



## **PUBLIC UTILITIES COMMISSION AGENDA**

City of Brainerd, Minnesota  
BPU Service Center, 8027 Highland Scenic Rd, Commission Room  
Tuesday, October 29, 2024 @ 9:00 AM

The public is invited to attend these meetings in person

1. **Call To Order**

2. **Roll Call**

\_\_\_ M. Angland \_\_\_ T. Erickson \_\_\_ M. O'Day \_\_\_ P. Wussow \_\_\_ D. Matten

3. **Pledge of Allegiance**

4. **Approval Of Agenda - Voice Vote**

5. **Consent Calendar**

NOTICE TO PUBLIC - all matters listed are considered routine by the Commission and will all be enacted by one (1) motion. There will be no separate discussion of these items unless good cause is shown prior to the time the Commission votes on the motion to be ADOPTED BY ROLL CALL

A. **Approval of Minutes**

B. **Approval of Bills**

C. **Recommend to City Council pursuing the Wellhead Protection Partner Grant for property purchase**

6. **MN Pollution Control Agency- Presentation - NPDES Permits & Enforcement Process**

A. **MN Pollution Control Agency Presentation - NPDES Permit and Enforcement Process**

7. **Public Forum**

Time allocated for citizens to bring matters not on the agenda to the attention of the Commission -  
Time limits may be imposed

8. **Commission Committee Reports**

A. **Personnel Committee**

B. **Finance Committee**

C. **Operations Policy Committee**

9. **Unfinished Business**

(See attached separate memo regarding updates on unfinished business)

A. **Discussion on Memo 10.29.24**

B. **Discussion Topic Update on Strategic Plan**

10. **New Business**

A. **Approve Watermain Construction cost for 15th St SE Alley Project**

B. **Approve 2024A G.O. Water Bond Issuance**

1. Approve the Issuance and Sale of General Obligation Bonds, Series 2024A in the Proposed Amount of \$1,340,000

11. **Staff Reports**

(Verbal: Any Updates since Packet)

A. **City Administrator Report**

B. **Council Liaison Report**

C. **HR Director Report**

D. **Public Utilities Director Report**

E. **Finance Manager Report**

F. **Operations Manager Report**

G. **Water/Wastewater Manager Report**

12. **Commission Member Reports**

13. **Adjourn**

Visit Brainerd Public Utilities website at [www.bpu.org](http://www.bpu.org)

**MISSION**

"The mission of Brainerd Public Utilities is to provide safe, reliable, environmentally friendly electric, water and sewer services to our customers at the lowest reasonable cost."



# BRAINERD PUBLIC UTILITIES

8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401

**Business Office:** 218.829.8726 ■ **Repair Service:** 218.829.2193

www.bpu.org

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on September 24, 2024.

Commission President Matten called the meeting to order at 9:02 AM.

## Commission Roll Call

Mike Angland – Absent

Tad Johnson – Present

Dolly Matten – Present

Mark O’Day – Present

Tad Erickson - Present

## Utility Staff Present

Public Utilities Director

Finance Manager

Operations Manager

Water/Wastewater Manager

Business Office Supervisor

IT Supervisor

Recording Secretary

Christopher Evans

Danny Loch

Trent Hawkinson

Charlie Gammon

Jana Pernula

Aaron Andersen

Mandy Selisker

## Others in Attendance

HR Director

Community Development Director

City Liaison

Bolton & Menk

Widseth

Block Metrix

Citizen

Kris Schubert

James Kramvik

Jeff Czczok

Morgan Salo, PE

Bill Westerberg, PE

Clark Swanson

Brian Timmers

Commissioner Matten opened the meeting with the Pledge of Allegiance.

## Approval of Agenda Items

**Motion by Commissioner O’Day and seconded by Commissioner Erickson to approve the agenda. There was a unanimous vote in favor of the motion. Motion carried.**

## Approval of Consent Items

**Motion by Commissioner O’Day and seconded by Commissioner Erickson to approve the minutes from the August 27<sup>th</sup>, 2024, regular monthly meeting, current month’s bills, and authorization of bid advertisement and solicitation for the Reclaim tank. There was a unanimous roll call vote in favor of the motion. Motion carried.**

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**September 24, 2024**

### **Public Forum**

None

### **Commission Committee Reports**

#### Personnel

None

#### Finance

Commissioner Johnson reported meeting to discuss the Blockmetrix contract.

#### Operations Policy Committee

Commissioner O'Day reported on the potential IT integration. A joint City/BPU IT meeting was scheduled for September 16<sup>th</sup> but had been delayed. Both City IT and BPU IT Supervisors are not in favor of the departments combining. The same was reported on the Finance Departments.

**Unfinished Business** - *See board packet for staff memo.*

#### Rewrite of Brainerd City Code Section 705 – Water System

President Matten inquired on the status, noting a delay since the topic has been identified as unfinished business. Water/Wastewater Manager Gammon added that there was a recent discussion with City Engineer Dehn on a related item and acknowledged that staff need to continue to move forward on this to aid in the authority they have within the Drinking Water Supply Management Areas (DWSMA) and regarding the Wellhead Protection Plan. The discussion started back with former Public Utilities Director Wicklund.

#### Customer Communications Policy

Finance Manager Loch provided an update that staff are finalizing settings and after-hours communications with Twilio and Agent511 before written policy is finalized. A recent meeting took place with the provider as well. Project is still ongoing.

#### Credit Card Transaction Fees

President Matten inquired on the completed status of this. Finance Manager Loch confirmed that this will be included in the rate study and discussion has been completed.

#### Approve Rotating Apparatus Wicket Gate Quote- see board packet for quote

Finance Manager Loch reported on the following for Generator 3 after going out for bids:

- One quote was received from advertised Request for Proposals (RFP) from Rotating Apparatus Co. for \$150,832. This wicket gate replacement was not budgeted. There was roof and turbine decking replacement that was budgeted and will not occur until next year. Staff suggest reclassifying the budget for this item to be able to move forward with replacement

Commissioner Johnson inquired about the status of the rest of the gates and potential future replacements. Operations Manager Hawkinson reported that more maintenance will eventually need to happen. With the Generator 4 replacement, some parts can be removed and repurposed on Generator 5.

## BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 24, 2024

**Motion by Commissioner O'Day and seconded by Commissioner Johnson to approve bid received from Rotating apparatus Co for \$150,832 for the wicket gate replacement. There was a unanimous roll call vote in favor of the motion. Motion carried.**

Approve contract with Blockmetrix

Public Utilities Director Evans reported on the following:

- During the September 17<sup>th</sup> EDA meeting, plans submitted were approved subject to approval of the commission. The Finance committee met and recommended moving forward with the drafting of a contract that would extend the 25MW capacity through September of 2025. Discussion occurred related to the history of the contract to date.

**Motion by Commissioner Erickson and seconded by Commissioner O'Day to approve and allow staff to draft a contract that would extend the 25 MW capacity through September 2025.**

Additional discussion continued; Commissioner Johnson expressed he was still in favor of allowing JFK to expand if there is available capacity.

Commissioner Matten inquired about the property at 1911 Thiesse Drive being strictly used for crypto mining in the future. Kramvik confirmed that the purchase and development agreement states that if the city were to take it back that they would need to sell it to someone else to complete what is proposed for the design, which is crypto mining. Matten noted that for this reason, she would like to see this move forward, so the city is not potentially left with an empty lot.

Finance Manager Loch reviewed what was discussed at the Finance committee meeting.

- Changing contract to reflect name change and extending the timeline through September 2025.
- This would not be a new contract but rather amending the current one.
  - Commissioner Johnson noted to be aggressive in amending.
- Loch noted that the contract was recently rewritten in March.

Commissioner Erickson amended his motion.

**Motion by Commissioner Erickson and seconded by Commissioner O'Day to amend the existing contract that would extend the 25MW capacity through September 2025 based on the EDA approving the plans submitted by Blockmetrix. There was a unanimous vote in favor of the motion. Motion carried.**

### New Business

Approve Updated Schedule of fees for September Rate Increases-see board packet for schedule of fees

- Finance Manager Loch reviewed the following: In May of 2023, the electric rate schedule was approved for 2023 and 2024. In June of 2024, the Commission approved an updated schedule of fees With the electric rate changes that took effect September 1, 2024, there are two electric fees that need to be updated to reflect the new rates on the previously approved fee schedule.

**Motion by Commissioner O'Day and seconded by Commissioner Erickson to approve the schedule of fees to reflect the September 1<sup>st</sup> rate increases. There was a unanimous vote in favor of the motion. Motion carried.**

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**September 24, 2024**

### Schedule Strategic Planning workshop

Commissioner O'Day reported the following: This was recently discussed at the Operations Committee meeting. Now that Public Utilities Director Evans is on board, the timing would be good to pursue this. Additionally, Evan's volunteered to lead the planning session during the committee discussion. The first meeting to take place on October 1<sup>st</sup>, 2024 at 10:00am. Commission will adjourn to this session.

### **Staff Reports**

#### City Administrator Report

None

#### City Liaison Report

Czeczok reported on the following:

- Thank you to Commission President Matten on the report last month from the MMUA conference attended.
  - Budget item to include 10% of City Administrator's salary in the BPU budget. Czeczok noted that he forgot to bring this up at the last City Council meeting. Czeczok requested that prior to the next Council meeting on October 7<sup>th</sup>, or to be included in the next Commission meeting agenda, a memo from Public Utilities Director Evans or the Commission may carry more of an impact and be given more consideration than a verbal update. Commissioner O'Day asked for clarification on what the 10% is based on, salary or salary and benefits. Finance Manager Loch stated the request was for \$19,613 which is 10% of the personnel services budget.
  - The end consensus was to not bring it up to Council, but Czeczok noted that he likely would still mention it in his report.

**HR Director's Report** – *see board packet for report.*

#### Public Utilities Director's Report

Public Utilities Director Evans gave a verbal introductory report on the happenings in his first month.

- First month has included meeting and integrating with employees and staff. Attended the MN AWWA conference in Duluth and is making the necessary partner contacts.

#### Managers Reports

Finance Manager's Report – *see board packet for report.*

Operations Manager Report – *see board packet for report.*

Operations Manager Hawkinson reported on the following:

- Lineworker interview is scheduled for September 26<sup>th</sup>.
- Commissioner Matten inquired on the Lead Service Line Inventory. Hawkinson reported that they are still collecting data, but the required reporting has been submitted to the Minnesota Department of Health in accordance with their required timelines. Final reports are due in October.

## BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 24, 2024

Water/Wastewater Report – see board packet for report.

Water/Wastewater Manager Gammon reported on the following in addition to the written report:

- Reviewed importance of SIU's
  - Collection line-item charges on the BPU bill go directly back to the City for the sanitary sewer line within the Street and Sewer department. This averages about half a million dollars annually. This does not financially aid in upgrades to lift stations, which are considered collections.
    - Commissioner Johnson made a request for BPU staff to work with the City Administrator on figuring out this charge. Johnson noted that the charges should directly relate to the services rendered. Staff can provide any updates to the Finance committee.

### **Commission Members – Reports**

Commissioner Matten reported on the following:

- Employee Appreciation Event occurred on September 19<sup>th</sup>.
  - Awards given included Exceptional Service (Charlie Gammon) and Innovation (Mitch Lachelt).
- The Wellness Committee to host a Chili Cookoff in October.

Next Board meeting is scheduled for October 29, 2024.

### **Adjournment**

**Motion by Commissioner O'Day and seconded by Commissioner Johnson to adjourn to Strategic Planning Workshop on October 1<sup>st</sup> at 10:00am at the BPU Service Center. There was a unanimous vote in favor of the motion. Motion carried at 10:34 AM.**

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Dolly Matten, Commission President

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Danny Loch, Finance Manager/Secretary



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The special meeting of the Brainerd Public Utilities Commission was held at 10:00 AM on October 1, 2024.

Commission Vice President Angland called the meeting to order at 10:00 AM.

## **Commission Roll Call**

Mike Angland – Present

Tad Johnson – Absent

Dolly Matten – Present

Mark O'Day – Present

Tad Erickson - Present

## **Utility Staff Present**

Public Utilities Director

Finance Manager

Operations Manager

Water/Wastewater Manager

Business Office Supervisor

Electric Line Supervisor

I.T. Supervisor

Christopher Evans

Danny Loch

Trent Hawkinson

Charlie Gammon

Jana Pernula

Mitch Lachelt

Aaron Andersen

## **Others in Attendance**

City Administrator

Nick Broyles

Commissioner Angland opened the meeting with introductions. Roll call was taken, and discussion of strategic plan was turned over to Director Evans.

Evan's presented a general session strategic planning series group activity and presented terms and conditions to aid in the preparation of a strategic plan. Discussion occurred relating to what a mission, vision, and value statement consisted of. The introduction of a SWOT (strengths, weaknesses, opportunities and threats) analysis was provided, and discussion occurred.

Each member present was asked to write a vision statement for the utilities department, a mission statement and provide 6 values with their definitions essential for the department to succeed by next meeting.

Additionally, all present were asked to provide 5 each: strengths, weaknesses, opportunities, threats, needs and SMART goals with a timeline for consensus and synergy discussion to continue at the next meeting.

Next meeting scheduled for October 8 to continue the strategic goals discussion.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**October 1, 2024**

**Adjournment**

**Motion by Commissioner O'Day and seconded by Commissioner Angland to adjourn to special meeting on October 8, 2024, 10:00AM to continue the discussion. Motion carried at 12:01 PM.**

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Dolly Matten, Commission President

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Danny Loch, Finance Manager/Secretary



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The special meeting of the Brainerd Public Utilities Commission was held at 10:00 AM on October 8, 2024.

Commission President Matten called the meeting to order at 10:00 AM.

## **Commission Roll Call**

Mike Angland – Present

Tad Erickson – Present

Mark O’Day – Present

Dolly Matten – Present

## **Utility Staff Present**

Public Utilities Director

Finance Manager

Operations Manager

Water/Wastewater Manager

Business Office Supervisor

Electric Line Supervisor

I.T. Supervisor

Christopher Evans

Danny Loch

Trent Hawkinson

Charlie Gammon

Jana Pernula

Mitch Lachelt

Aaron Andersen

## **Others in Attendance**

City Administrator

Community Member

Nick Broyles

Michael Duval

President Matten opened the meeting with introductions. Roll call was taken, and discussion of strategic plan was turned over to Director Evans.

Evans presented the compiled documents related to vision and mission statements members had put together and a discussion surrounding what was liked and those that were selected as a draft document Evans is to compile and present for the next meeting.

Additional conversations occurred related to the SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis from all commissioners and staff. A guided discussion occurred relating to the strengths and weaknesses section of the overall analysis for consideration by all relating to the SWOT analysis. Evans was to compile or summarize the related results of these discussion topics for the next meeting.

Next meeting scheduled for October 15 to continue the strategic goals discussion and subsequent date of October 22<sup>nd</sup>.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**October 08, 2024**

**Adjournment**

**Motion by Commissioner O'Day and seconded by Commissioner Angland to adjourn to special meeting on October 15, 2024, 10:00AM to continue the discussion. Motion carried at 11:59 AM.**

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Dolly Matten, Commission President

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Danny Loch, Finance Manager/Secretary



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The special meeting of the Brainerd Public Utilities Commission was held at 10:00 AM on October 15, 2024.

Commission President Matten called the meeting to order at 10:01 AM.

## **Commission Roll Call**

Mike Angland – Absent

Tad Erickson – Present

Mark O’Day – Absent

Dolly Matten – Present

## **Utility Staff Present**

Public Utilities Director

Finance Manager

Operations Manager

Water/Wastewater Manager

Business Office Supervisor

Electric Line Supervisor

I.T. Supervisor

Christopher Evans

Danny Loch

Trent Hawkinson

Charlie Gammon

Jana Pernula

Mitch Lachelt

Aaron Andersen

## **Others in Attendance**

City Council Liaison

City Administrator

Community Member

Jeff Czczok

Nick Broyles

Michael Duval

President Matten opened the meeting with introductions. Roll call was taken, and discussion of strategic plan was turned over to Director Evans.

Evans presented the compiled documents, and a summarized vision and mission statements members had discussed at the previous session. Drafted statements for consideration were presented:

**OUR VISION:** Brainerd Public Utilities strives for the well-being of our employees, customers, and the public to create a resilient and thriving community for generations to come.

**OUR MISSION:** Creating a resilient and thriving community for generations to come through diligent resource management that prioritizes safety, efficiency, conservation, sustainability, innovation, long-term environmental stewardship and fiscal responsibility in the most affordable manner.

Additional conversations occurred related to the SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis from all commissioners and staff. A guided discussion occurred relating to the opportunities and threats section of the overall analysis for consideration by all relating to the SWOT

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**October 15, 2024**

analysis. Evans will compile or summarize the related results of these discussion topics for the next meeting.

Additional discussion moved into the needs that were compiled by all staff and members of commissioners and a guided discussion occurred related to future needs, all of which will be summarized by Evans for the next meeting.

Next meeting scheduled for October 22nd to continue the strategic goals discussion and subsequent date.

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Dolly Matten, Commission President

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Danny Loch, Finance Manager/Secretary



## Brainerd Public Utilities, MN

# Board Packet Check Report

By Check Number

Date Range: 09/20/2024 - 10/24/2024

| Vendor Number                     | Vendor Name                      | Payment Date | Payment Type                            | Discount Amount | Payment Amount | Number |
|-----------------------------------|----------------------------------|--------------|-----------------------------------------|-----------------|----------------|--------|
| Payable #                         | Payable Type                     | Post Date    | Payable Description                     | Discount Amount | Payable Amount |        |
| <b>Bank Code: AP2-BREMER BANK</b> |                                  |              |                                         |                 |                |        |
| 09535                             | U.S. BANK ST PAUL                | 09/26/2024   | EFT                                     | 0.00            | 738,693.75     | 209    |
| <a href="#">2662221</a>           | Invoice                          | 09/25/2024   | 2016A Bond: 0037186NS                   | 0.00            | 738,693.75     |        |
| 10086                             | WATERSURPLUS                     | 10/10/2024   | EFT                                     | 0.00            | 52,505.00      | 210    |
| <a href="#">INV0007564</a>        | Invoice                          | 10/09/2024   | PUR PYROLOX 8X20 MESH CATALYTIC FILT... | 0.00            | 52,505.00      |        |
| 00140                             | AEP ENERGY PARTNERS, INC.        | 10/17/2024   | EFT                                     | 0.00            | 1,366,847.83   | 211    |
| <a href="#">175-21520802</a>      | Invoice                          | 10/16/2024   | Invoice Period: 09/01/24-09/30/24       | 0.00            | 1,366,847.83   |        |
| 10095                             | AEP ONSITE PARTNERS, LLC         | 10/17/2024   | EFT                                     | 0.00            | 105,008.44     | 212    |
| <a href="#">419-21520917</a>      | Invoice                          | 10/16/2024   | Invoice Period: 09/01/24-09/30/24       | 0.00            | 105,008.44     |        |
| 00075                             | A W RESEARCH                     | 09/23/2024   | Regular                                 | 0.00            | 3,673.68       | 82621  |
| <a href="#">65265</a>             | Invoice                          | 09/23/2024   | WWT TESTING                             | 0.00            | 3,047.28       |        |
| <a href="#">65276</a>             | Invoice                          | 09/23/2024   | WTR TESTING                             | 0.00            | 626.40         |        |
| 00105                             | ACE HARDWARE-BRAINERD            | 09/23/2024   | Regular                                 | 0.00            | 577.38         | 82622  |
| <a href="#">326549</a>            | Invoice                          | 09/23/2024   | Coupling/Valve/Plug                     | 0.00            | 26.90          |        |
| <a href="#">326703</a>            | Invoice                          | 09/23/2024   | Screws/Tie Downs/Cleaner                | 0.00            | 71.13          |        |
| <a href="#">326745</a>            | Invoice                          | 09/23/2024   | Sprayer / Wax Paper                     | 0.00            | 7.67           |        |
| <a href="#">326747</a>            | Invoice                          | 09/23/2024   | Exhaust Fan                             | 0.00            | 43.27          |        |
| <a href="#">326773</a>            | Invoice                          | 09/23/2024   | Gloves/ Paint cups & brushes            | 0.00            | 83.60          |        |
| <a href="#">326847</a>            | Invoice                          | 09/23/2024   | Valves / Bushings                       | 0.00            | 57.14          |        |
| <a href="#">326876</a>            | Invoice                          | 09/23/2024   | Valves                                  | 0.00            | 19.21          |        |
| <a href="#">326877</a>            | Invoice                          | 09/23/2024   | Galv. Pipe Accessories                  | 0.00            | 0.48           |        |
| <a href="#">326885</a>            | Invoice                          | 09/23/2024   | Elbows / Couplings / Nipples / Valves   | 0.00            | 119.05         |        |
| <a href="#">326903</a>            | Invoice                          | 09/23/2024   | Face Shield                             | 0.00            | 19.23          |        |
| <a href="#">326949</a>            | Invoice                          | 09/23/2024   | Couplings                               | 0.00            | 38.43          |        |
| <a href="#">326963</a>            | Invoice                          | 09/23/2024   | Screws/Fasteners                        | 0.00            | 31.15          |        |
| <a href="#">326984</a>            | Invoice                          | 09/23/2024   | Plug                                    | 0.00            | 19.23          |        |
| <a href="#">327073</a>            | Invoice                          | 09/23/2024   | Hanger Storage                          | 0.00            | 6.72           |        |
| <a href="#">327239</a>            | Invoice                          | 09/23/2024   | Paint Brushes/Gloves                    | 0.00            | 34.17          |        |
| 00497                             | AUTO VALUE                       | 09/23/2024   | Regular                                 | 0.00            | 153.86         | 82623  |
| <a href="#">17364997</a>          | Invoice                          | 09/23/2024   | Classical Section - Belts               | 0.00            | 153.86         |        |
| 00692                             | BATTERIES PLUS # 035             | 09/23/2024   | Regular                                 | 0.00            | 72.70          | 82624  |
| <a href="#">P75337251</a>         | Invoice                          | 09/23/2024   | Batteries - WWT                         | 0.00            | 72.70          |        |
| 00706                             | BELL LUMBER & POLE COMPANY       | 09/23/2024   | Regular                                 | 0.00            | 22,470.00      | 82625  |
| <a href="#">INV-033770</a>        | Invoice                          | 09/23/2024   | INV WOOD POLE N RED PINE                | 0.00            | 10,486.00      |        |
| <a href="#">INV-033771</a>        | Invoice                          | 09/23/2024   | INV WOOD POLE N RED PINE                | 0.00            | 11,984.00      |        |
| 00735                             | BEST OIL COMPANY                 | 09/23/2024   | Regular                                 | 0.00            | 6,302.77       | 82626  |
| <a href="#">37173</a>             | Invoice                          | 09/23/2024   | DIESEL                                  | 0.00            | 616.87         |        |
| <a href="#">37322</a>             | Invoice                          | 09/23/2024   | GAS                                     | 0.00            | 632.00         |        |
| <a href="#">7617</a>              | Invoice                          | 09/23/2024   | DIESEL                                  | 0.00            | 445.90         |        |
| <a href="#">7855</a>              | Invoice                          | 09/23/2024   | GAS                                     | 0.00            | 1,167.95       |        |
| <a href="#">7856</a>              | Invoice                          | 09/23/2024   | DIESEL                                  | 0.00            | 411.60         |        |
| <a href="#">7914</a>              | Invoice                          | 09/23/2024   | GAS                                     | 0.00            | 904.75         |        |
| <a href="#">7915</a>              | Invoice                          | 09/23/2024   | DIESEL                                  | 0.00            | 617.10         |        |
| <a href="#">8050</a>              | Invoice                          | 09/23/2024   | GAS                                     | 0.00            | 891.00         |        |
| <a href="#">8051</a>              | Invoice                          | 09/23/2024   | DIESEL                                  | 0.00            | 615.60         |        |
| 02527                             | CONTINENTAL RESEARCH CORPORATION | 09/23/2024   | Regular                                 | 0.00            | 242.73         | 82627  |

## Board Packet Check Report

Date Range: 09/20/2024 - 10/24/2024

| Vendor Number                         | Vendor Name                          | Payment Date | Payment Type                                 | Discount Amount | Payment Amount | Number |
|---------------------------------------|--------------------------------------|--------------|----------------------------------------------|-----------------|----------------|--------|
| Payable #                             | Payable Type                         | Post Date    | Payable Description                          | Discount Amount | Payable Amount |        |
| <a href="#">0056741</a>               | Invoice                              | 09/23/2024   | Inhibitaur Liquid Rust Converter             | 0.00            | 242.73         |        |
| 02556                                 | CORE & MAIN LP                       | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 3,199.88       | 82628  |
| <a href="#">V386504</a>               | Invoice                              | 09/23/2024   | INV WTR RESTOCK                              | 0.00            | 3,199.88       |        |
| 02715                                 | CROW WING COUNTY LANDFILL, LLC       | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 132.00         | 82629  |
| <a href="#">203091</a>                | Invoice                              | 09/23/2024   | Industrial Waste                             | 0.00            | 132.00         |        |
| 02785                                 | DACOTAH PAPER CO                     | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 746.25         | 82630  |
| <a href="#">62337</a>                 | Invoice                              | 09/23/2024   | SUPPLIES - Cleaning                          | 0.00            | 746.25         |        |
| 02790                                 | DAKOTA SUPPLY GROUP                  | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 1,620.00       | 82631  |
| <a href="#">S103864017.001</a>        | Invoice                              | 09/23/2024   | INV MDONUTCT                                 | 0.00            | 1,350.00       |        |
| <a href="#">S103864017.002</a>        | Invoice                              | 09/23/2024   | INV MDONUTCT                                 | 0.00            | 270.00         |        |
| 02860                                 | Dixon Mechanical Electric, LLC       | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 188.55         | 82632  |
| <a href="#">9233</a>                  | Invoice                              | 09/23/2024   | A/C Delco - Generator                        | 0.00            | 188.55         |        |
| 09192                                 | Dycom Industries, Inc.               | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 13,586.00      | 82633  |
| <a href="#">289946</a>                | Invoice                              | 09/23/2024   | Boring: Excelsior & Cypress                  | 0.00            | 2,156.00       |        |
| <a href="#">289947</a>                | Invoice                              | 09/23/2024   | Boring: Jenny Street                         | 0.00            | 11,430.00      |        |
| 03698                                 | GPE CONTROLS, INC/SHAND&JURS         | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 8,584.59       | 82634  |
| <a href="#">176833</a>                | Invoice                              | 09/23/2024   | PUR 97150 SINGLE PORT REGULATOR              | 0.00            | 8,584.59       |        |
| 03699                                 | GRAINGER                             | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 434.54         | 82635  |
| <a href="#">9224045824</a>            | Invoice                              | 09/23/2024   | Pleated air filters                          | 0.00            | 65.04          |        |
| <a href="#">9242736628</a>            | Invoice                              | 09/23/2024   | Hammer Handle                                | 0.00            | 11.66          |        |
| <a href="#">9250343200</a>            | Invoice                              | 09/23/2024   | Pleated air filters                          | 0.00            | 357.84         |        |
| 03915                                 | HACH COMPANY                         | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 1,631.25       | 82636  |
| <a href="#">14154834</a>              | Invoice                              | 09/23/2024   | PUR WC DR300 COLOIMETER                      | 0.00            | 1,092.50       |        |
| <a href="#">14188083</a>              | Invoice                              | 09/23/2024   | Flouride                                     | 0.00            | 538.75         |        |
| 04050                                 | HAWKINS INC.                         | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 11,857.66      | 82637  |
| <a href="#">6846053</a>               | Invoice                              | 09/23/2024   | CHLORINE / LPC-31                            | 0.00            | 6,279.12       |        |
| <a href="#">6847679</a>               | Invoice                              | 09/23/2024   | CHLORINE/SODIUM HYDROXIDE                    | 0.00            | 5,568.54       |        |
| <a href="#">6862570</a>               | Invoice                              | 09/23/2024   | CHLORINE CYLINDERS                           | 0.00            | 10.00          |        |
| 04096                                 | HENGEL READY MIX & CONST             | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 250.00         | 82638  |
| <a href="#">236934</a>                | Invoice                              | 09/23/2024   | 10 YARDS LANDFILL                            | 0.00            | 100.00         |        |
| <a href="#">236974</a>                | Invoice                              | 09/23/2024   | 10 YARDS LANDFILL                            | 0.00            | 100.00         |        |
| <a href="#">237006</a>                | Invoice                              | 09/23/2024   | 5 YARDS LANDFILL                             | 0.00            | 50.00          |        |
| 10228                                 | J & J EXCAVATING, INC.               | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 29,562.98      | 82639  |
| <a href="#">240725</a>                | Invoice                              | 09/23/2024   | Wright St & 13th St SE / Valve Box Material  | 0.00            | 7,009.02       |        |
| <a href="#">240819</a>                | Invoice                              | 09/23/2024   | Wright St & S 8th Street / Valve Materials   | 0.00            | 22,553.96      |        |
| 04613                                 | JACO ANALYTICAL, INC.                | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 39.30          | 82640  |
| <a href="#">E4HS08</a>                | Invoice                              | 09/23/2024   | OIL SAMPLES                                  | 0.00            | 39.30          |        |
| 04755                                 | John W. Treichler                    | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 620.00         | 82641  |
| <a href="#">860841</a>                | Invoice                              | 09/23/2024   | Make Water Shut Off / Repair Adapters        | 0.00            | 620.00         |        |
| 05079                                 | Knife Lake Concrete, Inc.            | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 3,025.50       | 82642  |
| <a href="#">1424.2</a>                | Invoice                              | 09/23/2024   | South Brd Reconstruction - Curb & Gutter...  | 0.00            | 3,025.50       |        |
| 05334                                 | Lakes Area Lock & Door, Inc.         | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 36.88          | 82643  |
| <a href="#">124076</a>                | Invoice                              | 09/23/2024   | Tax on Invoice 124076-Balance remitted o...  | 0.00            | 36.88          |        |
| 05530                                 | LEAGUE OF MN CITIES INS. TRUST P & C | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 64,005.83      | 82644  |
| <a href="#">40001339-P&amp;C-0...</a> | Invoice                              | 09/23/2024   | Prop/Casualty Insurance- 3rd Installment ... | 0.00            | 64,005.83      |        |
| 06266                                 | MINNESOTA VALLEY TESTING LABS        | 09/23/2024   | 09/23/2024 Regular                           | 0.00            | 1,130.75       | 82645  |
| <a href="#">1267742</a>               | Invoice                              | 09/23/2024   | TESTING                                      | 0.00            | 88.00          |        |
| <a href="#">1268315</a>               | Invoice                              | 09/23/2024   | TESTING                                      | 0.00            | 63.00          |        |

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| Vendor Number                  | Vendor Name                            | Payment Date | Payment Type                                  | Discount Amount | Payment Amount | Number |
|--------------------------------|----------------------------------------|--------------|-----------------------------------------------|-----------------|----------------|--------|
| Payable #                      | Payable Type                           | Post Date    | Payable Description                           | Discount Amount | Payable Amount |        |
| <a href="#">1269593</a>        | Invoice                                | 09/23/2024   | TESTING                                       | 0.00            | 979.75         |        |
| 06790                          | NAPA AUTO PARTS BAXTER                 | 09/23/2024   | Regular                                       | 0.00            | 1,718.06       | 82646  |
| <a href="#">735245</a>         | Invoice                                | 09/23/2024   | Door Check                                    | 0.00            | 41.87          |        |
| <a href="#">735873</a>         | Invoice                                | 09/23/2024   | Spark Plugs                                   | 0.00            | 15.50          |        |
| <a href="#">7370026</a>        | Invoice                                | 09/23/2024   | Oil Filters                                   | 0.00            | 91.36          |        |
| <a href="#">738484</a>         | Invoice                                | 09/23/2024   | Oil Filters / Rechargeable Battery            | 0.00            | 105.96         |        |
| <a href="#">740081</a>         | Invoice                                | 09/23/2024   | NOX Sensor                                    | 0.00            | 318.55         |        |
| <a href="#">740088</a>         | Invoice                                | 09/23/2024   | Actuator                                      | 0.00            | 1,011.31       |        |
| <a href="#">740120</a>         | Invoice                                | 09/23/2024   | Lift Support                                  | 0.00            | 58.64          |        |
| <a href="#">740892</a>         | Invoice                                | 09/23/2024   | Grease Gun/Coupler                            | 0.00            | 50.98          |        |
| <a href="#">742114</a>         | Invoice                                | 09/23/2024   | Washer Pump                                   | 0.00            | 23.89          |        |
| 10147                          | NATHAN WILLIAM DYKES                   | 09/23/2024   | Regular                                       | 0.00            | 784.73         | 82647  |
| <a href="#">12642</a>          | Invoice                                | 09/23/2024   | PUR WW METER CALIBRATION                      | 0.00            | 784.73         |        |
| 10341                          | National Conductor Inc                 | 09/23/2024   | Regular                                       | 0.00            | 12,994.56      | 82648  |
| <a href="#">5697</a>           | Invoice                                | 09/23/2024   | PUR OAKRIDGE SUBSTATION MATERIAL              | 0.00            | 12,994.56      |        |
| 10225                          | POMP'S TIRE SERVICE INC.               | 09/23/2024   | Regular                                       | 0.00            | 5,589.84       | 82649  |
| <a href="#">2280006054</a>     | Invoice                                | 09/23/2024   | Flat Repair - FA # 4009                       | 0.00            | 31.80          |        |
| <a href="#">2300006855</a>     | Invoice                                | 09/23/2024   | Tires/Balance - FA # 057                      | 0.00            | 5,298.90       |        |
| <a href="#">2300007033</a>     | Invoice                                | 09/23/2024   | Forklift - 9/10 SD Air 550                    | 0.00            | 259.14         |        |
| 07917                          | QUALITY EQUIPMENT SALES & SERVICE, INC | 09/23/2024   | Regular                                       | 0.00            | 197.95         | 82650  |
| <a href="#">P05782</a>         | Invoice                                | 09/23/2024   | Spring Retainer/Hose Kit Valve/Belt - Wtr ... | 0.00            | 197.95         |        |
| 07920                          | QUALITY FLOW SYSTEMS, INC.             | 09/23/2024   | Regular                                       | 0.00            | 53,500.00      | 82651  |
| <a href="#">47549</a>          | Invoice                                | 09/23/2024   | PUR WWTP QUALITY FLOW                         | 0.00            | 50,000.00      |        |
| <a href="#">47628</a>          | Invoice                                | 09/23/2024   | PUR SERVICE CHECK LIFT STATIONS               | 0.00            | 3,500.00       |        |
| 08058                          | RESCO                                  | 09/23/2024   | Regular                                       | 0.00            | 65,769.64      | 82652  |
| <a href="#">3044462</a>        | Invoice                                | 09/23/2024   | INV EO4112 VERTICAL SWITCH                    | 0.00            | 8,110.62       |        |
| <a href="#">3044961</a>        | Invoice                                | 09/23/2024   | INV ET0973 500KVS 19.9                        | 0.00            | 45,285.93      |        |
| <a href="#">3045325</a>        | Invoice                                | 09/23/2024   | PUR TRANSITION PLATES                         | 0.00            | 880.26         |        |
| <a href="#">3046081</a>        | Invoice                                | 09/23/2024   | INV POLE MOUNT XFRMRS                         | 0.00            | 5,805.83       |        |
| <a href="#">3046275</a>        | Invoice                                | 09/23/2024   | INV 1P PAD XFRMRS                             | 0.00            | 5,687.00       |        |
| 08430                          | SHORT ELLIOT HENDRICKSON, INC          | 09/23/2024   | Regular                                       | 0.00            | 8,738.90       | 82653  |
| <a href="#">472596</a>         | Invoice                                | 09/23/2024   | PUR HYDRAULIC WATER MODEL ADVANT...           | 0.00            | 2,217.09       |        |
| <a href="#">474137</a>         | Invoice                                | 09/23/2024   | PUR HYDRAULIC WATER MODEL ADVANT...           | 0.00            | 6,521.81       |        |
| 08895                          | STUART C. IRBY CO                      | 09/23/2024   | Regular                                       | 0.00            | 199.00         | 82654  |
| <a href="#">S013989835.001</a> | Invoice                                | 09/23/2024   | INV EH1090                                    | 0.00            | 199.00         |        |
| 09165                          | TANNER MOTORS                          | 09/23/2024   | Regular                                       | 0.00            | 123.62         | 82655  |
| <a href="#">165904</a>         | Invoice                                | 09/23/2024   | AH Bracket - FA # 1031                        | 0.00            | 123.62         |        |
| 09250                          | THOMPSON EXCAVATING, LLC               | 09/23/2024   | Regular                                       | 0.00            | 4,782.66       | 82656  |
| <a href="#">8580</a>           | Invoice                                | 09/23/2024   | Black Dirt / Class 5                          | 0.00            | 4,782.66       |        |
| 00340                          | Vestis Group, Inc.                     | 09/23/2024   | Regular                                       | 0.00            | 135.24         | 82657  |
| <a href="#">2530308991</a>     | Invoice                                | 09/23/2024   | WORK UNIFORMS                                 | 0.00            | 33.81          |        |
| <a href="#">2530311478</a>     | Invoice                                | 09/23/2024   | WORK UNIFORMS                                 | 0.00            | 33.81          |        |
| <a href="#">2530313958</a>     | Invoice                                | 09/23/2024   | WORK UNIFORMS                                 | 0.00            | 33.81          |        |
| <a href="#">2530316465</a>     | Invoice                                | 09/23/2024   | WORK UNIFORMS                                 | 0.00            | 33.81          |        |
| 09663                          | VIKING ELECTRIC SUPPLY, INC            | 09/23/2024   | Regular                                       | 0.00            | 1,693.74       | 82658  |
| <a href="#">S008367550.001</a> | Invoice                                | 09/23/2024   | Clamps / Bushings / Step Bits                 | 0.00            | 227.07         |        |
| <a href="#">S008367550.002</a> | Invoice                                | 09/23/2024   | Terminals                                     | 0.00            | 89.54          |        |
| <a href="#">S008376240.001</a> | Invoice                                | 09/23/2024   | Conduit / Clamps / Connectors                 | 0.00            | 240.77         |        |
| <a href="#">S008380459.001</a> | Invoice                                | 09/23/2024   | Plugs / Flex Power Cords                      | 0.00            | 431.37         |        |
| <a href="#">S008386059.001</a> | Invoice                                | 09/23/2024   | Conduit / Clamps / Bushings / Adapters        | 0.00            | 80.94          |        |
| <a href="#">S008394251.001</a> | Invoice                                | 09/23/2024   | PVC Conduit / Couplings / Clamps              | 0.00            | 44.12          |        |

