REQUEST FOR PROPOSAL

BANKING SERVICES

October 21, 2026

PELICAN RIVER WATERSHED DISTRICT
Request For Proposal For Banking Services ("RFP")

I. OVERVIEW

The Pelican River Watershed District (the "District") is requesting proposals from qualified financial institutions to furnish banking services to the District. The selected proposer will have considerable experience in the banking industry, particularly with government units or commercial enterprises of similar size to the District. This RFP and the completed responses will serve as the basis for a banking services contract entered into between the District and the successful proposer. Proposers are required to send two (2) paper copies of the proposal in a sealed envelope to the District Administrator on or before **November 30, 2026, at 4:00 P.M.** The District reserves the right to accept or reject any and all proposals.

During the evaluation process, the District reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

The successful proposer must be an Equal Employment Opportunity Employer.

II. WATERSHED DISTRICT DESCRIPTION

The Pelican River Watershed District is a Minnesota local government unit comprised of a seven (7) manager board with its principal office located in Detroit Lakes, MN. The watershed district encompasses 120 square miles in Becker County, MN and a small portion of Otter Tail County, MN. The District has an annual budget of Two Million Dollars ($2,000,000) and employs two (2) full-time staff members with additional hires forecasted.

III. BANKING SERVICES CONTRACT

Upon selecting a proposal, the District will negotiate a banking services contract with the selected proposer. If the District and the selected proposer are unable to negotiate terms, the District retains the right to initiate negotiations with another proposer. The term of the banking services contract will be for a five (5) year period beginning approximately January 1, 2027, with an additional three (3) year option to renew. The prices quoted in the proposal must be guaranteed for at least two (2) years. However, cost adjustments will be permitted when an increase becomes necessary due to the increased cost of items outside of the financial institution's control. Any such cost adjustments must be documented, justified, and accepted by the District before such costs are implemented. The District and the selected proposer shall renegotiate the fees to be charged after the initial two (2) year period for the next one (1) year period or the remainder of the banking services contract period.

IV. PROPOSAL EVALUATION AND SELECTION CRITERIA

The selected proposal will be the one proposer that best meets the needs of the District, provided the fee is reasonable, and it is in the best interest of the District. The District's Administrator will open sealed responses on **November 30, 2026, at 4:00 P.M.** and compile the responses for review and evaluation by the District's Board of Managers (the "Board"). The Board will then discuss and act on the responses at the Board's December 16, 2026, meeting.

Review criteria include, but are not limited to, the following:

- The sufficiency of financial resources and the ability, capacity, and skill of the institution to perform all required and desired services on a timely basis.
- Responses from client references.
- Demonstrated knowledge of the District, its economic conditions, and the community.
- The reputation, financial stability, and longevity of the proposer.
- The quality, availability, and adaptability of the services to the needs required.
- Cost of the services provided.
- Physical facility including the location(s), technology, and security of the facility.
- The community involvement of the institution in the City of Detroit Lakes and Becker County area.
- The costs of banking services and/or location, although significant factors, may not be dominant factors.

V. PROPOSAL SUBMITTAL REQUIREMENTS

Section 1: Title Page

a. Provide the name of the institution, local address, telephone number, name of contact person, and the date.

Section 2: Letter of Transmittal (1 page maximum)

a. Proposers may use this letter to present any information it considers essential to its proposal. Please list the names of all individuals who are authorized to make representations for the proposer, along with their titles, addresses, and telephone numbers.

Section 3: Audited Financial Statements, Regulatory and Management Reports

a. For the most recent two (2) fiscal years provide copies of each report issued as described below unless you are legally prohibited from such disclosure. Include management responses, if any, to all reports provided.

   i. Audit and Examination Reports:

      (1) Independent Certified Public Accountants

      (2) Minnesota State Banking Commissioner

      (3) FDIC

b. Describe the process followed by your institution to reasonably ensure that security procedures, such as those established by your institution to prevent unauthorized payment orders and fraud (via checks, wire transfers, or ACH transactions) are adequate and effective.

c. Describe your institution's process of reviewing audit reports and addressing any deficiencies noted.

