MOORHEAD PUBLIC SERVICE COMMISSION

MEETING AGENDA

Tuesday, October 20, 2026 - 4:30 PM

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

Commissioners:
Matthew Leiseth, Chairperson
Paul Baker, Vice Chairperson
Lisa Borgen, Secretary
Amy Lammers
Steve Lindaas
Jason Ness

Travis L. Schmidt, General Manager

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

1. Call to Order

2. Approve Agenda

3. Approve Consent Agenda

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

***4. Approve Minutes of September 22, 2026**

***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 Report #1 on MPS' Proposed 2027 Budget**
   e. **Accept Report on Electric Service Extension Surcharges**
   f. **Accept Report on MRES' Smart Energy Squad School Program**

*10. **Approve Specifications and Authorize Advertisement for Bids for Furnishing Major Materials at MPS' Northeast and Southeast Substations**

11. **Approve Moorhead's Continuation of 100 Percent Net-Zero Carbon Power Supply Through MRES' Bright Energy Choices Program for 2027**

12. **Award Bid for 2026/2027 Tree Trimming**

*13. **Approve Task Order No. 16 with Apex Engineering Group for Engineering Services for MPS' 2027 Watermain Improvement Projects**

*14. **Approve Agreement with USI Consulting Group for GASB 75 Compliance**

15. **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**

16. **Approve Sponsorship Request from Spread Your Sunshine for The Joy Project**

17. **Approve Amended Policy on Payroll Administration**

18. **Close Meeting for Executive Session (if needed)**

19. **Upcoming Meetings**
   a. **Public Service Commission Meetings**
      November 3, 2026 (if needed)
      November 17, 2026
   b. **Meeting Opportunities for Commissioners[(A)]**
      - **Midwest Energy Summit**
        November 18, 2026, West Fargo, ND
      - **APPA's 2027 Legislative Rally**
        March 1-3, 2027, Washington, DC

20. **Adjourn**

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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.awwa.org
MN AWWA = American Water Works Association-Minnesota Section - www.mnawwa.org
MRWA = Minnesota Rural Water Association - www.mrwa.com

Minutes of the Moorhead Public Service Commission
Hjemkomst Center, Auditorium
Tuesday, September 22, 2026 – 4:30 PM

MEMBERS PRESENT: Paul Baker (Interactive Technology—Personal), Lisa Borgen, Amy Lammers, Matthew Leiseth, Steve Lindaas, and Jason Ness

MEMBERS ABSENT: None

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

1. CALL TO ORDER.

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

2. APPROVE AGENDA.

Commissioner Lindaas made a motion to approve the agenda. Commissioner Ness seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

3. APPROVE CONSENT AGENDA.

Commissioner Lindaas made a motion to approve the consent agenda. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, 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 25, 2026.

Commissioner Lindaas made a motion to approve the minutes of August 25, 2026. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

*5. APPROVE BILLS FOR PAYMENT.

Commissioner Lindaas made a motion to approve the bills for payment. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

***6. APPROVE SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR 2026/2027 TREE TRIMMING.**

Commissioner Lindaas made a motion to approve the specifications and authorize advertisement for bids for 2026/2027 tree trimming. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

***7. APPROVE EASEMENT AGREEMENT WITH EIP HOLDINGS IV, LLC, FOR ACCESS TO MPS' MOORHEAD SUBSTATION PROPERTY.**

Commissioner Lindaas made a motion to approve the Easement Agreement with EIP Holdings IV, LLC, for providing access to Moorhead Public Service's Moorhead Substation Property, contingent upon final legal approval. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

***8. ACCEPT PETITION FOR INSTALLATION OF WATER AND ELECTRIC SERVICES FOR PARTRIDGE CREEK 2ND ADDITION.**

Commissioner Lindaas made a motion to accept the petition for the installation of water and electric services for Partridge Creek 2nd Addition in the city of Moorhead in accordance with Minnesota Statute §429.031, Subdivision 2. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

***9. APPROVE SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR 2027 WATER TREATMENT AND WASTEWATER TREATMENT CHEMICALS.**

Commissioner Lindaas made a motion to approve the specifications and authorize the advertisement for bids for 2027 water treatment and wastewater treatment chemicals. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

***10. APPROVE TASK ORDER NO. 15 WITH APEX ENGINEERING GROUP FOR MPS' 20TH AVENUE GROUND STORAGE RESERVOIR IMPROVEMENTS PROJECT.**

Commissioner Lindaas made a motion to approve Task Order No. 15 with Apex Engineering Group, Inc., for professional services for Moorhead Public Service's 20th Avenue Ground Storage Reservoir Improvements Project. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

11. CUSTOMERS TO BE HEARD/RECOGNITIONS.

There were no customers to be heard or recognitions made.

12. OLD BUSINESS.

There was no old business to discuss.

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13. REPORTS.

City Council
Commissioner Borgen stated that the Moorhead City Council continues to work on its 2027 budget and conducts workshops to explore various opportunities.

Public Service Commission.
Commissioner Ness provided a brief update on the Moorhead Economic Development Authority's discussion regarding Essentia Health's move to downtown Moorhead and other opportunities to support local businesses.

General Manager's Report.
General Manager Travis Schmidt provided an introduction to the General Manager's Report, which included updates on the statewide electric rate comparisons, OSHA's 2026 Process Safety Management and EPA's Risk Management Program Compliance Audit, MPS' Backflow and Cross-Connection Program, MPS' Water Treatment Plant tour, and staff's participation in the Teachers' Wish Lists School Supply Drive and the Greater Moorhead Days Parade.

Assistant Water Plant Supervisor Jason Yonke provided an update on the compliance audit required by OSHA and EPA for MPS' Risk Management Program. Yonke also provided information on MPS' Backflow and Cross-Connection Program. Yonke responded to questions of the Commission. Water Plant Manager Marc Pritchard stated that he and Yonke led a tour of MPS' Water Treatment Plant for 30 members of the Red River Basin Commission.

Accept Report on Contract Extension for Hauling and Beneficial Use Services for Lime Residuals from MPS' Water Treatment Plant.
Water Plant Manager Marc Pritchard provided information on the tiered pricing updates included in the one-year contract extension with the Successor in Interest of Border States Paving—Evergreen ND, LLC. Pritchard responded to questions of the Commission. Discussion was held.

Commissioner Ness made a motion to accept the report on the one-year contract extension for hauling and beneficial use of services for lime residuals from Moorhead Public Service's Water Treatment Plant to the Successor in Interest of Border States Paving, Inc., Evergreen ND, LLC, with tiered pricing updates of $35.00, $65.00, and $85.00 per cubic yard for 2027. Commissioner Borgen seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

14. APPROVE BTMG CAPACITY LETTER AGREEMENT WITH MISSOURI RIVER ENERGY SERVICES.

General Manager Travis Schmidt and Electric Project Engineer Taylor Holte provided an overview of the Behind-the-Meter Generation Capacity Letter Agreement with Missouri River Energy Services for additional generation.

Commissioner Borgen made a motion to approve the Behind-the-Meter Generation Capacity Letter Agreement with Missouri River Energy Services, contingent upon final legal approval, and authorize the General Manager to execute the Capacity Letter Agreement. Commissioner Lindaas seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

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15. APPROVE AMENDED POLICY ON EXPENDITURES, CONTRACT CHANGE ORDERS, WORK CHANGE DIRECTIVES, AND SUPPLEMENTAL AGREEMENTS AND RESCIND POLICIES ON EXPENDITURES AND PURCHASING.

General Manager Travis Schmidt provided an overview of the Commission policies that were consolidated into a single policy to eliminate duplication and provide greater clarity regarding purchasing and expenditure requirements. Schmidt responded to questions of the Commission.

Commissioner Lindaas made a motion to approve and rescind the following Commission policies:

1. ***Approve amended Policy on Expenditures, Contract Change Orders, Work Change Directives, and Supplemental Agreements (fka Policy on Contract Change Orders, Work Change Directives, and Supplemental Agreements);***
2. ***Rescind Policy on Expenditures; and***
3. ***Rescind Policy on Purchasing.***

Commissioner Lammers seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

16. CLOSE MEETING FOR EXECUTIVE SESSION.

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

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

PRESENT IN CLOSED SESSION WERE: COMMISSIONERS PAUL BAKER, LISA BORGEN, AMY LAMMERS, MATTHEW LEISETH, STEVE LINDAAS, AND JASON NESS; GENERAL MANAGER TRAVIS SCHMIDT (JOINED EXECUTIVE SESSION AT 6:00 PM); STAFF MEMBERS MARK MOILANEN AND KATIE KEMPER; MPS ATTORNEY JOHN BOULGER.

[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 6 (if needed) and October 20, 2026.

18. ADJOURN.

The meeting adjourned at 6:49 PM.

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The minutes herein are approved on this 20th day of October 2026.

APPROVED BY:	***ATTEST:***
Matthew Leiseth	***Lisa Borgen***
Chairperson [i]	***Secretary*** [i]

[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.

