal knowledge retention for students.



Custom Lessons



Web Application

SMART ENERGY SQUAD PROGRAM MATERIALS

School Year 2024-2025

During the program, teachers, students, and parents were provided with a variety of resources expertly designed to educate them about energy conservation and encourage energy conservation behaviors via the web application. These resources, including a printed teacher guide, parent letter, and online lesson materials, were customized to feature the Moorhead Public Service logo.

These resources were designed to facilitate successful instruction, stimulate engagement, and build relationships. The resources provided are described below.

Parent Resources - Digital

Parents of participating students were provided access to the parent portal through the web application. The available resources within the web application included the following:

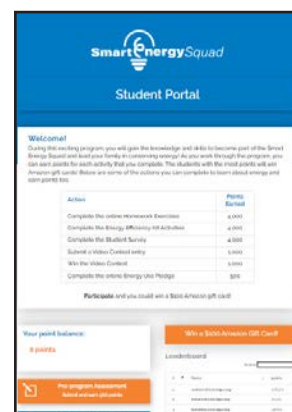
- A parent letter describing the program, its goals, and the energy-efficiency opportunities available
- Additional resources offered by MRES
- Parent program evaluation



Student Resources - Digital

Students were provided access to the student portal within the web application. Resources available within the web app included the following:

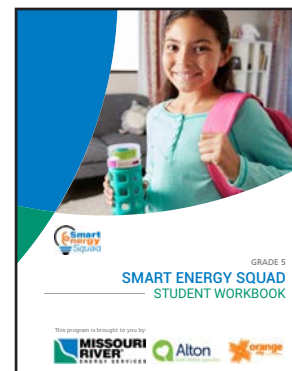
- Homework exercises
- Instructions for installing the products inside the kits
- Access to digital lessons and assessments
- Video contest information
- Photo contest information
- The student leaderboard



Student Resources - Print

Participating students were provided with an Energy Efficiency Kit as well as a student workbook to support the digital resources. The student workbook included the following:

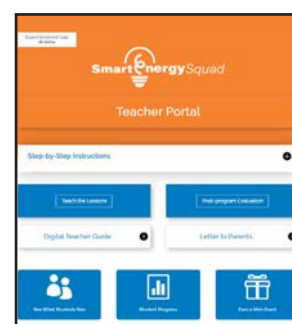
- Classroom activity worksheets
- Classroom assessments
- The Energy Efficiency Kit product savings calculations worksheets



Teacher Resources - Digital

Each teacher was provided access to unique grade level resources hosted in the teacher portal found in the web app. Grade level resources included:

- Lesson plans
- Digital slides for classroom presentations
- Video content
- Online homework exercises
- Assessments



Each teacher was also provided access to general program-related resources hosted in the teacher portal found in the web application. General resources included:

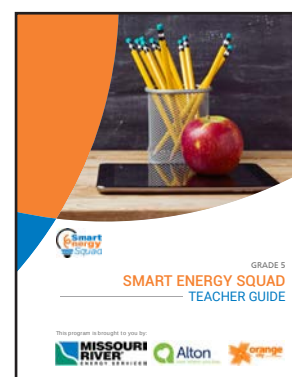
- Instructions to guide teachers through the program
- Supported state education standards
- Letter to parents in English and Spanish
- Post-program evaluation
- Student progress reporting



Teacher Resources - Print

Participating teachers were provided a printed Teacher Guide to support the digital resources. The Teacher Guide included the following:

- Program goals
- Instructions to administer the program
- Lesson plans
- Contest and mini-grant information
- Answer keys



SMART ENERGY SQUAD ENERGY EFFICIENCY KIT

School Year 2024-2025

A take-home Energy Efficiency Kit was provided to 560 fifth-grade students and 22 teachers. Each contained products that can be used at home to conserve energy. Students work with their parents to use the products and report on their actions.

Each kit contained the following items:

- LED Light Bulb (2)
- LED Night Light (2)
- Digital Thermometer
- Reminder Stickers
- Quick Start Guide
- Moorhead Public Service Label



Each item was chosen to maximize energy efficiency, addressing different areas of energy consumption in a home setting.

Students, guided by step-by-step instructions and video tutorials, utilized the online platform to complete the product installation activities or kit activities. Simultaneously, they delved into their workbooks, calculating the energy savings associated with the specific products they installed from the Energy Efficiency Kit. This dual approach not only reinforced theoretical knowledge but also encouraged practical application, empowering students to actively engage in energy conservation endeavors.

Through their active participation and the data shared, students became the driving force behind significant energy savings in their homes. The impact of their efforts was evaluated, revealing projected energy savings resulting from the effective utilization of these kits.

This hands-on experience not only enriched the students' understanding of energy efficiency but also transformed them into advocates for energy conservation practices within their communities. By equipping them with the tools and knowledge needed to make a difference, the program is fostering a generation of energy-conscious individuals, ensuring a brighter, energy-efficient future for all.

SMART ENERGY SQUAD STUDENT PLEDGES

School Year 2024-2025

As part of the program, students were invited to reflect on what they learned and commit to taking action through a personal energy or water conservation pledge. Submitted through the online platform, these pledges gave students the opportunity to identify specific behaviors they could change at home—ranging from turning off lights and taking shorter showers to encouraging their families to upgrade to efficient products.

The pledges serve as a valuable indicator of student engagement and personal accountability, and they offer a glimpse into how the program influences behavior beyond the classroom.