Section 4: Profile Questionnaire

a. Provide a brief description of the history of the institution’s provision of banking services.

b. Describe the organizational structure of your institution, and the departments which will oversee the contract.

c. Describe your service capabilities for a customer the size of the District, including those items which set you apart from your competition.

d. How many governmental customers does your institution serve?

e. Provide three (3) references from public funds or government-related customers of one (1) year or more with characteristics similar to the District or commercial banking customers that utilize similar services that the District will use.

f. What insurance coverage is carried by the institution with respect to any acts or omissions of directors, officers, and other personnel resulting in loss of funds?

g. Describe how your institution gives back to the City of Detroit Lakes and Becker County Communities.

h. Discuss the financial stability of your institution. Provide ratings for the institution from a nationally recognized rating agency. List all rating changes for the past five (5) years.

i. List names, titles, phone and fax numbers, and e-mail addresses of key persons in charge of banking services and the account administrator who would be assigned to this account. Provide biographical sketches of these individuals and identify their rank and level of authority.

Section 5: Required Banking Services

a. Receipt of deposits, including ACH deposits of credit card transactions.

b. Processing and clearing of all checks and drafts issued by the District. District ability to originate ACH transactions as follows:

    i. Debt service and other payments,
    ii. Direct debit of utility and other payments,
    iii. NSF return items electronically,
    iv. Direct deposit of employee paychecks.

c. Collateral for all deposits of a type and in the amounts as required by state laws.

d. Wire transfers and confirmations.

e. Computerized file transfer capability between District and financial institution. (i.e., cleared check file).

f. Electronic funds transfer of all federal and state withholding taxes.

g. PC program ability to initiate in-house wire transfers.

h. District ability to access account information via personal computer as follows:

    i. 90-day transaction look back;
    ii. All transactions including wires, debits, credits, and adjustments; and
    iii. Account balances.

i. Daily sweep accounts for investment of available cash balances at market rates.

j. Reports:

i. Monthly statement for all transactions,
ii. Monthly account analysis report listing transactions processed and average balances, and
iii. Monthly collateral reports listing type of collateral and market value.

k. Fraud prevention for disbursements to protect account from unauthorized checks by validating all checks presented for payment against approved check runs through positive pay.

l. Electronic imaging and storage of paid checks.

Section 6: Compensation, Fees, and Related Information

a. Please disclose any fees or costs the institution expects to charge. **Appendix A: Bid Sheet** is to be completed, and you may attach a supplemental price schedule for such services. Include one-time or set up charges, research fees, wire fees, and all other fees that will be charged.

b. The institution must accept compensation in fees, balances, or a combination of the two.

c. Fees for services must be billed in conjunction with an analysis statement. Fees cannot be debited to our account until the District reviews and approves the analysis statement. Describe your proposed billing cycle, (monthly, quarterly, etc.). Also, describe the process for the payment of institution fees. Furnish a copy of your analysis statement or statements.

d. Does the earnings credit rate (ECR) for the monthly analysis equal or exceed the 90-day Treasury Bill average for the previous month?

e. Is there a fee for FDIC Insurance? If so, how does the institution calculate the charge?

f. When calculating average balances, are positive and negative balances netted?

g. Charges for overdrafts must be handled through the analysis statement process. These charges cannot be any higher than those charged to a regular commercial customer. Please show what your pricing will be if an overdraft occurs and how overdraft balances are calculated. Are uncollected funds caused by an overdraft netted against positive balances in other accounts during the analysis process?

h. How are adjustments reflected in the account analysis?

i. All charges for deposit tickets and other supplies must be handled on the analysis statement.

Section 7: Bid Sheets

a. Please disclose all possible costs to the client and the basis for charging them in **Appendix A: Bid Sheet**. To assist us in comparing the cost effectiveness of each proposal you must address all costs both on a per unit basis and on a compensating balance method of payment.