DRAFT

General Manager's Report

1. **Public Power Week Events.**
On October 5, 2026, Moorhead Public Service (MPS) hosted a Public Power Week community engagement event, "Meet Your MPS Team," at the Moorhead Public Library located in The Loop. The event provided customers with an opportunity to meet MPS staff, ask questions, learn more about MPS' services, and received informational materials and promotional items.

   On October 9, 2026, MPS supported the City of Hillsboro at its Touch-a-Truck event during Public Power Week. The event offered families and children an up-close look at the equipment used to serve communities every day.

2. **Water Treatment Plant Lab Audit.**
MPS' Water Treatment Plant laboratory is accredited by the Minnesota Department of Health (MDH) to perform qualitative testing for total coliform and *E. coli* in potable water. This accreditation is vital for quality control testing of treated water and ensures that distributed water meets MDH's guidelines for microbiological removal. To maintain MDH accreditation, MPS' laboratory must undergo an assessment by an auditor approved by the MDH Environmental Laboratory Accreditation Program (MNELAP). The assessment was conducted on October 6, 2026, and no deficiencies were found in MPS' processes.

3. **Imagine A Day Without Water.**
Imagine a Day Without Water is an annual event organized by the Value of Water Campaign in partnership with American Water Works Association. The event brings communities, utilities, and leaders together to raise awareness of the importance of water infrastructure and the essential role water plays in our daily lives. It also highlights how reliable water systems support public health, economic activity, and daily business operations, while encouraging people to consider what life would be like without water. On October 15, 2026, MPS participated in the campaign by sharing educational information and raising awareness on its social media platforms.

4. **MPS Participated in Red River Water Festival.**
The annual Red River Water Festival, sponsored by River Keepers of Fargo-Moorhead, was held at the Hjemkomst Center September 17-18 and September 21-23, 2026. MPS' Water Division staff led the "Water Treatment Plant Officer" activity in coordination with the City of Fargo Water Treatment Plant staff. This activity teaches students how water is sourced from the Red River and local aquifers and treated to meet drinking water standards. Students participated in a hands-on demonstration illustrating how solids are removed through settling and filtration. As in previous years, this activity was well received by both students and event organizers.

5. **MPS Participated in Pumpkin Party Pick-Up.**
On October 15, 2026, MPS continued its commitment to community engagement by sponsoring the Pumpkin Party Pick-Up, hosted by Moorhead Parks and Recreation at Viking Ship Park, and by having staff participate in the event. This family-friendly event invited community members to pick up a pumpkin and paint kit to decorate at home and submit photos of their creations for a chance to win a Halloween prize. The event provided a fun opportunity to celebrate the fall season, encourage creativity, and connect with families in our community.

6. **Thank You Note from Moorhead Sausage Fest.**
Attached is a note from Moorhead Sausage Fest thanking MPS for sponsoring the event held on September 26, 2026, at First Presbyterian Church of Moorhead.

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



Moorhead Public Service & Staff,

Thank you so much for again being the Platinum Sponsor for Moorhead Sausage Fest. Your generosity allows everyone to have shelter - much needed this year. We greatly appreciate your partnership which allows this to be a successful community event.

MSF Sausage Fest.

Accept Report #1 on MPS' Proposed 2027 Budget

RECOMMENDATION:

The General Manager respectfully requests the Commission accept Report #1 on Moorhead Public Service's proposed 2027 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 2027 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 provided City staff with the preliminary 2027 estimated transfer amounts to the City.

The Commission has taken the following actions that will impact MPS' 2027 budget, rates, and financial forecasts:

February 2026

- Award Bid for Furnishing 115 kV IPO Breakers at MPS' Northeast and Southeast Substations

April 2026

- Approve Task Order No. 15 for Moorhead DOE Substation KV1A Transformer Replacement and Amendment No. 1 to Task Order No. 11 for Centennial Substation Differential Relays Upgrade with DGR Engineering
- Approve Specifications and Authorize Advertisement for Bids for Furnishing 15 kV Indoor Metalclad Switchgear at MPS' Northeast and Southeast Substations

May 2026

- Approve Task Order No. 17 with DGR Engineering for Northeast Substation Transmission Line Extension Project

June 2026

- Award Bid for Furnishing 15 kV Indoor Metalclad Switchgear at MPS' Northeast and Southeast Substations
- Approve Resolution and Declaration of Intent to Approve Potential Bond Sale in 2027 or 2028

July 2026

- Approve Specifications and Authorize Advertisement for Bids for 2027 Electrical Materials

August 2026

- Approve Specifications and Authorize Advertisement for Bids for Furnishing KV1A Transformer at MPS' Moorhead DOE Substation
- Approve Task Order No. 5 with Terracon Consultants for Geotechnical Engineering Services at MPS' Southeast Substation
- Award Bids for 2027 Electrical Materials

August 2026 (Continued)

- Award Bid for MPS' 115 kV Transmission Line Upgrade Project from the Fargo Substation to the Sheyenne Diversion
- Approve Task Order Agreement for Professional Services with GeoGraph Technologies, LLC, Task Order No. 1 for Miscellaneous GIS Services, and Task Order No. 2 for MPS' Fiber Conversion Project

September 2026

- Approve Specifications and Authorize Advertisement for Bids for 2026/2027 Tree Trimming
- Approve BTMG Capacity Letter Agreement with Missouri River Energy Services
- Approve Easement Agreement with EIP Holdings IV, LLC, for Access to MPS' Moorhead Substation Property
- Accept Petition for Installation of Water and Electric Services for Partridge Creek 2nd Addition
- Approve Specifications and Authorize Advertisement for Bids for 2027 Water Treatment and Wastewater Treatment Chemicals
- Approve Task Order No. 15 with Apex Engineering Group for MPS' 20th Avenue Ground Storage Reservoir Improvements Project

On October 5, 2026, the Commission's Budget Working Group, comprised of Commissioners Paul Baker, Matthew Leiseth, and Jason Ness, met with staff to review and discuss MPS' current and future projects, additional items that could affect future rates, and the projected rates for 2027. The group's consensus was to present proposed rate increases of 2.5 percent overall for electric services and 5.25 percent overall for water services at MPS' Electric and Water Rate Hearings scheduled for October 20, 2026.

KEY ISSUES:

On October 5, 2026, staff presented preliminary operating and long-term capital project planning information to the Commission's Budget Working Group.

- Electric Division:
  - After reviewing preliminary inputs and discussing key items, the Budget Working Group agreed to present a proposed overall rate increase of 2.5 percent for 2027. This proposed increase falls within the previously communicated potential range of 0 percent to 4.0 percent for 2027 electric rates.
  - Preliminary information from MPS' purchased power providers indicated that only Missouri River Energy Services (MRES) will have a rate increase in 2027. Information received from MRES indicated they will likely approve a 4.4 percent increase for power purchased from them in 2027. MRES also indicated that transmission costs are likely to increase by 5.0 percent in 2027.
  - The Budget Working Group reviewed the history and mechanics of the second Electric Fund Transfer Agreement with the City, which expires on December 31, 2026. The group was comfortable with the projected 2027 impact, which assumes a $125,000 annual increase in the floor of the General Fund transfer and the anticipated continuation of the current terms under the next agreement.

- Water Division:
  - After reviewing preliminary inputs and discussing key items, the Budget Working Group agreed to present a proposed overall rate increase of 5.25 percent for 2027. This proposed increase falls within the previously communicated potential range of 3.0 percent to 7.0 percent for 2027 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 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 the provision of electric service to former customers of another utility, such as in the cases 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 into 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 to purchase electric facilities and customers. The negotiated purchase price may include existing electric facilities, lost revenues, and reintegration costs, and is recovered from the customer based on the following:*
>
> *Electric Service Extension Surcharge – all customers are required to pay an electric service extension surcharge for existing electric facilities, lost revenues, and reintegration 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 electric supplier, the customer will pay approximately one-half (1/2) the difference in rates to reimburse MPS for existing electric facilities, lost revenues, and reintegration costs. The customer will pay this fee as adjusted from time to time pursuant to Section 304.2(3) until the existing electric facilities, lost revenues, 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 electric supplier, MPS will not require the customer to reimburse MPS for existing electric facilities, lost revenues, and reintegration costs until the requirements of Section 304.2(1) are met.*
> *(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 above language on service extensions originates from the Oakport Orderly Annexation Agreement, 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 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 Tract 2 of Oakport.

Below is a history of surcharges, including the proposed residential service surcharges for 2027:

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

	Surcharge	Residential Surcharge (Xcel)	Residential Surcharge (RRVCPA)	Dual-Fuel Surcharge (Xcel)	Dual-Fuel Surcharge (RRVCPA)
2027	--	**$0.02799**	**$0.04153**	**$0.00890**	**$0.01324**
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	$.0006	$0.0100
2018	--	$0.0113	$0.0268	$.0006	$0.0088

Updated Electric Service Extension Surcharges will be included in MPS' rate-setting process for MPS' 2027 budget.