Below are selected examples of student pledges submitted during the 2024–2025 program year.

I pledge to save energy by...

... installing all the products from my energy efficiency kit and completing the online homework exercises and student survey.

... using the LED nightlights that came in the kit instead of the hallway lights.

... by unplugging my toaster when I'm done.

... turning the thermostat low in the winter and high in the summer.

... shutting lights off when I leave a room.

... installing the stickers and everything else in the kit.

... opening the windows during winter so the heat from the sun would heat up the room.

... not standing and holding the refrigerator door open.

SMART ENERGY SQUAD PROGRAM ASSESSMENTS

Phase 3: Outcomes

To determine the effectiveness of the program, Tinker LLC collected and analyzed pre- and post-program data to assess changes in students' knowledge, attitudes, and behaviors related to water and energy efficiency. These data sources included student assessments, digital activity tracking, and survey responses from teachers, students, and parents.

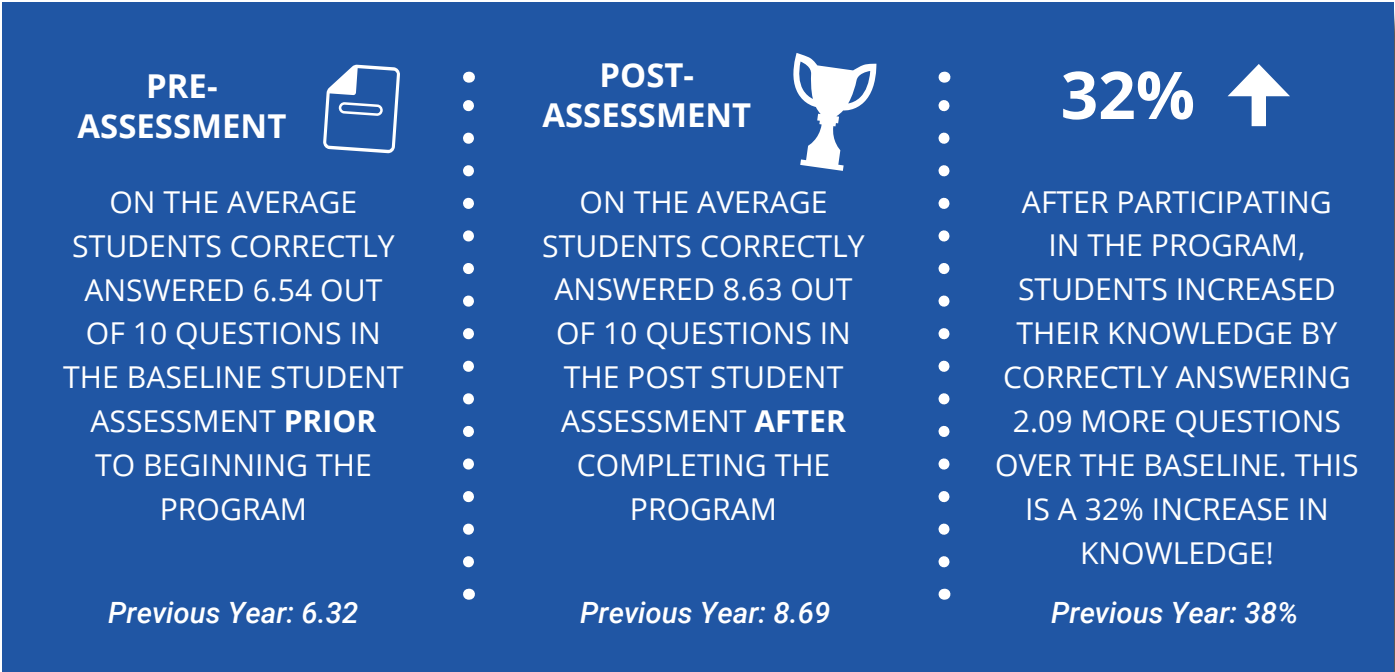
Program-wide, across all 30 participating schools, students completed online assessments at the conclusion of each lesson, aligned with the instructional content. These assessments were designed both to reinforce learning and to measure knowledge growth on a topic-by-topic basis. The results provided insight into how effectively each lesson conveyed core concepts and supported learning objectives.

The table below reflects program-wide results and shows the average student score for each lesson assessment, offering a snapshot of student understanding across all participating classrooms.

Lesson	Assessment	Previous Year
Natural Resources	92%	90%
Electric Energy	90%	89%
Energy-Water Nexus	89%	85%
Efficiency and Conservation	90%	90%
Course Review	90%	91%
Energy At Home	91%	92%

In addition to lesson-level assessments, students also completed a pre-program and post-program evaluation designed to measure overall changes in energy literacy, awareness, and conservation intent. This broader comparison reflects the cumulative impact of classroom instruction, at-home kit engagement, and online learning activities.

The table that follows also reflects program-wide data, summarizing the average pre- and post-program scores and demonstrating overall growth in knowledge and confidence in making energy-efficient choices at home.



SMART ENERGY SQUAD PROJECTED ENERGY SAVINGS

School Year 2024-2025

As a core element of the Smart Energy Squad program, each participating student received an Energy Efficiency Kit designed to support energy-saving actions at home. A total of 560 kits were distributed to students during the 2024–2025 school year. The table below shows the total number of products installed based on student-reported data.