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| Vendor Number                      | Vendor Name                               | Payment Date | Payment Type                                   | Discount Amount | Payment Amount | Number |
|------------------------------------|-------------------------------------------|--------------|------------------------------------------------|-----------------|----------------|--------|
| Payable #                          | Payable Type                              | Post Date    | Payable Description                            | Discount Amount | Payable Amount |        |
| <a href="#">S008394251.002</a>     | Invoice                                   | 09/23/2024   | Nylon Plug / Fuseholder                        | 0.00            | 253.13         |        |
| <a href="#">S008404283.001</a>     | Invoice                                   | 09/23/2024   | Plugs / Connector                              | 0.00            | 53.54          |        |
| <a href="#">S008408533.001</a>     | Credit Memo                               | 09/23/2024   | Return: Nylon Plug - Orig Inv: S008394251...   | 0.00            | -63.29         |        |
| <a href="#">S008408556.001</a>     | Invoice                                   | 09/23/2024   | Nylon Plug                                     | 0.00            | 60.33          |        |
| <a href="#">S008411976.001</a>     | Invoice                                   | 09/23/2024   | Box / Receptable / Duplex / Fuse               | 0.00            | 276.22         |        |
| 09899                              | WESCO RECEIVABLES CORP                    | 09/23/2024   | Regular                                        | 0.00            | 245.58         | 82659  |
| <a href="#">448208</a>             | Invoice                                   | 09/23/2024   | PUR WW POWER SUPPLY CHARGER                    | 0.00            | 245.58         |        |
| 08811                              | BNSF RAILWAY COMPANY                      | 09/30/2024   | Regular                                        | 0.00            | 13,022.05      | 82668  |
| <a href="#">24009230</a>           | Invoice                                   | 09/30/2024   | Contract #40545377 - Lease: 10/01/24-09...     | 0.00            | 13,022.05      |        |
| 02002                              | CITY OF BAXTER                            | 09/30/2024   | Regular                                        | 0.00            | 1,091.39       | 82669  |
| <a href="#">007335-000-09/1...</a> | Invoice                                   | 09/30/2024   | STORMWATER - ACCT# 007335-000 - 08/2...        | 0.00            | 1,091.39       |        |
| 10301                              | Danny Loch                                | 09/30/2024   | Regular                                        | 0.00            | 618.39         | 82670  |
| <a href="#">09/17/24 - Reim...</a> | Invoice                                   | 09/30/2024   | Reimbursement for AWWA Conference Ex...        | 0.00            | 90.84          |        |
| <a href="#">09/17-24-09/20/...</a> | Invoice                                   | 09/30/2024   | Reimbursement for AWWA Conference Ex...        | 0.00            | 527.55         |        |
| 10087                              | RICE LAKE CONSTRUCTION GROUP              | 09/30/2024   | Regular                                        | 0.00            | 168,750.00     | 82671  |
| <a href="#">2336-1</a>             | Invoice                                   | 09/30/2024   | PUR DIGESTER COVER DEMO AND REPLAC...          | 0.00            | 168,750.00     |        |
| 00133                              | AGC NETWORKS, LLC                         | 10/11/2024   | Regular                                        | 0.00            | 1,000.86       | 82683  |
| <a href="#">950046709</a>          | Invoice                                   | 10/11/2024   | 10 SIP Trunk Licenses for PRI to SIP convers.. | 0.00            | 1,000.86       |        |
| 10188                              | ALPENGLOW TECHNOLOGIES, LLC               | 10/11/2024   | Regular                                        | 0.00            | 400.00         | 82684  |
| <a href="#">10925</a>              | Invoice                                   | 10/11/2024   | Monthly IT Billing: 10/2024                    | 0.00            | 400.00         |        |
| 00592                              | Badger Meter Inc                          | 10/11/2024   | Regular                                        | 0.00            | 1,400.00       | 82685  |
| <a href="#">80167595</a>           | Invoice                                   | 10/11/2024   | Water Sensor Monitors 05/24-06/24 & 07...      | 0.00            | 1,400.00       |        |
| 00820                              | BOLTON & MENK, INC.                       | 10/11/2024   | Regular                                        | 0.00            | 68,488.65      | 82686  |
| <a href="#">0346511</a>            | Invoice                                   | 10/11/2024   | WTP Filter Backwash Reclaim / Operation...     | 0.00            | 68,488.65      |        |
| 01837                              | CENTURYLINK                               | 10/11/2024   | Regular                                        | 0.00            | 481.19         | 82687  |
| <a href="#">333931378-10/0...</a>  | Invoice                                   | 10/11/2024   | MONTHLY PHONE BILL: 10/2024                    | 0.00            | 481.19         |        |
| 10301                              | Danny Loch                                | 10/11/2024   | Regular                                        | 0.00            | 90.22          | 82689  |
| <a href="#">10/03/24-REIMB...</a>  | Invoice                                   | 10/11/2024   | Reimburse training expenses: ERP Pro 10 ...    | 0.00            | 90.22          |        |
| 03321                              | FIRST IMPRESSION PRINTING                 | 10/11/2024   | Regular                                        | 0.00            | 465.00         | 82691  |
| <a href="#">92154</a>              | Invoice                                   | 10/11/2024   | PRINTING/PUBLISHING FORMS: Certs Elec....      | 0.00            | 465.00         |        |
| 03695                              | GOPHER STATE ONE-CALL                     | 10/11/2024   | Regular                                        | 0.00            | 240.30         | 82692  |
| <a href="#">4090111</a>            | Invoice                                   | 10/11/2024   | GSOC TICKETS: 09/2024                          | 0.00            | 240.30         |        |
| 03710                              | GRANITE ELECTRONICS, INC.                 | 10/11/2024   | Regular                                        | 0.00            | 155.00         | 82693  |
| <a href="#">2247398</a>            | Invoice                                   | 10/11/2024   | Field Service - APX 4500 Radio Programmi...    | 0.00            | 155.00         |        |
| 07090                              | Innovative Office Solutions, LLC          | 10/11/2024   | Regular                                        | 0.00            | 1,920.00       | 82694  |
| <a href="#">IN4656030</a>          | Invoice                                   | 10/11/2024   | OFFICE SUPPLIES: Copier Paper                  | 0.00            | 1,920.00       |        |
| 05415                              | LANDIS-GYR TECHNOLOGY, INC/FKA CELLNET    | 10/11/2024   | Regular                                        | 0.00            | 1,466.95       | 82695  |
| <a href="#">90400606</a>           | Invoice                                   | 10/11/2024   | MONTHLY ENDPOINT FEE: 10/2024                  | 0.00            | 1,466.95       |        |
| 06065                              | MILLS AUTOMOTIVE GROUP                    | 10/11/2024   | Regular                                        | 0.00            | 131.60         | 82696  |
| <a href="#">09/30/2024-CIP...</a>  | Invoice                                   | 10/11/2024   | CIP Rebate: 14138 Dellwood Drive-Shop li...    | 0.00            | 131.60         |        |
| 06141                              | MINNESOTA DEPT OF HEALTH                  | 10/11/2024   | Regular                                        | 0.00            | 23.00          | 82697  |
| <a href="#">D.Doucette-2024...</a> | Invoice                                   | 10/11/2024   | D. Doucette - Class B Water Op Certificate ... | 0.00            | 23.00          |        |
| 06190                              | MINNESOTA MUNICIPAL UTILITIES ASSOCIATION | 10/11/2024   | Regular                                        | 0.00            | 8,798.75       | 82698  |
| <a href="#">64477</a>              | Invoice                                   | 10/11/2024   | Safety Management Program / Elec Job Tr...     | 0.00            | 8,798.75       |        |
| 05238                              | MITCH LACHELT                             | 10/11/2024   | Regular                                        | 0.00            | 114.54         | 82699  |
| <a href="#">10/04/2024-Rei...</a>  | Invoice                                   | 10/11/2024   | Reimburse outage meals                         | 0.00            | 114.54         |        |

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| Vendor Number                  | Vendor Name                       | Payment Date | Payment Type                             | Discount Amount | Payment Amount | Number |
|--------------------------------|-----------------------------------|--------------|------------------------------------------|-----------------|----------------|--------|
| Payable #                      | Payable Type                      | Post Date    | Payable Description                      | Discount Amount | Payable Amount |        |
| 07143                          | NORTHLAND FIRE PROTECTION         | 10/11/2024   | Regular                                  | 0.00            | 1,740.85       | 82700  |
| <a href="#">59956</a>          | Invoice                           | 10/11/2024   | FIRE EXTINGUISHER - SERVICE CENTER       | 0.00            | 55.85          |        |
| <a href="#">60122</a>          | Invoice                           | 10/11/2024   | SERVICE & RECERT OF CO2 SYSTEM           | 0.00            | 1,685.00       |        |
| 07335                          | OFFICE SHOP                       | 10/11/2024   | Regular                                  | 0.00            | 10,309.78      | 82701  |
| <a href="#">1145522-1</a>      | Invoice                           | 10/11/2024   | OFFICE SUPPLIES                          | 0.00            | 18.33          |        |
| <a href="#">1145522-2</a>      | Invoice                           | 10/11/2024   | OFFICE SUPPLIES: Toner                   | 0.00            | 598.47         |        |
| <a href="#">1146534-0</a>      | Invoice                           | 10/11/2024   | OFFICE SUPPLIES: Toner / Folders         | 0.00            | 228.77         |        |
| <a href="#">1146534-1</a>      | Invoice                           | 10/11/2024   | OFFICE SUPPLIES: Toner                   | 0.00            | 429.32         |        |
| <a href="#">1146656-0</a>      | Invoice                           | 10/11/2024   | Office Cubicles - Corrected              | 0.00            | 16,864.10      |        |
| <a href="#">333177-0</a>       | Invoice                           | 10/11/2024   | COPIER/PRINTER MAINTENANCE               | 0.00            | 2,472.85       |        |
| <a href="#">C1143216-0</a>     | Credit Memo                       | 10/11/2024   | Office cubicles - credit/return          | 0.00            | -10,302.06     |        |
| 07339                          | ONLINE INFORMATION SERVICES, INC. | 10/11/2024   | Regular                                  | 0.00            | 236.80         | 82702  |
| <a href="#">1281142</a>        | Invoice                           | 10/11/2024   | ONLINE UTILITY EXCHANGE REPORT: 09/2...  | 0.00            | 236.80         |        |
| 07682                          | PLUNKETT'S PEST CONTROL           | 10/11/2024   | Regular                                  | 0.00            | 1,291.53       | 82703  |
| <a href="#">8795856</a>        | Invoice                           | 10/11/2024   | TREATMENT FOR FALL INVADERS              | 0.00            | 300.00         |        |
| <a href="#">8802984</a>        | Invoice                           | 10/11/2024   | General Pest Control: 10/2024-09/2025    | 0.00            | 991.53         |        |
| 09566                          | UTILITY FINANCIAL SOLUTIONS, LLC  | 10/11/2024   | Regular                                  | 0.00            | 12,300.00      | 82704  |
| <a href="#">10240UFS</a>       | Invoice                           | 10/11/2024   | Requested Electric - Optional Services   | 0.00            | 12,300.00      |        |
| 09728                          | WASTE PARTNERS                    | 10/11/2024   | Regular                                  | 0.00            | 1,535.19       | 82705  |
| <a href="#">49X01545</a>       | Invoice                           | 10/11/2024   | TRASH/RECYCLING SERVICE: ACCT#242053     | 0.00            | 1,535.19       |        |
| 00105                          | ACE HARDWARE-BRAINERD             | 10/16/2024   | Regular                                  | 0.00            | 1,725.20       | 82722  |
| <a href="#">327342</a>         | Invoice                           | 10/16/2024   | Drill / Bit Sets                         | 0.00            | 162.18         |        |
| <a href="#">327410</a>         | Invoice                           | 10/16/2024   | Plumber cloths                           | 0.00            | 19.19          |        |
| <a href="#">327490</a>         | Invoice                           | 10/16/2024   | Wire Hook / Paint Scraper / Glue         | 0.00            | 24.01          |        |
| <a href="#">327554</a>         | Invoice                           | 10/16/2024   | Silicone / Misc Hardware                 | 0.00            | 45.15          |        |
| <a href="#">327605</a>         | Invoice                           | 10/16/2024   | Spray Paint                              | 0.00            | 13.89          |        |
| <a href="#">327652</a>         | Invoice                           | 10/16/2024   | Galvanized Nipples                       | 0.00            | 38.36          |        |
| <a href="#">327657</a>         | Invoice                           | 10/16/2024   | Paint Brushes / Mineral Spirits          | 0.00            | 41.37          |        |
| <a href="#">327679</a>         | Invoice                           | 10/16/2024   | Spray Paint / Tape                       | 0.00            | 20.62          |        |
| <a href="#">327729</a>         | Invoice                           | 10/16/2024   | Galvanized Pipe / Nipples / Couplings    | 0.00            | 1,279.76       |        |
| <a href="#">327869</a>         | Invoice                           | 10/16/2024   | Galvanized Nipples                       | 0.00            | 80.67          |        |
| 00325                          | AMERICAN TEST CENTER, INC.        | 10/16/2024   | Regular                                  | 0.00            | 3,480.00       | 82723  |
| <a href="#">2241836</a>        | Invoice                           | 10/16/2024   | ANNUAL SAFETY INSPECTIONS: Digger Der... | 0.00            | 3,480.00       |        |
| 00692                          | BATTERIES PLUS # 035              | 10/16/2024   | Regular                                  | 0.00            | 149.98         | 82724  |
| <a href="#">P75688368</a>      | Invoice                           | 10/16/2024   | 12V Batteries                            | 0.00            | 149.98         |        |
| 00735                          | BEST OIL COMPANY                  | 10/16/2024   | Regular                                  | 0.00            | 3,562.61       | 82725  |
| <a href="#">37812</a>          | Invoice                           | 10/16/2024   | DIESEL                                   | 0.00            | 443.43         |        |
| <a href="#">37813</a>          | Invoice                           | 10/16/2024   | GAS                                      | 0.00            | 921.00         |        |
| <a href="#">8169</a>           | Invoice                           | 10/16/2024   | DIESEL                                   | 0.00            | 851.91         |        |
| <a href="#">8170</a>           | Invoice                           | 10/16/2024   | DIESEL                                   | 0.00            | 737.00         |        |
| <a href="#">8171</a>           | Invoice                           | 10/16/2024   | GAS                                      | 0.00            | 609.27         |        |
| 00825                          | BORDER STATES ELECTRIC            | 10/18/2024   | Regular                                  | 0.00            | 1,289.25       | 82726  |
| <a href="#">929100900</a>      | Invoice                           | 10/18/2024   | PUR RP-16 CABLE CLEANER                  | 0.00            | 342.00         |        |
| <a href="#">929126001</a>      | Invoice                           | 10/18/2024   | MISC ELEC PARTS                          | 0.00            | 947.25         |        |
| 02790                          | DAKOTA SUPPLY GROUP               | 10/18/2024   | Regular                                  | 0.00            | 3,501.82       | 82727  |
| <a href="#">S103723952.001</a> | Invoice                           | 10/18/2024   | INV EU3600 NEW 600A T-BODY               | 0.00            | 3,501.82       |        |
| 03282                          | FERGUSON WATERWORKS #2518         | 10/18/2024   | Regular                                  | 0.00            | 2,296.31       | 82728  |
| <a href="#">0537509</a>        | Invoice                           | 10/18/2024   | PUR HYDRANT PAINT                        | 0.00            | 1,032.70       |        |
| <a href="#">0537977</a>        | Invoice                           | 10/18/2024   | INV WI0510                               | 0.00            | 278.00         |        |
| <a href="#">0538607</a>        | Invoice                           | 10/18/2024   | INV 1 1/2 WATER LIDS                     | 0.00            | 205.61         |        |
| <a href="#">INV0002193</a>     | Invoice                           | 10/18/2024   | INV WATER RESTOCK                        | 0.00            | 780.00         |        |

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| Vendor Number                       | Vendor Name                       | Payment Date | Payment Type                                | Discount Amount | Payment Amount | Number |
|-------------------------------------|-----------------------------------|--------------|---------------------------------------------|-----------------|----------------|--------|
| Payable #                           | Payable Type                      | Post Date    | Payable Description                         | Discount Amount | Payable Amount |        |
| 03915                               | HACH COMPANY                      | 10/18/2024   | Regular                                     | 0.00            | 1,845.10       | 82729  |
| <a href="#">14193721</a>            | Invoice                           | 10/18/2024   | Reagent Set - Manganese                     | 0.00            | 1,845.10       |        |
| 04050                               | HAWKINS INC.                      | 10/18/2024   | Regular                                     | 0.00            | 14,950.41      | 82730  |
| <a href="#">6872083</a>             | Invoice                           | 10/18/2024   | HYDROFLUOSILICIC ACID/SODIUM HYDRO...       | 0.00            | 13,200.81      |        |
| <a href="#">6875992</a>             | Invoice                           | 10/18/2024   | CHLORINE CYLINDERS                          | 0.00            | 823.22         |        |
| <a href="#">6885492</a>             | Invoice                           | 10/18/2024   | Pump Tubes                                  | 0.00            | 926.38         |        |
| 06000                               | MIELKE ELECTRIC WORKS             | 10/18/2024   | Regular                                     | 0.00            | 2,763.35       | 82731  |
| <a href="#">0110952-IN</a>          | Invoice                           | 10/18/2024   | PUR STUDIO 5000                             | 0.00            | 2,763.35       |        |
| 10087                               | RICE LAKE CONSTRUCTION GROUP      | 10/18/2024   | Regular                                     | 0.00            | 113,493.00     | 82732  |
| <a href="#">23-23-01</a>            | Invoice                           | 10/18/2024   | PUR MAIN LIFT GRIT PUMP AND SUMP P...       | 0.00            | 96,645.00      |        |
| <a href="#">2401-34000-1</a>        | Invoice                           | 10/18/2024   | PUR DEMO AERATION HEADER AND ASSE...        | 0.00            | 14,474.00      |        |
| <a href="#">2401-34000-2</a>        | Invoice                           | 10/18/2024   | PUR MAIN LIFT 4" MAIN PLUG VALVE REP...     | 0.00            | 2,374.00       |        |
| 00105                               | ACE HARDWARE-BRAINERD             | 10/24/2024   | Regular                                     | 0.00            | 62.45          | 82733  |
| <a href="#">327377</a>              | Invoice                           | 10/24/2024   | Gloves/Brushes                              | 0.00            | 36.52          |        |
| <a href="#">327547</a>              | Invoice                           | 10/24/2024   | Adapters                                    | 0.00            | 25.93          |        |
| 00133                               | AGC NETWORKS, LLC                 | 10/24/2024   | Regular                                     | 0.00            | 3,667.75       | 82734  |
| <a href="#">9000021758</a>          | Invoice                           | 10/24/2024   | ANNUAL MAINT. AGREEMENT 10/01/24-0...       | 0.00            | 3,667.75       |        |
| 00250                               | AMARIL UNIFORM COMPANY            | 10/24/2024   | Regular                                     | 0.00            | 7,610.85       | 82735  |
| <a href="#">IV265514</a>            | Invoice                           | 10/24/2024   | PERSONAL PROTECTIVE GEAR                    | 0.00            | 2,430.58       |        |
| <a href="#">IV266329</a>            | Invoice                           | 10/24/2024   | PERSONAL PROTECTIVE GEAR                    | 0.00            | 448.23         |        |
| <a href="#">IV266504</a>            | Invoice                           | 10/24/2024   | PERSONAL PROTECTIVE GEAR                    | 0.00            | 2,581.63       |        |
| <a href="#">IV266977</a>            | Invoice                           | 10/24/2024   | PERSONAL PROTECTIVE GEAR                    | 0.00            | 1,963.52       |        |
| <a href="#">IV267103</a>            | Invoice                           | 10/24/2024   | PERSONAL PROTECTIVE GEAR                    | 0.00            | 186.89         |        |
| 00300                               | AMERICAN PUBLIC POWER ASSOCIATION | 10/24/2024   | Regular                                     | 0.00            | 12,316.88      | 82736  |
| <a href="#">000200460</a>           | Invoice                           | 10/24/2024   | Utility Membership: 12/01/24-11/30/25       | 0.00            | 12,316.88      |        |
| 06437                               | ANDREW MOODY                      | 10/24/2024   | Regular                                     | 0.00            | 32.08          | 82737  |
| <a href="#">10/03/24 -Reimb...</a>  | Invoice                           | 10/24/2024   | Reimbursement for MRWA Training Expen...    | 0.00            | 32.08          |        |
| 00670                               | BARR ENGINEERING CO               | 10/24/2024   | Regular                                     | 0.00            | 24,309.00      | 82738  |
| <a href="#">23181016.06-31</a>      | Invoice                           | 10/24/2024   | Work order # 6: Support for the Hydro Pro.. | 0.00            | 3,430.00       |        |
| <a href="#">23181016.08-5</a>       | Invoice                           | 10/24/2024   | BPU Powerhouse Units 4 & 6 Upgrades         | 0.00            | 20,879.00      |        |
| 00755                               | BJERGA'S FEED STORE               | 10/24/2024   | Regular                                     | 0.00            | 2,813.00       | 82739  |
| <a href="#">1434617</a>             | Invoice                           | 10/24/2024   | 50 bags - Q2 Gro                            | 0.00            | 2,813.00       |        |
| 08811                               | BNSF RAILWAY COMPANY              | 10/24/2024   | Regular                                     | 0.00            | 2,167.34       | 82740  |
| <a href="#">24010196</a>            | Invoice                           | 10/24/2024   | Contract #40247331 - Land Lease             | 0.00            | 2,167.34       |        |
| 01805                               | CENTERPOINT ENERGY                | 10/24/2024   | Regular                                     | 0.00            | 175.40         | 82741  |
| <a href="#">8000014432-1-10...</a>  | Invoice                           | 10/24/2024   | MONTHLY GAS BILL - WTR PROD/WTR DIS...      | 0.00            | 175.40         |        |
| 01890                               | CHARTER COMMUNICATIONS            | 10/24/2024   | Regular                                     | 0.00            | 1,288.51       | 82742  |
| <a href="#">175590201100124</a>     | Invoice                           | 10/24/2024   | TV SERVICE                                  | 0.00            | 39.51          |        |
| <a href="#">237487601100124</a>     | Invoice                           | 10/24/2024   | 237487601: FIBER INTERNET                   | 0.00            | 1,249.00       |        |
| 02025                               | CITY OF BRAINERD                  | 10/24/2024   | Regular                                     | 0.00            | 223,853.34     | 82743  |
| <a href="#">09/2024-MILL RA...</a>  | Invoice                           | 10/24/2024   | MONTHLY TRANSFER: 09/2024                   | 0.00            | 71,626.94      |        |
| <a href="#">09/30/24-SAN/S...</a>   | Invoice                           | 10/24/2024   | SANITARY & STORM SWR BILLING/COLLEC...      | 0.00            | 122,480.88     |        |
| <a href="#">24-0005139</a>          | Invoice                           | 10/24/2024   | ACTUARIAL VALUATION GASB 75 / Gov't J...    | 0.00            | 3,752.33       |        |
| <a href="#">24-0005140</a>          | Invoice                           | 10/24/2024   | Q3 2024 Benefits Billing                    | 0.00            | 4,993.44       |        |
| <a href="#">24-0005141</a>          | Invoice                           | 10/24/2024   | HR SERVICE FEE - Q4 2024                    | 0.00            | 20,999.75      |        |
| 02957                               | DANIEL DOUCETTE                   | 10/24/2024   | Regular                                     | 0.00            | 75.00          | 82744  |
| <a href="#">10/03/24-Safety ...</a> | Invoice                           | 10/24/2024   | Reimburse Safety Boots @ 50%                | 0.00            | 75.00          |        |
| 02990                               | EDM INTERNATIONAL, INC.           | 10/24/2024   | Regular                                     | 0.00            | 290.00         | 82745  |

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| Vendor Number                        | Vendor Name                             | Payment Date | Payment Type                                   | Discount Amount | Payment Amount | Number     |
|--------------------------------------|-----------------------------------------|--------------|------------------------------------------------|-----------------|----------------|------------|
| Payable #                            | Payable Type                            | Post Date    | Payable Description                            | Discount Amount | Payable Amount |            |
| <a href="#">88790</a>                | Invoice                                 | 10/24/2024   | PhaseTrakker Cell service: 11/27/24-11/27...   | 0.00            | 290.00         |            |
| 03036                                | ElectricalOptions LLC                   | 10/24/2024   | Regular                                        | 0.00            | 105.30         | 82746      |
| <a href="#">3607</a>                 | Invoice                                 | 10/24/2024   | Motor / Capacitor                              | 0.00            | 105.30         |            |
| 03118                                | ESSENTIA HEALTH                         | 10/24/2024   | Regular                                        | 0.00            | 601.00         | 82747      |
| <a href="#">890000327-09/3...</a>    | Invoice                                 | 10/24/2024   | Pre-Employment Testing/Physicals/Rand...       | 0.00            | 601.00         |            |
| 03321                                | FIRST IMPRESSION PRINTING               | 10/24/2024   | Regular                                        | 0.00            | 7,045.68       | 82748      |
| <a href="#">92182</a>                | Invoice                                 | 10/24/2024   | PRINTING/PUBLISHING FORMS: Utility Bills       | 0.00            | 7,045.68       |            |
| 03557                                | FRONTIER ENERGY, INC.                   | 10/24/2024   | Regular                                        | 0.00            | 8,805.62       | 82749      |
| <a href="#">195615</a>               | Invoice                                 | 10/24/2024   | CIP SERVICES - 09/01/24-09/30/24               | 0.00            | 8,805.62       |            |
| 03687                                | GOODIN COMPANY                          | 10/24/2024   | Regular                                        | 0.00            | 181.66         | 82751      |
| <a href="#">6667985-00</a>           | Invoice                                 | 10/24/2024   | Flush Valve                                    | 0.00            | 181.66         |            |
| 03699                                | GRAINGER                                | 10/24/2024   | Regular                                        | 0.00            | 5.03           | 82752      |
| <a href="#">9274275339</a>           | Invoice                                 | 10/24/2024   | Spray Paint                                    | 0.00            | 5.03           |            |
| 03860                                | GULL LAKE GLASS, INC.                   | 10/24/2024   | Regular                                        | 0.00            | 2,834.16       | 82753      |
| <a href="#">9894563</a>              | Invoice                                 | 10/24/2024   | Panic Device                                   | 0.00            | 2,834.16       |            |
| 04175                                | Hillman Welding LLC                     | 10/24/2024   | Regular                                        | 0.00            | 483.00         | 82754      |
| <a href="#">11412</a>                | Invoice                                 | 10/24/2024   | Repair Boom Base on truck #1026                | 0.00            | 483.00         |            |
| 06141                                | MINNESOTA DEPT OF HEALTH                | 10/24/2024   | Regular                                        | 0.00            | 46.00          | 82755      |
| <a href="#">10/14/24 - A. Mo...</a>  | Invoice                                 | 10/24/2024   | Andy Moody: Class C Water Certification ...    | 0.00            | 23.00          |            |
| <a href="#">10/14/24 - J. Gag...</a> | Invoice                                 | 10/24/2024   | Jason Gage: Class D Water Certificate Fee      | 0.00            | 23.00          |            |
| 06985                                | NCL OF WISCONSIN, INC                   | 10/24/2024   | Regular                                        | 0.00            | 238.69         | 82756      |
| <a href="#">509706</a>               | Invoice                                 | 10/24/2024   | Testing Supplies                               | 0.00            | 238.69         |            |
| 07665                                | PITNEY BOWES GLOBAL FINANCIAL SERV. LLC | 10/24/2024   | Regular                                        | 0.00            | 3,687.00       | 82759      |
| <a href="#">3106879129</a>           | Invoice                                 | 10/24/2024   | Relay 5000 Inserter Sys. Billing: 8/28/24-1... | 0.00            | 3,687.00       |            |
| 08072                                | REFRIGERATION-HEATING, INC.             | 10/24/2024   | Regular                                        | 0.00            | 13.92          | 82760      |
| <a href="#">1404623</a>              | Invoice                                 | 10/24/2024   | Cogged V- Belt                                 | 0.00            | 13.92          |            |
| 06268                                | Ryan Churchill                          | 10/24/2024   | Regular                                        | 0.00            | 640.00         | 82761      |
| <a href="#">595398</a>               | Invoice                                 | 10/24/2024   | WEBSITE SUPPORT / TRAINING: 10/2024            | 0.00            | 640.00         |            |
| 00447                                | SAMUEL ARZEN                            | 10/24/2024   | Regular                                        | 0.00            | 102.50         | 82762      |
| <a href="#">10/02/24 - Safety...</a> | Invoice                                 | 10/24/2024   | Reimburse Safety Boots @ 50%                   | 0.00            | 102.50         |            |
| 08789                                | Spencer Fane LP                         | 10/24/2024   | Regular                                        | 0.00            | 355.50         | 82763      |
| <a href="#">1326224</a>              | Invoice                                 | 10/24/2024   | Large Power Agreements                         | 0.00            | 355.50         |            |
| 09330                                | TIM THOMPSON PLUMBING, LLC              | 10/24/2024   | Regular                                        | 0.00            | 9,800.00       | 82764      |
| <a href="#">335780</a>               | Invoice                                 | 10/24/2024   | Replace Wtr Service Line @ 505 19th St SE      | 0.00            | 4,800.00       |            |
| <a href="#">335781</a>               | Invoice                                 | 10/24/2024   | Replace Water Service Line @ 823 P Street      | 0.00            | 5,000.00       |            |
| 09524                                | TYLER TECHNOLOGIES INC.                 | 10/24/2024   | Regular                                        | 0.00            | 43,996.48      | 82765      |
| <a href="#">025-479561</a>           | Invoice                                 | 10/24/2024   | Annual Fees: Smart Meter, Custom Bill, T...    | 0.00            | 29,410.73      |            |
| <a href="#">025-481100</a>           | Invoice                                 | 10/24/2024   | INSITE TRANSACTION FEES: Q3 2024               | 0.00            | 14,511.25      |            |
| <a href="#">025-481657</a>           | Invoice                                 | 10/24/2024   | INCODE SMART METER SMS: Q3 2024                | 0.00            | 74.50          |            |
| 08895                                | STUART C. IRBY CO                       | 10/24/2024   | Regular                                        | 0.00            | 724.13         | 82768      |
| <a href="#">S014011336.001</a>       | Invoice                                 | 10/24/2024   | INV MISC ELECTRIC                              | 0.00            | 194.00         |            |
| <a href="#">S014011336.002</a>       | Invoice                                 | 10/24/2024   | INV MISC ELECTRIC                              | 0.00            | 183.50         |            |
| <a href="#">S014069467.001</a>       | Invoice                                 | 10/24/2024   | PUR ANTENNA AND ACCU LIGHTNING AR...           | 0.00            | 346.63         |            |
| 00472                                | AT&T MOBILITY                           | 09/24/2024   | Bank Draft                                     | 0.00            | 629.43         | DFT0001275 |
| <a href="#">287260682523X...</a>     | Invoice                                 | 09/24/2024   | AT & T MONTHLY BILL: 09/2024                   | 0.00            | 629.43         |            |
| 01191                                | BREMER BANK - CC                        | 09/24/2024   | Bank Draft                                     | 0.00            | 5,306.48       | DFT0001276 |

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| Vendor Number                       | Vendor Name                           | Payment Date | Payment Type                                | Discount Amount | Payment Amount | Number     |
|-------------------------------------|---------------------------------------|--------------|---------------------------------------------|-----------------|----------------|------------|
| Payable #                           | Payable Type                          | Post Date    | Payable Description                         | Discount Amount | Payable Amount |            |
| <a href="#">08/30/2024 - CC...</a>  | Invoice                               | 09/24/2024   | Bremer CC Statement: 08/30/2024             | 0.00            | 5,306.48       |            |
| 03682                               | Global Payments Direct, Inc.          | 09/24/2024   | Bank Draft                                  | 0.00            | 64,762.94      | DFT0001278 |
| <a href="#">09/01/2024 CC F...</a>  | Invoice                               | 09/24/2024   | CREDIT CARD FEES: 09/2024                   | 0.00            | 64,762.94      |            |
| 06171                               | MN DEPT OF REVENUE                    | 09/24/2024   | Bank Draft                                  | 0.00            | 153,785.00     | DFT0001279 |
| <a href="#">08/2024 SALES T...</a>  | Invoice                               | 09/24/2024   | SALES TAX DRAFT: 08/2024                    | 0.00            | 153,785.00     |            |
| 07642                               | PITNEY BOWES BANK INC. PURCHASE POWER | 09/24/2024   | Bank Draft                                  | 0.00            | 43.44          | DFT0001280 |
| <a href="#">09/16/2024 Stat...</a>  | Invoice                               | 09/24/2024   | 8000-9090-1100-6348-QUARTERLY SUBSC...      | 0.00            | 43.44          |            |
| 09561                               | United Parcel Service, Inc            | 09/24/2024   | Bank Draft                                  | 0.00            | 43.17          | DFT0001281 |
| <a href="#">0000E4015K354</a>       | Invoice                               | 09/24/2024   | UPS - SHIPPING                              | 0.00            | 43.17          |            |
| 09961                               | XCEL ENERGY                           | 09/24/2024   | Bank Draft                                  | 0.00            | 1,265.16       | DFT0001282 |
| <a href="#">893555516</a>           | Invoice                               | 09/24/2024   | Xcel Energy - Service Center/WWT            | 0.00            | 1,265.16       |            |
| 07715                               | U.S. POSTAL SERVICE                   | 09/30/2024   | Bank Draft                                  | 0.00            | 11.60          | DFT0001291 |
| <a href="#">6310558224</a>          | Invoice                               | 09/30/2024   | Add'l Postage Due for Bulk Mail: 09/26/2... | 0.00            | 11.60          |            |
| 06171                               | MN DEPT OF REVENUE                    | 10/18/2024   | Bank Draft                                  | 0.00            | 134,742.00     | DFT0001300 |
| <a href="#">09/2024 SALES T...</a>  | Invoice                               | 10/18/2024   | SALES TAX DRAFT: 09/2024                    | 0.00            | 134,742.00     |            |
| 00472                               | AT&T MOBILITY                         | 10/24/2024   | Bank Draft                                  | 0.00            | 2,379.41       | DFT0001302 |
| <a href="#">287302792515X...</a>    | Invoice                               | 10/24/2024   | AT & T MONTHLY BILL: 09/2024                | 0.00            | 2,379.41       |            |
| 00472                               | AT&T MOBILITY                         | 10/24/2024   | Bank Draft                                  | 0.00            | 629.65         | DFT0001303 |
| <a href="#">287260682523X...</a>    | Invoice                               | 10/24/2024   | AT & T MONTHLY BILL: 09/2024                | 0.00            | 629.65         |            |
| 01655                               | CANON FINANCIAL SERVICES, INC         | 10/24/2024   | Bank Draft                                  | 0.00            | 598.10         | DFT0001304 |
| <a href="#">35892909</a>            | Invoice                               | 10/24/2024   | Canon Invoice -Contract Charge: 09/20/24... | 0.00            | 598.10         |            |
| 01805                               | CENTERPOINT ENERGY                    | 10/24/2024   | Bank Draft                                  | 0.00            | 18.37          | DFT0001305 |
| <a href="#">11595232-7-09/1...</a>  | Invoice                               | 10/24/2024   | 50 JENNY STREET                             | 0.00            | 18.37          |            |
| 01805                               | CENTERPOINT ENERGY                    | 10/24/2024   | Bank Draft                                  | 0.00            | 18.37          | DFT0001306 |
| <a href="#">1152840-2-09/19...</a>  | Invoice                               | 10/24/2024   | 1602 E RIVER RD                             | 0.00            | 18.37          |            |
| 02455                               | CTC                                   | 10/24/2024   | Bank Draft                                  | 0.00            | 1,842.72       | DFT0001307 |
| <a href="#">21457316</a>            | Invoice                               | 10/24/2024   | MONTHLY BILL: 10/2024                       | 0.00            | 1,842.72       |            |
| 02717                               | CULLIGAN                              | 10/24/2024   | Bank Draft                                  | 0.00            | 99.72          | DFT0001308 |
| <a href="#">150-01059575-2-...</a>  | Invoice                               | 10/24/2024   | 150-01059575-2 Service Center               | 0.00            | 99.72          |            |
| 02717                               | CULLIGAN                              | 10/24/2024   | Bank Draft                                  | 0.00            | 59.00          | DFT0001309 |
| <a href="#">150-10024107-7-...</a>  | Invoice                               | 10/24/2024   | 150-10024107-7 Hydro                        | 0.00            | 59.00          |            |
| 07640                               | PITNEY BOWES, INC.                    | 10/24/2024   | Bank Draft                                  | 0.00            | 3,500.00       | DFT0001312 |
| <a href="#">10/01/2024 - Pos...</a> | Invoice                               | 10/24/2024   | POSTAGE REFILL                              | 0.00            | 3,500.00       |            |
| 07715                               | U.S. POSTAL SERVICE                   | 10/24/2024   | Bank Draft                                  | 0.00            | 8.07           | DFT0001314 |
| <a href="#">631827633</a>           | Invoice                               | 10/24/2024   | Add'l Postage Due for Bulk Mail: 10/02/2... | 0.00            | 8.07           |            |
| 07715                               | U.S. POSTAL SERVICE                   | 10/24/2024   | Bank Draft                                  | 0.00            | 4.17           | DFT0001315 |
| <a href="#">633627557</a>           | Invoice                               | 10/24/2024   | Add'l Postage Due for Bulk Mail: 10/15/2... | 0.00            | 4.17           |            |
| 09961                               | XCEL ENERGY                           | 10/24/2024   | Bank Draft                                  | 0.00            | 1,451.96       | DFT0001317 |

## Board Packet Check Report

Date Range: 09/20/2024 - 10/24/2024

| Vendor Number             | Vendor Name  | Payment Date | Payment Type                     | Discount Amount | Payment Amount | Number |
|---------------------------|--------------|--------------|----------------------------------|-----------------|----------------|--------|
| Payable #                 | Payable Type | Post Date    | Payable Description              | Discount Amount | Payable Amount |        |
| <a href="#">897565762</a> | Invoice      | 10/24/2024   | Xcel Energy - Service Center/WWT | 0.00            | 1,451.96       |        |

## Bank Code AP2 Summary

| Payment Type   | Payable Count | Payment Count | Discount    | Payment             |
|----------------|---------------|---------------|-------------|---------------------|
| Regular Checks | 218           | 106           | 0.00        | 1,134,074.94        |
| Manual Checks  | 0             | 0             | 0.00        | 0.00                |
| Voided Checks  | 0             | 0             | 0.00        | 0.00                |
| Bank Drafts    | 21            | 21            | 0.00        | 371,198.76          |
| EFT's          | 4             | 4             | 0.00        | 2,263,055.02        |
|                | <b>243</b>    | <b>131</b>    | <b>0.00</b> | <b>3,768,328.72</b> |

All Bank Codes Check Summary

| Payment Type   | Payable<br>Count | Payment<br>Count | Discount | Payment      |
|----------------|------------------|------------------|----------|--------------|
| Regular Checks | 218              | 106              | 0.00     | 1,134,074.94 |
| Manual Checks  | 0                | 0                | 0.00     | 0.00         |
| Voided Checks  | 0                | 0                | 0.00     | 0.00         |
| Bank Drafts    | 21               | 21               | 0.00     | 371,198.76   |
| EFT's          | 4                | 4                | 0.00     | 2,263,055.02 |
|                | 243              | 131              | 0.00     | 3,768,328.72 |

Fund Summary

| Fund | Name                | Period  | Amount       |
|------|---------------------|---------|--------------|
| 9    | POOLED CASH CONTROL | 9/2024  | 1,478,641.40 |
| 9    | POOLED CASH CONTROL | 10/2024 | 2,289,687.32 |
|      |                     |         | 3,768,328.72 |



# Public Utilities Commission

## Agenda Request

**MEETING DATE:** October 29, 2024

**TITLE OF ITEM:** Recommend to City Council pursuing the Wellhead Protection Partner Grant for property purchase

**ACTION REQUESTED:** Approve/Deny Motion

**ESTIMATED TIME (MIN):**

**SUBMITTED BY:**

**PRESENTER:**

**SUMMARY OF ISSUE:** As part of the acquisition of property 41361081, the MN Board of Water and Soil Resources (BWSR) has a Wellhead Protection Partner Grant available to fund the acquisition of the property. As the particulars of the purchase are agreed upon by both parties, staff recommend applying for the BWSR grant. The grant funds are available for property that is purchased and set aside for wellhead protection. Staff would recommend applying for the grant that would protect the land from development, excluding a portion for future well sites and current underground infrastructure. The application requires 10% local match. The grant must be filed and completed with BWSR prior to payment for the property being made.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

**RECOMMENDED ACTION/MOTION:** Staff recommend moving forward with the BWSR grant application and for Commission to recommend to City Council approval of the application.