KEY ISSUES:

- It is recommended that the Residential Surcharge (RRVCPA) be set to $0.04153 per kWh and the Dual-Fuel Surcharge (RRVCPA) be set to $0.01324 per kWh.
- It is recommended that the Residential Surcharge (Xcel) be set to $0.02799 per kWh and the Dual-Fuel Surcharge (Xcel) be set to $0.00890 per kWh.
- Any changes in the electric surcharge rates will be included in MPS' rate-setting process for MPS' 2027 budget.
- The surcharge will remain on customers' bills until the investments are paid off.

FINANCIAL CONSIDERATIONS:

- The Commission's Policy on Service Extensions and the Oakport Orderly Annexation Agreement require the rate surcharge. The surcharge provides for the recovery of costs for acquiring the electric service territory from another electric 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 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 and the Smart Energy Squad Annual Summary Report for 2025-2026.

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 program's value and took the necessary steps to implement it 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 program, originally known as the Power Team Program, was well received and has been offered annually ever since.

In August 2023, MRES partnered with a new vendor, Tinker, LLC, to rebrand the program as the Smart Energy Squad School Program (Smart Energy Program). Curriculum topics include: 1) Efficiency and Conservation, 2) Electric Energy, 3) Energy at Home, 4) Energy-Water Nexus, and 5) Natural Resources. Standard correlation charts are included to show teachers how the curriculum meets the State of Minnesota's standards in math, science, and language arts. Students can enter an energy-efficiency photo and/or video contest for a chance to win prizes.

During the 2025-2026 school year, 2,917 students from MRES' member communities (40 schools) participated in the program. One of the three contest winners was a fifth-grade student from Horizon Middle School The Smart Energy Program is available to all public and private schools in Moorhead. During the 2025-2026 school year, one public school and two private schools participated.

For the 2025-2026 school year, 709 participating fifth-grade students and 26 teachers received an Energy Efficiency Kit and a student workbook. Fifth grade is the program's target audience for this curriculum level. The items included in the Energy Efficiency Kits are listed below:

Student Resources – Digital/Print:

- Access to Student Portal within Web Application
- Homework Exercises
- Instructions for Installing the Products Inside the Kits
- Access to Digital Lessons and Assessments
- Video Contest Information
- Photo Contest Information
- Student Leaderboard
- Classroom Activity Worksheets
- Classroom Assessments
- Energy Efficiency Kit Product Savings Calculations Worksheets
- Energy Efficiency Kit containing:
  - Two LED Bulbs
  - Two LED Night Lights
  - Digital Thermometer
  - MPS Label

Teacher/Classroom Resources – Digital/Print:

- Lesson Plans
- Digital Slides for Classroom Presentations
- Instructions to Administer the Program
- Video Content
- Online Homework Exercises
- Assessments
- Program Goals
- Answer Keys
- Supported State Education Standards
- Letter to Parents*
- Post-Program Evaluation
- Student Progress Reporting
- Contest and Mini-Grant Information

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

MPS and MRES share the $40/kit cost equally. MPS' portion can be applied toward its State-mandated Conservation Improvement Program (CIP) spending requirement, resulting in no cost to the school or students. This same Smart Energy Program, with similar costs, is planned and budgeted for the 2026-2027 school year.

The attached Smart Energy Squad Annual Report compiles 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 fifth-grade students.
- A total of 709 Moorhead students and 26 teachers participated in the Smart Energy Program during the 2025-2026 school year.
- The Smart Energy Program is available to all public and private schools in Moorhead.

FINANCIAL CONSIDERATIONS:

- MPS and MRES share the $40/kit cost equally.
- MPS' portion can be applied toward its State-mandated CIP spending requirement, resulting in no cost to the school or students.
- This same Smart Energy Program, with similar costs, is planned and budgeted for the 2026-2027 school year.

Respectfully submitted,



Travis L. Schmidt
General Manager

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

Attachments:
2025-2026 Smart Energy Squad School Program Annual Report

SCHOOL YEAR 2025-2026

ANNUAL REPORT

26

Moorhead Public Service
Missouri River Energy Services
Smart Energy Squad School Program
Designed and implemented by Tinker LLC







TINKER
ENERGY + WATER
EDUCATION PROGRAMS

SMART ENERGY SQUAD PROGRAM

MESSAGE FROM **TINKER LLC**

Thank you for participating in the Smart Energy Squad School Program. It has been a privilege to support your educational and energy-efficiency initiatives.

Enclosed is the final report summarizing the implementation and outcomes of the Smart Energy Squad School Program for the 2025–2026 school year. Throughout the year, we worked to provide students, educators and families across participating communities with an engaging educational experience that connected classroom learning with practical energy-saving actions at home.

We are pleased to share the program's results and hope they demonstrate the value and impact of Smart Energy Squad within your service area. Tinker LLC remains committed to delivering high-quality programming that supports your goals and those of Missouri River Energy Services.

Thank you for your partnership. We look forward to building upon the program's success in the years ahead.

Cheerfully,



Joseph Thrasher
President
Tinker LLC

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SMART ENERGY SQUAD
EXECUTIVE SUMMARY

School Year 2025-2026

Tinker LLC is pleased to submit this annual report summarizing the 2025–2026 Smart Energy Squad School Program, delivered in partnership with Missouri River Energy Services (MRES).

During the 2025–2026 school year, three schools in Moorhead Public Service's service area participated in Smart Energy Squad, reaching 709 fifth-grade students and 26 teachers. Across all participating communities, Smart Energy Squad served 40 schools, 2,917 fifth-grade students and 77 teachers. Program-wide student participation increased by 34% compared with the previous year, while participation expanded from 26 to 30 MRES members, demonstrating the program's growing reach.

Now in its third year, Smart Energy Squad is a custom-branded fifth-grade education program developed specifically for MRES members. Through classroom instruction, digital learning, hands-on activities and at-home experiences, the program helps students and families understand electric energy, natural resources, the energy-water nexus, energy efficiency and conservation.

Smart Energy Squad continued to support Moorhead Public Service's goals of:

- Educating fifth-grade students about electric energy, efficiency and conservation.
- Enriching classroom instruction with locally relevant energy content.
- Encouraging students and families to adopt practical energy-saving habits.
- Providing families with tools that can help reduce energy use and household costs.
- Supporting participating members as trusted local energy advisors.

The curriculum included five classroom lessons and one at-home activity designed for completion within a four- to five-week instructional period. Students used workbooks, classroom presentations, hands-on activities, assessments, online exercises and an Energy Efficiency Kit containing two LED light bulbs, two LED night lights and a digital thermometer.



Teachers received a comprehensive guide with lesson plans, pacing recommendations, answer keys, registration instructions, contest information and completion checklists. They could select an online-and-paper or paper-only format, accommodating different classroom technology needs while maintaining the same core learning objectives.

2025–2026 Program Enhancements

Building on the program's strong foundation and continued success, Tinker introduced several enhancements to make Smart Energy Squad even more engaging, flexible and rewarding for students and teachers.

- **The student portal** was expanded with a clearer checklist-style layout that displayed available activities, completion status and points earned.
- **Teachers received** additional real-time tracking tools and a password reset feature that allowed them to manage student access directly.
- **The teacher mini-grant** system was expanded to give educators more ways to earn grant dollars throughout the program.
- **Tinker released a new version of the Smart Energy Squad web application** and upgraded its server infrastructure to support the expanded offering.



- **The Teacher Guide and Student Workbook were refreshed** with clearer pacing, implementation guidance and separate online and paper participation pathways.
- **The Energy Efficiency Kit package was redesigned** into a smaller format to maintain cost neutrality while preserving the same hands-on tools and educational value.

Key Results

- **Participation in Moorhead Public Service's service area:** Smart Energy Squad reached 709 fifth-grade students and 26 teachers through three schools. Participation included the following schools:
  - → Horizon Middle School
  - → Park Christian School
  - → St. Joseph's School
- **Projected household energy savings:** Using the updated Regional Technical Forum methodology, program-wide reported product installation and use rates were applied to the 709 student kits distributed within Moorhead Public Service's service area. The resulting projections estimate:
  - → 183.27 kWh of annual net electricity use avoided per participating household.
  - → 129,938.43 kWh of annual net electricity use avoided across participating households.
  - → 1,238.45 kWh of lifetime net electricity use avoided per participating household.
  - → 878,061.05 kWh of lifetime net electricity use avoided across participating households.
- **Substantial program-wide environmental benefit**: Across the entire Smart Energy Squad program, the projected annual energy savings are estimated to avoid approximately 354 metric tons of greenhouse gas emissions, with projected lifetime reductions exceeding 2,421 metric tons.

  Through this fully managed and locally branded approach, Tinker supported Moorhead Public Service in providing students and families with practical energy education and energy-saving tools while reinforcing their role as a trusted local energy advisor.

SMART ENERGY SQUAD
PROGRAM DESCRIPTION

School Year 2025-2026

The Smart Energy Squad Program is a comprehensive, standards-aligned initiative that delivers energy education to fifth-grade students, families and educators across participating MRES member communities. Developed and administered by Tinker LLC, the program combines classroom instruction, digital learning, hands-on activities and at-home action to build energy knowledge and encourage practical conservation behaviors.