Number of Kits: 560

88% of students reported installing the first LED Light Bulb

72% of students reported installing the second LED Light Bulb

81% of students reported installing the first LED Night Light

75% of students reported installing the second LED Night Light

70% of students reported using the digital thermometer

- 15% of students reported adjusting the water heater temperature

80% of students reported using the sticker and magnet pack

Projected Resource Savings

To estimate the environmental and utility benefits of the installed products, Tinker applied standardized savings assumptions to each device category. These estimates include both annual and lifetime electricity savings (kilowatt-hour, or kWh) based on product performance data and average household usage patterns. A detailed explanation of calculation methods and assumptions can be found in Appendix A.

Projected Energy Savings

At a glance

95.54 kWh

Annual Household Savings

1,220 kWh

Lifetime Household Savings

53,501.45 kWh

Annual Program-wide Savings

683,364 kWh

Lifetime Program-wide Savings

Approve Moorhead's Continuation of 100 Percent Net-Zero Carbon Power Supply Through MRES' Bright Energy Choices Program for 2026

RECOMMENDATION:

The General Manager respectfully requests the Commission approve the continuation of Moorhead having a 100 percent net-zero carbon power supply through participation in Missouri River Energy Services' Bright Energy Choices Program for 2026.

BACKGROUND:

In 2019, Moorhead Public Service's (MPS') supplementary power supplier, Missouri River Energy Services (MRES), initiated a program called Bright Energy Choices (BEC). BEC provides a way for customers to purchase Renewable Energy Certificates (RECs) to claim that the energy they use is 100 percent renewable energy. BEC allows customers to purchase RECs for the remaining portion of their non-renewable energy usage to effectively make their energy usage 100 percent renewable. A REC reflects the positive environmental attributes of 1,000 kilowatt hours (kWh) of renewable and carbon-free energy (1 REC = 1 MWh).

The BEC Program was approved by the Commission in December 2019 and went into effect on January 1, 2020, at a rate adder of \$0.005 per kWh for the percentage of energy not considered renewable for customers choosing to use the BEC Program. In 2021, the BEC Program transitioned to providing net-zero carbon energy rather than renewable energy, and the price per REC decreased to \$0.001 per kWh. The reason MRES prefers net-zero carbon is that, from a climate change perspective, not all renewable energy technologies are net-zero carbon. For example, burning wood from sustainably managed forests is a renewable energy resource; however, it is not carbon-free, where carbon refers to the release of carbon dioxide (CO₂) into the atmosphere. This market condition looks to remain stable for the next five years or so.

For the first eight months of 2025, the actual cost of RECs has averaged about \$11,132 per month. If this continues through the remainder of 2025, the total cost will be approximately \$133,594, which is about \$7,106 lower than the projected amount for 2025.

In 2025, the rate adder per REC will remain unchanged at \$0.001 per kWh. It is estimated that MPS' electric sales to customers in 2026 will be similar to the total electric sales in 2024 and 2025. The projected three-year average carbon-free power supply without the RECs is 65 percent, which is 3 percent lower than the three-year average for 2025. MPS expects the total cost to participate in the BEC Program in 2026, utility-wide, to be approximately \$148,700. This cost is included in MPS' proposed 2026 budget. BEC uses monthly kWh sales data to calculate the actual cost each month.

To help put the costs into perspective, one of the 20 kW solar arrays at MPS' Community Solar Garden costs \$60,000 to install (based on the most recent project in 2019 and not factoring in inflation), and provides around 28,800 kWh of net-zero carbon energy per year. Without BEC, MPS would need to build approximately 5,163 additional solar arrays of this size to bring Moorhead from 65 percent net-zero carbon to 100 percent net-zero carbon power. This means that achieving the same annual results as the BEC Program—projected to cost \$148,700 in 2026—would require an investment of approximately \$310 million in solar arrays. It would take about 2,200 years of annual program costs to equal \$310 million, even though the typical life span of a solar array is only 25 to 30 years.

The Minnesota Renewable Energy Standard requires that 25 percent of energy originate from renewables by 2025 and 55 percent from renewables by 2035. Minnesota also has a Carbon-Free Standard that requires 60 percent of energy to be carbon-free by 2030, 90 percent by 2035, and 100 percent by 2040.

No formal agreement with MRES is necessary to implement the BEC Program, and no long-term commitment is required. The commitment will also help MRES staff with direction on what to do with Western Area Power Administration's RECs. MRES would like to have a one-year commitment so staff can better manage the purchase of RECs.

KEY ISSUES:

- The BEC Program was approved by the Commission in December 2019 and went into effect on January 1, 2020, at a rate adder of \$0.005 per kWh for the percentage of energy not considered renewable for customers choosing to use the BEC Program.
- In 2021, the BEC Program transitioned to providing net-zero carbon energy rather than renewable energy, and the price per REC decreased to \$0.001 per kWh.
- The projected three-year average carbon-free power supply without the RECs is 65 percent, which is 3 percent lower than the three-year average for 2025.
- No formal agreement with MRES is necessary to implement the BEC Program, and no long-term commitment is required. MRES would like to have a one-year commitment so staff can better manage the purchase of RECs.

FINANCIAL CONSIDERATIONS:

- The approximate cost to participate in the BEC Program in 2026 is \$148,700 and is included in MPS' proposed 2026 budget.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Taylor Holte, Project Engineer.

Attachments: None.

**Approve Specifications and Authorize Advertisement for Bids
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 the specifications and authorize advertisement for bids 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:

On August 26, 2025, the Commission approved Task Order No. 3 with MBN Engineering, Inc. (MBN), for Moorhead Public Service's (MPS') 115 kV Transmission Line Upgrade Project from the Fargo Substation to the Sheyenne Diversion. 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 Project.