**FINANCIAL IMPACT:**



# Public Utilities Commission Agenda Request

**MEETING DATE:** October 29, 2024

**TITLE OF ITEM:** MN Pollution Control Agency Presentation - NPDES Permit and Enforcement Process

**ACTION REQUESTED:** Discussion Item

**ESTIMATED TIME (MIN):** 40

**SUBMITTED BY:** Danny Loch, Finance Manager

**PRESENTER:** Mackenzie Wilkinson-Hanson, Charlie Gammon, WWTP Supervisor

**SUMMARY OF ISSUE:** Mackenzie Wilkinson-Hanson of the Minnesota Pollution Control Agency will be giving a presentation on the wastewater treatment facilities National Pollutant Discharge Elimination System permit and the enforcement process for noncompliance with the related permit.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

**RECOMMENDED ACTION/MOTION:**

**FINANCIAL IMPACT:**

# NPDES Permits & MPCA Enforcement Process

Mackenzie Wilkinson-Hanson

October 29, 2024

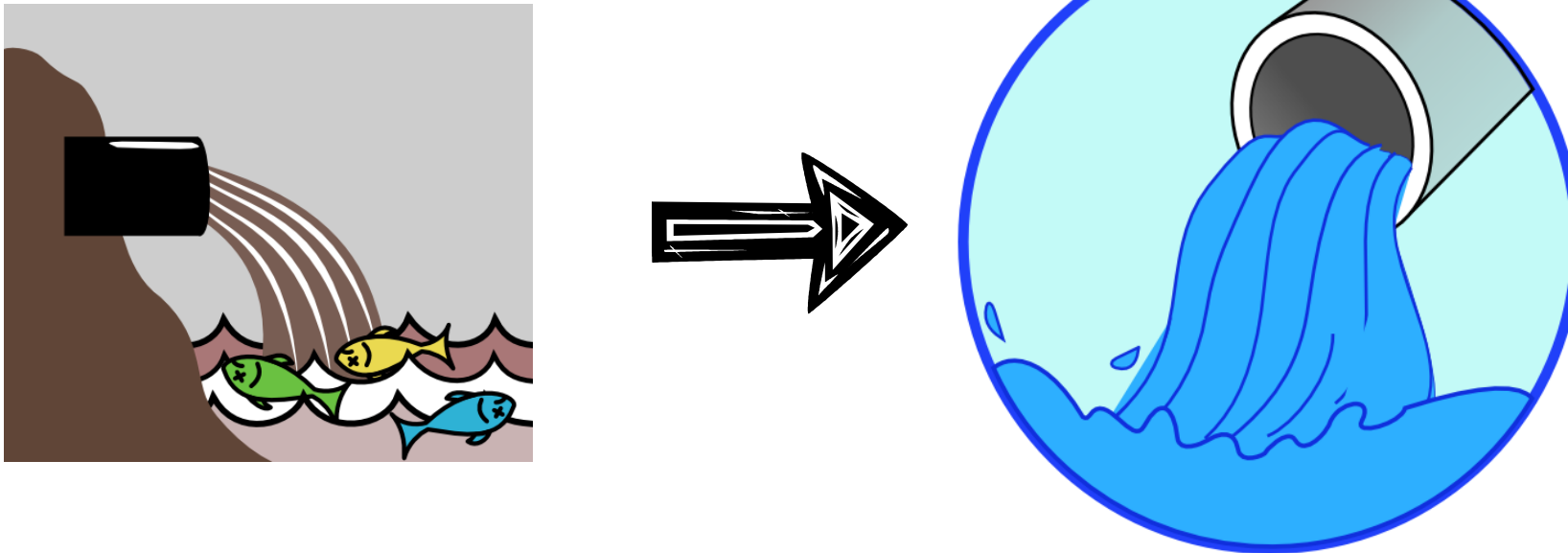
# Overview

- What is a NPDES permit?
- What is the MPCA's inspection process?
- What is the MPCA's enforcement process?
- Case Study
- What is Asset Management/O&M?



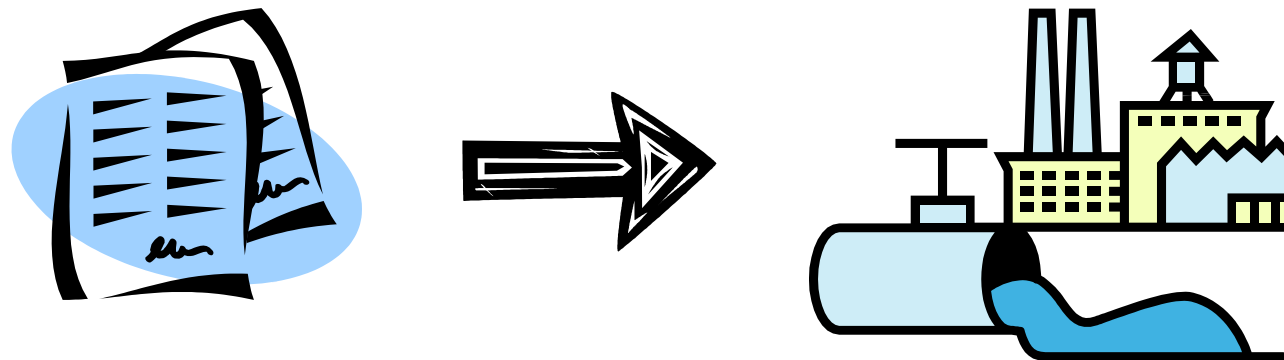
# Clean Water Act - 1972

- Objective: To restore and maintain the chemical, physical and biological integrity of the Nation's waters.



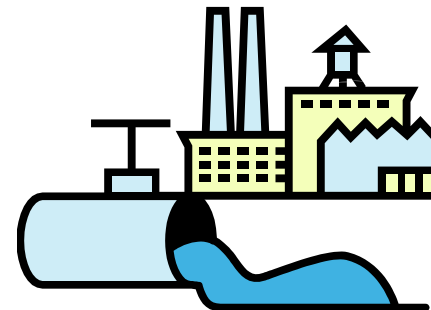
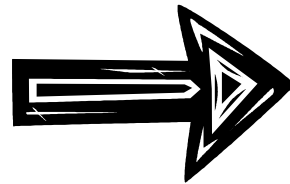
# What is an NPDES Permit?

- National Pollutant Discharge Elimination System (NPDES)
- Prohibits discharges of **pollutants** from any **point source** into the nations waters except as allowed under an NPDES permit



# NPDES Program: EPA/MPCA Roles

- EPA allows for the delegation of the NPDES permit program to the states.
- Minnesota was delegated to administer the NPDES permit program in 1974.
  - Includes issuing permits, conducting inspections and enforcement of applicable regulations/rules/statutes



# NPDES/SDS Permit



## National Pollutant Discharge Elimination System/State Disposal System MN0049328

**Permittee:** Brainerd Public Utilities  
**Facility name:** Brainerd Wastewater Treatment Facility  
**Receiving water:** Mississippi River - Class 2Bg, 3, 4A, 4B, 5, 6 water  
**City:** Baxter **County:** Crow Wing  
**Issuance date:** September 1, 2022  
**Expiration date:** August 31, 2027  
**Modification date:** May 1, 2024

The state of Minnesota, on behalf of its citizens through the Minnesota Pollution Control Agency (MPCA), authorizes the Permittee to operate a disposal system at the facility named above and to discharge from this facility to the receiving water named above, in accordance with the requirements of this permit.

The goal of this permit is to reduce pollutant levels in point source discharges and protect water quality in accordance with the U.S. Clean Water Act, Minnesota statutes and rules, and federal laws and regulations.

This permit is effective on the modification date identified above. This permit expires at midnight on the expiration date identified above.

Signature: *Holly Sandberg*

This document has been electronically signed.

Holly Sandberg  
Supervisor  
North Central Regional Unit  
Municipal Division

for the Minnesota Pollution Control Agency

### Submit eDMRs

Submit via the MPCA e-Services at

[https://rsp.pca.state.mn.us/TEMPO\\_RSP/Orchestrate.do?initiate=true](https://rsp.pca.state.mn.us/TEMPO_RSP/Orchestrate.do?initiate=true)

### Submit WQ reports electronically to:

[wq.submittals.mPCA@state.mn.us](mailto:wq.submittals.mPCA@state.mn.us)

Include Water quality submittals form:

<https://www.pca.state.mn.us/sites/default/files/wq-wwprm-7-71.docx>

### Questions on this permit?

For eDMR and other permit reporting issues, use the directory listed at the bottom of the DMR page:

<https://www.pca.state.mn.us/business-with-us/discharge-monitoring-reports>

For specific permit requirements, contact your compliance staff:

<https://www.pca.state.mn.us/business-with-us/wastewater-compliance-and-enforcement-staff>

Wastewater Permit Program general questions, contact:

MPCA, 651-282-6143 or 800-657-3938.

## Table of Contents

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| 2. Location map of permitted facility .....        | 4    |
| 3. Flow diagram .....                              | 5    |
| 4. Summary of stations and station locations ..... | 6    |
| 5. Permit requirements .....                       | 7    |
| 6. Submittal action summary .....                  | 30   |
| 7. Limits and monitoring .....                     | 31   |

# What is in Brainerd's permit?

- Facility description, Map, Flow diagram
- Stations (influent, effluent)
- Permit requirements
- Biosolids & Pretreatment requirements
- Total Facility requirements
- Submittal Action Summary
- Limits and monitoring requirements

## 5. Permit requirements

| SD 003 | Effluent To Surface Water |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                           | <b>Surface Discharge: Class A Major Facility Effluent Requirements</b>                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 5.1.1  |                           | The Permittee shall submit a monthly DMR : Due by 21 days after the end of each calendar month following permit issuance. [Minn. R. 7001.0150, Subp. 2(B)]                                                                                                                                                                                                                                                                                                                                   |
| 5.1.2  |                           | <b>Sampling Location.</b> [Minn. R. 7001.0150, Subp. 2(B)]                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 5.1.3  |                           | Samples for Station SD 003 shall be collected from the final outlet control structure and be representative of the final discharge from the facility. [Minn. R. 7001.0150, Subp. 2(B)]                                                                                                                                                                                                                                                                                                       |
| 5.1.4  |                           | The Permittee shall submit monitoring results in accordance with the limits and monitoring requirements for this station. If conditions are such that no sample can be acquired, the Permittee shall report "No Flow" or "No Discharge" on Discharge Monitoring Report (DMR) and shall add a Comments attachment to the DMR detailing why the sample was not collected. [Minn. R. 7001.0150, Subp. 2(B)]                                                                                     |
|        |                           | <b>Acute Toxicity Requirements</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 5.2.5  |                           | <b>Definitions.</b> [Minn. R. 7001]                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 5.2.6  |                           | "Acute Whole Effluent Toxicity (WET) Test" is a static renewal test conducted on an exponentially diluted series of effluent. The purpose is to calculate the proportion of effluent that causes 50% mortality/immobility of aquatic organisms at 48 hours for <i>Daphnia magna</i> and <i>Ceriodaphnia dubia</i> or 96 hours for fathead minnows. An LC50/EC50 (lethal/immobile concentration) less than or equal to 100% effluent constitutes a positive for toxicity. [State Definitions] |
| 5.2.7  |                           | "Acute toxic unit (TUa)" is the reciprocal of the effluent dilution that causes the acute effect by the end of the acute exposure period. For example, a TUa equals (100% effluent)/(48 hour LC50/EC50 for <i>Daphnia magna</i> and <i>Ceriodaphnia dubia</i> or 96 hour LC50/EC50 for fathead minnows in %). [State Definitions]                                                                                                                                                            |
| 5.2.8  |                           | "Test" refers to an individual species. [State Definitions]                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 5.2.9  |                           | "Test Battery" consists of WET testing of each species associated with each specified acute test. For acute WET testing, all test species includes fathead minnows, <i>Daphnia magna</i> , and <i>Ceriodaphnia dubia</i> . [State Definitions]                                                                                                                                                                                                                                               |
| 5.2.10 |                           | <b>General Requirements.</b> [Minn. R. 7001]                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 5.2.11 |                           | This permit does not include an acute WET limit; however, the facility has a WET testing monitoring requirement and is required to conduct acute toxicity tests from outfall Station SD 003. Results of acute toxicity tests will be evaluated against a monitoring threshold value of 0.9999 TUa. [Minn. R. 7052, Minn. R. 7053]                                                                                                                                                            |
| 5.2.12 |                           | The Permittee shall submit annual acute toxicity test battery results : Due by February 28 of each year following permit issuance. [Minn. R. 7001]                                                                                                                                                                                                                                                                                                                                           |
| 5.2.13 |                           | Additional WET tests are required for each year that exceeds the five-year permit cycle if the permit is not immediately reissued after permit expiration. The WET testing results are due on the same date as the original requirement, annually, until the permit is reissued. [Minn. R. 7001]                                                                                                                                                                                             |
| 5.2.14 |                           | Any test that exceeds 0.9999 TUa shall be re-tested according to the Positive Toxicity Results requirement(s) that follow to determine if toxicity is still present above 0.9999 TUa. [Minn. R. 7001]                                                                                                                                                                                                                                                                                        |
| 5.2.15 |                           | <b>Species and Procedural Requirements.</b> [Minn. R. 7001]                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 5.2.16 |                           | Tests shall be conducted in accordance with procedures outlined in EPA-821-R-02-012 Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms - Fifth Edition (Acute Manual) and any revisions to the Acute Manual. [Minn. R. 7001]                                                                                                                                                                                                      |
| 5.2.17 |                           | Any test that begins with an effluent sample that is equal to or exceeds a total ammonia concentration of 5.0 mg/L may use the carbon dioxide-controlled atmosphere technique to control pH drift. [Minn. R. 7001]                                                                                                                                                                                                                                                                           |
| 5.2.18 |                           | Test organisms for each test battery shall include the fathead minnow ( <i>Pimephales promelas</i> )-Method 2000.0, <i>Ceriodaphnia dubia</i> -Method 2002.0, and <i>Daphnia magna</i> -Method 2021.0 or any updated methods. [Minn. R. 7001]                                                                                                                                                                                                                                                |

# What kinds of submittals does Brainerd WWTP submit?

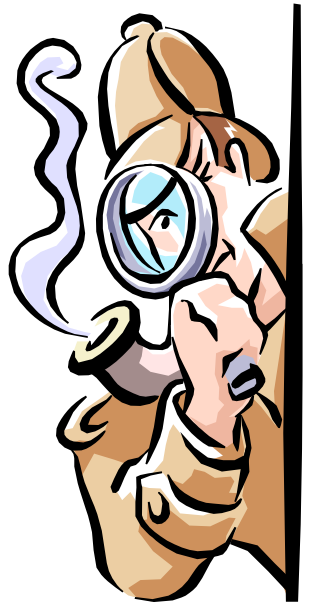
- Brainerd WWTP is required to submit:
  - Discharge Monitoring Report (monthly)
  - Biosolids Annual Report (annual)
  - Pretreatment Annual Report (newly delegated) (annual)
  - Acute Whole Effluent Toxicity test (annual)
  - Priority Pollutant Scan (3x)

## 6. Submittal action summary

|           |                           |                                                                                                                                                                                                                                                                |
|-----------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SD 003    | Effluent To Surface Water |                                                                                                                                                                                                                                                                |
|           |                           | <b>Surface Discharge: Class A Major Facility Effluent Requirements</b>                                                                                                                                                                                         |
|           | 6.1.1                     | The Permittee shall submit a monthly DMR : Due by 21 days after the end of each calendar month following permit issuance. [Minn. R. 7001.0150, Subp. 2(B)]                                                                                                     |
|           |                           |                                                                                                                                                                                                                                                                |
|           |                           | <b>Acute Toxicity Requirements</b>                                                                                                                                                                                                                             |
|           | 6.2.2                     | The Permittee shall submit annual acute toxicity test battery results : Due by February 28 of each year following permit issuance. [Minn. R. 7001]                                                                                                             |
|           |                           |                                                                                                                                                                                                                                                                |
|           |                           | <b>Priority Pollutant Requirements</b>                                                                                                                                                                                                                         |
|           | 6.3.3                     | The Permittee shall submit the third priority pollutant monitoring report : Due 365 calendar days before Permit Expiration Date. (By four years after permit issuance date). [Minn. R. 7001]                                                                   |
|           |                           |                                                                                                                                                                                                                                                                |
| WS 001    | Influent Waste            |                                                                                                                                                                                                                                                                |
|           |                           | <b>Waste Stream: Class A Major Facility Influent Requirements</b>                                                                                                                                                                                              |
|           | 6.4.1                     | The Permittee shall submit a monthly DMR : Due by 21 days after the end of each calendar month following permit issuance. [Minn. R. 7001.0150, Subp. 2(B)]                                                                                                     |
|           |                           |                                                                                                                                                                                                                                                                |
| MN0049328 | Brainerd WWTF             |                                                                                                                                                                                                                                                                |
|           |                           | <b>Pretreatment: Delegated Requirements</b>                                                                                                                                                                                                                    |
|           | 6.5.1                     | The Permittee shall evaluate the need to revise local limits : Due one day prior to permit expiration. [Minn. R. 7049]                                                                                                                                         |
|           | 6.5.2                     | The Permittee shall submit a pretreatment annual report : Due by February 28 of each year following permit issuance. [Minn. R. 7049]                                                                                                                           |
|           |                           |                                                                                                                                                                                                                                                                |
|           |                           | <b>Biosolids: Land Application</b>                                                                                                                                                                                                                             |
|           | 6.6.3                     | The Permittee shall submit a biosolids annual report : Due annually, by the 31st of December. [Minn. R. 7041.1700]                                                                                                                                             |
|           |                           |                                                                                                                                                                                                                                                                |
|           |                           | <b>Total Facility Requirements (NPDES/SDS)</b>                                                                                                                                                                                                                 |
|           | 6.7.4                     | <b>Permit Reissuance.</b> If the Permittee desires to continue permit coverage beyond the date of permit expiration, the Permittee shall submit an application for permit <u>reissuance</u> : Due by 180 days prior to permit expiration. [Minn. R. 7001.0040] |

# Who gets inspected and why?

- Major NPDES Facilities (>1.0 MGD) are inspected at a minimum of every 2-3 years unless compliance issues are noted.
  - Brainerd is an EPA Major Facility (AWWDF 6.0 MGD)
- Minor NPDES Facilities/Other inspections are every 3-5 years, depending on priority.
- Inspection to determine compliance with NPDES permit requirements and regulations –
  - Tour of plant and sampling locations
  - Review of onsite records
  - Discussion of proper O&M of WWTP and collection system



# What happens after the inspection?

- Compliance Evaluation Inspection Report (CEI) will be completed within ~30 days and sent to the Permittee, along with a copy to the operator.
- No violations, or only minor ones = CEI may be the only document you receive.
  - If there are violations cited, the CEI may contain corrective actions and require a response.
- Repeat, serious, and/or numerous violations: Will result in an enforcement action. Inspector will follow process to issue the appropriate enforcement response



# Enforcement Tools

- Civil Case -

- Alleged Violation Letter
- Letter of Warning
- Notice of Violation
- Administrative Penalty Order
- Stipulation Agreement
- Schedule of Compliance
- Sewer Extension Holds
- Consent Decree
- Possible referral to US EPA

- Criminal Case -

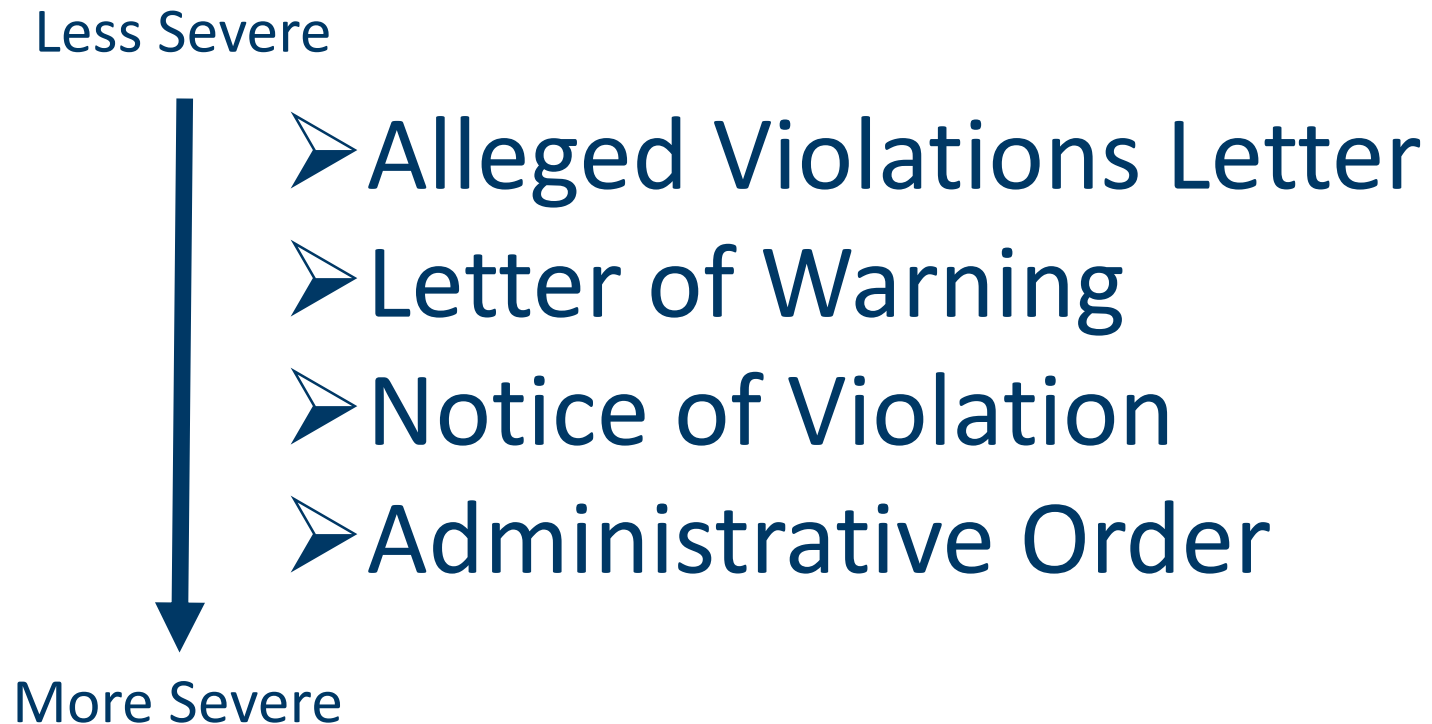
- “I knew what I did and I willingly did it”
- Criminal/Legal Investigation
  - EPA Criminal investigator
- Prosecution?



=



# Non-Penalty Tools



# Monetary Penalty Tools

## ➤ Administrative Penalty Order

- 30-day limit on corrective actions
- Up to \$20,000

## ➤ Stipulation Agreement

- No penalty limit
- Corrective actions beyond 30 days
- Negotiated document

## ➤ Schedule of Compliance

- No initial penalty
- Corrective actions beyond 30 days
- Negotiated document

# The Forum

- Forum members discuss facts of the case and the appropriate enforcement tool



## Forum Members Include:

- Inspectors
- Compliance Coordinator
- Supervisor
- Attorney

- The goal is to reach consensus on enforcement response that is based on facts, that is reasonable, and consistent

- Class A Minor Facility in southeast MN
  - SBR Facility that experienced effluent violations due to power surges and unauthorized releases from excessive I/I
- MPCA executed Stipulation Agreement 11/22/2021; Closed Stipulation Agreement 4/25/2022. Penalty amount paid - \$6,890 (\$3,290 paid, \$3,600 forgiven)
- Corrective action required Facility Evaluation.
  - Findings – Facility needed upgrade project to go from SBRs to Extended Aeration Activated Sludge system and CS improvements
  - I/I work – televising, sump pump investigation, reconstruction of some sewer
  - Cost - \$14,075,360

## Case Study – cont.

- Continued to have effluent violations
- MPCA issued an Administrative Penalty Order (APO) 1/10/2023
  - \$11,868 (\$8,550 non-forgivable, \$3,318 forgivable)
- Corrective actions included an update on Facility Plan, contract operator status and how limits would be complied with while in construction
- Case Closed 2/17/2023

# Asset Management

- “A planning process that ensures that you get the most value from each of your assets and have the financial resources to rehabilitate and replace them when necessary”-EPA
- Create an asset management plan to ensure the long-term sustainability of the wastewater and/or water system



# NPDES/SDS Permit Requirement – O&M

- 5.13.179 - The Permittee shall at all times properly operate and maintain the facilities and systems of treatment and control, and the appurtenances related to them which are installed or used by the Permittee to achieve compliance with the conditions of the permit... [Minn. R. 7001.0150, subp. 3(F)]

- The MPCA evaluates proper O&M to ensure wastewater treatment system integrity.
- Proper operation and maintenance includes:
  - effective performance
  - adequate funding
  - adequate operator staffing and training
  - adequate laboratory and process controls



National Pollutant Discharge Elimination System/State Disposal System  
MN0049328

**Permittee:** Brainerd Public Utilities  
**Facility name:** Brainerd Wastewater Treatment Facility  
**Receiving water:** Mississippi River - Class 2Bg, 3, 4A, 4B, 5, 6 water  
**City:** Baxter **County:** Crow Wing  
**Issuance date:** September 1, 2022  
**Expiration date:** August 31, 2027  
**Modification date:** May 1, 2024

# Why do we care?

- Assets age, deteriorate, and lose value over time
- As assets age, serviceability goes down
- Service to customers is impacted
- Operation and maintenance costs can increase
- Complete failure may result in extra costs



# Five Core Components of Asset Management



**Assets**



**Service Level**



**Criticality**



**Life Cycle**



**Funding**

# Type S operator

- Collection systems are required to have certified Class S operator if **separate from WWTP**

Minn. R. 9400.0500 -

Subp. 4. Type S facility. A type S treatment facility means a system of collection, pumping, and conveyance facilities distinctly separate in operation from a facility which treats, stabilizes, or disposes of the wastewater collected, pumped, or conveyed.

A. Where a type S facility is not distinctly separate, it is considered to be part of the treatment facility for which the designated operator is responsible.

B. A type S treatment facility must be subclassified as follows:

- (1) Class S-A, serving a population of 50,000 or more;
- (2) Class S-B, serving a population of 15,000 or more but less than 50,000;
- (3) Class S-C, serving a population of 1,500 or more but less than 15,000;
- (4) Class S-D, serving a population of less than 1,500.

# Wastewater release

## When a release is discovered:

- Immediately Notify Duty Officer
- Take all reasonable steps to end the release
- Promptly notify the public and downstream users of a release
- Recover as rapidly and thoroughly as possible
- Sample the release (2x/week min if ongoing)
- Report sample results on the *Release Report* form and send to C&E staff if not permitted WWTP

Create a standard operating procedure  
Place placard in visible locations



## Immediately upon discovery of a wastewater release:

- ▶ Notify the Minnesota Duty Officer,  
**1-800-422-0798**
- ▶ End the release
- ▶ Recover all substances and materials released
- ▶ Collect representative samples and
- ▶ Report results to the MPCA



# Update to Minn. Statute 115.061 – Public Notification

- Notify public, downstream drinking water intakes and users of the presence of sewage
- Restrict/prevent access to area impacted by sewage
- Block all conveyances of spilled material to waters of the state
- Guidance on the MPCA's WW Operator Resources webpage



Protect and improve the environment and enhance human health.

# Questions?

**Mackenzie Wilkinson-Hanson**

*[mackenzie.wilkinsonhanson@state.mn.us](mailto:mackenzie.wilkinsonhanson@state.mn.us)*

**Office: 218-302-6604**

**Cell: 612-790-0235**

**Brainerd Public Utilities  
BPU Commission Unfinished Business  
October 29, 2024**

- A. Hydro Generation (1/31/23)  
Barr Engineering and staff continue work related to procurement of two generators at the hydro facility. Staff and Barr are awaiting responses on state funding prior to bidding. Barr will be presenting updated information to the commission at the November regular meeting.
- B. Schedule of Authority Roles of Commission and Council in Operation of BPU (10/31/23)  
Was presented at the joint session between council and commission, and no adjustments were made. A future meeting will be discussed to discuss potential partnership agreement.
- C. Development of Plan to be Carbon Free by 2040 (10/31/23)  
BPU is subject to the State's Renewable Energy Standard (RES). The RES will require BPU to either generate or procure sufficient electricity generated by an eligible energy technology (solar, wind, hydroelectric, or biomass) to retail customers of BPU that is equivalent to at least 25% of total retail electric sales to retail customers by 2025 and 55% by 2035. In addition to the RES BPU must generate or procure sufficient electricity generated from a carbon-free energy technology (technology that generates electricity without emitting carbon dioxide) that will be 100% by 2040. AEP (American Electric Power) amendments have provided the requirement to date.
- D. Rewrite of Brainerd City Code Section 705 – Water System (6/27/23)  
The process of rewriting Section 705 has begun. Additional conversations and coordination with various departments has continued since the last Commission meeting.
- E. Lead Service Line (LSL) Inventory Assessment (9/26/23)  
Work continues mapping of the public water system. Identification of types of materials used in water service lines along with inventory process. All known items were submitted to the MN Department of Health as required. Additional identification of the unknown services, and those where staff were not allowed to enter the home are on-going. Communication to the known services that are galvanized or need replacement will be sent via mail. Additional information will be posted on the website as the details become available.
- F. Electric Transmission Service to Brainerd (1/31/23)  
Continue to work on scheduling a meeting with Minnesota Power to discuss capacity constraints imposed on BPU by MP on transmission line serving Brainerd. A formal letter is being drafted to request additional capacity.
- G. Crypto Mining Activity (7/1/22)  
JFK current mining load is approximately 20 MWs. JFK has requested additional capacity.
- H. Reclamation and Backwash Project (2/27/2024)  
Project is continuing as scheduled. See additional notes in the attached Bolton & Menk Inc update.
- I. Distributed Energy Resources (DER) Website Updates (2/27/24)  
During the March commission meeting website updates were presented related to the electric generation options, development continues for those items to go live. Lead Copper Corrosion Rule (LCCR) has been identified by staff as the priority at the present time and this project has been put on hold, LCCR is due to federal regulators by October.

J. Customer Communications Policy (2/27/24)

The customer communications policy is still being drafted as the process for after-hours communication is currently in the implementation phase. Once the implementation and understanding of functionality of the after-hours calls has been finalized, a policy will be drafted. Meetings and set up of the call trees and discussions with MPower have been on-going and in process, expect to be up and operational by year-end.

K. ClimaVision

Follow up on presentation from June meeting is on-going with all parties. Staff continue to work with ClimaVision providing the drawings and resources they need for the installation for the weather radar. ClimaVision's structural engineers had an on-site visit to view the site. Work on the project continues.

**Completed in 2024:**

1. Organizational Restructuring (10/31/23) – Job Descriptions
2. Water Treatment Plant (WTP) Asset Inventory Prepared by Bolton & Menk (10/31/23)
3. Brainerd City Code Section 700 – Sewer Code (3/28/23)
4. Wellhead Protection Plan (WHPP) (7/25/23)
5. Directional Drilling Forcemain River Crossing Project (10/31/23)
6. Proposal for Strategic Visioning and momentum Services (10/31/2023) - Tabled
7. Credit Card Transaction Fees (01/30/2024)
8. Joint Committee for Parking and Car Chargers (4/30/24)
9. Water Wastewater 20-year Feasibility Quote (4/30/24)
10. Hydro Automation (1/31/23)
11. Current Unfilled Employment Positions at BPU (10/29/24)
12. Corrosion Control Plan to Minnesota Department of Health (10/29/24) – Education continues.

**Brainerd Public Utilities  
2025-2029 STRATEGIC PLAN**

**PRELIMINARY**

|                                                            |             |
|------------------------------------------------------------|-------------|
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| <b>Message from the Commission</b>                         | <b>1</b>    |
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| <b>Guiding Principles &amp; Strategic Priorities</b>       | <b>5</b>    |
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## Message from the Commission

Running a utility like Brainerd Public Utilities requires facing various forms of adversity including storms, equipment failures, financial impacts of inflation, regulatory changes and supply chain constraints. But there are simple ways BPU tackles these issues to keep the power and water flowing for our customers. You can count on us to:

**Be ready for anything.** We prepare for emergencies by maintaining our equipment and having plans in place. This way, when something goes wrong, we can fix it quickly and keep the power and water flowing.