The curriculum includes five classroom lessons and one structured at-home activity designed for completion within a four- to five-week instructional period. Students explore natural resources, electric energy, the energy-water nexus, efficiency and conservation and energy use at home. Classroom presentations, workbook activities, assessments and optional online exercises reinforce key concepts and help students connect energy topics to their daily lives.

To turn classroom learning into real-world action, each student receives a take-home Energy Efficiency Kit containing two LED light bulbs, two LED night lights and a digital thermometer. Guided activities encourage students to use the products with their families, evaluate household energy use, document their actions and consider additional ways to save energy at home.



Teachers may deliver the program using an online-and-paper format or a paper-only format. All students receive the same core curriculum and workbook activities, while classes using the online portal also have access to gamified learning, points, leaderboards, digital assessments and student contests. This flexible structure allows schools to participate regardless of classroom technology availability.

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

- **Curriculum development** and customization aligned with educational standards.
- **A custom-branded digital platform**, providing secure access, real-time progress tracking and program resources for students, teachers and parents.
- **School and teacher recruitment** in coordination with MRES's member recruitment efforts.
- **Printed Teacher Guides and Student Workbooks** with lesson activities, assessments, pacing guidance and implementation instructions.

- **Logistics and fulfillment**, including kit production, warehousing and classroom delivery.
- **Student engagement opportunities,** including the Points Challenge, leaderboards, photo submissions and video contests.
- **Teacher support** through lesson plans, classroom presentations, real-time student tracking, password management and mini-grant opportunities.
- **Parent outreach** through bilingual communication materials, at-home activities and program evaluations.
- **Data collection and analysis,** including assessments, kit-use results, student pledges, family actions and projected household energy savings.
- **Final reporting** summarizing participation, educational outcomes, engagement, calculated savings and opportunities for continued program growth.

Program performance is measured through participation data, lesson assessments, teacher and parent feedback, student-reported household actions and projected energy savings calculated from Energy Efficiency Kit use. This data-driven approach allows MRES and its participating members to evaluate both educational impact and measurable conservation outcomes.

When asked what they enjoyed most about participating in Smart Energy Squad with their child, one parent shared:

> ***"Learning from my daughter's perspective on how we can save energy by using energy- and cost-saving products."***

Unlike a one-time classroom presentation, Smart Energy Squad creates an extended learning experience that connects classroom education with digital engagement and household action. Each participating member receives a locally branded version of the program, reinforcing the utility's identity and role as a trusted source of energy information.

By combining education, practical tools, custom technology, incentives and measurable results, Smart Energy Squad helps MRES and its participating members educate students, engage families, strengthen community relationships and encourage lasting energy-saving behaviors.

SMART ENERGY SQUAD
PROGRAM CURRICULUM

School Year 2025-2026

The Smart Energy Squad curriculum is designed to complement and enrich existing science, math and language arts instruction while providing students with practical knowledge about energy use and conservation. This innovative curriculum is built around the following key objectives:

- **Teacher-Centric Delivery:** Designed for easy implementation by classroom teachers, ensuring seamless integration into daily lessons without disrupting core classroom routines.
- **Standards Alignment & 5E Structure:** Aligned with state education standards and organized around principles similar to the 5E instructional model, providing a complete, locally relevant learning experience.
- **Engaging and Interactive Content:** Each lesson encourages active participation through dynamic class discussions, hands-on activities and interactive resources.

The following lessons were developed for the program:

- Natural Resources
- Electric Energy
- Energy-Water Nexus
- Efficiency and Conservation
- Energy at Home

Access to the curriculum is provided through each member city's custom-branded version of Tinker's secure web application. Teachers and students also receive printed guides to support learning in the classroom and at home. The online platform includes a robust set of resources, such as:

- **Lesson Plans**: Detailed teaching guides to support clear and effective instruction.
- **Classroom Activity Demonstrations:** Visual demonstrations of hands-on activities.
- **Teacher Slide Decks:** Ready-to-use classroom presentations.
- **Assessment Tools:** Flexible quizzes and assessments to measure student understanding.
- **Interactive Homework:** Online exercises featuring videos, interactive questions, graphics and flash cards to reinforce learning outside the classroom.
- **Student Competitions:** Information about optional contests and challenges to boost engagement and reward participation.

Every lesson is intentionally designed to be engaging and practical, helping students retain knowledge and apply energy-saving behaviors at home.

SMART ENERGY SQUAD
ENERGY EFFICIENCY KIT

School Year 2025-2026



A take-home Energy Efficiency Kit was provided to 709 fifth-grade students. Each contained products that can be used at home to conserve energy. Students work with a parent or guardian 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
- Moorhead Public Service logo



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 our 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. For projected energy savings, please refer to page 14.

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, we are fostering a generation of energy-conscious individuals, ensuring a brighter, energy-efficient future for all.

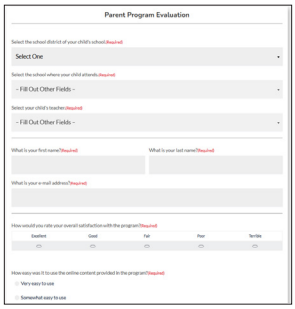
SMART ENERGY SQUAD
PROGRAM MATERIALS

School Year 2025-2026

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.

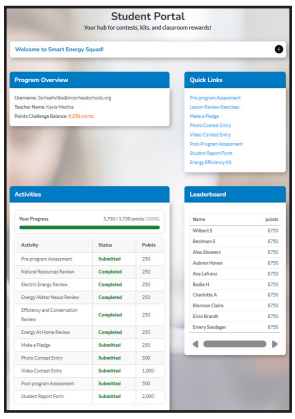
Parent Resources - Digital



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



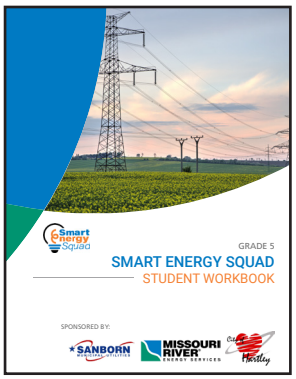
Students were provided access to the student portal within the web application. Resources available within the web app included the following:

- 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:

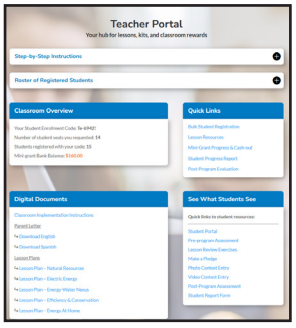
- Classroom activity worksheets
- Classroom assessments
- The Energy Efficiency Kit product savings calculations worksheets



Teacher Resources - Digital

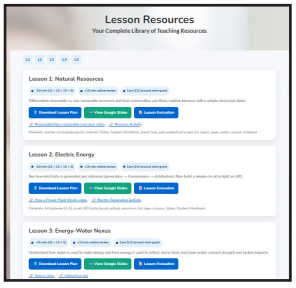
Each teacher was provided access to unique grade level resources hosted in the teacher portal found in the web app. Grade level resources included:

- 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:

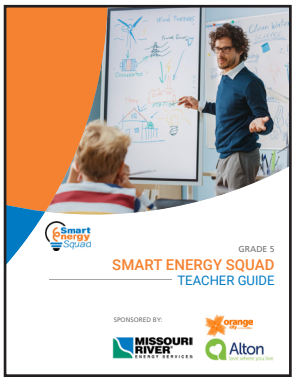
- Instructions to guide teachers through the program
- Supported state education standards
- Letter to parents in English and Spanish
- Post-program evaluation
- Student progress reporting



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
PROGRAM ASSESSMENTS

School Year 2025-2026

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 energy literacy, efficiency and conservation. These data sources included student assessments, digital activity tracking and survey responses from teachers, students and parents.

At the conclusion of each lesson, students completed an online assessment 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 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%	92%
Electric Energy	92%	90%
Energy-Water Nexus	88%	89%
Efficiency and Conservation	90%	90%
Energy At Home	92%	91%

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

The summary below shows the average pre- and post-program scores, demonstrating overall growth in knowledge and confidence in making energy-efficient choices at home.

PRE-ASSESSMENT

ON THE AVERAGE STUDENTS CORRECTLY ANSWERED 6.17 OUT OF 10 QUESTIONS IN THE BASELINE STUDENT ASSESSMENT **PRIOR** TO BEGINNING THE PROGRAM

Previous Year: 6.54

POST-ASSESSMENT

ON THE AVERAGE STUDENTS CORRECTLY ANSWERED 8.24 OUT OF 10 QUESTIONS IN THE POST STUDENT ASSESSMENT **AFTER** COMPLETING THE PROGRAM

Previous Year: 8.63

34%

AFTER PARTICIPATING IN THE PROGRAM, STUDENTS INCREASED THEIR KNOWLEDGE BY CORRECTLY ANSWERING 2.07 MORE QUESTIONS OVER THE BASELINE. THIS IS A 34% INCREASE IN KNOWLEDGE!