MBN has prepared specifications (available upon request) for upgrading MPS' 115 kV transmission line from T2-266 ACSR to 795 Drake ACSS, as well as upgrading two structures. This project is necessary to increase the capacity of MPS' Fargo to Brookdale transmission line to support future growth. The increased capacity will also provide an additional benefit of enhancing electric reliability during peak times.

The bid opening is scheduled for November 25, 2025. MPS has included the upgrade of MPS' 115 kV transmission line in its annual budget. This project is eligible for cost recovery from the Southwest Power Pool.

KEY ISSUES:

- MBN has prepared specifications for upgrading MPS' 115 kV transmission line from T2-266 ACSR to 795 Drake ACSS, as well as upgrading two structures.

FINANCIAL CONSIDERATIONS:

- MPS has included the upgrade of MPS' 115 kV transmission line in its annual budget.
- This project is eligible for cost recovery from the Southwest Power Pool.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Taylor Holte, Project Engineer.

Attachments: Available upon request.

Approve Task Order No. 3 with Terracon Consultants for Phase I Environmental Site Assessment at MPS' Future Northeast Substation

RECOMMENDATION:

The General Manager respectfully requests the Commission approve Task Order No. 3 with Terracon Consultants, Inc., for a Phase I Environmental Site Assessment at Moorhead Public Service's future Northeast Substation in an amount not to exceed \$2,800.

BACKGROUND:

Moorhead Public Service (MPS) owns and operates its Northeast Substation (NE Substation) that serves power to customers in north Moorhead. Due to the age of the substation and its equipment, the NE Substation is due for major upgrades and replacements. The NE Substation contains two power transformers that were manufactured and tested in 1979. According to the U.S. Department of Energy, the life expectancy of power transformers is approximately 40 years, indicating that the transformers have exceeded their expected lifespan and are due for replacement in the near future. Along with the transformers, the control enclosure and its associated protection system are aging and are also due for an upgrade.

On April 16, 2024, MPS entered into a Task Order Agreement for Professional Services (Agreement) with Terracon Consultants, Inc. (Terracon). The most common testing service used by MPS is related to soil density and compaction associated with the installation of new watermain or the repair of watermain break excavations. While these services are more commonly used by the Water Division, the Electric Division utilizes similar services less frequently for substation construction projects.

MPS purchased land in order to relocate its existing Northeast Substation. Terracon has performed soil boring, resistivity testing, and environmental testing to mitigate risks associated with poor soil conditions or past environmental issues.

Task Order No. 3 (available upon request) is to prepare a report on a Phase I Environmental Site Assessment (ESA) that will include identifying recognized environmental conditions (RECs), a review of per- and polyfluoroalkyl substances (PFAS), description of physical setting, historical use information, a review of regulatory records, and site and adjoining/surrounding property reconnaissance of the new location for MPS' NE Substation. The results of the Phase I ESA will also be used in designing the future substation. The proposed cost of Task Order No. 3 with Terracon includes an amount not to exceed \$2,800, and is included in MPS' budget.

KEY ISSUES:

- Due to the age of the substation and its equipment, the NE Substation is due for major upgrades and replacements.
- On April 16, 2024, MPS entered into a Task Order Agreement for Professional Services with Terracon.
- MPS purchased land in order to relocate its existing Northeast Substation.
- Terracon has performed soil boring, resistivity testing, and environmental testing to mitigate risks associated with poor soil conditions or past environmental issues.
- Task Order No. 3 is to prepare a report on a Phase I Environmental Site Assessment (ESA) that will include identifying RECs, a review of PFAS, description of physical setting, historical use information, a review of regulatory records, and site and adjoining/surrounding property reconnaissance of the new location for MPS' NE Substation.

FINANCIAL CONSIDERATIONS:

- The proposed cost of Task Order No. 3 with Terracon includes an amount not to exceed \$2,800, and is included in MPS' budget.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Travis L. Schmidt", written in a cursive style.

Travis L. Schmidt
General Manager

Division/Response Person: Taylor Holte, Project Engineer.

Attachments: Available upon request.



Moorhead Public Service Commission Agenda Item #13 – October 21, 2025

Award Bid for 2025/2026 Tree Trimming

RECOMMENDATION:

The General Manager respectfully requests the Commission award the bid for 2025/2026 Tree Trimming to Carr's Tree Service, Inc., in the amount of \$269,300.

BACKGROUND:

Moorhead Public Service (MPS) staff sent out seven bid notification letters for tree trimming on the north side of Moorhead and posted the specifications on QuestCDN. At the bid opening on October 8, 2025, MPS staff received two bids (see attached bid tabulation sheet). The lowest, qualified bidder was Carr's Tree Service, Inc., (Carr's) in the amount of \$269,300.00, and Carr's successfully passed the Contractor Safety Pre-Qualification Checklist.

One-half of the tree trimming is expected to occur in 2025, with the remainder of the tree trimming scheduled for 2026. The tree trimming work is to be completed by the end of March 2026. The 2025 Electric Division's operations budget includes approximately \$136,850 for tree trimming. The remainder of the cost will be budgeted for in the 2026 Electric Division's operations budget. The last time the north side of Moorhead was trimmed was during the winter of 2023/2024 in the amount of \$250,000. The cost increase from the last time the north side was trimmed is due to an increase in labor, equipment, and fuel costs.