**Team up.** We work with other utilities to help each other during tough times. By lending a hand and sharing resources, we can overcome obstacles together. BPU doesn't just provide help via line workers, we partner with other co-ops and public power districts for things including communication, policies, training, procedures, practices, and information technology.

**Stay flexible.** The electric industry is always changing. We are ready to adapt. Whether it's new rules/regulations or new technology, we're always looking for ways to improve.

**Take care of each other.** We make sure our employee team is supported and healthy, so we can do our best work. That means offering up-to-date equipment that functions when needed; training and equipment to enhance safety; and providing access to counseling and wellness programs to help employees cope with stress.

**Plan ahead.** It takes a team to put together an ongoing and perpetual plan that considers future needs, industry challenges, resource coordination, employee training, and equipment maintenance.

**Remember why we're here.** We're not just here to keep power and water flowing; we're here to serve our customers. By staying focused on our mission and working together, we can overcome any challenge that comes our way.

**Use our strengths.** Everyone on our team brings something special to the table. By working together and using our skills, we can solve problems and keep moving forward. For example, in our departments:

- Safety is our priority.
- Operations coordinates and maintains the systems.
- Purchasing monitors inventory, making sure crews have the materials they need.
- Engineering provides design and support for our production, transmission and distribution facilities.
- Member Services ensures adequate communication keeps our customers informed of company activities.
- Information Technology keeps the network, computers, and interfaces running smoothly.
- Finance keeps the wheels in motion for absolutely everything listed above.

Most of our customers might assume our challenges lie in storm restoration or general repair work, but that's only a small part of adversity. Managing finances efficiently during adverse situations is crucial for controlling rates. This involves strategic budgeting, prioritizing investments, and seeking cost-saving measures to maintain financial stability and minimize the impact on co-op customers. Supply chain delays impact construction schedules and member satisfaction. Mitigating such challenges requires proactive communication, diversifying suppliers, and optimizing and planning inventory management to minimize disruptions and maintain operational continuity. At no time do we consider inferior replacement products, as that significantly impacts safety and reliability. I've only mentioned a few of the obvious things that impact our business, our systems, our budgets, and our employees. By being prepared, working together, staying flexible, taking care of each other, staying focused on our mission, and using our strengths, we can — and have — overcome any challenge and continue to provide reliable essential services to our customers.

PICTURE/CAPTION

## Message from the Director

I began my employment as Director of BPU in August 2024. As I continue to learn the systems and meet the customers, one of my priorities was to facilitate creating a strategic Plan. The 2025- 2030 Strategic Plan was created by BPU's Strategic Planning Taskforce consisting of the Board of Commissioners and senior staff from each divisional team. This document describes the Strategic Plan and the objectives set to help achieve our goals and fulfill our mission - creating a resilient and thriving community for generations to come through diligent resource management that prioritizes safety, efficiency, conservation, sustainability, innovation, long-term environmental stewardship and fiscal responsibility in the most affordable manner.

As we move forward with the Strategic Plan, we will continue to be focused on our four primary guiding principles. These guiding principles set our strategic direction:

- Safety First
- Maintaining Low, and Stable Rates
- Sustaining High Systems Reliability
- Developing Strong & Supportive Relationships with customers and community partners

Change continues to sweep the utility industry at an unprecedented pace causing significant changes in how we are required to do business. I am committed to fostering a positive work environment that supports dedicated employees, demonstrates sound governance and promotes continued improvement, all to provide excellent service for our customers. I look forward to continuing to work collaboratively with the Commissioners, staff and customers to carry out our mission and to pursue excellence in all we do.

We invite our customers' participation, review, questions and comments as we work together to develop and implement plans aimed at achieving our mission.

Sincerely,

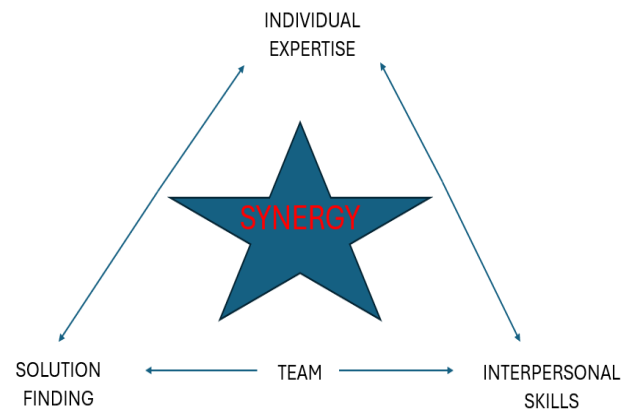
Chris Evans

## About the Strategic Plan

The Strategic Plan is a living document that is a result of an intricate and extensive process.

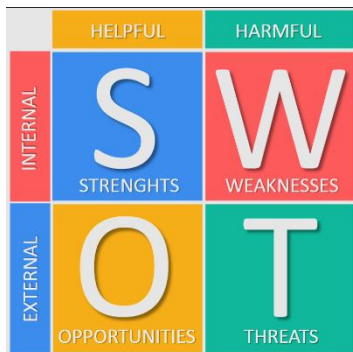
**Assembly.** Bring the selected members together

**Synergized Teambuilding.** Through exercises and training, have the individuals initially work independently then bring their ideas, results and findings to the team to compare, sort, rank and prioritize in a manner that promotes consensus, gatekeeping and synergy whereby the group takes the best from all members and develops a better solution. After the training and exercises are completed, the first assignment to the group is to prepare a Vision Statement, Mission Statement and a small list of Values which BPU should be recognized.



**Visioning, Mission & Values.** The team applies the Synergized Teambuilding approach to combine and refine the elements for statements and to further categorize values.

- The vision statement prioritizes the company's long-term hopes and explains the driving motivation behind its goals
- The mission statement focuses on an organization's tangible objectives that it's currently working toward
- The value statements describe the traits and ethics embodied by a company's employees and leaders.



**SWOT Analysis.** The team applies the Synergized Teambuilding approach by developing and considering statements that reflect topics, situations, goals, concerns, observations, etc. These statements are sorted into four categorical lists called Strengths, Weaknesses, Opportunities and Threats depending on whether the item is perceived as helpful or harmful and if it is internal or external.

**Needs Assessment.** The team applies the Synergized Teambuilding approach by developing and considering statements that reflect a common theme or category of the SWOT items the group identified as needs which become goals and priorities.

**S.M.A.R.T Goalsetting.** To give the greatest chance of success, needs must be addressed with goals that are **Specific, Measurable, Achievable, Relevant and Timely – S.M.A.R.T.** Within this framework, a goal/objective is matched to a need/priority. Strategies/tactics are identified to address how to achieve the goal/objective. Metrics/milestones/actions are assigned to confirm the progress and success of the strategy/tactic.

**Review.** To further ensure success and provide general oversight, your Commission and Director will review milestones and metrics in February and August each year of the Strategic Plan to adjust focus and resources as prevailing conditions adjust. The Plan may be modified as warranted before the end of the initial period.

**Renew.** Regardless of modifications, if any, this entire process shall repeat starting at the August review in the last year of any formal plan to ensure continued success and timely vision. (Example: Assembly shall begin in August 2029 for developing a 2030 plan that commences February 2030 to be presented in November 2029)

- **OUR VISION:** Brainerd Public Utilities strives for the well-being of our employees, customers, and the public to create a resilient and thriving community for generations to come
- **OUR MISSION:** Creating a resilient and thriving community for generations to come through diligent resource management that prioritizes safety, efficiency, conservation, sustainability, innovation, long-term environmental stewardship and fiscal responsibility in the most affordable manner.
- **OUR VALUES:**

Remaining dedicated to our Vision and Mission through:

**Safety**

To create a culture that prioritizes the safety of our employees, customers, and the public in every operation, ensuring a secure and protected utility environment.

**Fiscal Responsibility and Accountability**

To manage resources prudently, ensuring that utility services remain affordable while investing in the infrastructure needed to meet current and future needs through ethical accounting and engineering practice melding fiscal procedures and controls and long-range planning to assure that we conduct our business in a manner consistent with local, state and federal regulations and laws.

**Reliability, Efficiency and Innovation**

To deliver consistent, dependable utility services to our community, ensuring electricity, water, and wastewater systems operate efficiently and without interruption while continuously seeking and introducing new ideas, services, solutions, possibilities and opportunities through the ingenuity and creativity of our team.

**Environmental Stewardship**

To remain committed to protecting natural resources by using sustainable practices in energy generation and distribution, wastewater management, and water distribution to minimize environmental impact.

**Community-Centered Attitude**

To provide essential services while prioritizing customer needs, fostering community trust and building strong, positive relationships.

## **Guiding Principles**

These guiding principles set our strategic direction:

- Safety First
- Maintaining Low, and Stable Rates
- Sustaining High Systems Reliability
- Developing Strong & Supportive Relationships with customers and community partners

## **Strategic Priorities**

These strategic priorities were the themes that developed from the Needs Assessment:

- Community Focus
- Operational Excellence
- Efficiency
- Fiscal Responsibility
- Advocacy for Regulatory Concerns

The priorities were further refined as:

- COMMUNITY-CENTERED ATTITUDE & FOCUS
- FISCAL RESPONSIBILITY & ACCOUNTABILITY
- OPERATIONAL EXCELLENCE- RELIABILITY, EFFICIENCY & INNOVATION
- ADVOCACY FOR REGULATORY & LOCAL ISSUES

The SMART Goals for these priorities follow on the next pages.

## **COMMUNITY-CENTERED ATTITUDE & FOCUS**

**Develop customer engagement plan which may include educational videos, welcome packets, customer feedback options.**

- **Expand events**
  - **Public Power Week**
  - **Hydro Week**
  - **Town Hall Discussion Series**
  - **Scholarship Programs**
  - **Internship Programs**
- **Welcome package for new customers**
- **Customer feedback option after calling or emailing BPU**
  - **Targeted, short questionnaire delivery**
  - **Customer service training for all SPU staff**
  - **Create Customer Outreach/Marketing position**
- **Review customer interfaces**
  - **Website, its offerings**
  - **Social Media (2-3 POSTS DAILY AVERAGE)**

**[SPECIFIC Quarter/Year, specific date & number each item for final draft]**

## **FISCAL RESPONSIBILITY & ACCOUNTABILITY**

**Maintain/develop sound financial practices/policies to protect BPU as an invaluable asset to our community.**

- **Minimum Cash Reserve/ Fund Balance Targets**
  - **45 to 180-day cash-on-hand**
- **Key Performance Indices & Covenant Ratios**
  - **Maintain Debt Service Coverage of 1.35-1.75**
  - **Maintain TIER Interest Earned of 1.50 to 2.50**
  - **Maintain bond rating of A+ or better**
- **Debt Levels**
  - **Equity between 31%-58%**
- **Depreciation Values**
  - **Verify assets by category**
- **Rates**
  - **Continue rate studies with internal review/adjustment between studies**
  - **Create CPI mechanisms**
  - **Develop additional rates for EV and >5MW**
- **Maintain Appropriate Capital Budgeting procedures**
- **Maintain Appropriate Internal Auditing procedures**
- **Explore Grants & Alternative Revenue Sources**
- **LLC and Other Protective Measures of Certain Operations**

**[SPECIFIC Quarter/Year, specific date & number each item for final draft]**

## **OPERATIONAL EXCELLENCE- RELIABILITY, EFFICIENCY & INNOVATION**

### **Continuous Improvement in Services to Our Customers**

#### **Strengthen and Implement Capital Improvements**

##### **Strategy**

- **Electric Service**
  - **Substation Investments**
  - **5-yr Integrated Maintenance**
    - **Device refurbishment/replacement**
    - **Vegetation Management**
    - **Pole testing**
  - **Underground Plant (Conduct 1 reliability project per year)**
  - **Overhead Plant (Replace 50+ poles per year)**
  - **Evaluate Long Term Power Supply Options**
  - **Evaluate Hydro**
  - **Explore opportunities for 12.47kV**
  - **Review sub transmission & distribution system model with consultants**
- **Water/Wastewater Service**
  - **Path to Lead-Free in Water Distribution System**
  - **Path to PFAS/PFOS reduction in Treatment Plant Systems**
  - **Replace 2.0 Miles Per Year of Existing Water Distribution main**
  - **Overhaul one High Service Pump, Lift Station and one Well Per Year**
  - **Develop Water Supply and Water Treatment Plan**
  - **Reduce water losses**
  - **Continue to enhance backup generation for facilities**
  - **Review distribution and treatment system models with consultants**

**Review/Update Emergency Response Plans and test agility/response for each scenario.**

**[SPECIFIC Quarter/Year, specific date & number each item for final draft]**

## **ADVOCACY FOR REGULATORY & LOCAL ISSUES**

**Making certain our needs and concerns are heard and adequately addressed.**

**Expand memberships in organizations**

**LOCAL**

**STATE**

**REGION**

**NATIONAL**

**Become more active within organizations of which we are members**

**OFFICERS**

**COMMITTEES**

**ADVISORS**

**AD HOC**

**EMERITUS**

**If groups are not adequately addressing our issues, explore options for professional services**

**CONSULTANTS**

**LOBBYISTS**

**GRANT WRITERS**

**Participate in legislative rallies**

**LOCAL**

**STATE**

**REGION**

**NATIONAL**

**Facilitate engagements with legislators\* and governing agencies/entities**

**BPU FACILITY TOURS & DISCUSSIONS**

**MEETINGS AT LEGISLATOR/ENTITY OFFICES**

**TESTIMONIES BEFORE COMMITTEES & FULL BODIES**

**\*Suggest scheduling direct interactions over engaging with ‘staffers’**

**[Full calendars and scheduling is challenging]**

**About BPU**

**WELCOME MESSAGE**

**INSERT HISTORY BLURBS**

**CONTACT INFORMATION/HOURS/WEBSITE/FACEBOOK**

**Organizational Chart**

**EMPLOYEE GROUP PHOTO**

**Service Areas**

**MAP IMAGE(S)**



# Public Utilities Commission

## Agenda Request

**MEETING DATE:** October 29, 2024

**TITLE OF ITEM:** Approve Watermain Construction cost for 15th St SE Alley Project

**ACTION REQUESTED:** Approve/Deny Motion

**ESTIMATED TIME (MIN):** 2

**SUBMITTED BY:** Danny Loch, Finance Manager

**PRESENTER:** Chris Evans, Public Utilities Director,  
Trent Hawkinson, Operations Manager

**SUMMARY OF ISSUE:** City Council approved at the October 7th meeting the construction and replacement of the sanitary line on 15th St SE Alley. In an effort to reduce costs, the Water main in the alley is in need of replacement and could be completed in conjunction with the sewer project. The share of the estimate for the water main is \$65,877. This cost is more than our current budget for the year and would be greater than our contingency set aside. However, the reclamation tank that is included in the water budget for 2024 was budgeted at \$2.7M. This has not occurred to date and is under budget in the current year. For cash flow purposes, the Commission could approve this item from the \$2.7M and be under the overall budget for the year.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

**RECOMMENDED ACTION/MOTION:** Staff recommends approving the attached quote for the water main construction on 15th St. SE Alley.

**FINANCIAL IMPACT:** \$66,000



**P.O. Box 315**  
**Brainerd, MN 56401**

## Quote

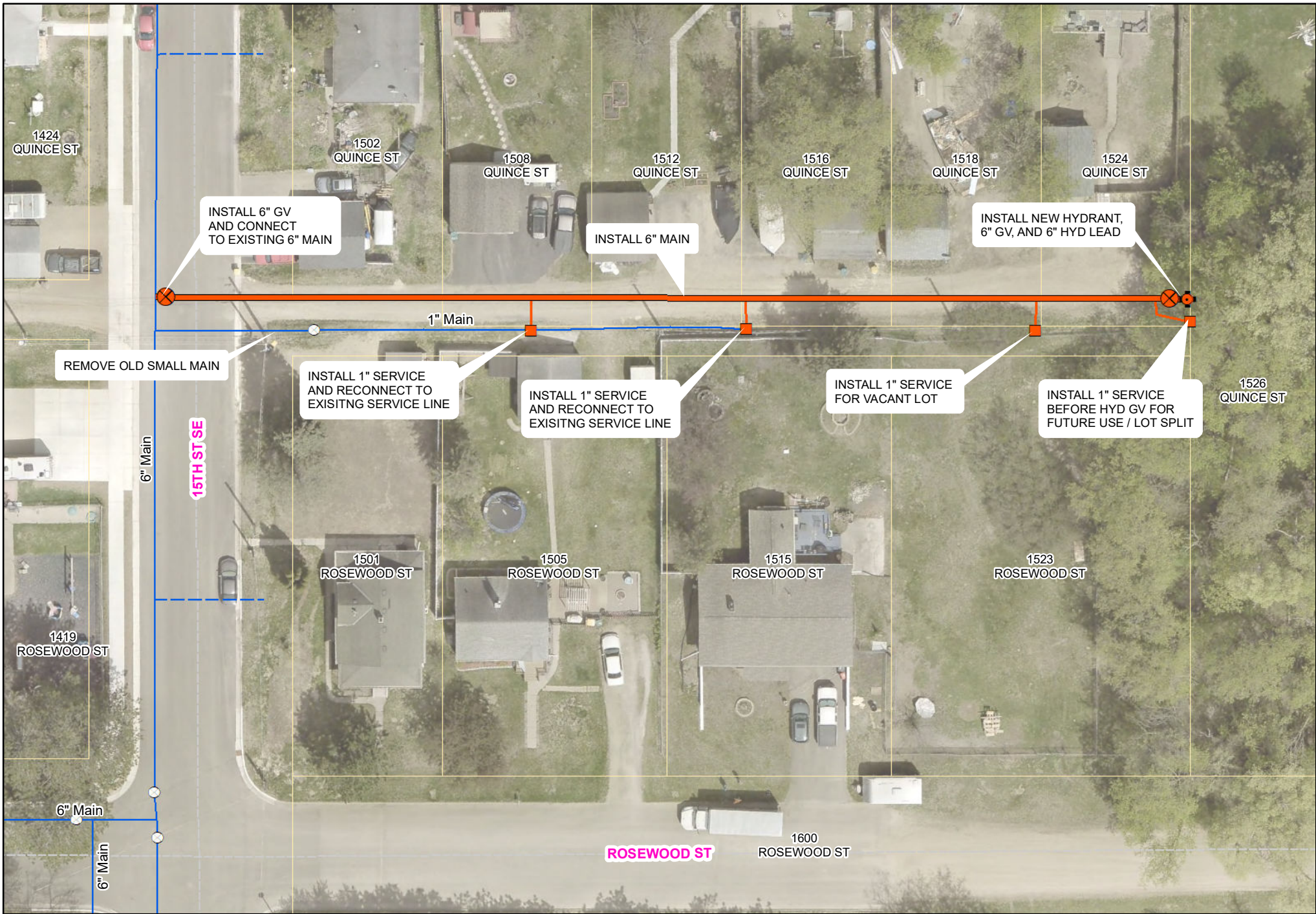
| Date      | Quote # |
|-----------|---------|
| 9/29/2024 | 1713    |

### Name / Address

Brainerd  
 501 Laurel Street  
 Brainerd, MN 56401

| Description                                                                                              | Quantity | Unit Cost | Unit | Total               |
|----------------------------------------------------------------------------------------------------------|----------|-----------|------|---------------------|
| * Sewer Main and Water Main Replacement in the Alley between Quince and Rosewood, East of 15th Street SE |          |           |      |                     |
| * Sewer Main Construction                                                                                |          |           |      |                     |
| 1. Mobilization                                                                                          | 1        | 3,200.00  | LS   | 3,200.00            |
| 2. Remove Sanitary Sewer Pipe                                                                            | 350      | 11.00     | LF   | 3,850.00            |
| 3. Connect to Existing Sewer Pipe                                                                        | 2        | 785.00    | Each | 1,570.00            |
| 4. 8" PVC Sanitary Sewer Pipe                                                                            | 350      | 72.00     | LF   | 25,200.00           |
| 5. 8" X 6" Wye                                                                                           | 10       | 271.00    | Each | 2,710.00            |
| 6. Connect to Existing Service                                                                           | 10       | 1,062.00  | Each | 10,620.00           |
| 7. Aggregate Surfacing Class 5                                                                           | 174      | 31.00     | CY   | 5,394.00            |
| 8. B618 Curb & Gutter                                                                                    | 24       | 39.00     | LF   | 936.00              |
| 9. Asphalt Replacement                                                                                   | 64       | 50.50     | SY   | 3,232.00            |
| 10. Mlsc Turf Restoration                                                                                | 1        | 2,850.00  | LS   | 2,850.00            |
| Subtotal                                                                                                 |          |           |      | 59,562.00           |
| * Water Main Construction                                                                                |          |           |      |                     |
| 1. Mobilization                                                                                          | 1        | 2,800.00  | LS   | 2,800.00            |
| 2. Connect to Existing 6"x6"x6 Tee                                                                       | 1        | 1,979.00  | Each | 1,979.00            |
| 3. 6" Gate Valve and Box                                                                                 | 2        | 2,521.00  | Each | 5,042.00            |
| 4. Hydrant                                                                                               | 1        | 6,986.00  | Each | 6,986.00            |
| 5. 1" Corporation                                                                                        | 4        | 569.00    | Each | 2,276.00            |
| 6. 1" Curb Stop and Box                                                                                  | 4        | 701.00    | Each | 2,804.00            |
| 7. Connect to Existing Service                                                                           | 2        | 545.00    | Each | 1,090.00            |
| 8. 1" CTS Plastic Service Line                                                                           | 100      | 46.00     | LF   | 4,600.00            |
| 9. 6" DIP Water Main                                                                                     | 400      | 88.00     | LF   | 35,200.00           |
| 10. Remove Water Main                                                                                    | 200      | 15.50     | LF   | 3,100.00            |
| Subtotal                                                                                                 |          |           |      | 65,877.00           |
| <b>Total</b>                                                                                             |          |           |      | <b>\$125,439.00</b> |

**Office: 218-828-4636**  
**Cell: 218-839-1318**  
**Fax: 218-824-1510**  
**Email: adechantal@gmail.com**



## BRAINERD PUBLIC UTILITIES

### 15TH ST SE ALLEY PROPOSED WATER CONSTRUCTION MAP

*This map is intended for reference purposes only and is not a legally recorded map nor survey. Brainerd Public Utilities shall not be liable for any damages or claims that arise due to accuracy, availability, use, or misuse of the information herein pursuant to MN Statutes 466.03 Subd 21.*

0 15 30 60 Feet

Date: 9/9/2024



# Public Utilities Commission Agenda Request

**MEETING DATE:** October 29, 2024

**TITLE OF ITEM:** Approve the Issuance and Sale of General Obligation Bonds, Series 2024A in the Proposed Amount of \$1,340,000

**AGENDA:** Public Utilities

**ACTION REQUESTED:** Approve/Deny Motion

**SUBMITTED BY:** Danny Loch, Finance Manager

**DEPARTMENT:** Finance

**PRESENTER:** Danny Loch, Finance Manager

**ESTIMATED TIME (MIN):** 5 Minutes

**SUMMARY OF ISSUE:**

The City approved a resolution October 21st where the City needs to issue debt for the local share and special assessments of the 2024 construction project. BPU needs to bond to pay for their portion of the 2024 construction project. The \$3,370,000 General Obligation bonds are broken down as follows:

- \$2,030,000 Improvement Bonds - This represents the amount of the local share and special assessments on the 2024 South Brainerd construction project, plus cost of issuance. This portion of the debt will be repaid with levy dollars and assessment collections.
- \$1,340,000 Utility Revenue Bonds - This represents the amount needed to pay for the water improvements of the 2024 South Brainerd construction project, plus cost of issuance. This portion of the debt will be repaid with net revenues from the City's water utility.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

**RECOMMENDED ACTION/MOTION:** Adopt the attached resolution providing for the issuance and sale of General Obligation Bonds, Series 2024A, in the Proposed Aggregate Principal Amount of \$3,370,000, \$1,340,000 being the department's share.

**FINANCIAL IMPACT:**

## City of Brainerd, Minnesota

### Pre-Sale Summary for Issuance of Bonds

*\$3,370,000 General Obligation Bonds, Series 2024A*

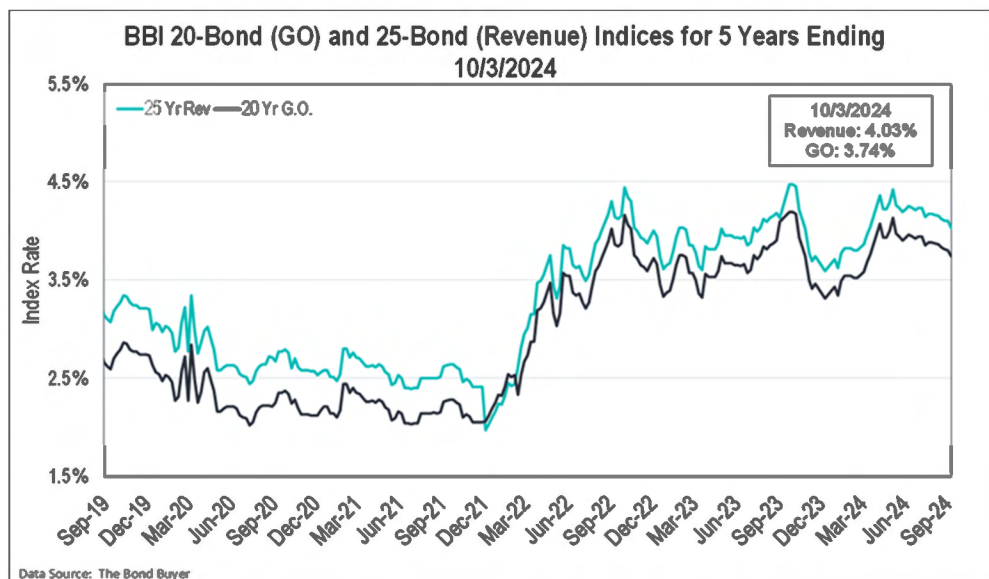
The City Council (the "Council") has under consideration the issuance of bonds (the "Bonds") to (i) finance construction of various assessable public improvements (the "Improvement Bond Portion") and related water utility work (the "Utility Bond Portion"); and (ii) pay the associated cost of issuance. This document provides information relative to the proposed issuance.

**KEY EVENTS:** The following summary schedule includes the timing of key events that will occur relative to the bond issuance:

|                                      |                                             |
|--------------------------------------|---------------------------------------------|
| October 21, 2024                     | Council sets sale date and terms            |
| October 29, 2024, 11:00 a.m.         | Rating conference is conducted              |
| <b>November 18, 2024, 10:00 a.m.</b> | <b>Competitive proposals are received</b>   |
| <b>November 18, 2024, 7:30 p.m.</b>  | <b>Council considers award of the Bonds</b> |
| December 18, 2024                    | Proceeds are received                       |

**RATING:** An application will be made to S&P Global Ratings (S&P) for a rating on the Bonds. The City's general obligation debt is currently rated "AA-" by S&P.

**THE MARKET:** Performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high-grade municipal bonds in the 20<sup>th</sup> year for general obligation bonds rated Aa2 by Moody's or AA by S&P (the BBI 20-Bond GO Index) and the 30<sup>th</sup> year for revenue bonds rated A1 by Moody's or A+ by S&P (the BBI 25-Bond Revenue Index). The following chart illustrates these two indices over the past five years:



|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BOND SUMMARY:</b>                 | <p>The Bonds are a general obligation of the City, secured by its full faith and credit, and taxing power. In addition, the City will pledge (i) special assessments against benefited properties and (ii) net revenues of the City's water utility.</p> <p>The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444, and 475 and have been structured with three purposes pursuant to their respective statutory authority and payment source.</p> <p>Each purpose is detailed in the sections below.</p>                                                                                                      |
| <b>SCHEDULES ATTACHED:</b>           | Schedules attached for the Bonds include (i) sources and uses of funds, (ii) estimated net debt service for the Bonds as a whole and by purpose, (iii) assessment income, and (iv) coverage and aggregate debt payable from the water utility.                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>RISKS/SPECIAL CONSIDERATIONS:</b> | <p>The outcome of this financing relies on market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.</p> <p>Anticipated levy projections for the Improvement Bonds are based on the estimated assessment income. If actual assessment collections are different than projected, the resulting anticipated levy could differ significantly from what is projected in these schedules.</p>                                                                                                                                                                         |
| <b>SALE TERMS AND MARKETING:</b>     | <p><u>Variability of Issue Size:</u> A specific provision in the sale terms permits modifications to the issue size and/or maturity structure once the price and interest rates are set on the day of sale.</p> <p><u>Prepayment Provisions:</u> Bonds maturing on or after February 1, 2034 may be prepaid at a price of par plus accrued interest on or after February 1, 2033.</p> <p><u>Bank Qualification:</u> The City does not expect to issue more than \$10 million in tax-exempt obligations that count against the \$10 million limit for this calendar year; therefore, the Bonds are designated as bank qualified.</p> |

| <hr/> <b>Description of</b><br><i>\$2,030,000 Improvement Bonds</i> <hr/> |                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PURPOSE:</b>                                                           | Proceeds of the Improvement Bonds will be used to finance the North Brainerd Reconstruction project, consisting of removal and rebuilding of streets (the "Street Project") and related costs of issuance.                                                                                                                                                                          |
| <b>AUTHORITY:</b>                                                         | <p><u>Statutory Authority:</u> The Improvement Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475.</p> <p><u>Statutory Requirements:</u> Pursuant to Minnesota Statutes, Chapter 429, at least 20% of the City's share of the projected cost of the projects must be paid from special assessments. The projects being financed meet this requirement.</p> |
| <b>SOURCE OF PAYMENT:</b>                                                 | <p>The Improvement Bonds will be repaid with a combination of special assessments filed against benefited properties and general ad valorem taxes.</p> <p>Special assessments in the principal amount of \$614,945.10 are expected to be filed in the fall of 2024 for the first collection in 2025. The assessments will be collected over a</p>                                   |

term of ten years with equal annual payments of principal. Interest on the unpaid balance will be charged at a rate of 1.5% over the true interest cost (TIC) of the Improvement Bonds. Based on previous interest rate estimates provided to the City, the City will implement a rate of 4.90%. Should prepaid assessment information be available prior to sale day, we will adjust the assessments to reflect the amount of prepayments and adjust debt service accordingly.

The City will be required to levy ad valorem taxes to pay a portion of the debt service on the Improvement Bonds. The City will levy in 2024 for collection in 2025. Beginning with the August 1, 2025, interest payment, each year's collection of assessments and taxes will be used to make the August 1 interest payment due in the collection year and the February 1 principal and interest payment due the following year.

**STRUCTURING  
SUMMARY:**

In consultation with City staff, the City budgeted a levy of \$106,950 for taxes payable in 2025; therefore, debt service for the Improvement Bond portion has been structured to match the 2025 budgeted levy and principal repayment thereafter structured around the projected assessment income to result in approximately level annual tax levy requirement over a term of ten years.

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**Description of**

*\$1,340,000 Utility Revenue Bonds*

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**PURPOSE:** Proceeds of the Utility Revenue Bonds will be used to finance (i) the water related improvements to the North Brainerd reconstruction project (the "Water Improvements"), and pay related costs of issuance.

**AUTHORITY:** Brainerd Public Utilities (the "BPU") was previously reported as a discrete component unit of the City, however the charter was updated and BPU is longer considered a separate legal entity of the City and is presented as a fund of the City. BPU provides electric, water and wastewater services to local residents and business customers residing in the City.

Statutory Authority: The Utility Revenue Bonds are being issued pursuant to Minnesota Statutes, Chapters 444 and 475.

Statutory Requirements: Pursuant to Minnesota Statutes, Chapter 444, and the resolution authorizing the Utility Revenue Bonds, the BPU will covenant to maintain water utility rates and charges in an amount sufficient to support the operation of the water utility and to pay debt service. The BPU is required to annually review the budget of the water utility to determine whether current rates and charges are sufficient and to adjust them as necessary.

The City currently has five outstanding bond issues for which the net revenues of the water utility are pledged.

Total debt service payable from the water utility and net revenue calculation of the water utility is shown on page 12. The 2023 net revenues of the water utility are less than 1x coverage in some years. The Brainerd Public Utilities Commission is currently evaluating water rates and will increase rates by the appropriate amounts needed to generate revenues sufficient to pay debt service and operations for the water utility.

**SOURCE OF  
PAYMENT:**

The Utility Revenue Bonds will be repaid with net revenues of the City's water utility. BPU's debt payments are funded entirely through rates, fees and other charges for these services.

**STRUCTURING  
SUMMARY:**

In consultation with the BPU, the Utility Revenue Bonds have been structured with a repayment term of 10 years with approximately level annual payments of debt service.

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## Post Issuance

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### POST ISSUANCE COMPLIANCE:

The issuance of the Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: (i) compliance with federal arbitrage requirements and (ii) compliance with secondary disclosure requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as this issue has been structured. Post-issuance compliance responsibilities for this tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any “excess earnings” will need to be paid to the IRS to maintain the tax-exempt status of the Bonds. Any interest earnings on gross bond proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not “excess earnings” as defined by the IRS Code.

The arbitrage rules allow for an exception to rebate for a municipality that issues \$5 million or less in a calendar year. The City is not issuing any additional debt in 2024; therefore, they will qualify as a small issuer and are exempt from the rebate requirements.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to Bond proceeds (including interest earnings) unspent after three years and the debt service fund throughout the term of the Bonds. These moneys should be monitored until the Bonds are retired.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City to commit to providing the information needed to comply under a continuing disclosure agreement.

Baker Tilly Municipal Advisors currently provides both arbitrage and continuing disclosure services to the City. Baker Tilly Municipal Advisors will work with City staff to include the Bonds under the existing Agreement for Municipal Advisor Services.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ©2024 Baker Tilly Municipal Advisors, LLC.