Previous Year: 32%

SMART ENERGY SQUAD
PROJECTED ENERGY SAVINGS

School Year 2025-2026

As a core element of Smart Energy Squad, each participating student received an Energy Efficiency Kit designed to support energy-saving actions at home. A total of 709 kits were distributed to students in Moorhead Public Service's service area during the 2025–2026 school year. Program-wide student-reported installation and use rates were applied to these kits to calculate the member's projected household energy savings.

Number of Kits: 709
80.99% of students reported installing the first LED light bulb
73.90% of students reported installing the second LED light bulb
81.42% of students reported installing the first LED night light
74.89% of students reported installing the second LED night light
74.04% of students reported using the digital thermometer
15.89% of students reported adjusting the water heater temperature

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 (kWh) based on product performance data and average household usage patterns. The resulting projections estimate:

- → **183.27 kWh** of annual net electricity use avoided per participating household.
- → **129,938.43 kWh** of annual net electricity use avoided across participating households.
- → **1,238.45 kWh** of lifetime net electricity use avoided per participating household.
- → **878,061.05 kWh** of lifetime net electricity use avoided across participating households.

Together, these results highlight the program's ability to turn student knowledge into measurable household action. Through guided installations, family involvement and data-backed reporting, the Energy Efficiency Kit component bridges the gap between classroom learning and real-world behavior change — helping students not only learn about conservation but lead it in their own homes.

SMART ENERGY SQUAD
STUDENT PLEDGES

School Year 2025-2026

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 2025–2026 program year.

"I pledge to remind my family to unplug chargers when we are not using them."
— Saelyr B.

"I pledge to ask my parents to lower the thermostat and wear a sweatshirt or use a blanket instead."
— Nora R.

"I pledge to tell my family to turn off the television when it is not being used."
— Brody B.

"I pledge to remind my mom to wash my clothes in cold water."
— Mae W.

"I pledge to remind my family to close the refrigerator door quickly to save energy."
— Nadia H.

"I pledge to tell my parents to turn down the water temperature."
— Eleanor B.

"I pledge to remind my family to adjust the thermostat so we save more energy."
— Ella V.

"I pledge to talk to my family about ways we can save energy."
— Sadie K.

SMART ENERGY SQUAD
STUDENT COMPETITIONS

School Year 2025-2026

Students participating in Smart Energy Squad through Moorhead Public Service had the opportunity to take part in three optional program competitions: the Student Challenge, Video Contest and Photo Contest.

Student Challenge

Students who registered for the online activities were automatically entered into the Student Challenge. As students progressed through the online portion of the program, they earned points for completing activities. Through the web application, students could track their points and compete with classmates. A sample of the point-earning activities is shown below.

Video Contest

Students were invited to demonstrate their knowledge by creating a short Public Service Announcement video about responsible energy use. Videos were between 30 seconds and two minutes in length and were submitted through the student portal.

At the end of the school year, five winning videos were selected from entries submitted across the entire Smart Energy Squad program. Students whose videos were selected received prizes, and their teachers received classroom mini-grants. A completed Parent Consent Form was required before a student could be officially recognized and receive a prize.

Photo Contest

The Energy Efficiency Kit contained products designed to help families save energy at home. Students were invited to showcase their work by submitting photos of the kit products they installed or used with their families. Photos were submitted through the Photo Contest section of the student portal.



At the end of the school year, five winning photos were selected from submissions received across the entire Smart Energy Squad program. Each winning student received a $25 Amazon gift card.

Emily G. from Horizon Middle School was selected as the first-place winner!

Approve Specifications and Authorize Advertisement for Bids for Furnishing Major Materials at MPS' Northeast and Southeast Substations

RECOMMENDATION:

The General Manager respectfully requests the Commission approve the specifications and authorize advertisement for bids for furnishing major materials at Moorhead Public Service's Northeast and Southeast Substations, contingent upon final legal approval.

BACKGROUND:

In December 2024, Moorhead Public Service (MPS) entered into a Task Order Agreement for Professional Services with DGR Engineering (DGR). Task Order No. 12, approved by the Commission on January 21, 2025, is for engineering services for the Northeast Substation (NE Substation) Project and consists of building a new substation to replace and relocate the existing NE Substation. Task Order No. 13, approved by the Commission on April 22, 2025, is for engineering services for the Southeast Substation (SE Substation) Project, which involves the construction of a new control building and installation of a capacitor bank.

DGR has prepared specifications for furnishing major materials for the NE and SE Substations, both located in Moorhead. The major materials include GOAB (gang-operated air break) switches, capacitor voltage transformers, and structural steel.

The bid opening is scheduled for November 19, 2026. Due to extended lead times and the construction schedule, the requested delivery timeframe for all major materials is between April 2028 and October 2028. The major materials are included in MPS' annual budget.

The specifications are available upon request and will be posted on QuestCDN upon approval by the Commission.

KEY ISSUES:

- DGR has prepared specifications for furnishing major materials for the NE and SE Substations, both located in Moorhead.
- Due to extended lead times and the construction schedule, the requested delivery timeframe for all major materials is between April 2028 and October 2028.

FINANCIAL CONSIDERATIONS:

- The major materials for the NE and SE Substations are included in MPS' annual budget.

Respectfully submitted,



Travis L. Schmidt
General Manager

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

Attachments: Available upon request.

Approve Moorhead's Continuation of 100 Percent Net-Zero Carbon Power Supply Through MRES' Bright Energy Choices Program for 2027

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 2027.

BACKGROUND:

In 2019, Moorhead Public Service's (MPS') supplemental 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 use, effectively making their energy use 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).

In October 2020, the Commission approved the BEC Program, and it became effective on January 1, 2021. The program initially applied a $0.005-per-kWh rate adder to the percentage of energy not considered renewable for customers who elected to participate.

In 2021, the BEC Program transitioned from providing renewable energy to providing net-zero carbon energy, and the price per REC decreased to $0.001 per kWh. MRES' preference for net-zero carbon reflects the fact that, from a climate change perspective, not all renewable energy technologies are carbon-neutral. For example, burning wood from sustainably managed forests is considered a renewable energy resource; however, combustion releases carbon dioxide (CO_2) into the atmosphere. This market condition is expected to remain relatively stable over the next five years.

For the first eight months of 2026, the actual cost of RECs averaged approximately $12,800 per month. If this continues throughout the remainder of 2026, the total cost will be approximately $153,600, which is approximately $4,900 higher than the projected amount for 2026.

In 2027, the rate adder per REC will remain unchanged at $0.001 per kWh. Staff estimates that electric sales to MPS' customers in 2027 will be similar to those in 2025 and 2026. The projected three-year average carbon-free power supply without the RECs is 57 percent, which is 8 percent lower than the three-year average for 2026. The 8 percent decrease is the result of MRES charging for the RECs produced by the wind and solar it owns. Up until 2026, these RECs were passed on to members at no cost to the member utilities. Staff estimates that the total utility-wide cost of participating in the BEC Program in 2027 will be approximately $188,146 and is included in MPS' proposed 2027 budget. The actual monthly cost is calculated using BEC's monthly kWh sales data.

To put the costs into perspective, one of the 20 kW solar arrays at MPS' Community Solar Garden cost approximately $60,000 to install, based on the most recent project in 2019 and excluding inflation. Each array generates approximately 28,800 kWh of net-zero carbon energy annually. Without the BEC Program, MPS would need to install approximately 6,533 additional solar arrays of this size to increase Moorhead's net-zero carbon power supply from 57 percent to 100 percent. Based on the historical installation cost, this would require an investment of approximately $392 million.

By comparison, the projected utility-wide cost of the BEC Program in 2027 is $188,146. At that annual cost, it would take approximately 2,083 years of program expenditures to equal the $392 million investments in solar arrays, far exceeding the typical solar array lifespan of 25 to 30 years.

The Minnesota Renewable Energy Standard requires that 25 percent of energy be generated from renewable sources by 2025 and 55 percent by 2035. Minnesota also has a carbon-free standard that requires 60 percent of energy be carbon-free by 2030, 90 percent by 2035, and 100 percent by 2040.

No formal agreement with MRES is required to implement the BEC Program, and no long-term commitment is necessary. However, a one-year commitment would provide MRES staff with guidance on managing the purchase of RECs, including those associated with Western Area Power Administration.

KEY ISSUES:

- In October 2020, the Commission approved the BEC Program, and it became effective on January 1, 2021.
- The program initially applied a $0.005-per-kWh rate adder to the percentage of energy not considered renewable for customers who elected to participate.
- In 2021, the BEC Program transitioned from providing renewable energy to providing net-zero carbon 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 57 percent, which is 8 percent lower than the three-year average for 2026.
- No formal agreement with MRES is required to implement the BEC Program, and no long-term commitment is necessary. However, a one-year commitment would provide MRES staff with guidance on managing the purchase of RECs, including those associated with Western Area Power Administration.