MPS staff recommends awarding Bid Item #1 and Alternate Bid Item #1 to Carr's, in the amount of \$269,300. MPS has had a satisfactory working relationship with Carr's since 1998. We anticipate a continued good working relationship with Carr's. The tree trimming is necessary for the continued reliability of electric service and for public safety. There is less damage to the trees when they are trimmed on a two-year cycle, compared to a three-or four-year cycle, as some utilities use.

YEAR	NORTH SIDE	SOUTH SIDE
Winter 2015-2016	\$126,571.53	
Winter 2016-2017		\$129,286.25
Winter 2017-2018	\$144,800.00	
Winter 2018-2019		\$133,895.00
Winter 2019-2020	\$193,775.00	
Winter 2020-2021		\$169,895.00
Winter 2021-2022	\$249,900.00	
Winter 2022-2023		\$229,900.00
Winter 2023-2024	\$250,000.00	
Winter 2024-2025		\$263,895.00
Winter 2025-2026	\$269,300.00	

KEY ISSUES:

- The tree trimming is necessary for the continued reliability of electric service and for public safety.
- MPS has had a satisfactory working relationship with Carr's since 1998.
- One-half of the tree trimming is expected to occur in 2025, with the remainder of the tree trimming scheduled for 2026.
- The cost increase from the last time the north side was trimmed is due to an increase in labor, equipment, and fuel costs.

FINANCIAL CONSIDERATIONS:

- Carr's was the lowest, qualified bidder in the amount of \$269,300.
- MPS staff estimates that one-half of the cost of tree trimming will be spent in 2025, and the remaining cost will be expended in 2026 for the rest of the trimming.

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:
Bid Tabulation Sheet



**Bid Tabulation Sheet
for
Tree Trimming
2025/2026**

October 8, 2025, at 2:00 PM

BIDDER NAME	BID BOND OR CC	<u>BID ITEM #1:</u> TREE TRIMMING TOTAL PRICE	<u>ALTERNATE ITEM #1:</u> REMOVE 9 TREES TOTAL PRICE	TOTAL BID PRICE
Carr's Tree Service, Inc.	10%	\$264,900	\$4,400	\$269,300
New Age Tree Service of MN	CC	\$521,490	\$6,200	\$527,690



Moorhead Public Service Commission Agenda Item #14 – October 21, 2025

Award Bids for 2026 Electrical Materials

RECOMMENDATION:

The General Manager respectfully requests the Commission award the bids for 2026 electrical materials to the lowest, qualified bidders meeting the specifications, as shown on the attached bid tabulation sheet.

BACKGROUND:

Moorhead Public Service (MPS) received bids from five suppliers at the bid opening on October 8, 2025. One bid was returned unopened as it was received after the bid opening. All of the bids that MPS received were on time and met the requirements of the specifications. The delivery times for wire and transformers varied among manufacturers; however, all delivery times were reasonable.

The prices for certain materials are showing some signs of stability. Transformer manufacturing continues to suffer from supply chain issues and market volatility; however, bid pricing came in below staff's estimated prices for the first time in years. The recommended list of materials to be awarded has been revised based on the factors of need, pricing, and lead times. Materials that are not being awarded are shown in strikethrough in the table below. The overall pricing for 2026 electrical materials is \$544,214.90, which is 39 percent lower than the estimated amount of \$887,900.00.

MATERIAL DESCRIPTION	QTY.	ESTIMATED COST	LOW BIDDER RESULT
1/0 Primary 15 kV Primary (20 reels)	54,000'	\$194,400.00	\$173,880.00
250 MCM Triplex Secondary (15 reels)	15,000'	\$70,500.00	\$37,200.00
4/0 AWG Triplex Secondary (15 reels)	15,000'	\$49,500.00	\$27,024.90
Transformer – Padmount Single Phase – 50 KVA	25	\$150,000.00	\$119,375.00
Transformer – Padmount Three-Phase 277/480 – 750 KVA	1	\$60,000.00	\$35,470.00
Transformer – Padmount Three-Phase 277/480 – 1,000 KVA	1	\$70,000.00	\$38,500.00
Transformer – Padmount Three-Phase 277/480 – 1,500 KVA	2	\$300,000.00	\$87,690.00
600 Amp Padmount Switch – 2x2	5	\$102,500.00	\$103,350.00
600 Amp Padmount Switch – 3x1	2	\$41,000.00	\$41,100.00
TOTAL		\$887,900.00	\$544,214.90

The cable prices are subject to metals escalation/de-escalation. As a result, the actual price that will be paid for the cable may vary based on pricing of the metals at the time of manufacture.

Attached is the transformer bid evaluation sheet that MPS staff uses to evaluate the total life-cycle owning cost. The low bid is the sum of the initial bid price, plus the expected cost of buying power to supply the internal losses of the transformers. This results in a more efficient transformer and keeps MPS' distribution system losses low. Bid Item #4 (50 kVA, Single-Phase Padmount Transformer) was not awarded, as staff sought clarification on potential market volatility and anticipated lead times for potential future needs.

These materials become part of the capital projects for replacements, transformers, extensions, and upgrades of MPS' distribution system. MPS has done its best to weather the supply chain issues over the past few years, and the outlook is promising that the issues will subside over the next few years and pricing will continue to stabilize.