Preliminary

**\$3,370,000**

**City of Brainerd, Minnesota**

General Obligation Bonds, Series 2024A

Issue Summary - 10YR

**Total Issue Sources And Uses**

Dated 12/18/2024 | Delivered 12/18/2024

|                                       | Improvement<br>Bond Portion | Utility Bond<br>Portion -<br>Water 10YR | Issue<br>Summary -<br>10YR |
|---------------------------------------|-----------------------------|-----------------------------------------|----------------------------|
| <b>Sources Of Funds</b>               |                             |                                         |                            |
| Par Amount of Bonds                   | \$2,030,000.00              | \$1,340,000.00                          | \$3,370,000.00             |
| <b>Total Sources</b>                  | <b>\$2,030,000.00</b>       | <b>\$1,340,000.00</b>                   | <b>\$3,370,000.00</b>      |
| <b>Uses Of Funds</b>                  |                             |                                         |                            |
| Deposit to Project Construction Fund  | 1,962,846.83                | 1,297,361.89                            | 3,260,208.72               |
| Costs of Issuance                     | 39,335.03                   | 25,964.97                               | 65,300.00                  |
| Total Underwriter's Discount (1.200%) | 24,360.00                   | 16,080.00                               | 40,440.00                  |
| Rounding Amount                       | 3,458.14                    | 593.14                                  | 4,051.28                   |
| <b>Total Uses</b>                     | <b>\$2,030,000.00</b>       | <b>\$1,340,000.00</b>                   | <b>\$3,370,000.00</b>      |

Preliminary

**\$3,370,000**

**City of Brainerd, Minnesota**

General Obligation Bonds, Series 2024A

Issue Summary - 10YR

**NET DEBT SERVICE SCHEDULE**

| Date         | Principal             | Coupon   | Interest            | Total P+I             | 105% of Total         | Assessment          |                       | Levy<br>Required      |
|--------------|-----------------------|----------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|
|              |                       |          |                     |                       |                       | Income              | Utility Revenues      |                       |
| 02/01/2025   | -                     | -        | -                   | -                     | -                     | -                   | -                     | -                     |
| 02/01/2026   | 230,000.00            | 2.823%   | 116,043.96          | 346,043.96            | 363,346.16            | 96,648.87           | 163,947.62            | 102,749.67            |
| 02/01/2027   | 320,000.00            | 2.890%   | 97,169.20           | 417,169.20            | 438,027.66            | 88,613.59           | 166,017.71            | 183,396.37            |
| 02/01/2028   | 325,000.00            | 2.910%   | 87,921.20           | 412,921.20            | 433,567.26            | 85,600.35           | 167,626.31            | 180,340.61            |
| 02/01/2029   | 335,000.00            | 2.922%   | 78,463.70           | 413,463.70            | 434,136.89            | 82,587.13           | 169,056.93            | 182,492.83            |
| 02/01/2030   | 340,000.00            | 2.980%   | 68,675.00           | 408,675.00            | 429,108.75            | 79,573.89           | 165,068.40            | 184,466.46            |
| 02/01/2031   | 345,000.00            | 3.040%   | 58,543.00           | 403,543.00            | 423,720.15            | 76,560.67           | 166,250.70            | 180,908.78            |
| 02/01/2032   | 355,000.00            | 3.100%   | 48,055.00           | 403,055.00            | 423,207.75            | 73,547.43           | 167,191.50            | 182,468.82            |
| 02/01/2033   | 365,000.00            | 3.200%   | 37,050.00           | 402,050.00            | 422,152.50            | 70,534.21           | 167,884.50            | 183,733.79            |
| 02/01/2034   | 375,000.00            | 3.320%   | 25,370.00           | 400,370.00            | 420,388.50            | 67,520.97           | 168,262.50            | 184,605.03            |
| 02/01/2035   | 380,000.00            | 3.400%   | 12,920.00           | 392,920.00            | 412,566.00            | 64,507.75           | 168,283.50            | 179,774.75            |
| <b>Total</b> | <b>\$3,370,000.00</b> | <b>-</b> | <b>\$630,211.06</b> | <b>\$4,000,211.06</b> | <b>\$4,200,221.61</b> | <b>\$785,694.86</b> | <b>\$1,669,589.66</b> | <b>\$1,744,937.09</b> |

|                   |            |
|-------------------|------------|
| Dated             | 12/18/2024 |
| Delivery Date     | 12/18/2024 |
| First Coupon Date | 8/01/2025  |

**Yield Statistics**

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$19,937.53 |
| Average Life                      | 5.916 Years |
| Average Coupon                    | 3.1609288%  |
| Net Interest Cost (NIC)           | 3.3637624%  |
| True Interest Cost (TIC)          | 3.3836380%  |
| Bond Yield for Arbitrage Purposes | 3.1539369%  |
| All Inclusive Cost (AIC)          | 3.7627895%  |

**IRS Form 8038**

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.1609288%  |
| Weighted Average Maturity | 5.916 Years |

Preliminary

**\$2,030,000**

**City of Brainerd, Minnesota**

General Obligation Bonds, Series 2024A

Improvement Bond Portion

**NET DEBT SERVICE SCHEDULE**

| Date         | Principal             | Coupon   | Interest            | Total P+I             | 105% of Total         | Assessment          | Levy<br>Required      |
|--------------|-----------------------|----------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|
| 02/01/2025   | -                     | -        | -                   | -                     | -                     | -                   | -                     |
| 02/01/2026   | 120,000.00            | 2.823%   | 69,903.37           | 189,903.37            | 199,398.54            | 96,648.87           | 102,749.67            |
| 02/01/2027   | 200,000.00            | 2.890%   | 59,057.10           | 259,057.10            | 272,009.96            | 88,613.59           | 183,396.37            |
| 02/01/2028   | 200,000.00            | 2.910%   | 53,277.10           | 253,277.10            | 265,940.96            | 85,600.35           | 180,340.61            |
| 02/01/2029   | 205,000.00            | 2.922%   | 47,457.10           | 252,457.10            | 265,079.96            | 82,587.13           | 182,492.83            |
| 02/01/2030   | 210,000.00            | 2.980%   | 41,467.00           | 251,467.00            | 264,040.35            | 79,573.89           | 184,466.46            |
| 02/01/2031   | 210,000.00            | 3.040%   | 35,209.00           | 245,209.00            | 257,469.45            | 76,560.67           | 180,908.78            |
| 02/01/2032   | 215,000.00            | 3.100%   | 28,825.00           | 243,825.00            | 256,016.25            | 73,547.43           | 182,468.82            |
| 02/01/2033   | 220,000.00            | 3.200%   | 22,160.00           | 242,160.00            | 254,268.00            | 70,534.21           | 183,733.79            |
| 02/01/2034   | 225,000.00            | 3.320%   | 15,120.00           | 240,120.00            | 252,126.00            | 67,520.97           | 184,605.03            |
| 02/01/2035   | 225,000.00            | 3.400%   | 7,650.00            | 232,650.00            | 244,282.50            | 64,507.75           | 179,774.75            |
| <b>Total</b> | <b>\$2,030,000.00</b> | <b>-</b> | <b>\$380,125.67</b> | <b>\$2,410,125.67</b> | <b>\$2,530,631.95</b> | <b>\$785,694.86</b> | <b>\$1,744,937.09</b> |

|                   |            |
|-------------------|------------|
| Dated             | 12/18/2024 |
| Delivery Date     | 12/18/2024 |
| First Coupon Date | 8/01/2025  |

**Yield Statistics**

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$12,032.47 |
| Average Life                      | 5.927 Years |
| Average Coupon                    | 3.1591652%  |
| Net Interest Cost (NIC)           | 3.3616173%  |
| True Interest Cost (TIC)          | 3.3813920%  |
| Bond Yield for Arbitrage Purposes | 3.1539369%  |
| All Inclusive Cost (AIC)          | 3.7596419%  |

**IRS Form 8038**

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.1591652%  |
| Weighted Average Maturity | 5.927 Years |

Preliminary

**\$614,945**

**City of Brainerd, Minnesota**

General Obligation Bonds, Series 2024A

Assessment Income

**DEBT SERVICE SCHEDULE**

| Date         | Principal           | Coupon   | Interest            | Total P+I           |
|--------------|---------------------|----------|---------------------|---------------------|
| 12/31/2024   | -                   | -        | -                   | -                   |
| 12/31/2025   | 61,494.51           | 4.900%   | 35,154.36           | 96,648.87           |
| 12/31/2026   | 61,494.51           | 4.900%   | 27,119.08           | 88,613.59           |
| 12/31/2027   | 61,494.51           | 4.900%   | 24,105.84           | 85,600.35           |
| 12/31/2028   | 61,494.51           | 4.900%   | 21,092.62           | 82,587.13           |
| 12/31/2029   | 61,494.51           | 4.900%   | 18,079.38           | 79,573.89           |
| 12/31/2030   | 61,494.51           | 4.900%   | 15,066.16           | 76,560.67           |
| 12/31/2031   | 61,494.51           | 4.900%   | 12,052.92           | 73,547.43           |
| 12/31/2032   | 61,494.51           | 4.900%   | 9,039.70            | 70,534.21           |
| 12/31/2033   | 61,494.51           | 4.900%   | 6,026.46            | 67,520.97           |
| 12/31/2034   | 61,494.51           | 4.900%   | 3,013.24            | 64,507.75           |
| <b>Total</b> | <b>\$614,945.10</b> | <b>-</b> | <b>\$170,749.76</b> | <b>\$785,694.86</b> |

**SIGNIFICANT DATES**

|                            |            |
|----------------------------|------------|
| Date Filed                 | 11/01/2024 |
| First Collection Year..... | 12/31/2025 |

Preliminary

**\$1,340,000**

**City of Brainerd, Minnesota**

General Obligation Bonds, Series 2024A

Utility Bond Portion - Water 10YR

**Debt Service Schedule**

| Date         | Principal             | Coupon   | Interest            | Total P+I             | 105% of Debt Service  |
|--------------|-----------------------|----------|---------------------|-----------------------|-----------------------|
| 02/01/2025   | -                     | -        | -                   | -                     | -                     |
| 02/01/2026   | 110,000.00            | 2.823%   | 46,140.59           | 156,140.59            | 163,947.62            |
| 02/01/2027   | 120,000.00            | 2.890%   | 38,112.10           | 158,112.10            | 166,017.71            |
| 02/01/2028   | 125,000.00            | 2.910%   | 34,644.10           | 159,644.10            | 167,626.31            |
| 02/01/2029   | 130,000.00            | 2.922%   | 31,006.60           | 161,006.60            | 169,056.93            |
| 02/01/2030   | 130,000.00            | 2.980%   | 27,208.00           | 157,208.00            | 165,068.40            |
| 02/01/2031   | 135,000.00            | 3.040%   | 23,334.00           | 158,334.00            | 166,250.70            |
| 02/01/2032   | 140,000.00            | 3.100%   | 19,230.00           | 159,230.00            | 167,191.50            |
| 02/01/2033   | 145,000.00            | 3.200%   | 14,890.00           | 159,890.00            | 167,884.50            |
| 02/01/2034   | 150,000.00            | 3.320%   | 10,250.00           | 160,250.00            | 168,262.50            |
| 02/01/2035   | 155,000.00            | 3.400%   | 5,270.00            | 160,270.00            | 168,283.50            |
| <b>Total</b> | <b>\$1,340,000.00</b> | <b>-</b> | <b>\$250,085.39</b> | <b>\$1,590,085.39</b> | <b>\$1,669,589.66</b> |

**SIGNIFICANT DATES**

|                   |            |
|-------------------|------------|
| Dated             | 12/18/2024 |
| Delivery Date     | 12/18/2024 |
| First Coupon Date | 8/01/2025  |

**Yield Statistics**

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$7,905.06  |
| Average Life                      | 5.899 Years |
| Average Coupon                    | 3.1636133%  |
| Net Interest Cost (NIC)           | 3.3670274%  |
| True Interest Cost (TIC)          | 3.3870597%  |
| Bond Yield for Arbitrage Purposes | 3.1539369%  |
| All Inclusive Cost (AIC)          | 3.7675860%  |

**IRS Form 8038**

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.1636133%  |
| Weighted Average Maturity | 5.899 Years |

Preliminary

**\$1,340,000**

**City of Brainerd, Minnesota**

General Obligation Bonds, Series 2024A

Utility Bond Portion - Water 10YR

**Debt Service Schedule**

| Date         | Principal             | Coupon   | Interest            | Total P+I             | 105% of Debt Service  | Fiscal Total |
|--------------|-----------------------|----------|---------------------|-----------------------|-----------------------|--------------|
| 12/18/2024   | -                     | -        | -                   | -                     | -                     | -            |
| 08/01/2025   | -                     | -        | 25,531.89           | 25,531.89             | 26,808.48             | -            |
| 02/01/2026   | 110,000.00            | 2.823%   | 20,608.70           | 130,608.70            | 137,139.14            | 163,947.62   |
| 08/01/2026   | -                     | -        | 19,056.05           | 19,056.05             | 20,008.85             | -            |
| 02/01/2027   | 120,000.00            | 2.890%   | 19,056.05           | 139,056.05            | 146,008.85            | 166,017.71   |
| 08/01/2027   | -                     | -        | 17,322.05           | 17,322.05             | 18,188.15             | -            |
| 02/01/2028   | 125,000.00            | 2.910%   | 17,322.05           | 142,322.05            | 149,438.15            | 167,626.31   |
| 08/01/2028   | -                     | -        | 15,503.30           | 15,503.30             | 16,278.47             | -            |
| 02/01/2029   | 130,000.00            | 2.922%   | 15,503.30           | 145,503.30            | 152,778.47            | 169,056.93   |
| 08/01/2029   | -                     | -        | 13,604.00           | 13,604.00             | 14,284.20             | -            |
| 02/01/2030   | 130,000.00            | 2.980%   | 13,604.00           | 143,604.00            | 150,784.20            | 165,068.40   |
| 08/01/2030   | -                     | -        | 11,667.00           | 11,667.00             | 12,250.35             | -            |
| 02/01/2031   | 135,000.00            | 3.040%   | 11,667.00           | 146,667.00            | 154,000.35            | 166,250.70   |
| 08/01/2031   | -                     | -        | 9,615.00            | 9,615.00              | 10,095.75             | -            |
| 02/01/2032   | 140,000.00            | 3.100%   | 9,615.00            | 149,615.00            | 157,095.75            | 167,191.50   |
| 08/01/2032   | -                     | -        | 7,445.00            | 7,445.00              | 7,817.25              | -            |
| 02/01/2033   | 145,000.00            | 3.200%   | 7,445.00            | 152,445.00            | 160,067.25            | 167,884.50   |
| 08/01/2033   | -                     | -        | 5,125.00            | 5,125.00              | 5,381.25              | -            |
| 02/01/2034   | 150,000.00            | 3.320%   | 5,125.00            | 155,125.00            | 162,881.25            | 168,262.50   |
| 08/01/2034   | -                     | -        | 2,635.00            | 2,635.00              | 2,766.75              | -            |
| 02/01/2035   | 155,000.00            | 3.400%   | 2,635.00            | 157,635.00            | 165,516.75            | 168,283.50   |
| <b>Total</b> | <b>\$1,340,000.00</b> | <b>-</b> | <b>\$250,085.39</b> | <b>\$1,590,085.39</b> | <b>\$1,669,589.66</b> | <b>-</b>     |

**SIGNIFICANT DATES**

|                   |            |
|-------------------|------------|
| Dated             | 12/18/2024 |
| Delivery Date     | 12/18/2024 |
| First Coupon Date | 8/01/2025  |

**Yield Statistics**

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$7,905.06  |
| Average Life                      | 5.899 Years |
| Average Coupon                    | 3.1636133%  |
| Net Interest Cost (NIC)           | 3.3670274%  |
| True Interest Cost (TIC)          | 3.3870597%  |
| Bond Yield for Arbitrage Purposes | 3.1539369%  |
| All Inclusive Cost (AIC)          | 3.7675860%  |

**IRS Form 8038**

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.1636133%  |
| Weighted Average Maturity | 5.899 Years |

**Brainerd, Minnesota**  
Aggregate Debt Service Payable from the Water Utility

**Aggregate Debt Service**

| Calendar Year | \$1,700,000<br>2015A<br>Bonds | \$4,845,000<br>2016A Bonds | \$2,720,000<br>2018A<br>Bonds | \$5,250,000<br>2021A<br>Bonds | \$1,100,000<br>2023A Bonds | \$1,340,000<br>2024A Bonds* | Total D/S  | Net D/S<br>Payable from<br>Water<br>Revenue | Coverage |
|---------------|-------------------------------|----------------------------|-------------------------------|-------------------------------|----------------------------|-----------------------------|------------|---------------------------------------------|----------|
| 2024          | 195,261                       | 429,128                    | 339,465                       | 442,229                       | -                          | -                           | 1,406,083  | 1,406,083                                   | 0.58     |
| 2025          | 196,435                       | 432,803                    | 338,048                       | 433,172                       | 108,070                    | -                           | 1,508,529  | 1,508,529                                   | 0.54     |
| 2026          | -                             | 430,178                    | 339,255                       | 418,735                       | 110,329                    | 163,948                     | 1,462,445  | 1,462,445                                   | 0.56     |
| 2027          | -                             | 429,201                    | 334,976                       | 409,416                       | 107,441                    | 166,018                     | 1,447,052  | 1,447,052                                   | 0.57     |
| 2028          | -                             | 427,652                    | 335,711                       | 394,716                       | 109,804                    | 167,626                     | 1,435,509  | 1,435,509                                   | 0.57     |
| 2029          | -                             | 430,277                    | -                             | 456,797                       | 111,904                    | 169,057                     | 1,168,035  | 1,168,035                                   | 0.70     |
| 2030          | -                             | 427,442                    | -                             | 458,635                       | 108,491                    | 165,068                     | 1,159,636  | 1,159,636                                   | 0.71     |
| 2031          | -                             | 429,240                    | -                             | 463,570                       | 110,329                    | 166,251                     | 1,169,389  | 1,169,389                                   | 0.70     |
| 2032          | -                             | -                          | -                             | 465,510                       | 111,904                    | 167,192                     | 744,605    | 744,605                                     | 1.10     |
| 2033          | -                             | -                          | -                             | 465,838                       | 107,966                    | 167,885                     | 741,689    | 741,689                                     | 1.11     |
| 2034          | -                             | -                          | -                             | 465,672                       | 109,279                    | 168,263                     | 743,214    | 743,214                                     | 1.10     |
| 2035          | -                             | -                          | -                             | 463,680                       | 110,329                    | 168,284                     | 742,292    | 742,292                                     | 1.10     |
| 2036          | -                             | -                          | -                             | 465,255                       | 111,116                    | -                           | 576,371    | 576,371                                     | 1.42     |
| 2037          | -                             | -                          | -                             | 466,620                       | 107,218                    | -                           | 573,838    | 573,838                                     | 1.43     |
| 2038          | -                             | -                          | -                             | -                             | 108,452                    | -                           | 108,452    | 108,452                                     | 7.56     |
| 2039          | -                             | -                          | -                             | -                             | 109,463                    | -                           | 109,463    | 109,463                                     | 7.49     |
| Total         | 391,696                       | 3,435,922                  | 1,687,455                     | 6,269,844                     | 1,642,094                  | 1,669,590                   | 15,096,600 | 14,878,686                                  |          |

Note: all debt service is shown at 105%.

\* Estimate

**Water Utility - 2023 Net Revenue & Coverage**

|                                   |             |
|-----------------------------------|-------------|
| Operating Revenues                | \$3,246,504 |
| Operating Expenses                | (4,071,151) |
| Operating Income                  | (824,647)   |
| Add back depreciation             | 1,261,910   |
| Interest Income                   | 34,116      |
| Local Option Sales Tax            | 348,693     |
| Income Available for Debt Service | \$820,072   |
| Maximum Projected Debt Service    | \$1,508,529 |
| Remaining Capacity                | (\$688,457) |

## **HR Director's Report to Public Utilities Commission**

October 24, 2024

### Personnel:

- Three Public Utilities Department employees were off from work intermittently this past month for non-work-related medical issues.
- We welcomed Josh Gravelle to our crew. Josh was hired as a Lineworker and started on October 10th.
- We received two internal applications for our Apprentice Lineworker position. We have given a conditional job offer to one of them and are currently going through the pre-employment process. With this hiring, all of our lineworker vacancies will be filled.

### Union Updates:

Our arbitration hearing with the IBEW Public Utilities Union has been scheduled. Patrick Kelly will be our arbitrator, and the hearing will be held on December 18<sup>th</sup>.

In 2023, the City created three new positions for our Public Utilities Department. We attempted to negotiate the wage for those positions with the IBEW Local No. 31 Public Utilities Union in order to start the hiring process; however, the City and Union could not reach an agreement during negotiations. Subsequently, the parties reached an agreement via a Memorandum of Agreement (MOA) on wages for the positions, which are within what was budgeted by the City/Public Utilities Department. The Council approved the MOA on October 21<sup>st</sup>. We have begun the hiring process for the Journeyman Electrician and Facilities Custodian positions. Public Utilities Director Evans has requested that we delay posting the Business Office Specialist position to allow him an opportunity to review current operational needs.

### Open Enrollment:

Our annual Open Enrollment meeting took place on October 14<sup>th</sup> at 9 am. Employees had the option to attend in-person in the Council Chambers or virtually. Open Enrollment will close at 4:30 pm on October 31<sup>st</sup>. 2025 health insurance election forms have been distributed to the Public Utilities Commission and we ask that you return them to Kris or Mandy when completed.

### IT Integration:

Discussion has been occurring at the Council level regarding the Public Utilities and City-side IT Department integration. Staff requested that City Attorney Langel provide clarification regarding this issue. On October 17th, Attorney Langel provided the attached memorandum with the following clarification: "Given that the Council controls the terms and conditions of employment for all City employees, including those working at BPU, the Council has authority to direct the City Administrator to integrate IT city-wide for organizational and efficiency purposes. The IT personnel at BPU must continue to fulfill the operational needs of the utilities, as determined by the Commission, just as the IT personnel at City Hall must continue to fulfill the operational needs of the various departments in the rest of the City (police, fire, finance, etc.). Having varying duties for the various IT consumers throughout the City does not prevent the City from integrating the two IT departments organizationally."

On October 21<sup>st</sup>, the Council appointed an Integration Work Group consisting of the Council President, Public Utilities Chair, Council Liaison to the Public Utilities Commission, City Administrator Broyles, and Public Utilities Director Evans to formally oversee the integration process.

## MEMORANDUM

TO: City Council

FROM: Joseph Langel, City Attorney

DATE: October 17, 2024

RE: BPU Personnel

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The City Council recently directed City Administrator Nick Broyles to pursue integration of the City and BPU IT personnel. In this context, integration means there is to be a single chain of command beneath the City Administrator instead of having an IT/GIS Department in City Hall and a wholly separate IT staff at BPU. During discussions on this issue, a question was raised as to who ultimately has administrative control over BPU personnel – the Brainerd Public Utilities Commission or the City Administrator? To understand the issue, it helps to understand the historical relationship between City Hall and BPU.

Any statutory city can establish a public utilities commission and decide what utilities will fall under the control of that commission.<sup>1</sup> Statutory commissions have authority “to employ all necessary help for the management and operation of the public utility, prescribe duties of officers and employees and fix their compensation.”<sup>2</sup> In other words, control over commission personnel is held by the commission pursuant to state law.

Brainerd, however, is a charter city and BPU was created by the City’s Charter. BPU’s authority therefore arises out of the Charter. Originally, Section 106 of the Charter provided that the BPU “Commission shall have power to appoint and employ all necessary help to properly perform its duties and to fix their compensation subject to approval of the City Council as provided for in Section 109 of the City Charter.” Section 109 concerns the Council’s approval of BPU’s annual budget, within which BPU was authorized to make expenditures. Despite the authority of the Commission, BPU is not a separate employer and all employees under the control of the Commission were, legally, City employees.

Placing all personnel authority in the BPU Commission became problematic over the years because BPU employees were subject to different terms and conditions of employment than other City employees. The existence of two different personnel structures in the City resulted in Equal Pay Act violations as well as dissimilar personnel decisions involving similar employees, which both led to confusion and conflict among employees and increased the risk

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<sup>1</sup> Minn. Stat. §§ 412.331, 412.321, subd. 1.

<sup>2</sup> Minn. Stat. § 412.361, subd. 2.

of liability in harassment and other claims involving the application of policies and procedures to similarly situated employees. It also allowed for situations where BPU personnel could violate state employment or discrimination laws for which the City was held responsible, yet the City had little or no control over the employees.

In 2020, the City Council and the Charter Commission started the process of revising the Charter. Initial revisions concerned removal of provisions that were either outdated or inconsistent with existing law. In 2021, the Council and Charter Commission moved on to a substantive review of the chapter on BPU. On December 20, 2021, the Council adopted Ordinance 1523 revising the BPU chapter. The Charter Commission approved the changes, which included a new paragraph 4 concerning personnel. That paragraph was rewritten as follows: “The City Council shall employ all necessary help for the Commission to properly perform its duties and approve all terms and conditions of employment. Personnel for vacant positions may be recommended by the Commission to the City Council. All Commission personnel are subject to the City’s personnel policies.”<sup>3</sup>

This was a substantial change from the previous language and was the topic of much discussion. The new language effectively placed all City employees under the City Council, which now expressly employs BPU personnel and approves the terms and conditions of their employment. In addition, all BPU employees are subject to the same personnel policies as the rest of City employees. While the Commission continues to operate the utilities, recommend personnel to be hired, fixes all rates and controls electrical contracts within its service territory, control of personnel issues was transferred to City Hall for consistency across the entire City.<sup>4</sup>

The Council, in turn, delegates personnel issues to the City Administrator, who is the chief administrative officer of the City and is tasked with exercising control and supervision over all administrative affairs. This includes issuing orders, rules, directives and regulations that “outline the general and specific procedures for the administration of the City’s activities.”<sup>5</sup>

Given that the Council controls the terms and conditions of employment for all City employees, including those working at BPU, the Council has authority to direct the City Administrator to integrate IT city-wide for organizational and efficiency purposes. The IT personnel at BPU must continue to fulfill the operational needs of the utilities, as determined by the Commission, just as the IT personnel at City Hall must continue to fulfill the operational needs of the various departments in the rest of the City (police, fire, finance, etc.). Having varying duties for the various IT consumers throughout the City does not prevent the City from integrating the two IT departments organizationally.

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<sup>3</sup> Pursuant to Minnesota law, the phrase “terms and conditions of employment” expressly includes “the employer’s personnel policies affecting the working conditions of the employees.” Minn. Stat. § 179A.03, subd. 19.

<sup>4</sup> Charter, ch. 6.

<sup>5</sup> Charter, ch. 2, § 15; City Code § 300.03



# BRAINERD PUBLIC UTILITIES

8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401

**Business Office:** 218.829.8726 ■ **Repair Service:** 218.829.2193

[www.bpu.org](http://www.bpu.org)

## **Brainerd Public Utilities Finance Managers Report October 29, 2024**

### Financial Reports

August and September attached. At the last meeting Commissioner O'Day inquired on the investment changes year over year. The change relates to the market value adjustment primarily. Through the September 2023 statement year to date interest earnings and change in value were \$116,870 and \$25,488, respectively. Through September of 2024 the earnings and change in value to date were \$169,996 and \$346,493, respectively. This change equates to \$374,131 from 2023 to 2024. The asset value change is therefore driving the significant change presented year over year in the interest on investments.

### 2025 Budget Process

The 2025 budget process is underway and ongoing, finance committee to expect conversations and meeting early November in preparation for budget presentation at November's regular meeting. Staff had a preliminary meeting on Monday the 28<sup>th</sup>.

### Water Treatment Facility Reclamation and Backwash Project

Meetings have occurred with Bolton & Menk, the project is progressing on schedule. Bidding and requests for bids have been published with bid opening to occur in November.

### Wastewater Facility Walkthrough – Feasibility Study

Staff walked through the facility with Bolton & Menk to initiate and discuss the 20 year study as scheduled from the joint wastewater meeting earlier this year.

### Streetlighting/Water/Wastewater Cost Studies

The cost studies for streetlighting/water/wastewater have begun and are in the process of collecting data for Utility Financial Solutions. Meetings with UFS have continued to determine the data needs and requests for the cost studies. UFS is awaiting staff responses before continuing.

### Communities Local Energy Action Program:

Staff continue discussion with Region 5, Tri County Community Action and the National Renewable Energy Laboratory related to the technical assistance program and the program preparation related to renewable by 2040 initiative. Local meeting with Department of Energy, National Renewable Energy Lab and local partners related to the grant is intended in October. Additional technical assistance scoping is occurring and discussions and meetings are on-going.

### Strategic Planning Sessions:

Staff attended 4 special meetings over the past month in preparation of a strategic plan. The preliminary plan is presented as part of the meeting.



# **Monthly Financial Report August 2024**

**BRAINERD PUBLIC UTILITIES  
COMPARISON OF OPERATING RESULTS  
FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2024 AND 2023**

|                                                      | 2024              |                  | 2023                |                  |
|------------------------------------------------------|-------------------|------------------|---------------------|------------------|
|                                                      | Amount            | Percent of Sales | Amount              | Percent of Sales |
| <b>OPERATING REVENUE</b>                             |                   |                  |                     |                  |
| Department                                           |                   |                  |                     |                  |
| Electric                                             | \$18,657,048      | 79.5%            | \$16,168,968        | 78.9%            |
| Water                                                | 2,482,635         | 10.6%            | 2,306,429           | 11.2%            |
| Wastewater                                           | 2,341,806         | 10.0%            | 2,028,962           | 9.9%             |
| Total Operating Revenue                              | <u>23,481,489</u> | <u>100.0%</u>    | <u>20,504,359</u>   | <u>100.0%</u>    |
| <b>OPERATING EXPENSES</b>                            |                   |                  |                     |                  |
| Salaries and Wages                                   | 3,141,327         | 13.4%            | 3,259,020           | 15.9%            |
| Purchased Power                                      | 12,831,576        | 54.6%            | 8,977,036           | 43.8%            |
| Operations and Maintenance                           | 1,955,793         | 8.3%             | 2,146,109           | 10.5%            |
| Other Charges                                        | 669,069           | 2.8%             | 503,558             | 2.5%             |
| Employee Benefits                                    | 1,107,774         | 4.7%             | 1,245,445           | 6.1%             |
| Insurance and Bonds                                  | 252,695           | 1.1%             | 254,743             | 1.2%             |
| Depreciation and Amortization                        | 3,529,224         | 15.0%            | 3,359,235           | 16.4%            |
| Total Operating Expenses                             | <u>23,487,458</u> | <u>100.0%</u>    | <u>19,745,146</u>   | <u>96.3%</u>     |
| <b>NET OPERATING REVENUE</b>                         | <u>(5,969)</u>    | <u>0.0%</u>      | <u>759,213</u>      | <u>3.7%</u>      |
| <b>NONOPERATING REVENUE</b>                          |                   |                  |                     |                  |
| Interest Revenue - Investments                       | 443,678           | 1.9%             | 112,967             | 0.6%             |
| Bond Premium                                         | 97,682            | 0.4%             | 113,993             | 0.6%             |
| Interest Revenue - Notes Receivable                  | 74,259            | 0.3%             | 71,470              | 0.3%             |
| Interest Expense - Bonds                             | (558,293)         | -2.4%            | (562,070)           | -2.7%            |
| Local Option Sales Tax                               | 1,185,534         | 5.0%             | 1,367,310           | 6.7%             |
| Other                                                | 25,846            | 0.1%             | 47,568              | 0.2%             |
| Total Nonoperating Revenue                           | <u>1,268,706</u>  | <u>5.4%</u>      | <u>1,151,238</u>    | <u>5.6%</u>      |
| <b>INCOME BEFORE OPERATING TRANSFERS TO THE CITY</b> | 1,262,737         | 5.4%             | 1,910,451           | 9.3%             |
| <b>CAPITAL CONTRIBUTIONS</b>                         | -                 | 0.0%             | -                   | 0.0%             |
| <b>TRANSFERS TO THE CITY</b>                         | <u>(511,932)</u>  | <u>-2.2%</u>     | <u>(526,215)</u>    | <u>-2.6%</u>     |
| <b>CHANGE IN NET ASSETS</b>                          | <u>\$ 750,805</u> | <u>3.2%</u>      | <u>\$ 1,384,236</u> | <u>6.8%</u>      |

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION BY DEPARTMENT**  
**AUGUST 31, 2024 AND 2023**

|                                                                 | Electric      | Water         | Wastewater<br>Treatment | Totals        |               |
|-----------------------------------------------------------------|---------------|---------------|-------------------------|---------------|---------------|
|                                                                 |               |               |                         | 2024          | 2023          |
| <b>ASSETS</b>                                                   |               |               |                         |               |               |
| <b>UTILITY PLANT</b>                                            |               |               |                         |               |               |
| Construction in Progress                                        | \$ 3,452,616  | \$ 549,409    | \$ 3,646,886            | \$ 7,648,911  | \$ 10,156,737 |
| Right-to-Use                                                    | 421,686       | 20,146        | 20,146                  | 461,978       | 461,978       |
| In Service                                                      | 48,214,083    | 38,116,958    | 39,581,432              | 125,912,473   | 115,875,590   |
| Total Investment in Utility Plant                               | 52,088,385    | 38,686,513    | 43,248,464              | 134,023,362   | 126,494,305   |
| Less: Accumulated Depreciation                                  | (27,074,466)  | (16,412,558)  | (22,292,222)            | (65,779,246)  | (60,360,244)  |
| Net Utility Plant                                               | 25,013,919    | 22,273,955    | 20,956,242              | 68,244,116    | 66,134,061    |
| <b>CASH AND INVESTMENTS</b>                                     |               |               |                         |               |               |
| <u>Nonrestricted</u>                                            | 4,442,784     | (2,669,056)   | 4,657,513               | 6,431,241     | 8,658,086     |
| <u>Restricted</u>                                               |               |               |                         |               |               |
| Customer Deposits                                               | 505,923       | -             | -                       | 505,923       | 462,713       |
| City of Brainerd Contribution                                   | 146,107       | -             | -                       | 146,107       | 88,742        |
| Conservation Incentive Program                                  | 507,774       | -             | -                       | 507,774       | 346,869       |
| Water and Sewer Accessibility Charges                           | -             | 551,964       | 7,138                   | 559,102       | 483,335       |
| Construction Bond Proceeds                                      | -             | -             | -                       | -             | 272,170       |
| Debt Service Reserve                                            | 1,117,250     | 1,542,554     | 2,140,023               | 4,799,827     | 4,515,554     |
| Total Restricted Cash and Investments                           | 2,277,054     | 2,094,518     | 2,147,161               | 6,518,733     | 6,169,383     |
| Total Cash and Investments                                      | 6,719,838     | (574,538)     | 6,804,674               | 12,949,974    | 14,827,469    |
| <b>CURRENT ASSETS</b>                                           |               |               |                         |               |               |
| Accounts Receivable                                             | 3,781,056     | 694,129       | 3,617,153               | 8,092,338     | 4,785,114     |
| Interest Receivable                                             | 13,255        | 3,679         | 20,521                  | 37,455        | 28,984        |
| Inventory                                                       | 2,493,094     | 140,736       | -                       | 2,633,830     | 1,963,964     |
| Prepaid Expenses                                                | 138,798       | 39,500        | 19,525                  | 197,823       | 211,804       |
| Total Current Assets                                            | 6,426,203     | 878,044       | 3,657,199               | 10,961,446    | 6,989,866     |
| <b>OTHER ASSETS</b>                                             |               |               |                         |               |               |
| Bonds and Notes Receivable                                      | -             | -             | -                       | -             | 3,818,334     |
| Interest Receivable - Notes Receivable                          | -             | -             | 45,600                  | 45,600        | 2,700         |
| Service Territory Acquisitions, Net of Accumulated Amortization | 188,483       | -             | -                       | 188,483       | 222,083       |
| Deferred Outflows of Resources                                  | 630,567       | 210,190       | 210,190                 | 1,050,947     | 1,587,619     |
| Investment in Solar Generation Facility                         | 662,073       | -             | -                       | 662,073       | 567,000       |
| Total Other Assets                                              | 1,481,123     | 210,190       | 255,790                 | 1,947,103     | 6,197,736     |
| Total Assets                                                    | 39,641,083    | 22,787,651    | 31,673,905              | 94,102,639    | 94,149,132    |
| <b>LIABILITIES AND NET ASSETS</b>                               |               |               |                         |               |               |
| <b>NET POSITION</b>                                             |               |               |                         |               |               |
| Net Investment in Capital Assets                                | 19,605,801    | 11,440,115    | 11,221,874              | 42,267,790    | 39,447,635    |
| Restricted                                                      | -             | 1,587,168     | 2,169,336               | 3,756,504     | 7,255,157     |
| Unrestricted                                                    | 7,174,375     | (2,495,134)   | 7,240,590               | 11,919,831    | 10,208,184    |
| Total Net Position                                              | 26,780,176    | 10,532,149    | 20,631,800              | 57,944,125    | 56,910,976    |
| <b>LONG-TERM LIABILITIES</b>                                    |               |               |                         |               |               |
| Revenue Bonds Payable                                           | 4,500,000     | 10,140,000    | 2,487,400               | 17,127,400    | 15,606,600    |
| PFA Construction Loan Payable                                   | -             | -             | 5,285,000               | 5,285,000     | 6,919,000     |
| Compensated Absences                                            | 600,064       | 265,578       | 185,192                 | 1,050,834     | 1,145,683     |
| Other Postemployment Benefit Obligation                         | 219,726       | 73,241        | 73,241                  | 366,208       | 384,493       |
| Net Pension Liability                                           | 2,043,276     | 681,092       | 681,092                 | 3,405,460     | 4,926,260     |
| Deferred Inflows of Resources                                   | 781,983       | 260,661       | 260,661                 | 1,303,305     | 182,294       |
| Capital Lease Payable                                           | 366,261       | 1,792         | 1,792                   | 369,845       | 391,703       |
| Revenue Bond Premium                                            | 37,920        | 611,768       | 105,504                 | 755,192       | 776,736       |
| Total Long-Term Liabilities                                     | 8,549,230     | 12,034,132    | 9,079,882               | 29,663,244    | 30,332,769    |
| <b>CURRENT LIABILITIES</b>                                      |               |               |                         |               |               |
| Accounts Payable                                                | 1,741,199     | 13,344        | -                       | 1,754,543     | 1,609,537     |
| Revenue Bonds Payable                                           | 1,040,000     | 75,000        | 79,200                  | 1,194,200     | 1,920,600     |
| PFA Construction Loan Payable                                   | -             | -             | 1,585,000               | 1,585,000     | 1,536,000     |
| Capital Lease Payable                                           | 17,937        | 5,280         | 5,280                   | 28,497        | 28,497        |
| Payable to City of Brainerd                                     | 146,107       | 19,550        | 237,480                 | 403,137       | 327,928       |
| Conservation Incentive Program Payable                          | 507,774       | -             | -                       | 507,774       | 346,869       |
| Accrued Expenses                                                |               |               |                         |               |               |
| Salaries and Withholding Taxes                                  | 122,709       | 58,125        | 38,976                  | 219,810       | 375,800       |
| Sales Taxes                                                     | 191,200       | 5,457         | -                       | 196,657       | 175,024       |
| Bond Interest                                                   | 38,828        | 44,614        | 16,287                  | 99,729        | 122,419       |
| Customer Deposits                                               | 505,923       | -             | -                       | 505,923       | 462,713       |
| Total Current Liabilities                                       | 4,311,677     | 221,370       | 1,962,223               | 6,495,270     | 6,905,387     |
| Total Liabilities                                               | 12,860,907    | 12,255,502    | 11,042,105              | 36,158,514    | 37,238,156    |
| Total Liabilities and Net Position                              | \$ 39,641,083 | \$ 22,787,651 | \$ 31,673,905           | \$ 94,102,639 | \$ 94,149,132 |