Section 8: Copies of Proposed Agreement(s)

a. Please include copies of all proposed agreements, including wire transfer, collateral, etc.

Section 9: Any Additional Information

VI. PROPOSAL SUBMISSION

Proposers are required to send two (2) paper copies of the proposal in a sealed envelope to the District Administrator on or before **November 30, 2026, at 4:00 P.M.** Each proposal must be clearly identified on the outside of the sealed envelope and shall show the name and address of the proposer. If the proposal is sent by mail or hand delivered, the envelope shall contain the notation "Banking Services Proposal Enclosed." An official authorized to bind the institution must sign the proposal. Proposals are to be sent to:

Pelican River Watershed District
Attn: Shanna Bach, District Administrator
211 Holmes Street West, Suite 201
Detroit Lakes, MN 56501
info@prwd.org

The District reserves the right to refuse and reject any or all proposals and to waive any or all irregularities, formalities, or technicalities or to accept the proposal to be the best and most advantageous to the District, and hold the responses for a period of sixty (60) days without taking action. Proposals submitted past the aforementioned date and time will not be accepted.

VII. QUESTIONS

Questions regarding this RFP must be submitted by email to info@prwd.org. All questions may be submitted until 4:00 P.M. on November 23, 2026. Written responses to questions will be emailed to all proposers.

VIII. NONDISCRIMINATION CLAUSE

The District hereby notifies all proposers that businesses owned and controlled by minorities or women will be afforded maximum feasible opportunity to submit proposals. The District also notifies all persons that no one will be subjected to discrimination on the basis of race, color, creed, religion, ancestry, national origin, sex, disability, age, marital status, veteran status or statute with regard to public assistance, under the Minnesota Human Rights Act, Minnesota Statutes, Chapter 363.

IX. CONFIDENTIALITY

All information included in this RFP is subject to disclosure according to the Minnesota Government Data Practices Act, Minn. Stat. ch. 13.

X. INCURRED EXPENSES

There is no express or implied obligation for the District to reimburse proposers for any costs or expenses incurred in preparing and/or submitting proposals in response to this RFP. The District will not reimburse applicants for such costs or expenses, nor will the District pay any subsequent costs associated with the provision of any additional information or documentation requested by the District, or for the proposer's cost to develop or procure a contract for services. The District is not responsible for any cost(s) incurred by a proposer in preparing and/or submitting proposals.

XI. GOVERNING LAW

This RFP shall be governed by the laws of the State of Minnesota. The proposer agrees to observe and comply with all laws, ordinances, regulations and codes of the federal state and local government which may in any manner affect the preparation of proposals.

XII. DISCLAIMER

THIS IS A REQUEST FOR PROPOSALS ONLY. It is intended to identify potential financial institutions capable of providing banking services for the District. The information in this RFP is subject to change and is not binding on the District. The District has not made a commitment to procure any of the items discussed, and the release of this RFP is not to be construed as such a commitment or as authorization to incur costs for which reimbursement would be required or sought. All submissions become the District's property and will not be returned. Upon selection, a banking services contract shall be prepared, negotiated, and fully executed before banking services are initiated.

Appendix A – Bid Sheet for
Bank Fee and Earnings Credit Schedule

Instructions:
For each transaction type, please list your proposed fee per month, batch, or transaction.

Transaction Description		Proposer Bank Fee Per Transaction	
Monthly Account Maintenance Fee(s)		$	
Deposit Charge			
Deposit Items: On Us			
Deposit Items: Other			
Other Credits			
Per Check Charge			
Other Debits			
Electronic transfers – Batch process Fee			
Electronic transfers – Per item fee			
ACH File Fee			
ACH per Item Fee			
ACH Debit Items			
ACH Credit Items			
Returned Items / NSF Fee			
Stop Payment Order			
Other			
Total Monthly Cost		$	

In the space below, please describe your institution's earnings credit calculation (if applicable). Please note the required minimum balance (if any) and current earnings rate.