Some of the known major projects for 2026 are:

- Southside Fire Station Overhead-to-Underground Conversion
- Sharps 1st Addition Overhead-to-Underground Conversion
- Woodlawn Lift Station Conversion
- Partridge Creek Subdivision
- Prairie Parkway 2 Subdivision

KEY ISSUES:

- The cable prices are subject to metals escalation/de-escalation.
- These materials become part of the capital projects for replacements, transformers, extensions, and upgrades of MPS' distribution system.

FINANCIAL CONSIDERATIONS:

- The overall pricing for 2026 electrical materials is \$544,214.90, which is 39 percent lower than the estimated amount of \$887,900.00.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Adam Benhardt, Construction Manager.

Attachments:

Bid Tabulation Sheet

Transformer Bid Evaluation Sheet



**Bid Tabulation Sheet
for
2026 Electrical Materials**

October 8, 2025, at 3:00 pm

		54,000'	15,000	15,000	25	1	1
BIDDER	BID BOND OR CASHIER'S CHECK	BID ITEM #1: 1/0 AWG, 15 kv Dist. Cable, 220 mil Insulation (20 reels) Price/Foot	BID ITEM #2: 250-3/0-250AWG, 600 Volt Underground Service Cable (Pratt) Price/Foot	BID ITEM #3: 4/0-2/0-4/0AWG, 600 Volt Underground Service Cable (Sweetbriar) Price/Foot	BID ITEM #4:* 50 kVA, Single- Phase Padmount Transformer, 12.47/7.2 Volt Primary, 240/120- Volt Secondary Price Each	BID ITEM #5: 750 kVA, Three- Phase Padmount Transformer, 12.47/7.2 Volt Primary, 480Y/277 Volt Secondary Price Each	BID ITEM #6: 1000 kVA, Three- Phase Padmount Transformer, 12.47/7.2 Volt Primary, 480Y/277 Volt Secondary Price Each
Border States Industries, Inc.	B.B.	\$ 175,675.50	\$ 39,547.80	\$ 30,043.80	\$ 86,040.50	\$ 36,585.99	\$ 41,263.80
Border States Industries, Inc. (Alternate)		\$ -	\$ -	\$ 28,526.40	\$ -	\$ -	\$ -
Graybar Electric Company, Inc.	B.B.	\$ 210,060.00	\$ 39,473.70	\$ 31,421.10	\$ 150,194.50	\$ 36,733.07	\$ 42,597.95
JT Services of Minnesota	Check	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESCO	B.B.	\$ 188,437.32	\$ 41,220.90	\$ 27,024.90	\$ 119,375.00	\$ 35,470.00	\$ 38,500.00
Stuart C. Irby Company	B.B.	\$ 173,880.00	\$ 37,200.00	\$ 27,900.00	\$ -	\$ -	\$ -

*Bid Item #4 was not awarded, as staff sought clarification on market volatility and lead times for future needs.



Bid Tabulation Sheet
for
2026 Electrical Materials
October 8, 2025, at 3:00 pm

	2	5	2
<u>BIDDER</u>	BID ITEM #7: 1500 kVA, Three-Phase Padmount Transformer, 12.47/7.2 Volt Primary, 480Y/277 Volt Secondary Price Each	BID ITEM #8: Two-Way 600 Amp Padmount Switches with Two Fusible Load Taps (include fuse-end fittings) Price Each	BID ITEM #9: Three-Way 600 Amp Padmount Switches with One Fusible Load Tap (include fuse-end fittings) Price Each
Border States Industries, Inc.	\$ 114,854.22	\$ 124,467.30	\$ 50,750.26
Border States Industries, Inc. (Alternate)	\$ -	\$ -	\$ -
Graybar Electric Company, Inc.	\$ 160,780.88	\$ -	\$ -
JT Services of Minnesota	\$ -	\$ 128,425.00	\$ 49,040.00
RESCO	\$ 87,690.00	\$ 128,625.00	\$ 49,560.00
Stuart C. Irby Company	\$ -	\$ 103,350.00	\$ 41,100.00

Moorhead Public Service
Transformer Bid Evaluation
October 8, 2025

NO LOAD LOSS COST/KW = \$7,600.00 LOAD LOSS COST/KW = \$5,750.00		Item #4 50 KVA Pad 1 Phase 12,470/7,200 240/120	Item #5 750 KVA Pad 3 Phase 12,470/7,200 480Y/277	Item #6 1000 KVA Pad 3 Phase 12,470/7,200 480Y/277
<u>Vendor</u>	<u>Manufacturer</u>	<u>25</u>	<u>1</u>	<u>1</u>
BSE	Eaton Cooper	\$3,441.62	\$36,585.99	\$41,263.80
RESCO	ERMCO	\$4,775.00	\$35,470.00	\$38,500.00
Stuart Irby				
Wesco				
WEG Transformer				
NO LOAD LOSS SHEET				
BSE	Eaton Cooper	125	1,138	1,371
RESCO	ERMCO	51	1,095	1,522
Stuart Irby				
Wesco				
WEG Transformer				
LOAD LOSS SHEET				
BSE	Eaton Cooper	501	5,468	6,720
RESCO	ERMCO	324	4,157	5,524
Stuart Irby				
Wesco				
WEG Transformer				
LOSS ADJUSTED BIDS				
BSE	Eaton Cooper	\$7,272.37	\$76,675.79	\$90,323.40
RESCO	ERMCO	\$7,025.60	\$67,694.75	\$81,830.20
Stuart Irby				
Wesco		\$0.00		
WEG Transformer				
LOWEST LIFE CYCLE COST Per Unit		\$0.00	\$67,694.75	\$81,830.20
\$160,010.50 Total Initial Cost		\$86,040.50	\$35,470.00	\$38,500.00
LEAD TIME		14-16 Weeks	14-16 Weeks	14-16 Weeks