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2024, 2023, AND 2022**

|                                                          | August 31, 2024 |              |                      |               | Totals        |               |
|----------------------------------------------------------|-----------------|--------------|----------------------|---------------|---------------|---------------|
|                                                          | Electric        | Water        | Wastewater Treatment | Total         | August 31,    |               |
|                                                          |                 |              |                      |               | 2023          | 2022          |
| <b>OPERATING REVENUES</b>                                |                 |              |                      |               |               |               |
| <u>Utility Revenues</u>                                  | \$ 18,333,593   | \$ 2,320,250 | \$ 1,720,999         | \$ 22,374,842 | \$ 19,628,985 | \$ 18,021,120 |
| Other Operating Revenue                                  | 323,455         | 162,385      | 620,807              | 1,106,647     | 875,374       | 787,872       |
| Total Operating Revenue                                  | 18,657,048      | 2,482,635    | 2,341,806            | 23,481,489    | 20,504,359    | 18,808,992    |
| <b>OPERATING EXPENSES</b>                                |                 |              |                      |               |               |               |
| <u>Purchased Power</u>                                   | 12,831,576      | -            | -                    | 12,831,576    | 8,977,036     | 8,579,359     |
| <u>Production/Generation</u>                             |                 |              |                      |               |               |               |
| Salaries and Wages                                       | 191,592         | 302,915      | 298,248              | 792,755       | 943,908       | 861,386       |
| Operations and Maintenance                               | 18,649          | 222,157      | 577,331              | 818,137       | 912,388       | 745,893       |
| Employee Benefits                                        | 65,205          | 100,324      | 95,964               | 261,493       | 290,176       | 280,488       |
| Other Charges                                            | 2,210           | 470          | 14,818               | 17,498        | 18,416        | 53,892        |
| Total Generation/Production Expenses                     | 277,656         | 625,866      | 986,361              | 1,889,883     | 2,164,888     | 1,941,659     |
| <u>Distribution</u>                                      |                 |              |                      |               |               |               |
| Salaries and Wages                                       | 1,000,136       | 395,556      | 66,051               | 1,461,743     | 1,395,358     | 1,309,510     |
| Operations and Maintenance                               | 269,890         | 159,705      | 104,512              | 534,107       | 640,527       | 655,152       |
| Employee Benefits                                        | 312,901         | 101,848      | 25,068               | 439,817       | 384,912       | 386,837       |
| Other Charges                                            | 66,553          | 24,047       | 2,079                | 92,679        | 71,342        | 36,846        |
| Total Distribution Expenses                              | 1,649,480       | 681,156      | 197,710              | 2,528,346     | 2,492,139     | 2,388,345     |
| <u>General and Administrative</u>                        |                 |              |                      |               |               |               |
| Salaries and Wages                                       | 527,058         | 187,425      | 172,346              | 886,829       | 919,754       | 895,649       |
| Operations and Maintenance                               | 381,269         | 111,429      | 110,851              | 603,549       | 593,194       | 577,834       |
| Insurance and Bonds                                      | 148,402         | 41,783       | 62,510               | 252,695       | 254,743       | 200,270       |
| Employee Benefits                                        | 245,854         | 84,346       | 76,264               | 406,464       | 570,357       | 346,669       |
| Other Charges                                            | 361,090         | 93,014       | 104,788              | 558,892       | 413,800       | 358,901       |
| Total Gen. and Admin. Expenses                           | 1,663,673       | 517,997      | 526,759              | 2,708,429     | 2,751,848     | 2,379,323     |
| <u>Depreciation and Amortization</u>                     | 1,520,912       | 841,356      | 1,166,956            | 3,529,224     | 3,359,235     | 3,458,400     |
| Total Operating Expenses                                 | 17,943,297      | 2,666,375    | 2,877,786            | 23,487,458    | 19,745,146    | 18,747,086    |
| <b>NET OPERATING INCOME (LOSS)</b>                       | 713,751         | (183,741)    | (535,980)            | (5,969)       | 759,213       | 61,906        |
| <b>NONOPERATING REVENUE (EXPENSE)</b>                    |                 |              |                      |               |               |               |
| Interest Revenue - Investments                           | 105,939         | 23,386       | 314,353              | 443,678       | 112,967       | (513,405)     |
| Bond Premium                                             | 8,064           | 83,922       | 5,696                | 97,682        | 113,993       | 267,714       |
| Interest Revenue - Notes Receivable                      | -               | -            | 74,259               | 74,259        | 71,470        | 81,905        |
| Local Option Sales Tax                                   | -               | -            | 1,185,534            | 1,185,534     | 1,367,310     | 1,313,466     |
| Interest Expense - Bonds                                 | (101,852)       | (209,571)    | (246,870)            | (558,293)     | (562,070)     | (648,927)     |
| Other                                                    | -               | 832          | 25,014               | 25,846        | 47,568        | 77,367        |
| Total Nonoperating Revenue (Expense)                     | 12,151          | (101,431)    | 1,357,986            | 1,268,706     | 1,151,238     | 578,120       |
| <b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | 725,902         | (285,172)    | 822,006              | 1,262,737     | 1,910,451     | 640,026       |
| <b>TRANSFERS TO THE CITY</b>                             | (511,932)       | -            | -                    | (511,932)     | (526,215)     | (510,061)     |
| <b>CHANGE IN NET POSITION</b>                            | \$ 213,970      | \$ (285,172) | \$ 822,006           | \$ 750,805    | \$ 1,384,236  | \$ 129,965    |

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION FOR ELECTRIC DEPARTMENT**  
**AUGUST 31, 2024 AND 2023**

|                                                                 | August 31, 2024 |               |               | 2023          |
|-----------------------------------------------------------------|-----------------|---------------|---------------|---------------|
|                                                                 | Generation      | Distribution  | Total         |               |
| <b>ASSETS</b>                                                   |                 |               |               |               |
| <b>UTILITY PLANT</b>                                            |                 |               |               |               |
| Construction in Progress                                        | \$ 1,041,999    | \$ 2,410,617  | \$ 3,452,616  | \$ 2,127,551  |
| Right-to-Use                                                    | -               | 421,686       | 421,686       | 421,686       |
| In Service                                                      | 7,737,333       | 40,476,750    | 48,214,083    | 46,641,787    |
| Total Investment in Utility Plant                               | 8,779,332       | 43,309,053    | 52,088,385    | 49,191,024    |
| Less: Accumulated Depreciation                                  | (2,770,521)     | (24,303,945)  | (27,074,466)  | (24,786,417)  |
| Net Utility Plant                                               | 6,008,811       | 19,005,108    | 25,013,919    | 24,404,607    |
| <b>CASH AND INVESTMENTS</b>                                     |                 |               |               |               |
| <u>Nonrestricted</u>                                            | (4,059,381)     | 8,502,165     | 4,442,784     | 6,011,076     |
| <u>Restricted</u>                                               |                 |               |               |               |
| Customer Deposits                                               | -               | 505,923       | 505,923       | 462,713       |
| City of Brainerd Contribution                                   | -               | 146,107       | 146,107       | 88,742        |
| Conservation Incentive Program                                  | -               | 507,774       | 507,774       | 346,869       |
| Debt Service Reserve                                            | 686,750         | 430,500       | 1,117,250     | 1,117,250     |
| Total Restricted Cash and Investments                           | 686,750         | 1,590,304     | 2,277,054     | 2,015,574     |
| Total Cash and Investments                                      | (3,372,631)     | 10,092,469    | 6,719,838     | 8,026,650     |
| <b>CURRENT ASSETS</b>                                           |                 |               |               |               |
| Accounts Receivable                                             | -               | 3,781,056     | 3,781,056     | 3,502,499     |
| Interest Receivable                                             | -               | 13,255        | 13,255        | 6,691         |
| Inventory                                                       | -               | 2,493,094     | 2,493,094     | 1,802,224     |
| Prepaid Expenses                                                | 17,925          | 120,873       | 138,798       | 111,635       |
| Total Current Assets                                            | 17,925          | 6,408,278     | 6,426,203     | 5,423,049     |
| <b>OTHER ASSETS</b>                                             |                 |               |               |               |
| Service Territory Acquisitions, Net of Accumulated Amortization | -               | 188,483       | 188,483       | 222,083       |
| Deferred Outflows of Resources                                  | 105,093         | 525,474       | 630,567       | 952,571       |
| Investment in Solar Generation Facility                         | -               | 662,073       | 662,073       | 567,000       |
| Total Other Assets                                              | 105,093         | 1,376,030     | 1,481,123     | 1,741,654     |
| Total Assets                                                    | 2,759,198       | 36,881,885    | 39,641,083    | 39,595,960    |
| <b>LIABILITIES AND NET ASSETS</b>                               |                 |               |               |               |
| Net Investment in Capital Assets                                | 2,640,891       | 16,964,910    | 19,605,801    | 18,034,946    |
| Unrestricted                                                    | (4,238,870)     | 11,413,245    | 7,174,375     | 7,815,369     |
| Total Net Position                                              | (1,597,979)     | 28,378,155    | 26,780,176    | 25,850,315    |
| <b>LONG-TERM LIABILITIES</b>                                    |                 |               |               |               |
| Revenue Bonds Payable                                           | 3,095,000       | 1,405,000     | 4,500,000     | 5,540,000     |
| Compensated Absences                                            | 70,517          | 529,547       | 600,064       | 691,938       |
| Other Postemployment Benefit Obligation                         | 36,622          | 183,104       | 219,726       | 230,697       |
| Net Pension Liability                                           | 340,546         | 1,702,730     | 2,043,276     | 2,955,756     |
| Deferred Inflows of Resources                                   | 130,330         | 651,653       | 781,983       | 109,376       |
| Capital Lease Payable                                           | -               | 366,261       | 366,261       | 379,097       |
| Revenue Bond Premium                                            | 37,920          | -             | 37,920        | 50,627        |
| Total Long-Term Liabilities                                     | 3,710,935       | 4,838,295     | 8,549,230     | 9,957,491     |
| <b>CURRENT LIABILITIES</b>                                      |                 |               |               |               |
| Accounts Payable                                                | -               | 1,741,199     | 1,741,199     | 1,394,070     |
| Revenue Bonds Payable                                           | 605,000         | 435,000       | 1,040,000     | 1,040,000     |
| Capital Lease Payable                                           | -               | 17,937        | 17,937        | 17,937        |
| Payable to City of Brainerd                                     | -               | 146,107       | 146,107       | 88,742        |
| Conservation Incentive Program Payable                          | -               | 507,774       | 507,774       | 346,869       |
| Accrued Expenses                                                |                 |               |               |               |
| Salaries and Withholding Taxes                                  | 12,692          | 110,017       | 122,709       | 216,892       |
| Sales Taxes                                                     | 18              | 191,182       | 191,200       | 169,731       |
| Bond Interest                                                   | 28,532          | 10,296        | 38,828        | 51,200        |
| Customer Deposits                                               | -               | 505,923       | 505,923       | 462,713       |
| Total Current Liabilities                                       | 646,242         | 3,665,435     | 4,311,677     | 3,788,154     |
| Total Liabilities                                               | 4,357,177       | 8,503,730     | 12,860,907    | 13,745,645    |
| Total Liabilities and Net Position                              | \$ 2,759,198    | \$ 36,881,885 | \$ 39,641,083 | \$ 39,595,960 |

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2024, 2023, AND 2022**

|                                                | August 31, 2024    |                   |                     | Variance<br>With Budget -<br>Positive<br>(Negative) | Year to Date<br>August 31, |                   |
|------------------------------------------------|--------------------|-------------------|---------------------|-----------------------------------------------------|----------------------------|-------------------|
|                                                | Current<br>Month   | Year to<br>Date   | Budget              |                                                     | 2023                       | 2022              |
| <b>OPERATING REVENUES</b>                      |                    |                   |                     |                                                     |                            |                   |
| <u>Utility Revenues</u>                        |                    |                   |                     |                                                     |                            |                   |
| Residential                                    | \$ 609,119         | \$ 4,260,744      | \$ 4,640,000        | \$ (379,256)                                        | \$ 4,805,590               | \$ 4,424,098      |
| Commercial                                     | 964,134            | 6,714,953         | 7,080,000           | (365,047)                                           | 7,142,972                  | 6,727,752         |
| Medium/Large Commercial                        | 236,286            | 1,557,957         | 1,832,000           | (274,043)                                           | 1,798,089                  | 2,143,376         |
| Industrial                                     | 533,990            | 5,060,078         | 2,400,000           | 2,660,078                                           | 1,327,640                  | 364,239           |
| City of Brainerd                               | 28,875             | 233,631           | 241,600             | (7,969)                                             | 243,459                    | 232,790           |
| BPU                                            | 56,723             | 506,231           | 520,000             | (13,769)                                            | 554,295                    | 519,958           |
| Total Utility Revenue                          | 2,429,126          | 18,333,593        | 16,713,600          | 1,619,993                                           | 15,872,045                 | 14,412,213        |
| <u>Other Operating Revenue</u>                 |                    |                   |                     |                                                     |                            |                   |
| Penalties                                      | 11,597             | 93,670            | 68,000              | 25,670                                              | 89,437                     | 70,009            |
| Other                                          | 7,797              | 229,785           | 65,600              | 164,185                                             | 207,486                    | 189,873           |
| Total Other Operating Revenue                  | 19,393             | 323,455           | 133,600             | 189,855                                             | 296,923                    | 259,882           |
| Total Operating Revenue                        | 2,448,519          | 18,657,048        | 16,847,200          | 1,809,848                                           | 16,168,968                 | 14,672,095        |
| <b>OPERATING EXPENSES</b>                      |                    |                   |                     |                                                     |                            |                   |
| <u>Purchased Power</u>                         |                    |                   |                     |                                                     |                            |                   |
| All Other Customers                            | 1,300,840          | 7,693,989         | 5,630,400           | (2,063,589)                                         | 7,187,683                  | 8,234,100         |
| Solar Generation - Airport                     | 73,305             | 526,616           | 480,000             | (46,616)                                            | 583,963                    | -                 |
| Crypto Mining Customers                        | 432,270            | 4,610,971         | 4,073,600           | (537,371)                                           | 1,205,390                  | 345,259           |
| Total Purchased Power Expense                  | 1,806,415          | 12,831,576        | 10,184,000          | (2,647,576)                                         | 8,977,036                  | 8,579,359         |
| <u>Generation</u>                              |                    |                   |                     |                                                     |                            |                   |
| Salaries and Wages                             | 23,081             | 191,592           | 102,400             | (89,192)                                            | 349,440                    | 339,208           |
| Operations and Maintenance                     | 5,311              | 18,649            | 26,400              | 7,751                                               | 34,237                     | 14,051            |
| Employee Benefits                              | 8,641              | 65,205            | 34,400              | (30,805)                                            | 98,383                     | 102,581           |
| Other Charges                                  | 431                | 2,210             | 4,000               | 1,790                                               | 220                        | 23,420            |
| Depreciation                                   | 27,400             | 219,200           | 217,600             | (1,600)                                             | 217,600                    | 214,400           |
| Total Generation Expenses                      | 64,864             | 496,856           | 384,800             | (112,056)                                           | 699,880                    | 693,660           |
| <u>Distribution</u>                            |                    |                   |                     |                                                     |                            |                   |
| Salaries and Wages                             | 127,266            | 1,000,136         | 1,073,600           | 73,464                                              | 940,091                    | 919,978           |
| Operations and Maintenance                     | 21,341             | 269,890           | 305,600             | 35,710                                              | 238,374                    | 354,715           |
| Employee Benefits                              | 49,821             | 312,901           | 312,000             | (901)                                               | 256,190                    | 260,110           |
| Other Charges                                  | 5,173              | 66,553            | 37,600              | (28,953)                                            | 50,126                     | 23,808            |
| Depreciation and Amortization                  | 147,500            | 1,180,000         | 1,141,600           | (38,400)                                            | 1,140,000                  | 1,144,000         |
| Total Distribution Expenses                    | 351,101            | 2,829,480         | 2,870,400           | 40,920                                              | 2,624,781                  | 2,702,611         |
| <u>General and Administrative</u>              |                    |                   |                     |                                                     |                            |                   |
| Salaries and Wages                             | 63,525             | 527,058           | 575,200             | 48,142                                              | 545,994                    | 524,434           |
| Operations and Maintenance                     | 47,232             | 381,269           | 339,200             | (42,069)                                            | 372,449                    | 343,433           |
| Insurance and Bonds                            | 2,757              | 148,402           | 151,200             | 2,798                                               | 157,819                    | 124,292           |
| Employee Benefits                              | 36,345             | 245,854           | 295,200             | 49,346                                              | 345,313                    | 210,134           |
| Other Charges                                  | 70,474             | 361,090           | 264,000             | (97,090)                                            | 276,077                    | 234,560           |
| Depreciation and Amortization                  | 15,214             | 121,712           | 112,800             | (8,912)                                             | 112,517                    | 115,200           |
| Total Gen. and Admin. Expenses                 | 235,547            | 1,785,385         | 1,737,600           | (47,785)                                            | 1,810,169                  | 1,552,053         |
| Total Operating Expenses                       | 2,457,927          | 17,943,297        | 15,176,800          | (2,766,497)                                         | 14,111,866                 | 13,527,683        |
| <b>NET OPERATING INCOME</b>                    | (9,407)            | 713,751           | 1,670,400           | (956,649)                                           | 2,057,102                  | 1,144,412         |
| <b>NONOPERATING REVENUE</b>                    |                    |                   |                     |                                                     |                            |                   |
| Interest Revenue - Investments                 | 27,321             | 105,939           | 6,400               | 99,539                                              | (2,496)                    | (188,565)         |
| Interest Expense - Bonds                       | (4,735)            | (101,852)         | (104,533)           | 2,681                                               | (127,074)                  | (144,546)         |
| Sale of Renewable Energy Credits               | -                  | -                 | -                   | -                                                   | -                          | -                 |
| Bond Premium                                   | 1,008              | 8,064             | 8,800               | (736)                                               | 9,584                      | 40,385            |
| Gain on Disposal of Capital Assets             | -                  | -                 | 800                 | (800)                                               | -                          | 22,508            |
| Total Nonoperating Revenue                     | 23,594             | 12,151            | (88,533)            | 100,684                                             | (119,986)                  | (270,218)         |
| <b>INCOME BEFORE TRANSFERS<br/>TO THE CITY</b> | 14,187             | 725,902           | 1,581,867           | (855,965)                                           | 1,937,116                  | 874,194           |
| <b>TRANSFERS TO THE CITY</b>                   | (76,462)           | (511,932)         | (544,000)           | 32,068                                              | (526,215)                  | (510,061)         |
| <b>CHANGE IN NET POSITION</b>                  | <u>\$ (62,275)</u> | <u>\$ 213,970</u> | <u>\$ 1,037,867</u> | <u>\$ (823,897)</u>                                 | <u>\$ 1,410,901</u>        | <u>\$ 364,133</u> |

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - ELECTRIC DEPARTMENT  
FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2024, 2023, AND 2022**

|                             | KWH SOLD                |                    |                    | REVENUE                 |                   |                   | AVERAGE REVENUE PER KWH |                  |                  |
|-----------------------------|-------------------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------------|------------------|------------------|
|                             | PERIOD ENDED AUGUST 31, |                    |                    | PERIOD ENDED AUGUST 31, |                   |                   | PERIOD ENDED AUGUST 31, |                  |                  |
|                             | 2024                    | 2023               | 2022               | 2024                    | 2023              | 2022              | 2024                    | 2023             | 2022             |
| Residential                 | 35,261,735              | 35,650,265         | 37,668,791         | \$ 4,260,744            | \$ 4,805,590      | \$ 4,424,098      | \$ 0.1208               | \$ 0.1348        | \$ 0.1174        |
| Commercial                  | 32,036,579              | 33,467,816         | 34,240,227         | 7,454,815               | 7,940,726         | 7,480,500         | 0.2327                  | 0.2373           | 0.2185           |
| Medium/Large Commercial     | 45,964,786              | 46,639,172         | 49,580,636         | 1,557,957               | 1,798,089         | 2,143,376         | 0.0339                  | 0.0386           | 0.0432           |
| Industrial                  | 106,425,181             | 29,265,114         | 4,056,000          | 5,060,078               | 1,327,640         | 364,239           | 0.0475                  | -                | -                |
| Total                       | <u>219,688,281</u>      | <u>145,022,367</u> | <u>125,545,654</u> | <u>18,333,594</u>       | <u>15,872,045</u> | <u>14,412,213</u> | <u>\$ 0.0835</u>        | <u>\$ 0.1094</u> | <u>\$ 0.1148</u> |
| % Change From Previous Year | <u>51.49%</u>           | <u>15.51%</u>      | <u>NA</u>          | <u>15.51%</u>           | <u>10.13%</u>     | <u>NA</u>         | <u>-23.75%</u>          | <u>-4.66%</u>    | <u>NA</u>        |

|                             | % TO TOTAL - KWH        |                |                | % TO TOTAL - REVENUE    |                |                | TOTAL METERS IN SERVICE |               |              |
|-----------------------------|-------------------------|----------------|----------------|-------------------------|----------------|----------------|-------------------------|---------------|--------------|
|                             | PERIOD ENDED AUGUST 31, |                |                | PERIOD ENDED AUGUST 31, |                |                | PERIOD ENDED AUGUST 31, |               |              |
|                             | 2024                    | 2023           | 2022           | 2024                    | 2023           | 2022           | 2024                    | 2023          | 2022         |
| Residential                 | 16.05%                  | 24.58%         | 30.00%         | 23.24%                  | 30.28%         | 30.70%         | 6,948                   | 6,927         | 7,016        |
| Commercial                  | 14.58%                  | 23.08%         | 27.27%         | 40.66%                  | 50.03%         | 51.90%         | 1,312                   | 1,319         | 1,310        |
| Medium/Large Commercial     | 20.92%                  | 32.16%         | 39.49%         | 8.50%                   | 11.33%         | 14.87%         | 67                      | 69            | 66           |
| Industrial                  | 48.44%                  | 20.18%         | 3.23%          | 27.60%                  | 8.36%          | 2.53%          | 1                       | 1             | 1            |
| Total                       | <u>100.00%</u>          | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u>          | <u>100.00%</u> | <u>100.00%</u> | <u>8,328</u>            | <u>8,316</u>  | <u>8,393</u> |
| % Change From Previous Year |                         |                |                |                         |                |                | <u>0.14%</u>            | <u>-0.92%</u> | <u>NA</u>    |

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2024, 2023, AND 2022**

|                                                                 | August 31, 2024 |              |              | Variance      | Year to Date |              |
|-----------------------------------------------------------------|-----------------|--------------|--------------|---------------|--------------|--------------|
|                                                                 | Current         | Year to      | Budget       | With Budget - | August 31,   |              |
|                                                                 | Month           | Date         |              | Positive      | 2023         | 2022         |
|                                                                 |                 |              |              | (Negative)    |              |              |
| <b>OPERATING REVENUES</b>                                       |                 |              |              |               |              |              |
| <u>Utility Revenues</u>                                         |                 |              |              |               |              |              |
| Residential                                                     | \$ 149,709      | \$ 1,066,263 | \$ 1,121,600 | \$ (55,338)   | \$ 1,156,830 | \$ 1,037,222 |
| Commercial                                                      | 221,280         | 1,100,370    | 980,000      | 120,370       | 940,998      | 1,104,893    |
| City of Brainerd                                                | 16,339          | 87,966       | 92,000       | (4,034)       | 100,076      | 90,193       |
| BPU                                                             | 10,489          | 65,651       | 64,000       | 1,651         | 74,075       | 63,039       |
| Total Utility Revenue                                           | 397,817         | 2,320,250    | 2,257,600    | 62,650        | 2,271,979    | 2,295,347    |
| <u>Other Operating Revenue</u>                                  |                 |              |              |               |              |              |
| Penalties                                                       | 2,670           | 18,395       | 13,600       | 4,795         | 16,453       | 12,905       |
| Other                                                           | 1,058           | 143,990      | 14,800       | 129,190       | 17,997       | 18,405       |
| Total Other Operating Revenue                                   | 3,728           | 162,385      | 28,400       | 133,985       | 34,450       | 31,310       |
| Total Operating Revenue                                         | 401,544         | 2,482,635    | 2,286,000    | 196,635       | 2,306,429    | 2,326,657    |
| <b>OPERATING EXPENSES</b>                                       |                 |              |              |               |              |              |
| <u>Production</u>                                               |                 |              |              |               |              |              |
| Salaries and Wages                                              | 39,840          | 302,915      | 361,600      | 58,685        | 309,769      | 200,762      |
| Operations and Maintenance                                      | 34,804          | 222,157      | 182,400      | (39,757)      | 188,366      | 187,479      |
| Employee Benefits                                               | 13,226          | 100,324      | 117,600      | 17,276        | 110,088      | 88,510       |
| Other Charges                                                   | -               | 470          | 400          | (70)          | 569          | -            |
| Depreciation                                                    | 15,200          | 121,600      | 178,400      | 56,800        | 177,600      | 180,800      |
| Total Production Expenses                                       | 103,070         | 747,466      | 840,400      | 92,934        | 786,392      | 657,551      |
| <u>Distribution</u>                                             |                 |              |              |               |              |              |
| Salaries and Wages                                              | 51,421          | 395,556      | 398,400      | 2,844         | 399,300      | 296,435      |
| Operations and Maintenance                                      | 36,186          | 159,705      | 199,600      | 39,895        | 273,114      | 175,315      |
| Employee Benefits                                               | 14,875          | 101,848      | 132,800      | 30,952        | 108,261      | 96,384       |
| Other Charges                                                   | 709             | 24,047       | 10,800       | (13,247)      | 18,762       | 11,753       |
| Depreciation                                                    | 85,400          | 683,200      | 552,000      | (131,200)     | 543,200      | 552,000      |
| Total Distribution Expenses                                     | 188,591         | 1,364,356    | 1,293,600    | (70,756)      | 1,342,637    | 1,131,887    |
| <u>General and Administrative</u>                               |                 |              |              |               |              |              |
| Salaries and Wages                                              | 25,470          | 187,425      | 201,600      | 14,175        | 190,965      | 189,602      |
| Operations and Maintenance                                      | 11,699          | 111,429      | 135,600      | 24,171        | 121,355      | 130,307      |
| Insurance and Bonds                                             | -               | 41,783       | 45,600       | 3,817         | 45,737       | 34,160       |
| Employee Benefits                                               | 10,427          | 84,346       | 106,400      | 22,054        | 115,501      | 70,296       |
| Other Charges                                                   | 13,506          | 93,014       | 62,800       | (30,214)      | 63,731       | 62,735       |
| Depreciation                                                    | 4,569           | 36,556       | 32,000       | (4,556)       | 31,760       | 41,600       |
| Total Gen. and Admin. Expenses                                  | 65,671          | 554,553      | 584,000      | 29,447        | 569,049      | 528,700      |
| Total Operating Expenses                                        | 357,332         | 2,666,375    | 2,718,000    | 51,625        | 2,698,078    | 2,318,138    |
| <b>NET OPERATING INCOME (LOSS)</b>                              | 44,212          | (183,741)    | (432,000)    | 248,260       | (391,649)    | 8,519        |
| <b>NONOPERATING REVENUE</b>                                     |                 |              |              |               |              |              |
| Interest Revenue - Investments                                  | 6,554           | 23,386       | 6,400        | 16,986        | 17,250       | (17,460)     |
| Local Option Sales Tax - Baxter                                 | -               | -            | 232,800      | (232,800)     | 348,693      | 323,758      |
| Bond Premium                                                    | 10,490          | 83,922       | 98,400       | (14,478)      | 98,489       | 200,393      |
| Bond Issuance Costs                                             | -               | -            | -            | -             | -            | -            |
| Interest Expense - Bonds                                        | (46,330)        | (209,571)    | (201,600)    | (7,971)       | (205,346)    | (240,199)    |
| Gain on Disposal of Capital Assets                              | -               | 832          | -            | 832           | -            | -            |
| Total Nonoperating Revenue                                      | (29,286)        | (101,431)    | 136,000      | (237,431)     | 259,086      | 266,492      |
| <b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | 14,926          | (285,172)    | (296,000)    | 10,829        | (132,563)    | 275,011      |
| <b>CAPITAL CONTRIBUTIONS</b>                                    | -               | -            | -            | -             | -            | -            |
| <b>CHANGE IN NET POSITION</b>                                   | \$ 14,926       | \$ (285,172) | \$ (296,000) | \$ 10,829     | \$ (132,563) | \$ 275,011   |

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WATER DEPARTMENT  
FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2024, 2023, AND 2022**

|                             | GALLONS SOLD            |                    |                    | REVENUE                 |                     |                     | AVERAGE PER 1,000 GALLONS |                |                |
|-----------------------------|-------------------------|--------------------|--------------------|-------------------------|---------------------|---------------------|---------------------------|----------------|----------------|
|                             | PERIOD ENDED AUGUST 31, |                    |                    | PERIOD ENDED AUGUST 31, |                     |                     | PERIOD ENDED AUGUST 31,   |                |                |
|                             | 2024                    | 2023               | 2022               | 2024                    | 2023                | 2022                | 2024                      | 2023           | 2022           |
| Residential                 | 104,873,032             | 121,703,616        | 110,723,729        | \$ 1,066,263            | \$ 1,156,830        | \$ 1,037,222        | \$ 10.17                  | \$ 9.51        | \$ 9.37        |
| Commercial                  | 152,981,085             | 134,341,913        | 157,421,766        | 1,171,633               | 1,107,623           | 995,979             | 7.66                      | 8.24           | 6.33           |
| City of Baxter              | 31,627,000              | 1,545,000          | 98,496,000         | 82,354                  | 7,526               | 262,146             | 2.60                      | 4.87           | -              |
| Total                       | <u>289,481,117</u>      | <u>257,590,529</u> | <u>366,641,495</u> | <u>\$ 2,320,250</u>     | <u>\$ 2,271,979</u> | <u>\$ 2,295,347</u> | <u>\$ 8.02</u>            | <u>\$ 8.82</u> | <u>\$ 6.26</u> |
| % Change From Previous Year | <u>12.38%</u>           | <u>-29.74%</u>     | <u>NA</u>          | <u>2.12%</u>            | <u>-1.02%</u>       | <u>NA</u>           | <u>-9.13%</u>             | <u>40.89%</u>  | <u>NA</u>      |

|                             | % TO TOTAL - GALLONS    |                |                | % TO TOTAL - REVENUE    |                |                | TOTAL METERS IN SERVICE |               |              |
|-----------------------------|-------------------------|----------------|----------------|-------------------------|----------------|----------------|-------------------------|---------------|--------------|
|                             | PERIOD ENDED AUGUST 31, |                |                | PERIOD ENDED AUGUST 31, |                |                | PERIOD ENDED AUGUST 31, |               |              |
|                             | 2024                    | 2023           | 2022           | 2024                    | 2023           | 2022           | 2024                    | 2023          | 2022         |
| Residential                 | 36.23%                  | 47.25%         | 30.20%         | 45.95%                  | 50.92%         | 45.19%         | 4,083                   | 4,067         | 4,094        |
| Commercial                  | 52.85%                  | 52.15%         | 42.94%         | 50.50%                  | 48.75%         | 43.39%         | 987                     | 986           | 974          |
| City of Baxter              | 10.93%                  | 0.60%          | 26.86%         | 3.55%                   | 0.33%          | 11.42%         | 1                       | 1             | 1            |
| Total                       | <u>100.00%</u>          | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u>          | <u>100.00%</u> | <u>100.00%</u> | <u>5,071</u>            | <u>5,054</u>  | <u>5,069</u> |
| % Change From Previous Year |                         |                |                |                         |                |                | <u>0.34%</u>            | <u>-0.30%</u> | <u>NA</u>    |

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2024, 2023, AND 2022**

|                                            | August 31, 2024   |                   |                  | Variance<br>With Budget -<br>Positive<br>(Negative) | Year to Date<br>August 31, |                     |
|--------------------------------------------|-------------------|-------------------|------------------|-----------------------------------------------------|----------------------------|---------------------|
|                                            | Current<br>Month  | Year to<br>Date   | Budget           |                                                     | 2023                       | 2022                |
| <b>OPERATING REVENUES</b>                  |                   |                   |                  |                                                     |                            |                     |
| <u>Utility Revenues</u>                    |                   |                   |                  |                                                     |                            |                     |
| Residential                                | \$ 123,403        | \$ 1,013,409      | \$ 1,004,000     | \$ 9,409                                            | \$ 948,122                 | \$ 920,541          |
| Commercial                                 | 84,845            | 707,590           | 546,800          | 160,790                                             | 536,839                    | 482,043             |
| Total Utility Revenue                      | 208,248           | 1,720,999         | 1,550,800        | 170,199                                             | 1,484,961                  | 1,402,584           |
| <u>Other Operating Revenue</u>             |                   |                   |                  |                                                     |                            |                     |
| Penalties                                  | 3,349             | 24,960            | 18,400           | 6,560                                               | 20,416                     | 17,351              |
| Reimbursement of Expenses - Baxter         | 74,661            | 544,872           | 496,000          | 48,872                                              | 521,645                    | 473,711             |
| Other                                      | 611               | 50,975            | 4,000            | 46,975                                              | 1,940                      | 5,617               |
| Total Other Operating Revenue              | 78,621            | 620,807           | 518,400          | 102,407                                             | 544,001                    | 496,679             |
| Total Operating Revenue                    | 286,869           | 2,341,806         | 2,069,200        | 272,606                                             | 2,028,962                  | 1,899,263           |
| <b>OPERATING EXPENSES</b>                  |                   |                   |                  |                                                     |                            |                     |
| <u>Treatment</u>                           |                   |                   |                  |                                                     |                            |                     |
| Salaries and Wages                         | 34,640            | 298,248           | 275,200          | (23,048)                                            | 284,699                    | 321,416             |
| Operations and Maintenance                 | 55,482            | 577,331           | 645,200          | 67,869                                              | 689,785                    | 544,363             |
| Employee Benefits                          | 13,054            | 95,964            | 96,800           | 836                                                 | 81,705                     | 89,396              |
| Other Charges                              | 515               | 14,818            | 26,400           | 11,582                                              | 17,627                     | 30,472              |
| Depreciation                               | 119,200           | 953,600           | 944,000          | (9,600)                                             | 936,000                    | 999,200             |
| Total Treatment Expenses                   | 222,891           | 1,939,961         | 1,987,600        | 47,639                                              | 2,009,816                  | 1,984,847           |
| <u>Lift Stations</u>                       |                   |                   |                  |                                                     |                            |                     |
| Salaries and Wages                         | 6,745             | 66,051            | 96,800           | 30,749                                              | 55,967                     | 93,097              |
| Operations and Maintenance                 | 13,129            | 104,512           | 126,400          | 21,888                                              | 129,039                    | 125,122             |
| Employee Benefits                          | 3,373             | 25,068            | 35,200           | 10,132                                              | 20,461                     | 30,343              |
| Other Charges                              | 43                | 2,079             | 1,600            | (479)                                               | 2,454                      | 1,285               |
| Depreciation                               | 23,000            | 184,000           | 179,200          | (4,800)                                             | 177,600                    | 181,600             |
| Total Collection Expenses                  | 46,290            | 381,710           | 439,200          | 57,490                                              | 385,521                    | 431,447             |
| <u>General and Administrative</u>          |                   |                   |                  |                                                     |                            |                     |
| Salaries and Wages                         | 21,323            | 172,346           | 188,800          | 16,454                                              | 182,795                    | 181,613             |
| Operations and Maintenance                 | 10,387            | 110,851           | 89,600           | (21,251)                                            | 99,390                     | 104,094             |
| Insurance and Bonds                        | -                 | 62,510            | 51,200           | (11,310)                                            | 51,187                     | 41,818              |
| Employee Benefits                          | 9,503             | 76,264            | 103,200          | 26,936                                              | 109,543                    | 66,239              |
| Other Charges                              | 15,504            | 104,788           | 72,000           | (32,788)                                            | 73,992                     | 61,606              |
| Depreciation and Amortization              | 3,670             | 29,356            | 23,200           | (6,156)                                             | 22,958                     | 29,600              |
| Total Gen. and Admin. Expenses             | 60,387            | 556,115           | 528,000          | (28,115)                                            | 539,865                    | 484,970             |
| Total Operating Expenses                   | 329,568           | 2,877,786         | 2,954,800        | 77,014                                              | 2,935,202                  | 2,901,264           |
| <b>NET OPERATING LOSS</b>                  | (42,699)          | (535,980)         | (885,600)        | 349,620                                             | (906,240)                  | (1,002,001)         |
| <b>NONOPERATING REVENUE</b>                |                   |                   |                  |                                                     |                            |                     |
| Interest Revenue - Investments             | 88,105            | 314,353           | 36,000           | 278,353                                             | 98,213                     | (307,380)           |
| Interest Revenue - Notes Receivable        | 7,600             | 74,259            | 61,600           | 12,659                                              | 71,470                     | 81,905              |
| Interest Expense - Bonds                   | (76,300)          | (246,870)         | (242,400)        | (4,470)                                             | (229,650)                  | (264,182)           |
| Bond Premium                               | 712               | 5,696             | 5,600            | 96                                                  | 5,920                      | 26,936              |
| Local Option Sales Tax - Brainerd          | 332,712           | 1,185,534         | 981,600          | 203,934                                             | 926,089                    | 911,966             |
| Local Option Sales Tax - Baxter            | -                 | -                 | 48,800           | (48,800)                                            | 92,528                     | 77,742              |
| Federal Grant Revenue - Build America Bond | 5,100             | 25,014            | 41,600           | (16,586)                                            | 47,568                     | 54,858              |
| Gain (Loss) on Disposal of Capital Assets  | -                 | -                 | -                | -                                                   | -                          | -                   |
| Total Nonoperating Revenue                 | 357,929           | 1,357,986         | 932,800          | 425,186                                             | 1,012,138                  | 581,845             |
| <b>CHANGE IN NET POSITION</b>              | <u>\$ 315,230</u> | <u>\$ 822,006</u> | <u>\$ 47,200</u> | <u>\$ 774,806</u>                                   | <u>\$ 105,898</u>          | <u>\$ (420,156)</u> |