FINANCIAL CONSIDERATIONS:

- Staff estimates that the total utility-wide cost of participating in the BEC Program in 2027 will be approximately $188,146 and is included in MPS' proposed 2027 budget.

Respectfully submitted,



Travis L. Schmidt
General Manager

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

Attachments: None.

Award Bid for 2026/2027 Tree Trimming

RECOMMENDATION:

The General Manager respectfully requests the Commission award the bid for 2026/2027 Tree Trimming to Carr's Tree Service, Inc., in the amount of $298,900.

BACKGROUND:

Moorhead Public Service (MPS) staff sent out nine bid notification letters for tree trimming on the south side of Moorhead and posted the specifications on QuestCDN. At the bid opening on October 8, 2026, MPS staff received two bids (see attached bid tabulation sheet). The lowest qualified bidder is Carr's Tree Service, Inc. (Carr's), in the amount of $298,900, and Carr's successfully passed the Contractor Safety Pre-Qualification Checklist.

One-half of the tree trimming is expected to occur in 2026, with the remainder scheduled for 2027. The tree trimming work is to be completed by the end of March 2027. The Electric Division's 2026 operations budget includes approximately $149,450 for tree trimming, and the remainder of the cost will be budgeted in the 2027 operations budget. The last time the south side of Moorhead was trimmed was during the winter of 2024/2025 at a cost of $263,895. The cost increase since the previous trimming of the south side is due to higher labor, equipment, and fuel costs. Additionally, this year's specifications were updated to include tree trimming and shrub removal near MPS' 115 kV transmission line.

MPS staff recommends awarding Bid Item #1 to Carr's in the amount of $298,900. MPS has had a satisfactory working relationship with Carr's since 1998, and we anticipate a continued good working relationship. 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 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	
Winter 2026-2027		$298,900.00

KEY ISSUES:

- 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, and we anticipate a continued good working relationship.
- One-half of the tree trimming is expected to occur in 2026, with the remainder scheduled for 2027.
- The cost increase since the previous trimming of the south side is due to higher labor, equipment, and fuel costs. Additionally, this year's specifications were updated to include tree trimming and shrub removal near MPS' 115 kV transmission line.

FINANCIAL CONSIDERATIONS:

- The lowest qualified bidder is Carr's in the amount of $298,900, and Carr's successfully passed the Contractor Safety Pre-Qualification Checklist.
- The Electric Division's 2026 operations budget includes approximately $149,450 for tree trimming, and the remainder of the cost will be budgeted in the 2027 operations budget.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Adam Benhardt, Construction Manager.

Attachments:
Bid Tabulation Sheet

MOORHEAD PUBLIC SERVICE

Bid Tabulation Sheet
for
Tree Trimming
2026/2027

October 8, 2026, at 2:00 PM

BIDDER NAME	BID BOND OR CC	**BID ITEM #1:** TREE TRIMMING TOTAL PRICE
TreeStory, Inc.	Bid Bond	$495,000
Carr's Tree Service, Inc.	Bid Bond	$298,900

Approve Task Order No. 16 with Apex Engineering Group for Engineering Services for MPS' 2027 Watermain Improvement Projects

RECOMMENDATION:

The General Manager respectfully requests the Commission approve Task Order No. 16 with Apex Engineering Group, Inc., for engineering services associated with Moorhead Public Service's 2027 Watermain Improvement Projects in an amount not to exceed $123,778, contingent upon final legal approval.

BACKGROUND:

Like many communities, Moorhead Public Service (MPS) faces the ongoing challenge of aging water infrastructure throughout its distribution system. American Water Works Association's (AWWA's) report, *Buried No Longer*, estimates that replacing water pipes reaching the end of their useful lives will require more than $1 trillion nationwide between 2011 and 2035. To address this challenge, MPS has established a strategic goal 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 support long-term planning for the replacement of water distribution assets. The WAMP provides staff with information and guidance for determining future watermain replacement funding levels and serves as an advisory tool for prioritizing watermain replacement projects. One of the plan's objectives is to prioritize the replacement of CI watermains installed between 1920 and 1970, which are prone to watermain breaks due to corrosion and mechanical failure.

MPS staff continues to work with City of Moorhead (City) staff to identify areas for watermain replacement in conjunction with planned street improvement projects in 2027. The areas currently identified by MPS for watermain replacement are listed in Table 1 below:

Table 1: Watermain Improvement Projects

Proposed Project Location	Bid/Self Perform	Existing Size of Watermain	Proposed Size of New Watermain	Approximate Footage
15th Street South (Main Ave to 5th Ave S)	Self-Perform	6-inch CI	6-inch PVC	1,600
4th Avenue South (14th St to 16th St S)	Self-Perform	6-inch CI	6-inch PVC	800
16th Street South (2nd Ave to 4th Ave S)	Bid	6-inch CI	8-inch PVC	800
2nd Avenue South (12th St to 17th St S)	Bid	6-inch CI	8-inch PVC	1,600
8th Street East Frontage Road (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	6-inch PVC	600
9th Street South (10th Ave to 12th Ave S)	Self-Perform	6-inch CI	8-inch PVC	1,000

Coordination between MPS and the City provides significant cost savings when watermain replacement can be completed in conjunction with street improvement projects. MPS and City staff continue to collaborate on project planning, scheduling, and construction methods to meet the needs of both projects and maximize efficiency.

For 2027, MPS is proposing approximately 7,000 feet of watermain replacement and has preliminarily budgeted $1,450,000 in the 2027 Water Division budget for the design and construction of the 2027 Watermain Improvement Projects. MPS crews are scheduled to complete approximately 4,600 feet of watermain replacement, with the remaining 2,400 feet to be competitively bid and constructed by a contractor in 2027.

On December 18, 2018, the Commission approved a master Task Order Agreement between MPS and Apex Engineering Group, Inc. (Apex). The standard task order form was developed from the Agreement Between Owner and Engineer for Professional Services – Task Order Edition (EJCDC E-505) and revised by MPS staff and legal counsel to incorporate contractual requirements specific to MPS. The Commission has previously approved the use of this standard form for professional services agreements.

MPS is requesting Commission approval of Task Order No. 16 with Apex (available upon request) for engineering services associated with the 2027 Watermain Improvement Projects.

KEY ISSUES:

- MPS staff continues to work with City of Moorhead (City) staff to identify areas to replace watermain in conjunction with planned street improvement projects in 2027.
- For 2027, MPS is proposing approximately 7,000 feet of watermain replacement

FINANCIAL CONSIDERATIONS:

- The total cost of Task Order No. 16 with Apex includes a not-to-exceed amount of $123,778 to complete engineering services associated with MPS' 2027 Watermain Improvement Projects.
- MPS has preliminarily budgeted $1,450,000 in the 2027 Water Division budget for the design and construction of MPS' 2027 Watermain Improvement Projects.

Respectfully submitted,

Travis L. Schmidt
General Manager

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

Attachments: Available upon request.

Approve Agreement with USI Consulting Group for GASB 75 Compliance

RECOMMENDATION:

The General Manager respectfully requests the Commission approve an Agreement for Consulting Services with USI Consulting Group, Inc., to utilize Hildi Incorporated, a Division of USI Consulting Group, for services to comply with Governmental Accounting Standards Board Statement 75, Other Post-Employment Benefits.

BACKGROUND:

Governmental Accounting Standards Board (GASB) is a private, non-partisan, non-profit organization that works to create and improve the rules that state and local governments follow for accounting and financial statement presentation. GASB Statement 75 requires government entities to account for and report the annual cost of Other Post-Employment Benefits (OPEB), as well as the outstanding obligations and commitments related to OPEB, in the same manner as they do for pensions.

In health insurance plans like Moorhead Public Service's (MPS') plans, where an entity's retirees and current employees are insured together as a group, the premiums paid by the retirees may be lower than they would have been if the retirees were insured separately. This is referred to as an "implicit rate subsidy." GASB Statement 75 addressed a concern that government entities could be understating their annual and long-term OPEB obligations if the implicit rate subsidy is not calculated and reported.

In 2024 and 2025, MPS' financial statements included net OPEB obligations of $233,995 and $192,581, respectively.

MPS became subject to GASB OPEB reporting in 2008 and has engaged USI Consulting Group, Inc. (USICG), to complete annual actuarial valuations as needed. MPS is required to complete a new valuation in 2026. USICG has submitted a proposal in the amount of $3,200 to complete MPS' actuarial valuation in 2026 and develop GASB 75 disclosures for 2027 and 2028. This compares to the current contract that expires on December 31, 2026, in the amount of $3,100 to complete MPS' actuarial valuation in 2025 and develop GASB 75 disclosures for 2025 and 2026.

MPS Attorney John Boulger has reviewed and approves of the Agreement for Consulting Services with USICG (available upon request).

KEY ISSUES:

- GASB Statement 75 requires government entities to account for OPEB.
- MPS' health insurance plan includes retirees and is subject to GASB Statement 75 reporting.
- The GASB 75 actuarial valuation was last updated in 2025 and needs to be updated in 2027.