*Power Partners is not an approved Manufacturer

NO LOAD LOSS COST/KW = \$7,600.00 LOAD LOSS COST/KW = \$5,750.00		Item #7 1500 KVA Pad 3 Phase 12,470/7,200 480Y/277		
<u>Vendor</u>	<u>Manufacturer</u>	2		
BSE	Eaton	\$57,427.11		
RESCO	ERMCO	\$43,845.00		
Stuart Irby	Howard (Silicon)			
Wesco				
WEG Transformer				
** NO LOAD LOSS SHEET **				
BSE	Eaton	1,981		
RESCO	ERMCO	1,866		
Stuart Irby	Howard (Silicon)			
Wesco				
WEG Transformer				
*** LOAD LOSS SHEET ***				
BSE	Eaton	9,346		
DSG	WEG			
RESCO	ERMCO	10,140		
Stuart Irby	Howard (Silicon)			
Wesco				
WEG Transformer				
** LOSS ADJUSTED BIDS **				
BSE	Eaton	\$126,222.21		
DSG	WEG			
RESCO	ERMCO	\$116,331.60		
Stuart Irby	Howard (Silicon)			
Wesco				
WEG Transformer				
LOWEST LIFE CYCLE COST Per Unit		\$116,331.60		
\$87,690.00 Total Initial Cost		\$87,690.00		
** LEAD TIME **		14-16 Weeks		

*Power Partners is not an approved Manufacturer

Approve Statement of Work with Advanced Utility Systems for MPS' Customer Information System Upgrade

RECOMMENDATION:

The General Manager respectfully requests the Commission approve the Statement of Work with Advanced Utility Systems for Moorhead Public Service's Customer Information System upgrade, contingent upon final legal approval, and authorize the General Manager to execute the Statement of Work.

BACKGROUND:

Late in 2005, Moorhead Public Service (MPS) selected Advanced Utility Systems (Advanced) to provide a new utility billing system at a cost of approximately \$388,000. Since implementing the Customer Information System (CIS) product in 2006, significant upgrades have been made, including the automation of customer payment processing in 2007 and the launch of online customer service and bill payment capabilities in 2008. Further enhancements to CIS were made in 2013 with the upgrade from Version 2 to Version 3 at a cost of \$41,250, which included the automation of customer payment processing. Additionally, periodic updates were implemented for various minor changes in accordance with annual maintenance contracts with Advanced.

MPS' current focus with CIS includes customer accounts and services, rates, billing, cash and collections, service orders, meter inventory, and Advanced Metering Infrastructure (AMI). With the upgrade to Version 5, CIS will have the capability to share and input data into other systems, such as outage management, GIS mapping, transformer loading, and other engineering software. The upgrade will also provide full integration with MPS' AMI system.

As one of the few remaining users of CIS Version 3, MPS has been encouraged by Advanced to upgrade to Version 5. Staff takes a conservative approach to implementing major software upgrades, such as utility billing and SCADA systems, by ensuring that new versions are thoroughly tested and that the associated costs provide measurable value. While Advanced still supports Version 3, it no longer provides upgrades on that platform.

Version 5 includes the following processing and database enhancements:

- The local system access control tables and free tables have been moved to the backend.
- The ability to perform faster and accurate data and field searches using enhanced processes, classes, and functions.
- An enhanced system maintenance routine to provide faster data retrievals and reduce the overall database size.

Version 5 also includes the following user enhancements:

- Automated workflow with expanded action types and criteria.
- Tracking of additional information with user-defined fields.
- Added custom search options.
- Summarize customer key information on a configurable dashboard.
- Specify multiple draw dates for pre-authorized payments.
- Improved reporting capabilities allow reports to be generated using past dates, helping month-end processes run more smoothly and reducing time sensitivity.

- A true multi-speak compliant software interface designed for integration into GIS, AMI engineering, outage management, and other software platforms.
- A new web-based user interface that will enable easier and more efficient management of the application for MPS.

The Statement of Work for the upgrade to CIS Version 5 indicates a fixed cost of \$977,046, which includes the Service-Link Mobile Workforce Management System. This system will enable MPS to electronically dispatch service orders to the appropriate service vehicle. Additionally, the SilverBlaze Customer Self-Serve Portal will be integrated with MPS' AMI system.

KEY ISSUES:

- MPS has been using Version 3 of Advanced's CIS program since 2013. The cost of Version 3 was \$41,250.
- MPS' current focus with CIS includes customer accounts and services, rates, billing, cash and collections, service orders, meter inventory, and AMI.
- MPS has been encouraged by Advanced to upgrade to Version 5.
- Version 5 offers processing and database enhancements, and user enhancements.

FINANCIAL CONSIDERATIONS:

- The Statement of Work for the upgrade to CIS Version 5 indicates a fixed cost of \$977,046, which includes the Service-Link Mobile Workforce Management System and the SilverBlaze Customer Self-Serve Portal.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Kurt McClain, IT Division Manager.

Attachments: Available upon request.

Approve Task Order No. 12 with Apex Engineering Group for Engineering Services for MPS' 2026 Watermain Improvement Projects

RECOMMENDATION:

The General Manager respectfully requests the Commission approve Task Order No. 12 with Apex Engineering Group, Inc., for engineering services related to Moorhead Public Service's 2026 Watermain Improvement Projects in an amount not to exceed \$198,154, contingent upon final legal approval.