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WASTEWATER TREATMENT DEPARTMENT  
FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2024, 2023, AND 2022**

|                             | GALLONS PROCESSED       |                    |                    | REVENUE                 |                     |                     | AVERAGE PER 1,000 GALLONS |                |                |
|-----------------------------|-------------------------|--------------------|--------------------|-------------------------|---------------------|---------------------|---------------------------|----------------|----------------|
|                             | PERIOD ENDED AUGUST 31, |                    |                    | PERIOD ENDED AUGUST 31, |                     |                     | PERIOD ENDED AUGUST 31,   |                |                |
|                             | 2024                    | 2023               | 2022               | 2024                    | 2023                | 2022                | 2024                      | 2023           | 2022           |
| Residential                 | 104,179,768             | 120,746,622        | 109,861,009        | \$ 1,013,409            | \$ 948,122          | \$ 920,541          | \$ 9.73                   | \$ 7.85        | \$ 8.38        |
| Commercial                  | 113,018,879             | 106,166,763        | 108,479,313        | 707,590                 | 536,839             | 482,043             | 6.26                      | 5.06           | 4.44           |
| City of Baxter              | 157,664,000             | 160,484,000        | 155,742,000        | 544,872                 | 521,645             | 473,711             | 3.46                      | 3.25           | 3.04           |
| Total                       | <u>374,862,647</u>      | <u>387,397,385</u> | <u>374,082,322</u> | <u>\$ 2,265,871</u>     | <u>\$ 2,006,606</u> | <u>\$ 1,876,295</u> | <u>\$ 6.04</u>            | <u>\$ 5.18</u> | <u>\$ 5.02</u> |
| % Change From Previous Year | <u>-3.24%</u>           | <u>3.56%</u>       | <u>NA</u>          | <u>12.92%</u>           | <u>6.95%</u>        | <u>NA</u>           | <u>16.70%</u>             | <u>3.27%</u>   | <u>NA</u>      |
|                             |                         |                    |                    |                         |                     |                     |                           |                |                |
|                             | % TO TOTAL - GALLONS    |                    |                    | % TO TOTAL - REVENUE    |                     |                     | TOTAL METERS IN SERVICE   |                |                |
|                             | PERIOD ENDED AUGUST 31, |                    |                    | PERIOD ENDED AUGUST 31, |                     |                     | PERIOD ENDED AUGUST 31,   |                |                |
|                             | 2024                    | 2023               | 2022               | 2024                    | 2023                | 2022                | 2024                      | 2023           | 2022           |
| Residential                 | 27.79%                  | 31.17%             | 29.37%             | 44.72%                  | 47.25%              | 49.06%              | 4,054                     | 4,038          | 4,074          |
| Commercial                  | 30.15%                  | 27.41%             | 29.00%             | 31.23%                  | 26.75%              | 25.69%              | 849                       | 842            | 838            |
| City of Baxter              | 42.06%                  | 41.43%             | 41.63%             | 24.05%                  | 26.00%              | 25.25%              | 1                         | 1              | 1              |
| Total                       | <u>100.00%</u>          | <u>100.00%</u>     | <u>100.00%</u>     | <u>100.00%</u>          | <u>100.00%</u>      | <u>100.00%</u>      | <u>4,904</u>              | <u>4,881</u>   | <u>4,913</u>   |
| % Change From Previous Year |                         |                    |                    |                         |                     |                     | <u>0.47%</u>              | <u>-0.65%</u>  | <u>NA</u>      |



# **Monthly Financial Report September 2024**

**BRAINERD PUBLIC UTILITIES  
COMPARISON OF OPERATING RESULTS  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2024 AND 2023**

|                                                      | 2024                |                  | 2023                |                  |
|------------------------------------------------------|---------------------|------------------|---------------------|------------------|
|                                                      | Amount              | Percent of Sales | Amount              | Percent of Sales |
| <b>OPERATING REVENUE</b>                             |                     |                  |                     |                  |
| Department                                           |                     |                  |                     |                  |
| Electric                                             | \$20,966,174        | 78.9%            | \$18,287,391        | 78.9%            |
| Water                                                | 3,006,759           | 11.3%            | 2,602,907           | 11.2%            |
| Wastewater                                           | 2,615,028           | 9.8%             | 2,288,942           | 9.9%             |
| Total Operating Revenue                              | <u>26,587,961</u>   | <u>100.0%</u>    | <u>23,179,240</u>   | <u>100.0%</u>    |
| <b>OPERATING EXPENSES</b>                            |                     |                  |                     |                  |
| Salaries and Wages                                   | 3,550,292           | 13.4%            | 3,612,419           | 15.6%            |
| Purchased Power                                      | 14,055,627          | 52.9%            | 10,229,300          | 44.1%            |
| Operations and Maintenance                           | 2,212,354           | 8.3%             | 2,422,979           | 10.5%            |
| Other Charges                                        | 705,466             | 2.7%             | 573,811             | 2.5%             |
| Employee Benefits                                    | 1,211,505           | 4.6%             | 1,361,849           | 5.9%             |
| Insurance and Bonds                                  | 295,341             | 1.1%             | 285,651             | 1.2%             |
| Depreciation and Amortization                        | 3,970,377           | 14.9%            | 3,778,387           | 16.3%            |
| Total Operating Expenses                             | <u>26,000,962</u>   | <u>97.8%</u>     | <u>22,264,396</u>   | <u>96.1%</u>     |
| <b>OPERATING REVENUE</b>                             | <u>586,999</u>      | <u>2.2%</u>      | <u>914,844</u>      | <u>3.9%</u>      |
| <b>NONOPERATING REVENUE</b>                          |                     |                  |                     |                  |
| Interest Revenue - Investments                       | 515,555             | 1.9%             | 127,740             | 0.6%             |
| Interest Revenue - Notes Receivable                  | 81,859              | 0.3%             | 78,970              | 0.3%             |
| Bond Premium                                         | 109,892             | 0.4%             | 128,202             | 0.6%             |
| Interest Expense - Bonds                             | (624,315)           | -2.3%            | (622,006)           | -2.7%            |
| Local Option Sales Tax-Brainerd                      | 1,322,620           | 5.0%             | 1,499,289           | 6.5%             |
| Other                                                | 30,946              | 0.1%             | 52,668              | 0.2%             |
| Total Nonoperating Revenue                           | <u>1,436,557</u>    | <u>5.4%</u>      | <u>1,264,863</u>    | <u>5.5%</u>      |
| <b>INCOME BEFORE OPERATING TRANSFERS TO THE CITY</b> | 2,023,556           | 7.6%             | 2,179,707           | 9.4%             |
| <b>CAPITAL CONTRIBUTIONS</b>                         | -                   | 0.0%             | -                   | 0.0%             |
| <b>TRANSFERS TO THE CITY</b>                         | <u>(583,559)</u>    | <u>-2.2%</u>     | <u>(596,548)</u>    | <u>-2.6%</u>     |
| <b>CHANGE IN NET ASSETS</b>                          | <u>\$ 1,439,997</u> | <u>5.4%</u>      | <u>\$ 1,583,159</u> | <u>6.8%</u>      |

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION BY DEPARTMENT**  
**SEPTEMBER 30, 2024 AND 2023**

|                                                                 | Electric      | Water         | Wastewater<br>Treatment | Totals        |               |
|-----------------------------------------------------------------|---------------|---------------|-------------------------|---------------|---------------|
|                                                                 |               |               |                         | 2024          | 2023          |
| <b>ASSETS</b>                                                   |               |               |                         |               |               |
| <b>UTILITY PLANT</b>                                            |               |               |                         |               |               |
| Construction in Progress                                        | \$ 3,559,225  | \$ 636,852    | \$ 3,878,753            | \$ 8,074,830  | \$ 10,978,008 |
| Right-to-Use                                                    | 421,686       | 20,146        | 20,146                  | 461,978       | 461,978       |
| In Service                                                      | 48,234,626    | 38,117,161    | 39,581,432              | 125,933,219   | 115,990,956   |
| Total Investment in Utility Plant                               | 52,215,537    | 38,774,159    | 43,480,331              | 134,470,027   | 127,430,942   |
| Less: Accumulated Depreciation                                  | (27,261,479)  | (16,517,727)  | (22,438,091)            | (66,217,297)  | (60,777,194)  |
| Net Utility Plant                                               | 24,954,058    | 22,256,432    | 21,042,240              | 68,252,730    | 66,653,748    |
| <b>CASH AND INVESTMENTS</b>                                     |               |               |                         |               |               |
| <u>Nonrestricted</u>                                            | 4,630,868     | (2,807,603)   | 5,180,369               | 7,003,634     | 6,378,346     |
| <u>Restricted</u>                                               |               |               |                         |               |               |
| Customer Deposits                                               | 545,356       | -             | -                       | 545,356       | 473,696       |
| City of Brainerd Contribution                                   | 141,271       | -             | -                       | 141,271       | 70,333        |
| Conservation Incentive Program                                  | 537,513       | -             | -                       | 537,513       | 357,243       |
| Water and Sewer Accessibility Charges                           | -             | 551,964       | 7,138                   | 559,102       | 559,102       |
| Construction Bond Proceeds                                      | -             | -             | -                       | -             | 1,396,950     |
| Debt Service Reserve                                            | 1,117,250     | 1,542,554     | 2,140,023               | 4,799,827     | 4,515,554     |
| Total Restricted Cash and Investments                           | 2,341,390     | 2,094,518     | 2,147,161               | 6,583,069     | 7,372,878     |
| Total Cash and Investments                                      | 6,972,258     | (713,085)     | 7,327,530               | 13,586,703    | 13,751,224    |
| <b>CURRENT ASSETS</b>                                           |               |               |                         |               |               |
| Accounts Receivable                                             | 3,707,642     | 660,849       | 3,084,758               | 7,453,249     | 4,923,394     |
| Interest Receivable                                             | 10,843        | 4,319         | 13,566                  | 28,728        | 33,690        |
| Inventory                                                       | 2,492,571     | 142,436       | -                       | 2,635,007     | 1,876,066     |
| Prepaid Expenses                                                | 157,695       | 39,335        | 28,517                  | 225,547       | 171,419       |
| Total Current Assets                                            | 6,368,751     | 846,939       | 3,126,841               | 10,342,531    | 7,004,569     |
| <b>OTHER ASSETS</b>                                             |               |               |                         |               |               |
| Bonds and Notes Receivable                                      | -             | -             | -                       | -             | 3,818,334     |
| Interest Receivable - Notes Receivable                          | -             | -             | 7,642                   | 7,642         | 10,200        |
| Service Territory Acquisitions, Net of Accumulated Amortization | 185,383       | -             | -                       | 185,383       | 219,883       |
| Deferred Outflows of Resources                                  | 630,568       | 210,190       | 210,190                 | 1,050,948     | 1,607,520     |
| Investment in Solar Generation Facility                         | 662,073       | -             | -                       | 662,073       | 567,000       |
| Total Other Assets                                              | 1,478,024     | 210,190       | 217,832                 | 1,906,046     | 6,222,937     |
| Total Assets                                                    | 39,773,091    | 22,600,476    | 31,714,443              | 94,088,010    | 93,632,478    |
| <b>LIABILITIES AND NET ASSETS</b>                               |               |               |                         |               |               |
| <b>NET POSITION</b>                                             |               |               |                         |               |               |
| Net Investment in Capital Assets                                | 19,547,227    | 11,763,175    | 11,387,515              | 42,697,917    | 40,358,552    |
| Restricted                                                      | -             | 1,571,023     | 2,110,965               | 3,681,988     | 7,232,338     |
| Unrestricted                                                    | 7,647,909     | (2,623,295)   | 7,228,797               | 12,253,411    | 9,519,010     |
| Total Net Position                                              | 27,195,136    | 10,710,903    | 20,727,277              | 58,633,316    | 57,109,900    |
| <b>LONG-TERM LIABILITIES</b>                                    |               |               |                         |               |               |
| Revenue Bonds Payable                                           | 4,500,000     | 9,810,000     | 2,408,200               | 16,718,200    | 15,216,000    |
| PFA Construction Loan Payable                                   | -             | -             | 5,285,000               | 5,285,000     | -             |
| Compensated Absences                                            | 598,902       | 265,413       | 185,553                 | 1,049,868     | 1,163,831     |
| Other Postemployment Benefit Obligation                         | 219,726       | 73,241        | 73,241                  | 366,208       | 384,495       |
| Net Pension Liability                                           | 2,043,276     | 681,092       | 681,092                 | 3,405,460     | 4,926,261     |
| Deferred Inflows of Resources                                   | 781,983       | 260,661       | 260,661                 | 1,303,305     | 178,193       |
| Capital Lease Payable                                           | 365,982       | 1,699         | 1,699                   | 369,380       | 390,892       |
| Revenue Bond Premium                                            | 36,912        | 601,278       | 104,793                 | 742,983       | 762,528       |
| Total Long-Term Liabilities                                     | 8,546,781     | 11,693,384    | 9,000,239               | 29,240,404    | 23,022,200    |
| <b>CURRENT LIABILITIES</b>                                      |               |               |                         |               |               |
| Accounts Payable                                                | 1,406,641     | 5,128         | -                       | 1,411,769     | 1,471,555     |
| Revenue Bonds Payable                                           | 1,040,000     | 75,000        | 79,200                  | 1,194,200     | 1,920,600     |
| PFA Construction Loan Payable                                   | -             | -             | 1,585,000               | 1,585,000     | 8,455,000     |
| Capital Lease Payable                                           | 17,937        | 5,280         | 5,280                   | 28,497        | 28,497        |
| Payable to City of Brainerd                                     | 141,271       | 19,550        | 242,118                 | 402,939       | 310,430       |
| Conservation Incentive Program Payable                          | 537,513       | -             | -                       | 537,513       | 357,243       |
| Accrued Expenses                                                |               |               |                         |               |               |
| Salaries and Withholding Taxes                                  | 122,226       | 57,741        | 38,629                  | 218,596       | 216,338       |
| Sales Taxes                                                     | 168,437       | 5,021         | -                       | 173,458       | 138,519       |
| Bond Interest                                                   | 51,793        | 28,469        | 36,700                  | 116,962       | 128,500       |
| Customer Deposits                                               | 545,356       | -             | -                       | 545,356       | 473,696       |
| Total Current Liabilities                                       | 4,031,174     | 196,189       | 1,986,927               | 6,214,290     | 13,500,378    |
| Total Liabilities                                               | 12,577,955    | 11,889,573    | 10,987,166              | 35,454,694    | 36,522,578    |
| Total Liabilities and Net Position                              | \$ 39,773,091 | \$ 22,600,476 | \$ 31,714,443           | \$ 94,088,010 | \$ 93,632,478 |

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2024, 2023, AND 2022**

|                                                          | September 30, 2024 |              |                      |               | Totals             |                    |
|----------------------------------------------------------|--------------------|--------------|----------------------|---------------|--------------------|--------------------|
|                                                          | Electric           | Water        | Wastewater Treatment | Total         | September 30, 2023 | September 30, 2022 |
| <b>OPERATING REVENUES</b>                                |                    |              |                      |               |                    |                    |
| <u>Utility Revenues</u>                                  | \$ 20,559,335      | \$ 2,694,333 | \$ 1,922,779         | \$ 25,176,447 | \$ 22,213,269      | \$ 21,211,841      |
| Other Operating Revenue                                  | 406,839            | 312,426      | 692,249              | 1,411,514     | 965,971            | 865,321            |
| Total Operating Revenue                                  | 20,966,174         | 3,006,759    | 2,615,028            | 26,587,961    | 23,179,240         | 22,077,162         |
| <b>OPERATING EXPENSES</b>                                |                    |              |                      |               |                    |                    |
| <u>Purchased Power</u>                                   | 14,055,627         | -            | -                    | 14,055,627    | 10,229,300         | 9,540,288          |
| <u>Production/Generation</u>                             |                    |              |                      |               |                    |                    |
| Salaries and Wages                                       | 211,272            | 336,937      | 338,515              | 886,724       | 1,057,661          | 965,904            |
| Operations and Maintenance                               | 19,023             | 247,993      | 641,200              | 908,216       | 1,025,678          | 829,908            |
| Employee Benefits                                        | 72,415             | 110,521      | 106,778              | 289,714       | 333,245            | 320,574            |
| Other Charges                                            | 299                | 470          | 10,365               | 11,134        | 22,363             | 59,814             |
| Total Generation/Production Expenses                     | 303,009            | 695,921      | 1,096,858            | 2,095,788     | 2,438,947          | 2,176,200          |
| <u>Distribution</u>                                      |                    |              |                      |               |                    |                    |
| Salaries and Wages                                       | 1,135,494          | 448,975      | 76,372               | 1,660,841     | 1,549,833          | 1,474,785          |
| Operations and Maintenance                               | 308,226            | 184,111      | 114,541              | 606,878       | 696,228            | 718,129            |
| Employee Benefits                                        | 336,938            | 113,088      | 28,104               | 478,130       | 451,088            | 443,708            |
| Other Charges                                            | 44,627             | 17,174       | 51                   | 61,852        | 79,818             | 40,125             |
| Total Distribution Expenses                              | 1,825,285          | 763,348      | 219,068              | 2,807,701     | 2,776,967          | 2,676,747          |
| <u>General and Administrative</u>                        |                    |              |                      |               |                    |                    |
| Salaries and Wages                                       | 595,818            | 211,477      | 195,432              | 1,002,727     | 1,004,925          | 1,010,896          |
| Operations and Maintenance                               | 433,422            | 135,252      | 128,586              | 697,260       | 701,073            | 656,912            |
| Insurance and Bonds                                      | 173,469            | 50,392       | 71,480               | 295,341       | 285,651            | 225,940            |
| Employee Benefits                                        | 265,355            | 93,489       | 84,817               | 443,661       | 577,516            | 449,621            |
| Other Charges                                            | 407,059            | 106,291      | 119,130              | 632,480       | 471,630            | 353,157            |
| Total Gen. and Admin. Expenses                           | 1,875,123          | 596,901      | 599,445              | 3,071,469     | 3,040,795          | 2,696,526          |
| <u>Depreciation and Amortization</u>                     | 1,711,026          | 946,525      | 1,312,826            | 3,970,377     | 3,778,387          | 3,890,700          |
| Total Operating Expenses                                 | 19,770,070         | 3,002,695    | 3,228,197            | 26,000,962    | 22,264,396         | 20,980,461         |
| <b>NET OPERATING INCOME (LOSS)</b>                       | 1,196,104          | 4,064        | (613,169)            | 586,999       | 914,844            | 1,096,701          |
| <b>NONOPERATING REVENUE (EXPENSE)</b>                    |                    |              |                      |               |                    |                    |
| Interest Revenue - Investments                           | 122,130            | 27,048       | 366,377              | 515,555       | 127,740            | (759,966)          |
| Bond Premium                                             | 9,072              | 94,412       | 6,408                | 109,892       | 128,202            | 301,226            |
| Interest Revenue - Notes Receivable                      | -                  | -            | 81,859               | 81,859        | 78,970             | 90,705             |
| Local Option Sales Tax                                   | -                  | -            | 1,322,620            | 1,322,620     | 1,499,289          | 1,418,605          |
| Interest Expense - Bonds                                 | (114,817)          | (232,772)    | (276,726)            | (624,315)     | (622,006)          | (725,256)          |
| Other                                                    | -                  | 832          | 30,114               | 30,946        | 52,668             | 104,430            |
| Total Nonoperating Revenue (Expense)                     | 16,385             | (110,480)    | 1,530,652            | 1,436,557     | 1,264,863          | 429,744            |
| <b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | 1,212,489          | (106,417)    | 917,483              | 2,023,556     | 2,179,707          | 1,526,445          |
| <b>TRANSFERS TO THE CITY</b>                             | (583,559)          | -            | -                    | (583,559)     | (596,548)          | (581,091)          |
| <b>CHANGE IN NET POSITION</b>                            | \$ 628,930         | \$ (106,417) | \$ 917,483           | \$ 1,439,997  | \$ 1,583,159       | \$ 945,354         |

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION FOR ELECTRIC DEPARTMENT**  
**SEPTEMBER 30, 2024 AND 2023**

|                                                                 | September 30, 2024 |               |               | 2023          |
|-----------------------------------------------------------------|--------------------|---------------|---------------|---------------|
|                                                                 | Generation         | Distribution  | Total         |               |
| <b>ASSETS</b>                                                   |                    |               |               |               |
| <b>UTILITY PLANT</b>                                            |                    |               |               |               |
| Construction in Progress                                        | \$ 1,055,781       | \$ 2,503,444  | \$ 3,559,225  | \$ 2,813,101  |
| Right-to-Use                                                    | -                  | 421,686       | 421,686       | 421,686       |
| In Service                                                      | 7,737,334          | 40,497,292    | 48,234,626    | 46,752,645    |
| Total Investment in Utility Plant                               | 8,793,115          | 43,422,422    | 52,215,537    | 49,987,432    |
| Less: Accumulated Depreciation                                  | (2,798,321)        | (24,463,158)  | (27,261,479)  | (24,967,229)  |
| Net Utility Plant                                               | 5,994,794          | 18,959,264    | 24,954,058    | 25,020,203    |
| <b>CASH AND INVESTMENTS</b>                                     |                    |               |               |               |
| <u>Nonrestricted</u>                                            | (4,067,987)        | 8,698,855     | 4,630,868     | 5,311,722     |
| <u>Restricted</u>                                               |                    |               |               |               |
| Customer Deposits                                               | -                  | 545,356       | 545,356       | 473,696       |
| City of Brainerd Contribution                                   | -                  | 141,271       | 141,271       | 70,333        |
| Conservation Incentive Program                                  | -                  | 537,513       | 537,513       | 357,243       |
| Debt Service Reserve                                            | 686,750            | 430,500       | 1,117,250     | 1,117,250     |
| Total Restricted Cash and Investments                           | 686,750            | 1,654,640     | 2,341,390     | 2,018,522     |
| Total Cash and Investments                                      | (3,381,237)        | 10,353,495    | 6,972,258     | 7,330,244     |
| <b>CURRENT ASSETS</b>                                           |                    |               |               |               |
| Accounts Receivable                                             | -                  | 3,707,642     | 3,707,642     | 3,674,034     |
| Interest Receivable                                             | -                  | 10,843        | 10,843        | 9,151         |
| Inventory                                                       | -                  | 2,492,571     | 2,492,571     | 1,710,784     |
| Prepaid Expenses                                                | 31,014             | 126,681       | 157,695       | 90,819        |
| Total Current Assets                                            | 31,014             | 6,337,737     | 6,368,751     | 5,484,788     |
| <b>OTHER ASSETS</b>                                             |                    |               |               |               |
| Service Territory Acquisitions, Net of Accumulated Amortization | -                  | 185,383       | 185,383       | 219,883       |
| Deferred Outflows of Resources                                  | 105,094            | 525,474       | 630,568       | 964,512       |
| Investment in Solar Generation Facility                         | -                  | 662,073       | 662,073       | 567,000       |
| Total Other Assets                                              | 105,094            | 1,372,930     | 1,478,024     | 1,751,395     |
| Total Assets                                                    | 2,749,665          | 37,023,426    | 39,773,091    | 39,586,630    |
| <b>LIABILITIES AND NET ASSETS</b>                               |                    |               |               |               |
| Net Investment in Capital Assets                                | 2,627,882          | 16,919,345    | 19,547,227    | 18,652,120    |
| Unrestricted                                                    | (4,240,579)        | 11,888,488    | 7,647,909     | 7,439,887     |
| Total Net Position                                              | (1,612,697)        | 28,807,833    | 27,195,136    | 26,092,007    |
| <b>LONG-TERM LIABILITIES</b>                                    |                    |               |               |               |
| Revenue Bonds Payable                                           | 3,095,000          | 1,405,000     | 4,500,000     | 5,540,000     |
| Compensated Absences                                            | 69,809             | 529,093       | 598,902       | 698,336       |
| Other Postemployment Benefit Obligation                         | 36,622             | 183,104       | 219,726       | 230,699       |
| Net Pension Liability                                           | 340,546            | 1,702,730     | 2,043,276     | 2,955,757     |
| Deferred Inflows of Resources                                   | 130,330            | 651,653       | 781,983       | 106,915       |
| Capital Lease Payable                                           | -                  | 365,982       | 365,982       | 378,680       |
| Revenue Bond Premium                                            | 36,912             | -             | 36,912        | 49,466        |
| Total Long-Term Liabilities                                     | 3,709,219          | 4,837,562     | 8,546,781     | 9,959,853     |
| <b>CURRENT LIABILITIES</b>                                      |                    |               |               |               |
| Accounts Payable                                                | -                  | 1,406,641     | 1,406,641     | 1,252,264     |
| Revenue Bonds Payable                                           | 605,000            | 435,000       | 1,040,000     | 1,040,000     |
| Capital Lease Payable                                           | -                  | 17,937        | 17,937        | 17,937        |
| Payable to City of Brainerd                                     | -                  | 141,271       | 141,271       | 70,333        |
| Conservation Incentive Program Payable                          | -                  | 537,513       | 537,513       | 357,243       |
| Accrued Expenses                                                |                    |               |               |               |
| Salaries and Withholding Taxes                                  | 10,146             | 112,080       | 122,226       | 128,148       |
| Sales Taxes                                                     | (0)                | 168,437       | 168,437       | 133,549       |
| Bond Interest                                                   | 37,997             | 13,796        | 51,793        | 61,600        |
| Customer Deposits                                               | -                  | 545,356       | 545,356       | 473,696       |
| Total Current Liabilities                                       | 653,143            | 3,378,031     | 4,031,174     | 3,534,770     |
| Total Liabilities                                               | 4,362,362          | 8,215,593     | 12,577,955    | 13,494,623    |
| Total Liabilities and Net Position                              | \$ 2,749,665       | \$ 37,023,426 | \$ 39,773,091 | \$ 39,586,630 |

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2024, 2023, AND 2022**

|                                                | September 30, 2024 |                 |              | Variance<br>With Budget -<br>Positive<br>(Negative) | Year to Date<br>September 30, |              |
|------------------------------------------------|--------------------|-----------------|--------------|-----------------------------------------------------|-------------------------------|--------------|
|                                                | Current<br>Month   | Year to<br>Date | Budget       |                                                     | 2023                          | 2022         |
| <b>OPERATING REVENUES</b>                      |                    |                 |              |                                                     |                               |              |
| <u>Utility Revenues</u>                        |                    |                 |              |                                                     |                               |              |
| Residential                                    | \$ 553,579         | \$ 4,814,323    | \$ 5,220,000 | \$ (405,677)                                        | \$ 5,298,411                  | \$ 4,971,029 |
| Commercial                                     | 923,766            | 7,638,719       | 7,965,000    | (326,281)                                           | 8,110,673                     | 7,729,162    |
| Medium/Large Commercial                        | 231,835            | 1,789,792       | 2,061,000    | (271,208)                                           | 2,055,928                     | 2,460,566    |
| Industrial                                     | 431,690            | 5,491,768       | 2,700,000    | 2,791,768                                           | 1,616,709                     | 364,240      |
| City of Brainerd                               | 28,883             | 262,514         | 271,800      | (9,286)                                             | 273,240                       | 260,294      |
| BPU                                            | 55,989             | 562,220         | 585,000      | (22,780)                                            | 617,708                       | 567,781      |
| Total Utility Revenue                          | 2,225,742          | 20,559,335      | 18,802,800   | 1,756,535                                           | 17,972,669                    | 16,353,072   |
| <u>Other Operating Revenue</u>                 |                    |                 |              |                                                     |                               |              |
| Penalties                                      | 13,746             | 107,416         | 76,500       | 30,916                                              | 101,654                       | 80,740       |
| Other                                          | 69,638             | 299,423         | 73,800       | 225,623                                             | 213,068                       | 198,356      |
| Total Other Operating Revenue                  | 83,384             | 406,839         | 150,300      | 256,539                                             | 314,722                       | 279,096      |
| Total Operating Revenue                        | 2,309,126          | 20,966,174      | 18,953,100   | 2,013,074                                           | 18,287,391                    | 16,632,168   |
| <b>OPERATING EXPENSES</b>                      |                    |                 |              |                                                     |                               |              |
| <u>Purchased Power</u>                         |                    |                 |              |                                                     |                               |              |
| All Other Customers                            | 661,750            | 8,355,739       | 6,334,200    | (2,021,539)                                         | 8,115,034                     | 9,141,916    |
| Solar Generation - Airport                     | 78,178             | 604,794         | 540,000      | (64,794)                                            | 637,672                       | -            |
| Crypto Mining Customers                        | 484,123            | 5,095,094       | 4,582,800    | (512,294)                                           | 1,476,594                     | 398,372      |
| Total Purchased Power Expense                  | 1,224,051          | 14,055,627      | 11,457,000   | (2,598,627)                                         | 10,229,300                    | 9,540,288    |
| <u>Generation</u>                              |                    |                 |              |                                                     |                               |              |
| Salaries and Wages                             | 19,680             | 211,272         | 115,200      | (96,072)                                            | 373,889                       | 382,540      |
| Operations and Maintenance                     | 374                | 19,023          | 29,700       | 10,677                                              | 35,923                        | 15,648       |
| Employee Benefits                              | 7,210              | 72,415          | 38,700       | (33,715)                                            | 107,671                       | 118,351      |
| Other Charges                                  | (1,911)            | 299             | 4,500        | 4,201                                               | 651                           | 26,402       |
| Depreciation                                   | 27,400             | 246,600         | 244,800      | (1,800)                                             | 244,800                       | 241,200      |
| Total Generation Expenses                      | 52,753             | 549,609         | 432,900      | (116,709)                                           | 762,934                       | 784,141      |
| <u>Distribution</u>                            |                    |                 |              |                                                     |                               |              |
| Salaries and Wages                             | 135,358            | 1,135,494       | 1,207,800    | 72,306                                              | 1,046,559                     | 1,037,535    |
| Operations and Maintenance                     | 38,336             | 308,226         | 343,800      | 35,574                                              | 258,195                       | 382,361      |
| Employee Benefits                              | 24,037             | 336,938         | 351,000      | 14,062                                              | 300,820                       | 298,415      |
| Other Charges                                  | (21,926)           | 44,627          | 42,300       | (2,327)                                             | 55,092                        | 25,674       |
| Depreciation and Amortization                  | 147,500            | 1,327,500       | 1,284,300    | (43,200)                                            | 1,282,500                     | 1,287,000    |
| Total Distribution Expenses                    | 323,305            | 3,152,785       | 3,229,200    | 76,415                                              | 2,943,166                     | 3,030,985    |
| <u>General and Administrative</u>              |                    |                 |              |                                                     |                               |              |
| Salaries and Wages                             | 68,760             | 595,818         | 647,100      | 51,282                                              | 596,202                       | 591,449      |
| Operations and Maintenance                     | 52,153             | 433,422         | 381,600      | (51,822)                                            | 429,233                       | 389,142      |
| Insurance and Bonds                            | 25,067             | 173,469         | 170,100      | (3,369)                                             | 177,135                       | 139,498      |
| Employee Benefits                              | 19,501             | 265,355         | 332,100      | 66,745                                              | 339,908                       | 293,812      |
| Other Charges                                  | 45,969             | 407,059         | 297,000      | (110,059)                                           | 308,929                       | 214,709      |
| Depreciation and Amortization                  | 15,214             | 136,926         | 126,900      | (10,026)                                            | 125,829                       | 129,600      |
| Total Gen. and Admin. Expenses                 | 226,664            | 2,012,049       | 1,954,800    | (57,249)                                            | 1,977,236                     | 1,758,210    |
| Total Operating Expenses                       | 1,826,773          | 19,770,070      | 17,073,900   | (2,696,170)                                         | 15,912,636                    | 15,113,624   |
| <b>NET OPERATING INCOME</b>                    | 482,353            | 1,196,104       | 1,879,200    | (683,096)                                           | 2,374,755                     | 1,518,544    |
| <b>NONOPERATING REVENUE</b>                    |                    |                 |              |                                                     |                               |              |
| Interest Revenue - Investments                 | 16,191             | 122,130         | 7,200        | 114,930                                             | 1,115                         | (271,592)    |
| Interest Expense - Bonds                       | (12,965)           | (114,817)       | (117,600)    | 2,783                                               | (137,474)                     | (162,836)    |
| Sale of Renewable Energy Credits               | -                  | -               | -            | -                                                   | -                             | -            |
| Bond Premium                                   | 1,008              | 9,072           | 9,900        | (828)                                               | 10,745                        | 45,434       |
| Gain on Disposal of Capital Assets             | -                  | -               | 900          | (900)                                               | -                             | 33,714       |
| Total Nonoperating Revenue                     | 4,234              | 16,385          | (99,600)     | 115,985                                             | (125,614)                     | (355,280)    |
| <b>INCOME BEFORE TRANSFERS<br/>TO THE CITY</b> | 486,587            | 1,212,489       | 1,779,600    | (567,111)                                           | 2,249,141                     | 1,163,264    |
| <b>TRANSFERS TO THE CITY</b>                   | (71,627)           | (583,559)       | (544,000)    | (39,559)                                            | (596,548)                     | (581,091)    |
| <b>CHANGE IN NET POSITION</b>                  | \$ 414,960         | \$ 628,930      | \$ 1,235,600 | \$ (606,670)                                        | \$ 1,652,593                  | \$ 582,173   |

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - ELECTRIC DEPARTMENT  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2024, 2023, AND 2022**

|                             | KWH SOLD                   |                    |                    | REVENUE                    |                   |                   | AVERAGE REVENUE PER KWH    |                  |                  |
|-----------------------------|----------------------------|--------------------|--------------------|----------------------------|-------------------|-------------------|----------------------------|------------------|------------------|
|                             | PERIOD ENDED SEPTEMBER 30, |                    |                    | PERIOD ENDED SEPTEMBER 30, |                   |                   | PERIOD ENDED SEPTEMBER 30, |                  |                  |
|                             | 2024                       | 2023               | 2022               | 2024                       | 2023              | 2022              | 2024                       | 2023             | 2022             |
| Residential                 | 39,979,306                 | 40,544,084         | 42,307,117         | \$ 4,814,323               | \$ 5,298,411      | \$ 4,971,029      | \$ 0.1204                  | \$ 0.1307        | \$ 0.1175        |
| Commercial                  | 36,239,232                 | 37,804,495         | 39,332,733         | 8,463,453                  | 9,001,621         | 8,557,239         | 0.2335                     | 0.2381           | 0.2176           |
| Medium/Large Commercial     | 52,834,585                 | 53,310,046         | 56,871,307         | 1,789,792                  | 2,055,928         | 2,460,566         | 0.0339                     | 0.0386           | 0.0433           |
| Industrial                  | 120,172,243                | 31,722,005         | 3,733,594          | 5,491,768                  | 1,616,709         | 364,240           | 0.0457                     | 0.0510           | 0.0976           |
| Total                       | <u>249,225,366</u>         | <u>163,380,630</u> | <u>142,244,751</u> | <u>20,559,336</u>          | <u>17,972,669</u> | <u>16,353,074</u> | <u>\$ 0.0825</u>           | <u>\$ 0.1100</u> | <u>\$ 0.1150</u> |
| % Change From Previous Year | <u>52.54%</u>              | <u>14.86%</u>      | <u>NA</u>          | <u>14.39%</u>              | <u>9.90%</u>      | <u>NA</u>         | <u>-25.01%</u>             | <u>-4.31%</u>    | <u>NA</u>        |

|                             | % TO TOTAL - KWH           |                |                | % TO TOTAL - REVENUE       |                |                | TOTAL METERS IN SERVICE    |               |              |
|-----------------------------|----------------------------|----------------|----------------|----------------------------|----------------|----------------|----------------------------|---------------|--------------|
|                             | PERIOD ENDED SEPTEMBER 30, |                |                | PERIOD ENDED SEPTEMBER 30, |                |                | PERIOD ENDED SEPTEMBER 30, |               |              |
|                             | 2024                       | 2023           | 2022           | 2024                       | 2023           | 2022           | 2024                       | 2023          | 2022         |
| Residential                 | 16.04%                     | 24.82%         | 29.74%         | 23.42%                     | 29.48%         | 30.40%         | 6,953                      | 6,929         | 7,033        |
| Commercial                  | 14.54%                     | 23.14%         | 27.65%         | 41.17%                     | 50.09%         | 52.33%         | 1,313                      | 1,317         | 1,307        |
| Medium/Large Commercial     | 21.20%                     | 32.63%         | 39.98%         | 8.71%                      | 11.44%         | 15.05%         | 67                         | 69            | 66           |
| Industrial                  | 48.22%                     | 19.42%         | 2.62%          | 26.71%                     | 9.00%          | 2.23%          | 1                          | 1             | 1            |
| Total                       | <u>100.00%</u>             | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u>             | <u>100.00%</u> | <u>100.00%</u> | <u>8,334</u>               | <u>8,316</u>  | <u>8,407</u> |
| % Change From Previous Year |                            |                |                |                            |                |                | <u>0.22%</u>               | <u>-1.08%</u> | <u>NA</u>    |