FINANCIAL CONSIDERATIONS:

- In 2024 and 2025, MPS' financial statements included net OPEB obligations of $233,995 and $192,581, respectively.
- USICG's proposal for actuarial services for 2026 and 2027 is $3,200.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Mark Moilanen, Finance Division 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 22, 2026, the Commission held a closed meeting to evaluate the performance of the General Manager pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(a). Chairperson Leiseth has prepared a Summary of Conclusions of Performance Evaluation as part of this item.

FINANCIAL CONSIDERATIONS: None.

Respectfully submitted,



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 22, 2026, 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 Moorhead Public Service's 2026 budget.

Respectfully submitted,



Mark Moilanen
Administration and Finance Manager

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

Attachments: None.

Approve Sponsorship Request from Spread Your Sunshine for The Joy Project

RECOMMENDATION:

The General Manager respectfully requests the Commission approve a sponsorship request from Spread Your Sunshine for The Joy Project in the amount of $2,500.

BACKGROUND:

On November 21, 2023, the Commission approved the Policy on Sponsorship and Marketing (Policy). As stated in the Policy, the General Manager has the authority to review the sponsorship request and provide a recommendation to the Commission for approval.

Spread Your Sunshine is a nonprofit organization created to share joy with people living in hotels, shelters, and low-income housing in the Fargo-Moorhead area. In 2013, The Joy Project was established to ensure children were not forgotten during the holiday season. Each year on Christmas Eve, a meal is served, and Santa visits all the children, bringing gifts and stockings for all—budget permitting. The Joy Project not only helps hundreds of families in the Moorhead community but also strengthens and encourages community members to get involved.

The Joy Project is requesting $2,500 to provide meals and gifts at five Moorhead locations for people living in hotels, shelters, and low-income housing. The locations include Bright Sky Apartments, Silver Linings Apartments, North Moorhead Village, Riverview Heights, and Sharp View Apartments.

MPS has allocated $50,000 in its 2026 budget for sponsorship and marketing expenditures, and to date, $40,071 has been expensed.

KEY ISSUES:

- On November 21, 2023, the Commission approved the Policy on Sponsorships and Marketing. As stated in the Policy, the General Manager has the authority to review the sponsorship request and provide a recommendation to the Commission for approval.
- Spread Your Sunshine is a nonprofit organization created to share joy with people living in hotels, shelters, and low-income housing in the Fargo-Moorhead area.

FINANCIAL CONSIDERATIONS:

- The Joy Project is requesting $2,500 to provide meals and gifts at five Moorhead locations for people living in hotels, shelters, and low-income housing.
- MPS has allocated $50,000 in its 2026 budget for sponsorship and marketing expenditures, and to date, $40,071 has been expensed.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Travis L. Schmidt, General Manager.
Attachments:
Spread Your Sunshine Sponsorship Submission Form, Sponsorship Letter, and Brochure

NORTH POLE POST / CHRISTMAS EVE 2026

A letter from Santa

The best gifts are the ones we share.



Dear Moorhead Public Service Team,

On Christmas Eve, many tables will be full. Families will share a special meal, tell familiar stories, and make memories together.

But Christmas Eve looks different for some of our neighbors. Some live in shelters or low income housing. Some families live in hotels for weeks or months at a time. A holiday meal and a room full of people who came just to celebrate with them could mean a great deal.

I can deliver presents, but I need some help with that part.

For **14 years**, the people behind Spread Your Sunshine have brought Christmas Eve gatherings to neighbors in our community. The Joy Project is one of many joyful events they create throughout the year to bring people together.

This year, they plan to serve **650 neighbors in need across 13 locations**. Five of those locations are right here in Moorhead, and I am writing to ask Moorhead Public Service to help bring Christmas Eve to every one of them.

A **$2,500 donation** will cover the Joy Project at **all five Moorhead locations** . Volunteers will share a meal, spend time with guests, and help make the evening feel special.

Thank you for supporting these gatherings in the past. Your generosity has helped make Christmas Eve brighter for Moorhead neighbors, and I hope you will join us again this year. Your team is welcome to volunteer and experience the joy firsthand.

Spread Your Sunshine will thank Moorhead Public Service with signs at the gatherings and a Facebook post, then send photos and an update afterward so you can see what your support helped make possible.

To sponsor the five Moorhead locations, please contact Marisa at **701-371-0796** or **Marisa@AddiesSunshine.org**.

On Christmas Eve, a meal is more than food. It is a chance to sit together, laugh, and know someone thought of you. Thank you for helping bring that feeling to Moorhead.

With gratitude, Santa Claus

Writing with a little help from Spread Your Sunshine

Let's make Christmas Eve brighter together

THE JOY PROJECT • SPREAD YOUR SUNSHINE • CHRISTMAS EVE

Approve Amended Policy on Payroll Administration

RECOMMENDATION:
The General Manager respectfully requests the Commission approve the amended Policy on Payroll Administration.

BACKGROUND:
During a review of Commission and Administrative policies, staff determined that the Commission's Policy on Payroll Administration contained administrative guidelines that needed to be reviewed, updated, and incorporated into a separate administrative policy. In recent years, Commission policies have been revised to remove detailed administrative procedures, allowing the General Manager to establish and maintain those procedures through administrative policies, as necessary. The Commission's Policy on Payroll Administration is one of the remaining policies that has not been revised to reflect this format. Attached is the proposed amended Policy on Payroll Administration.

Administrative Policy No. 54.0 – Payroll Administration was developed to incorporate the guidelines removed from the existing Commission Policy on Payroll Administration, along with updates necessary to reflect current state and federal requirements. With the administrative policy finalized and ready for implementation, staff recommends amending the Commission's Policy on Payroll Administration to reflect these changes.

KEY ISSUES:
- During a review of Commission and Administrative policies, staff determined that the Commission's Policy on Payroll Administration contained administrative guidelines that needed to be reviewed, updated, and incorporated into a separate administrative policy.
- Administrative Policy No. 54.0 – Payroll Administration was created to incorporate the guidelines removed from the existing Commission Policy on Payroll Administration, along with updates necessary to reflect current state and federal requirements.

FINANCIAL CONSIDERATIONS: None.

Respectfully submitted,



Travis L. Schmidt
General Manager

Division/Response Person: Katie Kemper, Human Resources Coordinator.

Attachments:
Amended Commission Policy on Payroll Administration (clean and strike-and-underline versions)
Administrative Policy No. 54.0 – Payroll Administration

MOORHEAD PUBLIC SERVICE COMMISSION POLICY

Category:	Administrative/Human Resources	**Policy Title:**	Payroll Administration
Explanation:	Provides directive from the Moorhead Public Service Commission to operate payroll administration in an efficient and effective manner.		
Date of Adoption:	05/11/2004	**Amended:**	10/20/2026

Policy:
It shall be the policy of the Moorhead Public Service Commission to pay employees in a timely and accurate manner. Employee compensation shall be paid in accordance with applicable state and federal wage and hour laws and existing labor agreements.

The Moorhead Public Service Commission shall delegate authority to the General Manager to establish the necessary administrative policies based on the operations of Moorhead Public Service. These administrative policies will be implemented, maintained, and modified as needed in the best interests of Moorhead Public Service and its employees.

AMENDED BY THE MOORHEAD PUBLIC SERVICE COMMISSION ON OCTOBER 20, 2026.

Matthew Leiseth, Chairperson
Moorhead Public Service Commission

Travis L. Schmidt, General Manager
Moorhead Public Service

MOORHEAD PUBLIC SERVICE COMMISSION POLICY			
Category:	Administrative/Human Resources	**Policy Title:**	Payroll Administration
Explanation:	Provides directive from the Moorhead Public Service Commission to operate payroll administration in an efficient and effective manner.		
Date of Adoption:	05/11/2004	**Amended:**	10/20/2026

Policy:

It shall be the policy of the Moorhead Public Service Commission to pay employees in a timely and accurate manner. Employee compensation shall be paid in accordance with applicable state and federal wage and hour laws and existing labor agreements.

The Moorhead Public Service Commission shall delegate authority to the General Manager to ~~create~~establish the necessary administrative policies based ~~upo~~on the operations of Moorhead Public Service. These administrative policies will be ~~administered~~implemented, maintained, and modified~~,~~ as needed~~,~~ in the best interests of Moorhead Public Service and its employees.

~~REVISED~~AMENDED BY THE MOORHEAD PUBLIC SERVICE COMMISSION ON ~~MAY 11, 2004~~OCTOBER 20, 2026.

~~Kenneth J. Norman, President~~
Matthew Leiseth, Chairperson
Moorhead Public Service Commission

~~William E. Schwandt~~
Travis L. Schmidt, General Manager
Moorhead Public Service

Guidelines:

A. Pay Period and Paychecks.

1. The pay period for all employees is a two-week period beginning on a Monday and ending on a Sunday. A workweek is Monday through Sunday.