BACKGROUND:

Similar to many communities, Moorhead Public Service (MPS) faces the significant challenge of aging water infrastructure throughout its water distribution network. American Water Works Association's (AWWA's) report titled "Buried No Longer" estimates the cost requirement for replacing pipes at the end of their useful lives will total more than \$1 trillion, nationwide, between 2011 and 2035. MPS' current strategic goal is to replace approximately 1.25 miles of cast-iron (CI) watermain annually. On September 24, 2013, the Commission approved MPS' Watermain Asset Management Plan (WAMP) to aid in planning for long-term replacement of distribution assets. Generally, the purpose of the WAMP is to provide staff with information and guidance regarding the determination of future watermain replacement funding levels, as well as serving as an advisory document for prioritizing watermain replacement projects. One of the goals of the WAMP is to prioritize the replacement of (CI) watermains installed from 1920 to 1970, which are subject to watermain breaks as a result of corrosion and mechanical failure.

MPS staff continues to work with City of Moorhead (City) staff to identify areas where watermain replacement could be constructed concurrently with street improvements in 2026. The current MPS-planned watermain replacement areas are identified in Table 1 below:

Table 1: 2026 Watermain Improvement Projects

Proposed Project Location	Bid/Self Perform	Existing Size of Watermain	Proposed Size of New Watermain	Approximate Footage
17th Street (1st Ave to 8th Ave N)	Self-Perform	6-inch CI	8-inch PVC	3,000
4th Avenue (14th St to 18th St N)	Self-Perform	6-inch CI	6-inch PVC	1,500
8th Street East Frontage Rd (20th Ave to 22nd Ave S)	Self-Perform	6-inch CI	6-inch PVC	600
19th Street South (5th Ave to 6th Ave S)	Self-Perform	6-inch CI	8-inch PVC	600
8th Street South Improvements Area	Bid	12-inch CI	12-inch PVC	2,000

Coordination between MPS and the City contributes to significant savings when watermain replacement can coincide within a street improvement project area. MPS staff and City staff have been planning and working together to coordinate and schedule various construction methods that meet the needs of both projects. MPS is proposing to complete approximately 7,200 feet of watermain replacement and has preliminarily budgeted \$1,700,000 in the 2026 Water Division budget to complete the design and construction of the 2026 Watermain Improvement Projects. MPS crews are currently scheduled to construct approximately 5,200 feet of watermain replacement, while 2,000 feet of watermain replacement is scheduled to be bid and contracted in 2026.

On December 18, 2018, the Commission approved a master Task Order Agreement between MPS and Apex Engineering Group, Inc., (Apex). The Task Order standard form with Apex was generated from the Agreement between Owner and Engineer for Professional Services – Task Order Edition, EJCDC E-505, which was revised by MPS staff and legal counsel to include contractual requirements specific to MPS. This standard form has been utilized and approved by the Commission in the past for MPS to enter into agreements for professional services. MPS is requesting the approval of Task Order No. 12 (available upon request) with Apex to complete engineering services for MPS' 2026 Watermain Improvement Projects.

KEY ISSUES:

- MPS staff continues to work with City staff to identify areas where watermain replacement could be constructed concurrently with street improvements in 2026.
- MPS is proposing to complete approximately 7,200 feet of watermain replacement for the 2026 Watermain Improvement Projects.

FINANCIAL CONSIDERATIONS:

- The total cost of Task Order No. 12 with Apex includes a not-to-exceed amount of \$198,154 to complete engineering services associated with MPS' 2026 Watermain Improvement Projects.
- MPS has preliminary budgeted \$1,700,000 in the 2026 Water Division budget to complete the design and construction of MPS' 2026 Watermain Improvement Projects.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Jake Long, Water Distribution Manager.

Attachments: Available upon request.

Approve Summary of Conclusions of Performance Evaluation of the General Manager

RECOMMENDATION:

The Administration and Finance Manager respectfully requests the Commission approve the summary of conclusions of the performance evaluation of the General Manager.

BACKGROUND:

On September 15, 2020, the Moorhead Public Service Commission approved the Employment Agreement Between Moorhead Public Service and Travis Schmidt (Employment Agreement) for the General Manager position. The terms of the Employment Agreement require that a performance review be completed annually.

On September 23, 2025, the Commission held a closed meeting to evaluate the performance of the General Manager pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(a). A Summary of Conclusions of Performance Evaluation has been prepared by Chairperson Paulsen as part of this item.

FINANCIAL CONSIDERATIONS: None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Moilanen", written over a horizontal line.

Mark Moilanen
Administration and Finance Manager

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

Attachments:

Summary of Conclusions of Performance Evaluation (PSC Only)

Approve Compensation for the General Manager

RECOMMENDATION:

The Administration and Finance Manager respectfully requests the Commission approve a compensation adjustment for the General Manager based upon the General Manager's recent performance evaluation.

BACKGROUND:

On September 23, 2025, the Commission held a closed meeting to evaluate the performance of the General Manager pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(a).

Administration and Finance Manager Mark Moilanen has provided the Commission with recommended options for a compensation adjustment for the General Manager.

FINANCIAL CONSIDERATIONS:

- Compensation adjustments for all Moorhead Public Service employees are included in the 2025 budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Moilanen".

Mark Moilanen
Administration and Finance Manager

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

Attachments: None.