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2024, 2023, AND 2022**

|                                                                 | September 30, 2024 |              |              | Variance      | Year to Date  |              |
|-----------------------------------------------------------------|--------------------|--------------|--------------|---------------|---------------|--------------|
|                                                                 | Current            | Year to      | Budget       | With Budget - | September 30, |              |
|                                                                 | Month              | Date         |              | Positive      | 2023          | 2022         |
|                                                                 |                    |              |              | (Negative)    |               |              |
| <b>OPERATING REVENUES</b>                                       |                    |              |              |               |               |              |
| <u>Utility Revenues</u>                                         |                    |              |              |               |               |              |
| Residential                                                     | \$ 146,021         | \$ 1,212,284 | \$ 1,261,800 | \$ (49,517)   | \$ 1,268,361  | \$ 1,530,835 |
| Commercial                                                      | 203,431            | 1,303,801    | 1,102,500    | 201,301       | 1,089,752     | 1,533,591    |
| City of Brainerd                                                | 14,264             | 102,230      | 103,500      | (1,270)       | 115,879       | 124,195      |
| BPU                                                             | 10,367             | 76,018       | 72,000       | 4,018         | 89,331        | 87,636       |
| Total Utility Revenue                                           | 374,083            | 2,694,333    | 2,539,800    | 154,533       | 2,563,323     | 3,276,257    |
| <u>Other Operating Revenue</u>                                  |                    |              |              |               |               |              |
| Penalties                                                       | 2,655              | 21,050       | 15,300       | 5,750         | 18,610        | 14,795       |
| Other                                                           | 147,386            | 291,376      | 16,650       | 274,726       | 20,974        | 21,638       |
| Total Other Operating Revenue                                   | 150,041            | 312,426      | 31,950       | 280,476       | 39,584        | 36,433       |
| Total Operating Revenue                                         | 524,124            | 3,006,759    | 2,571,750    | 435,009       | 2,602,907     | 3,312,690    |
| <b>OPERATING EXPENSES</b>                                       |                    |              |              |               |               |              |
| <u>Production</u>                                               |                    |              |              |               |               |              |
| Salaries and Wages                                              | 34,022             | 336,937      | 406,800      | 69,863        | 351,504       | 221,495      |
| Operations and Maintenance                                      | 25,836             | 247,993      | 205,200      | (42,793)      | 220,053       | 207,520      |
| Employee Benefits                                               | 10,197             | 110,521      | 132,300      | 21,779        | 129,171       | 99,973       |
| Other Charges                                                   | -                  | 470          | 450          | (20)          | 569           | -            |
| Depreciation                                                    | 15,200             | 136,800      | 200,700      | 63,900        | 199,800       | 203,400      |
| Total Production Expenses                                       | 85,255             | 832,721      | 945,450      | 112,729       | 901,097       | 732,388      |
| <u>Distribution</u>                                             |                    |              |              |               |               |              |
| Salaries and Wages                                              | 53,419             | 448,975      | 448,200      | (775)         | 439,283       | 332,729      |
| Operations and Maintenance                                      | 24,406             | 184,111      | 224,550      | 40,439        | 299,474       | 199,536      |
| Employee Benefits                                               | 11,240             | 113,088      | 149,400      | 36,312        | 126,263       | 110,424      |
| Other Charges                                                   | (6,873)            | 17,174       | 12,150       | (5,024)       | 21,924        | 13,161       |
| Depreciation                                                    | 85,400             | 768,600      | 621,000      | (147,600)     | 611,100       | 621,000      |
| Total Distribution Expenses                                     | 167,592            | 1,531,948    | 1,455,300    | (76,648)      | 1,498,044     | 1,276,850    |
| <u>General and Administrative</u>                               |                    |              |              |               |               |              |
| Salaries and Wages                                              | 24,052             | 211,477      | 226,800      | 15,323        | 208,894       | 214,043      |
| Operations and Maintenance                                      | 23,823             | 135,252      | 152,550      | 17,298        | 162,714       | 152,282      |
| Insurance and Bonds                                             | 8,609              | 50,392       | 51,300       | 908           | 51,154        | 38,514       |
| Employee Benefits                                               | 9,143              | 93,489       | 119,700      | 26,211        | 122,162       | 80,146       |
| Other Charges                                                   | 13,278             | 106,291      | 70,650       | (35,641)      | 78,019        | 70,118       |
| Depreciation                                                    | 4,569              | 41,125       | 36,000       | (5,125)       | 35,730        | 46,800       |
| Total Gen. and Admin. Expenses                                  | 83,474             | 638,026      | 657,000      | 18,974        | 658,673       | 601,903      |
| Total Operating Expenses                                        | 336,321            | 3,002,695    | 3,057,750    | 55,055        | 3,057,814     | 2,611,141    |
| <b>NET OPERATING INCOME (LOSS)</b>                              | 187,803            | 4,064        | (486,000)    | 490,064       | (454,907)     | 701,549      |
| <b>NONOPERATING REVENUE</b>                                     |                    |              |              |               |               |              |
| Interest Revenue - Investments                                  | 3,662              | 27,048       | 7,200        | 19,848        | 18,855        | (30,848)     |
| Local Option Sales Tax - Baxter                                 | -                  | -            | 261,900      | (261,900)     | 348,693       | 323,758      |
| Bond Premium                                                    | 10,490             | 94,412       | 110,700      | (16,288)      | 110,825       | 225,489      |
| Bond Issuance Costs                                             | -                  | -            | -            | -             | -             | -            |
| Interest Expense - Bonds                                        | (23,201)           | (232,772)    | (226,800)    | (5,972)       | (230,549)     | (269,490)    |
| Gain on Disposal of Capital Assets                              | -                  | 832          | -            | 832           | -             | 11,157       |
| Total Nonoperating Revenue                                      | (9,049)            | (110,480)    | 153,000      | (263,480)     | 247,824       | 260,066      |
| <b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | 178,754            | (106,417)    | (333,000)    | 226,584       | (207,083)     | 961,615      |
| <b>CAPITAL CONTRIBUTIONS</b>                                    | -                  | -            | -            | -             | -             | -            |
| <b>CHANGE IN NET POSITION</b>                                   | \$ 178,754         | \$ (106,417) | \$ (333,000) | \$ 226,584    | \$ (207,083)  | \$ 961,615   |

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WATER DEPARTMENT  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2024, 2023, AND 2022**

|                             | GALLONS SOLD               |                    |                    | REVENUE                    |                     |                     | AVERAGE PER 1,000 GALLONS  |                |                |
|-----------------------------|----------------------------|--------------------|--------------------|----------------------------|---------------------|---------------------|----------------------------|----------------|----------------|
|                             | PERIOD ENDED SEPTEMBER 30, |                    |                    | PERIOD ENDED SEPTEMBER 30, |                     |                     | PERIOD ENDED SEPTEMBER 30, |                |                |
|                             | 2024                       | 2023               | 2022               | 2024                       | 2023                | 2022                | 2024                       | 2023           | 2022           |
| Residential                 | 121,062,357                | 140,654,959        | 127,574,421        | \$ 1,212,284               | \$ 1,268,361        | \$ 1,177,836        | \$ 10.01                   | \$ 9.02        | \$ 9.23        |
| Commercial                  | 177,799,684                | 189,521,354        | 182,861,454        | 1,288,281                  | 1,286,962           | 1,149,580           | 7.25                       | 6.79           | 6.29           |
| City of Baxter              | 45,844,000                 | 1,545,000          | 98,790,000         | 193,768                    | 8,000               | 262,619             | 4.23                       | 5.18           | -              |
| Total                       | <u>344,706,041</u>         | <u>331,721,313</u> | <u>409,225,875</u> | <u>\$ 2,694,333</u>        | <u>\$ 2,563,323</u> | <u>\$ 2,590,035</u> | <u>\$ 7.82</u>             | <u>\$ 7.73</u> | <u>\$ 6.33</u> |
| % Change From Previous Year | <u>3.91%</u>               | <u>-18.94%</u>     | <u>NA</u>          | <u>5.11%</u>               | <u>-1.03%</u>       | <u>NA</u>           | <u>1.15%</u>               | <u>22.09%</u>  | <u>NA</u>      |

|                             | % TO TOTAL - GALLONS       |                |                | % TO TOTAL - REVENUE       |                |                | TOTAL METERS IN SERVICE    |               |              |
|-----------------------------|----------------------------|----------------|----------------|----------------------------|----------------|----------------|----------------------------|---------------|--------------|
|                             | PERIOD ENDED SEPTEMBER 30, |                |                | PERIOD ENDED SEPTEMBER 30, |                |                | PERIOD ENDED SEPTEMBER 30, |               |              |
|                             | 2024                       | 2023           | 2022           | 2024                       | 2023           | 2022           | 2024                       | 2023          | 2022         |
| Residential                 | 35.12%                     | 42.40%         | 31.17%         | 44.99%                     | 49.48%         | 45.48%         | 4,083                      | 4,068         | 4,118        |
| Commercial                  | 51.58%                     | 57.13%         | 44.68%         | 47.81%                     | 50.21%         | 44.38%         | 873                        | 874           | 970          |
| City of Baxter              | 13.30%                     | 0.47%          | 24.14%         | 7.19%                      | 0.31%          | 10.14%         | 1                          | 1             | 1            |
| Total                       | <u>100.00%</u>             | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u>             | <u>100.00%</u> | <u>100.00%</u> | <u>4,957</u>               | <u>4,943</u>  | <u>5,089</u> |
| % Change From Previous Year |                            |                |                |                            |                |                | <u>0.28%</u>               | <u>-2.87%</u> | <u>NA</u>    |

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2024, 2023, AND 2022**

|                                            | September 30, 2024 |                   |                  | Variance<br>With Budget -<br>Positive<br>(Negative) | Year to Date<br>September 30, |                     |
|--------------------------------------------|--------------------|-------------------|------------------|-----------------------------------------------------|-------------------------------|---------------------|
|                                            | Current<br>Month   | Year to<br>Date   | Budget           |                                                     | 2023                          | 2022                |
| <b>OPERATING REVENUES</b>                  |                    |                   |                  |                                                     |                               |                     |
| <u>Utility Revenues</u>                    |                    |                   |                  |                                                     |                               |                     |
| Residential                                | \$ 121,797         | \$ 1,135,206      | \$ 1,129,500     | \$ 5,706                                            | \$ 1,063,533                  | \$ 1,037,101        |
| Commercial                                 | 79,983             | 787,573           | 615,150          | 172,423                                             | 613,744                       | 545,411             |
| Total Utility Revenue                      | 201,780            | 1,922,779         | 1,744,650        | 178,129                                             | 1,677,277                     | 1,582,512           |
| <u>Other Operating Revenue</u>             |                    |                   |                  |                                                     |                               |                     |
| Penalties                                  | 3,077              | 28,037            | 20,700           | 7,337                                               | 22,706                        | 19,556              |
| Reimbursement of Expenses - Baxter         | 67,750             | 612,622           | 558,000          | 54,622                                              | 586,443                       | 524,065             |
| Other                                      | 615                | 51,590            | 4,500            | 47,090                                              | 2,516                         | 6,171               |
| Total Other Operating Revenue              | 71,442             | 692,249           | 583,200          | 109,049                                             | 611,665                       | 549,792             |
| Total Operating Revenue                    | 273,222            | 2,615,028         | 2,327,850        | 287,178                                             | 2,288,942                     | 2,132,304           |
| <b>OPERATING EXPENSES</b>                  |                    |                   |                  |                                                     |                               |                     |
| <u>Treatment</u>                           |                    |                   |                  |                                                     |                               |                     |
| Salaries and Wages                         | 40,267             | 338,515           | 309,600          | (28,915)                                            | 332,268                       | 361,869             |
| Operations and Maintenance                 | 63,869             | 641,200           | 725,850          | 84,650                                              | 769,702                       | 606,740             |
| Employee Benefits                          | 10,814             | 106,778           | 108,900          | 2,122                                               | 96,403                        | 102,250             |
| Other Charges                              | (4,453)            | 10,365            | 29,700           | 19,335                                              | 21,143                        | 33,412              |
| Depreciation                               | 119,200            | 1,072,800         | 1,062,000        | (10,800)                                            | 1,053,000                     | 1,124,100           |
| Total Treatment Expenses                   | 229,697            | 2,169,658         | 2,236,050        | 66,392                                              | 2,272,516                     | 2,228,371           |
| <u>Lift Stations</u>                       |                    |                   |                  |                                                     |                               |                     |
| Salaries and Wages                         | 10,321             | 76,372            | 108,900          | 32,528                                              | 63,991                        | 104,521             |
| Operations and Maintenance                 | 10,029             | 114,541           | 142,200          | 27,659                                              | 138,559                       | 136,232             |
| Employee Benefits                          | 3,036              | 28,104            | 39,600           | 11,496                                              | 24,005                        | 34,869              |
| Other Charges                              | (2,028)            | 51                | 1,800            | 1,749                                               | 2,802                         | 1,290               |
| Depreciation                               | 23,000             | 207,000           | 201,600          | (5,400)                                             | 199,800                       | 204,300             |
| Total Collection Expenses                  | 44,358             | 426,068           | 494,100          | 68,032                                              | 429,157                       | 481,212             |
| <u>General and Administrative</u>          |                    |                   |                  |                                                     |                               |                     |
| Salaries and Wages                         | 23,086             | 195,432           | 212,400          | 16,968                                              | 199,829                       | 205,404             |
| Operations and Maintenance                 | 17,735             | 128,586           | 100,800          | (27,786)                                            | 109,126                       | 115,488             |
| Insurance and Bonds                        | 8,970              | 71,480            | 57,600           | (13,880)                                            | 57,362                        | 47,928              |
| Employee Benefits                          | 8,553              | 84,817            | 116,100          | 31,283                                              | 115,446                       | 75,663              |
| Other Charges                              | 14,341             | 119,130           | 81,000           | (38,130)                                            | 84,682                        | 68,330              |
| Depreciation and Amortization              | 3,670              | 33,026            | 26,100           | (6,926)                                             | 25,828                        | 33,300              |
| Total Gen. and Admin. Expenses             | 76,355             | 632,471           | 594,000          | (38,471)                                            | 592,273                       | 546,113             |
| Total Operating Expenses                   | 350,410            | 3,228,197         | 3,324,150        | 95,953                                              | 3,293,946                     | 3,255,696           |
| <b>NET OPERATING LOSS</b>                  | (77,188)           | (613,169)         | (996,300)        | 383,131                                             | (1,005,004)                   | (1,123,392)         |
| <b>NONOPERATING REVENUE</b>                |                    |                   |                  |                                                     |                               |                     |
| Interest Revenue - Investments             | 52,024             | 366,377           | 40,500           | 325,877                                             | 107,770                       | (457,526)           |
| Interest Revenue - Notes Receivable        | 7,600              | 81,859            | 69,300           | 12,559                                              | 78,970                        | 90,705              |
| Interest Expense - Bonds                   | (29,856)           | (276,726)         | (272,700)        | (4,026)                                             | (253,983)                     | (292,930)           |
| Bond Premium                               | 712                | 6,408             | 6,300            | 108                                                 | 6,632                         | 30,303              |
| Local Option Sales Tax - Brainerd          | 137,086            | 1,322,620         | 1,104,300        | 218,320                                             | 1,058,068                     | 1,017,106           |
| Local Option Sales Tax - Baxter            | -                  | -                 | 54,900           | (54,900)                                            | 92,528                        | 77,742              |
| Federal Grant Revenue - Build America Bond | 5,100              | 30,114            | 46,800           | (16,686)                                            | 52,668                        | 59,558              |
| Gain (Loss) on Disposal of Capital Assets  | -                  | -                 | -                | -                                                   | -                             | -                   |
| Total Nonoperating Revenue                 | 172,666            | 1,530,652         | 1,049,400        | 481,252                                             | 1,142,653                     | 524,958             |
| <b>CHANGE IN NET POSITION</b>              | <u>\$ 95,478</u>   | <u>\$ 917,483</u> | <u>\$ 53,100</u> | <u>\$ 864,383</u>                                   | <u>\$ 137,649</u>             | <u>\$ (598,434)</u> |

**BRAINERD PUBLIC UTILITIES**  
**OPERATING STATISTICS - WASTEWATER TREATMENT DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2024, 2023, AND 2022**

|                             | GALLONS PROCESSED          |                    |                    | REVENUE                    |                     |                     | AVERAGE PER 1,000 GALLONS  |                |                |
|-----------------------------|----------------------------|--------------------|--------------------|----------------------------|---------------------|---------------------|----------------------------|----------------|----------------|
|                             | PERIOD ENDED SEPTEMBER 30, |                    |                    | PERIOD ENDED SEPTEMBER 30, |                     |                     | PERIOD ENDED SEPTEMBER 30, |                |                |
|                             | 2024                       | 2023               | 2022               | 2024                       | 2023                | 2022                | 2024                       | 2023           | 2022           |
| Residential                 | 120,229,459                | 139,567,920        | 126,577,992        | \$ 1,135,206               | \$ 1,063,533        | \$ 1,037,101        | \$ 9.44                    | \$ 7.62        | \$ 8.19        |
| Commercial                  | 129,009,834                | 122,461,677        | 124,266,858        | 787,573                    | 613,744             | 545,411             | 6.10                       | 5.01           | 4.39           |
| City of Baxter              | 178,254,000                | 181,073,000        | 175,237,000        | 612,622                    | 586,443             | 524,065             | 3.44                       | 3.24           | 2.99           |
| Total                       | <u>427,493,293</u>         | <u>443,102,597</u> | <u>426,081,850</u> | <u>\$ 2,535,401</u>        | <u>\$ 2,263,720</u> | <u>\$ 2,106,577</u> | <u>\$ 5.93</u>             | <u>\$ 5.11</u> | <u>\$ 4.94</u> |
| % Change From Previous Year | <u>-3.52%</u>              | <u>3.99%</u>       | <u>NA</u>          | <u>12.00%</u>              | <u>7.46%</u>        | <u>NA</u>           | <u>16.09%</u>              | <u>3.33%</u>   | <u>NA</u>      |
|                             | % TO TOTAL - GALLONS       |                    |                    | % TO TOTAL - REVENUE       |                     |                     | TOTAL METERS IN SERVICE    |                |                |
|                             | PERIOD ENDED SEPTEMBER 30, |                    |                    | PERIOD ENDED SEPTEMBER 30, |                     |                     | PERIOD ENDED SEPTEMBER 30, |                |                |
|                             | 2024                       | 2023               | 2022               | 2024                       | 2023                | 2022                | 2024                       | 2023           | 2022           |
| Residential                 | 28.12%                     | 31.50%             | 29.71%             | 44.77%                     | 46.98%              | 49.23%              | 4,065                      | 4,039          | 4,100          |
| Commercial                  | 30.18%                     | 27.64%             | 29.17%             | 31.06%                     | 27.11%              | 25.89%              | 845                        | 845            | 835            |
| City of Baxter              | 41.70%                     | 40.86%             | 41.13%             | 24.16%                     | 25.91%              | 24.88%              | 1                          | 1              | 1              |
| Total                       | <u>100.00%</u>             | <u>100.00%</u>     | <u>100.00%</u>     | <u>100.00%</u>             | <u>100.00%</u>      | <u>100.00%</u>      | <u>4,911</u>               | <u>4,885</u>   | <u>4,936</u>   |
| % Change From Previous Year |                            |                    |                    |                            |                     |                     | <u>0.53%</u>               | <u>-1.03%</u>  | <u>NA</u>      |



Brainerd Public Utilities, MN

# Packet Summary Budget Report

## Group Summary

For Fiscal: 2024 Period Ending: 10/31/2024

| Account Typ...                                           | Original<br>YTD Budget | Current<br>YTD Budget | Period<br>Activity | Fiscal<br>Activity  | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Remaining |
|----------------------------------------------------------|------------------------|-----------------------|--------------------|---------------------|----------------------------------------|----------------------|
| <b>Fund: 1 - ELECTRIC</b>                                |                        |                       |                    |                     |                                        |                      |
| Revenue                                                  | 21,059,572.80          | 21,059,572.80         | 1,496,834.65       | 22,584,600.27       | 1,525,027.47                           | 7.24 %               |
| Expense                                                  | 19,402,902.40          | 19,402,902.40         | 1,834,939.81       | 22,029,256.03       | -2,626,353.63                          | -13.54 %             |
| <b>Fund: 1 - ELECTRIC Surplus (Deficit):</b>             | <b>1,656,670.40</b>    | <b>1,656,670.40</b>   | <b>-338,105.16</b> | <b>555,344.24</b>   | <b>-1,101,326.16</b>                   | <b>66.48 %</b>       |
| <b>Fund: 2 - WATER</b>                                   |                        |                       |                    |                     |                                        |                      |
| Revenue                                                  | 3,278,188.20           | 3,278,188.20          | 150,200.49         | 3,279,247.92        | 1,059.72                               | 0.03 %               |
| Expense                                                  | 3,648,040.20           | 3,648,040.20          | 157,711.33         | 3,393,176.06        | 254,864.14                             | 6.99 %               |
| <b>Fund: 2 - WATER Surplus (Deficit):</b>                | <b>-369,852.00</b>     | <b>-369,852.00</b>    | <b>-7,510.84</b>   | <b>-113,928.14</b>  | <b>255,923.86</b>                      | <b>69.20 %</b>       |
| <b>Fund: 3 - WASTEWATER TREATMENT</b>                    |                        |                       |                    |                     |                                        |                      |
| Revenue                                                  | 4,053,877.80           | 4,053,877.80          | 203,523.81         | 4,625,932.94        | 572,055.14                             | 14.11 %              |
| Expense                                                  | 3,994,901.40           | 3,994,901.40          | 91,205.84          | 3,596,131.69        | 398,769.71                             | 9.98 %               |
| <b>Fund: 3 - WASTEWATER TREATMENT Surplus (Deficit):</b> | <b>58,976.40</b>       | <b>58,976.40</b>      | <b>112,317.97</b>  | <b>1,029,801.25</b> | <b>970,824.85</b>                      | <b>-1,646.12 %</b>   |
| <b>Fund: 4 - HYDRO DAM</b>                               |                        |                       |                    |                     |                                        |                      |
| Revenue                                                  | 10,995.60              | 10,995.60             | 0.00               | 9,611.55            | -1,384.05                              | 12.59 %              |
| Expense                                                  | 370,851.60             | 370,851.60            | 33,175.43          | 307,306.15          | 63,545.45                              | 17.14 %              |
| <b>Fund: 4 - HYDRO DAM Surplus (Deficit):</b>            | <b>-359,856.00</b>     | <b>-359,856.00</b>    | <b>-33,175.43</b>  | <b>-297,694.60</b>  | <b>62,161.40</b>                       | <b>17.27 %</b>       |
| <b>Report Surplus (Deficit):</b>                         | <b>985,938.80</b>      | <b>985,938.80</b>     | <b>-266,473.46</b> | <b>1,173,522.75</b> | <b>187,583.95</b>                      | <b>-19.03 %</b>      |

Unfavorable expense in Electric is due to increases in purchased power.

Fund Summary

| Fund                      | Original<br>YTD Budget | Current<br>YTD Budget | Period<br>Activity | Fiscal<br>Activity | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------|------------------------|-----------------------|--------------------|--------------------|----------------------------------------|
| 1 - ELECTRIC              | 1,656,670.40           | 1,656,670.40          | -338,105.16        | 555,344.24         | -1,101,326.16                          |
| 2 - WATER                 | -369,852.00            | -369,852.00           | -7,510.84          | -113,928.14        | 255,923.86                             |
| 3 - WASTEWATER TREATMENT  | 58,976.40              | 58,976.40             | 112,317.97         | 1,029,801.25       | 970,824.85                             |
| 4 - HYDRO DAM             | -359,856.00            | -359,856.00           | -33,175.43         | -297,694.60        | 62,161.40                              |
| Report Surplus (Deficit): | 985,938.80             | 985,938.80            | -266,473.46        | 1,173,522.75       | 187,583.95                             |



# BRAINERD PUBLIC UTILITIES

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## **Brainerd Public Utilities Operations Managers Updates October 29, 2024**

### Water Distribution:

#### **Phase 2: Water System Analysis (In Progress)**

Preliminary estimates of water age have been developed for the water distribution system using our model. The results indicate that water may take up to 20 days to pass through the end user meter in certain areas. This suggests that the current pipe sizing, system design, and low consumption rates may contribute to the extended water age. We conducted modeling runs under various scenarios, simulating different tank storage configurations both online and offline, but these adjustments did not improve the water age timelines. We are actively exploring options to increase water turnover in the system.

#### **Phase 3: Sequential Hydrant Flushing Plan Development (In Progress)**

The development of a comprehensive sequential hydrant flushing plan for the water distribution system is approximately 75% complete. Utilizing the updated water model, this phase aims to provide clear guidelines on the recommended order of operations for flushing activities. It will also verify flushing velocities to ensure effective cleaning and allow staff to collect valuable data during the process. Hydrant flushing has begun and will continue over the next couple of weeks.

### 2024 Leak Survey:

Water Conservation Services conducted the 2024 water leak survey and identified thirteen leaks: six service leaks and seven hydrant leaks. The Distribution crew will rebuild the affected hydrants. Three of the six service leaks are on the BPU service side and will be repaired accordingly. The remaining three leaks are located on the customer side, and those customers will be notified of the leaks and required to make the necessary repairs.

### Climavison:

9-17-24, The Climavison engineering team was working on structural engineering analytics at the state hospital water tower, expecting to receive comments in October. At the writing of this update, we have not received any updates from Climavison.

### Hydro Department:

The bulkhead was installed in pit #2 for dewatering. This is in preparation for the turbine and pit inspection, scheduled for the end of October.

Buoys, debris barriers, and dock removal have been completed for 2024.

MHUG (Midwest Hydro User Group) Fall Conference. Jason Eastman and I attended this conference in Wausau, Wisconsin. The Midwest Hydro Users Group is a non-profit volunteer organization of dam owners, hydroelectric plant operators, developers, consultants, as well as hydro contractors and suppliers whose joint mission is to promote safe, reliable, economical, and environmentally responsible hydropower in the Midwest. BPU has been a member since 2021. I was asked to be on a panel with three other panelists to give insight into the feasibility of adding generation. Each of us gave a 15-minute presentation followed by a question-and-answer session. Other notable topics were project planning and concepts, funding, and comprehensive assessment planning. Mr. Griebnow from FREC gave a presentation on current dam safety issues and FREC licensing updates.

Flows:

Mississippi Low Flow Management Plan was in effect on September 30, 2024, when USGS flows were below 900cfs. This management plan limits gate adjustments to 10% of the flow over a 6-hour period. September 26th was the Peak flows at 1580cfs and on October 24th, Low flows at 560cfs.

Electric Department:

Brad Olson and Clark Backstrom returned home on October 15, 2024, from (Hurricane Milton) Florida's mutual aid event. On October 7, 2024, they embarked from Rochester Public Utilities with a 38-member team from Minnesota to support the request from Kissimmee Utility for mutual aid. KUA did not sustain the estimated damage from Hurricane Milton. KUA was able to make all repairs in-house. The neighboring utility was not as lucky. The Orlando Utilities Commission requested the Minnesota crews to help with restoration efforts. Around 300 mutual aid crew members worked with OUC crews to restore power to over 78,000 customers affected by Hurricane Milton. OCU customers were fully restored on October 12, 2024. I wanted to **THANK** our lineworkers and all other BPU staff working in the background to help support other Public Power communities.

In preparation for the reclaim tank project at the water plant, the line crew extended the 548 circuit to serve the new load. This extension has allowed a circuit tie with the 518 feeder. Overall, this will enhance our reliability and redundancy for any restoration efforts in the future.

9-12-24, Staff met with Scott Berg, DCT facilities deputy director, and his team from the Minnesota Department of Human Services to discuss the possibility of developing a solar project at the state hospital. The meeting was productive, and it was agreed that this may be a feasible project. Mr. Berg has taken some action items from the meeting and will provide an update once he has gathered the necessary information for further discussion.

10/25/24 update: I have received an email from Mr. Berg stating that a portion of the property has general obligation bonding attached to it, which means that it cannot be leased to another entity that will make a financial gain from the lease until the bonds mature and will not be able to lease land on the Brainerd State Hospital campus for your municipal solar array.

## OUTAGES Sept

| Location                     | Date   | Meters | Time        | Cause                                      | Solution                                   | Staff Involved |
|------------------------------|--------|--------|-------------|--------------------------------------------|--------------------------------------------|----------------|
| 7000 block Excelsior dr.     | 16-Sep | 6      | 34 min      | Maitenance / cabinet rusted out            | replaces cabinet                           | 3              |
| 14000 block Conservation dr. | 25-Sep | 7      | 3 hr 55 min | Custimer dig in - no locates               | spliced primary conductor                  | 5              |
| 600 block 4th ave NE         | 27-Sep | 12     | 37 min      | Garage fire, burned triplex, blew tub fuse | replaced secondaries , refused transformer | 3              |



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## **Brainerd Public Utilities Wastewater Manager's Report October 2024**

### **Lift Station**

Ongoing maintenance of wet wells, pumps, generators, and controls for the 17 lift stations. Updating operational controls for main lift SCADA, bar screen, grit pump, grit classifier, 4 wet well pumps. Replaced grit pump, sump pump and piping as needed. Replaced grit chamber air diffuser piping. Replaced channel gate plates. Replaced grit pump, sump pump and piping as needed. Ongoing cleaning and painting of main lift pumps and piping as time allows.

### **Wastewater Treatment Plant**

On-call operator tested Wastewater Treatment Facility and lift stations SCADA alarms. Equipment maintenance is ongoing.

### **Biosolids**

Started land Appling 564,000 gallons of biosolids on 6 MPCA approved sites before ground freezes.

### **Lab**

Sent October 2024 Electronic Daily Monitoring Report. Sampled influent and effluent for copper and PFOS, sampled biosolids for full analysis and fecal coliform. On going Mercury Minimization, Copper Minimization Plan. Ongoing delegation with Brainerd Significant and Categorical Industrial Users.

### **Drinking Water**

Continuing to update the Lead and Copper program. Ongoing testing for the Optimal Corrosion Control Treatment (OCCT) requirements. Collected the 15 required Coliform samples. Responded to 8 residential drinking water concerns.

### **River crossing**

Project is ongoing.

### **Generators**

Test ran Evergreen Lift, Main Lift, SW6th Lift, portable 25KW, 150KW, 45KW and both plant generators. Added fuel where needed. Tested 45KW generator at three different lift stations each requiring different power requirements. (480V- 3 phase, 208V- 3 phase and 208 single phase)

### **Working Hours Alarms**

Lift Stations- 11 events

WWTF- 17 events

### **Call-In After-Hours Alarms**

Lift Stations- 22 events

WWTF- 21 events

### **Personnel**

Congratulation to Jason Gage for achieving his MDH Class D Water Operator Certificate. Operators working on 2025 budget requests for equipment, supplies and CIP list.

## **October 2024 Wastewater Daily Monitoring Report (DMR)**

### **Wastewater Influent Flows**

Brainerd monthly total flow 36,447,000 gallons  
Daily average flow 1,215,000 gallons  
Baxter monthly total flow 19,938,000 gallons  
Baxter daily average flow 665,000 gallons.  
Combined monthly total flow 56,404,000 gallons  
Combine daily average flow 1,880,000 gallons.  
Design capacity-6,000,000 gallons per day

### **Carbonaceous Biological Oxygen Demand (CBOD) (strength of wastewater)**

Brainerd composite monthly average 127 mg/L.  
Baxter composite monthly average 199 mg/L.  
Combined composite monthly average 228 mg/L. Combined average of 240 mg/L, Total daily pounds 12,000. (Design calculations)

### **Total Suspended Solids (TSS) (solids in wastewater)**

Brainerd composite monthly average 224 mg/L.  
Baxter composite monthly average 297 mg/L.  
Combined monthly average 345 mg/L. Combined average of 240 mg/L, Total daily pounds 12,000. (Design calculations)

### **Total Phosphorus Influent (P) (nutrients in wastewater)**

Brainerd monthly average 6.39 mg/L.  
Baxter monthly average 7.59 mg/L.  
Combine monthly average 6.09 mg/L. Combine monitor only (used for calculation)

### **Copper Influent (Cu) (metals in wastewater)**

Brainerd monthly average 248 ug/L.  
Baxter monthly average 161 ug/L.  
Combine monthly average 197 ug/L. Combine monitor only (used for calculation)

### **Mercury Influent (Hg) (metals in wastewater) (September)**

Brainerd monthly 102 ng/L.  
Baxter monthly 162 ng/L.  
Combine monthly 119 ng/L. Combine monthly monitor only (used for mercury minimization plan requirements)

### **Nitrite+Nitrate Influent (N+N) (nutrients in wastewater)**

0.568 mg/L. Combine monthly monitor only (used for calculations)

### **Total Kjeldahl Nitrogen Influent (TKN) (nutrients in wastewater)**

45.6 mg/L. Combine monthly monitor only (used for calculations)

### **Wastewater Effluent Flows**

Monthly total flow 57,778,000 gallons

### **Carbonaceous Biological Oxygen Demand Effluent (CBOD) (strength of wastewater)**

15 kg/d CBOD monthly average 296 kg/d monthly maximum average  
16 kg/d CBOD maximum calendar week average 473 kg/d maximum calendar week average  
2 mg/L CBOD monthly average 25 mg/L maximum monthly average  
2 mg/L CBOD calendar week average 40 mg/L maximum calendar week average  
99% CBOD removal 85% minimum removal required

### **Total Suspended Solids Effluent (TSS) (solids in wastewater)**

34 kg/d TSS monthly average 355 kg/d maximum monthly average  
45 kg/d TSS calendar week average 533 kg/d maximum calendar week average

**Total Suspended Solids Effluent (TSS) (solids in wastewater)**

5 mg/L TSS monthly average 30 mg/L maximum monthly average  
6 mg/L TSS calendar week average 45 mg/L maximum calendar week average  
99% TSS removal 85% minimum removal

**Total Phosphorus Effluent (P) (nutrients in wastewater)**

1.68 kg/y phosphorus monthly average  
2042 kg/y phosphorus 12-month moving total 8278 kg/y for the 12-month moving total  
0.716 mg/L phosphorus 12-month moving average 1.0 mg/L for the 12-month moving average

**Copper Effluent (Cu) (metals in wastewater)**

11.85 ug/L copper monthly average 235 ug/L maximum month average  
12.1 ug/L copper daily maximum 581 ug/L daily maximum

**Mercury Effluent (Hg) (metals in wastewater) (July)**

0.82 ng/L mercury monthly average 6.9 ng/L maximum monthly average  
0.844 ng/L mercury daily maximum 11.95 ng/L daily maximum

**Nitrite+Nitrate Effluent (N+N) (nutrients in wastewater)**

4.41 mg/L N+N monthly average monitor only (used for calculation)

**Ammonia Nitrogen Total (N) (nutrients in wastewater)**

<0.100 mg/L Ammonia Nitrogen Total monthly average monitor only (used for calculation)

**Total Kjeldahl Nitrogen (TKN) Effluent (nutrients in wastewater)**

4.63 mg/L TKN monthly average monitor only (used for calculation)

**Perfluorooctane Sulfonate Effluent (PFOS) (forever chemicals) (Sept)**

9.02 ng/L PFOS quarterly average 287 ng/L maximum quarterly average  
9.02 ng/L PFOS daily maximum 497ng/L daily maximum

**Fecal Effluent (Bacteria associated with human or animal wastes) (Most Probable Number) Geometric Mean (April – October)**

10 organisms per 100 milliliters <=200 geometric mean

**Biosolids Process Analysis**

2,902,000 gallons Waste Activated Sludge (WAS) Average 0.5% solids.  
2,842,000 gallons Gravity Belt Thickeners (GBT) Average 7% solids.  
2,806,000 gallons Filtrate return to headworks

6.07% average raw feed to Primary Digesters  
82.43 % volatile raw feed solids to Primary Digesters  
2.97% average solids in Primary Digesters  
68.83% average volatile solids in Primary Digesters

244,000 gallons in Biosolids Storage Tank at 2.72% solids.

54% Average Volatile Solids reduction 38% minimum volatile solids reduction required for land application of biosolids.

**Concentration**

1 mg/L = 1 milligram per liter = 1 part per million  
1 ug/L = 1 microgram per liter = 1 part per billion  
1 ng/L = 1 nanogram per liter = 1 part per trillion

**Loading**

kg/d = kilogram per day  
kg/y = kilogram per year



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## **Brainerd Public Utilities Water Production Department Report October 2024**

### September 2024 Water Pumping Statistics

Water pumped to North distribution system was 56.8 MG for an average of 1.893 MGD. Water pumped to South distribution system was 7.092 MG for an average of 0.236 MGD. Chemical usage averages for the month: 5.17 gallons of fluoride per day (\$ 39.80), 11.58 gallons of caustic soda per day (\$ 125.76), 8.41 gallons of orthophosphate per day (\$ 139.02), and 33.2 pounds of chlorine per day (\$88.31). Went through 19 filter backwash events while using an average of 0.213 MG for each event.

### Wells

All wells functioning effectively, no deficiencies or shortcomings found.

### Filtration Plant

Operating efficiently; Daily test results indicate an average of 96% removal of iron from the raw water concentration and 97.4% removal of manganese.

### Booster Pump Stations

Riverside booster station and Lum Park booster station continue to operate effectively.

### Call-out events

9/18/2024 Communications failure to ground storage tank. Staff removed fuse holder and put it back in to restore normal operation.

10/4/2024 2 events same day related to power outages. Staff re-set equipment at filtration plant, pump house, and Riverside Booster station.

10/7/2024 Power outage event. Staff re-set equipment at filtration plant and Riverside booster station.

10/8/2024 Power outage event. Staff re-set equipment at Riverside booster station, filtration plant, and Water Tower #1.