2. Paychecks are issued on the first Thursday (payday) after the end of a two-week pay period.

3. When a payday falls on a holiday, paychecks are issued on the day before the holiday.

4. Usually, there are a total of 26 paydays each year. However, every 11th year there will be 27 paydays.

B. Time Keeping.

1. In order for Moorhead Public Service to maintain an accurate record of hours worked and hours used for approved time off, employees are required to complete one or all of the following: time report, time slips, or time card. These reporting documents are to be completed and submitted to the Payroll Department by noon of the Monday following the end of the pay period. Using the appropriate timekeeping document, exempt and non exempt employees are expected to report the following information:

Non-Exempt Employees:

a. Number of hours worked each day in each job classification.

b. Overtime, double time, or holiday hours.

c. Callback events and length of time.

d. Standby hours.

e. All classifications of time off allowed by collective bargaining agreement.

Exempt Employees:

a. Hours used for vacation.

b. Sick leave.

c. Holidays.

d. Emergency leave.

e. Meetings.

f. Conferences/seminars.

g. Funeral leave.

h. Maternity/paternity leave.

i. Any other classification that the employer wants recorded.

Time reports are to be signed by both the employee and the employee's supervisor.

2. Supervisors should submit time reports or time cards for employees who are absent at the time the reports are due.

3. Total daily hours should be rounded to the nearest one quarter hour. For example, zero to seven minutes, round down; eight to fifteen minutes, round up.

4. Non-exempt employees who are represented by a labor agreement are to be compensated for overtime hours in accordance with the terms of their labor agreement and in accordance with state and federal statutes. Non-exempt employees who are not represented by a labor agreement are to be compensated for overtime hours in accordance with state and federal statutes.

C. Payroll Deductions.

1. Moorhead Public Service makes mandatory deductions for federal and state taxes.

2. Additionally, Moorhead Public Service also makes employee-authorized deductions for such benefits as health insurance, retirement, life insurance, union dues, etc.

3. When required by property authority, deductions are also made for garnishments.

4. Payroll deductions for lost or misplaced property may not be made without the written consent of the employee.

D. Lost Paychecks.

1. An employee is expected to report a lost or stolen paycheck to the Payroll Department as soon as possible.

2. Payroll Department personnel will stop payment on the lost or missing paycheck.

3. The employee who has lost his/her check will be asked to provide an affidavit indicating his/her paycheck has been lost, stolen, or destroyed.

4. Moorhead Public Service shall waive the requirement for an indemnifying bond as permitted by Minnesota Statute 471.415.

E. Compensatory Time.

1. Moorhead Public Service does not provide a compensatory time program for any of its employees.

2. Non-exempt employees are to be compensated for overtime hours with monetary compensation.

F. Final Paycheck to Discharged Employees.

1. A discharged employee must be paid within 24 hours of his/her demand for wages. If a discharged employee makes no immediate demand for wages, the employee may be paid at the next regularly scheduled payday.

2. Employees who resign are entitled to receive their final paycheck on the first regularly scheduled payday following their effective date of termination.

G. Pay for Part-Time and Temporary Employees.

1. The hourly rate shall be recommended by the employee's supervisor and approved by the general manager.

2. The only part-time or temporary employees who may receive benefits are those who may become eligible in accordance with the terms of the AFSCME agreement.

3. All temporary employment costs shall be included in the Moorhead Public Service Commission-approved budget or be specifically approved as a budget change.

H. An employee who wishes to leave employment with Moorhead Public Service in good standing must submit a letter of resignation to Moorhead Public Service at least two weeks prior to the effective date of termination. The letter should include the following information:

1. Specific reason for leaving.

2. This is a voluntary decision.

3. The last day of actual work.

4. The date of termination.

5. Signature of employee resigning.

6. A part-time/seasonal employee is not required to submit a letter of resignation in order to be considered an employee in good standing, but should give reasonable notice to his/her supervisor.

I. Termination Procedures for Employees Who Have Given Notice.

1. Upon being notified that an employee is to terminate his/her employment from Moorhead Public Service, the administrative and finance manager, or someone associated with payroll, should schedule a checkout meeting with the terminating employee.

2. Checkout meetings should cover matters such as the continuation of benefits, determination and timing of final paycheck, completing PERA and ICMA withdrawal forms, forwarding address, key or equipment turn-in, etc.

ADMINISTRATIVE POLICY

Policy No.:	Policy Title:
54.0	**Payroll Administration**
Policy Purpose: Establishes the guidelines for operating payroll administration in an efficient and effective manner.	
Date of Adoption: October 14, 2026	**Reviewed By:**
Amended:	**Approved By:**

Moorhead Public Service Commission Authority Reference:
The basis of this administrative policy is the Moorhead Public Service Commission's Policy on Payroll Administration. This policy authorizes the General Manager to establish guidelines for payroll administration for all employees of Moorhead Public Service.

Moorhead Public Service Policy Guidelines:
The purpose of this administrative policy is to establish guidelines for payroll administration staff to ensure consistency and compliance with applicable state and federal wage and hour laws and existing labor agreements.

Accordingly,

A. Pay Period and Paychecks.

Non-Exempt Employees

1. The pay period for all non-exempt employees is two weeks, beginning on Monday and ending on Sunday. The workweek is Monday through Sunday unless the General Manager approves an alternative workweek or schedule.

2. Paychecks are issued on the first Thursday (payday) after the end of a two-week pay period.

3. When paydays fall on a holiday, paychecks are issued on the day before the holiday.

4. Usually, there are a total of 26 paydays each year. However, every 11th year, there will be 27 paydays.

Exempt Employees

1. The pay period for all exempt employees is a semi-monthly period beginning on the 1st and the 16th of each month.

2. Paychecks are issued on the last day of each pay period—the 15th and the last day of the month.

3. When paydays fall on a holiday or weekend, paychecks are issued on the business day before the holiday or weekend.

4. There are 24 paydays each year.

B. Timekeeping.

1. For Moorhead Public Service to maintain an accurate record of hours worked and hours used for approved time off, employees are required to complete authorized timekeeping documents designated by the General Manager. The timekeeping documents are to be completed, submitted to the employee's supervisor, and provided to Human Resources staff. For non-exempt employees, the timekeeping documents are due by 10:00 AM on Monday following the end of the pay period. For exempt employees, the due date is printed on the distributed timekeeping document. Using the appropriate timekeeping documents, exempt and non-exempt employees are required to report the following information:

   Exempt Employees

   a. Vacation hours.

   b. Sick hours.

   c. Holiday hours.

   d. Any other classification of time off allowed by Moorhead Public Service's Personnel Policy Manual.

   Non-Exempt Employees

   a. Number of hours worked each day in each job classification.

   b. Overtime, double-time, and holiday hours.

   c. Standby hours.

   d. Call-back events and the duration.

   e. All classifications of time off allowed by the collective bargaining agreement.

2. For employees who are absent from work when the timekeeping documents are due, supervisors should submit the appropriate documents to Human Resources staff by the due date.

3. Total daily hours should be rounded to the nearest 15 minutes. For example, 0-7 minutes should be rounded down, while 8-15 minutes should be rounded up.

4. Non-exempt employees who are represented by a labor agreement will be compensated for overtime hours in accordance with the terms of their labor agreement and state and federal statutes. Non-exempt employees who are not represented by a labor agreement will be compensated for overtime hours in accordance with state and federal statutes.

C. Payroll Deductions.

1. Moorhead Public Service makes mandatory deductions for federal and state taxes.

2. Moorhead Public Service withholds Public Employees Retirement Association (PERA) contributions because membership and withholding are mandatory for eligible public employees under Minnesota state law.

3. Moorhead Public Service also makes employee-authorized deductions for benefits such as health, dental, and vision insurance, retirement, life insurance, union dues, etc.

4. When required by proper authority, deductions are also made for garnishments.

5. Payroll deductions for lost or misplaced Moorhead Public Service property may not be made without written consent by the employee.

D. Pay for Part-Time, Seasonal, and Temporary Employees.

1. The hourly rate for part-time, seasonal, and temporary employees is included in Moorhead Public Service's budget for the year and adjusted accordingly by market changes/needs with the approval of the General Manager. If an employee returns to work for Moorhead Public Service for a second season or is retained beyond the originally intended timeframe, the employee's hourly rate will be increased accordingly.

2. Part-time, seasonal, and temporary employees are not eligible for or entitled to any Moorhead Public Service-sponsored benefits or insurance coverages, except for the mandated Minnesota's Earned Sick and Safe Time accruals and PERA retirement contributions as required by law.

E. Compensatory Time.

1. Moorhead Public Service does not provide a compensatory time allowance for any of its employees.

2. Non-exempt employees are to be compensated for overtime hours with monetary compensation.

F. Final Paycheck Issuance.

1. A discharged employee must be paid within 24 hours of their written demand for wages. If a discharged employee does not make an immediate written demand for wages, the employee will be paid at the next regularly scheduled payday.

2. Employees who resign are entitled to receive their final paycheck on the first regularly scheduled payday following their effective date of termination.

3. Human Resources staff will follow the appropriate procedures to complete a checkout meeting for all employees leaving employment with Moorhead Public Service.