PUBLIC UTILITIES COMMISSION AGENDA

City of Brainerd, Minnesota
City Hall, 501 Laurel Street, Council Chambers
Tuesday, June 24, 2025 @ 9:00 AM

The public is invited to attend these meetings in person

Meetings are broadcast on CTC ch 8, Charter ch 181, YouTube, AppleTV, Roku, and Amazon FireTV

1. **Call To Order**

2. **Roll Call**

    ___ M. Higgins ___D. Matten ___M. O'Day ___M. Angland

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**

6. **Public Forum**
Time allocated for citizens to bring matters not on the agenda to the attention of the Commission - Time limits may be imposed

7. **Commission Committee Reports**

    A. **Personnel Committee**

    B. **Finance/Operations Committee**

        1. KLM Tower Maintenance Contract

        2. Approve Bolton & Menk Construction Management At Risk Contract

8. **Unfinished Business**
(See attached separate memo regarding updates on unfinished business)

    A. **Memo**

B. **Discuss/Approve Flaherty & Hood P.A. Lobbying Contract for Hydro Generation**

C. **Provide ClimaVision Upate**

9. **<u>New Business</u>**

10. **<u>Staff Reports</u>**
(Verbal: Any Updates since Packet)

A. **City Administrator Report**

B. **Council Liaison Report**

C. **HR Director Report**

D. **Finance Manager Report**

E. **Operations Manager Report**

F. **Water/Wastewater Manager Report**

11. **<u>Commission Member Reports</u>**

12. **<u>Adjourn</u>**

Visit Brainerd Public Utilities website at 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 the Brainerd City Council Chambers at 9:00 AM on May 27, 2025.

Commission O'Day called the meeting to order at 9:00 AM.

Commission Roll Call

Mike Angland – Absent	Mark O'Day – Present
Dolly Matten – Present	Mike Higgins – Present

Utility Staff Present

Finance Manager	Danny Loch
Operation Manager	Trent Hawkinson
Water/Wastewater Manager	Charlie Gammon
Recording Secretary	Becky Ridlon

Others in Attendance

City Council Liaison	Jeff Czeczok
City Administrator	Nick Broyles
HR Director	Kris Schubert
City Engineer	Jessie Dehm
Bolton & Menk	Morgan Salo, PE
Clifton Larson Allen LLP	Mary Reedy, CPA, CGFM
Clifton Larson Allen LLP	Eric Smedsrud, CPA
Brainerd Community Action	Dave Badeaux
Citizen	Brian Timmers

Commissioner O'Day opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

Motion by Commissioner Higgins and seconded by Commissioner Matten to approve agenda. There was a unanimous vote in favor of the motion. Motion carried.

Approval of Consent Items

Motion by Commissioner Higgins and seconded by Commissioner Matten to approve the minutes from April 29th, 2025, regular monthly meeting, approve the bills, partial pay application number 8 to Minger Construction in the amount of $72,972.17, amend the 2025 fee schedule, approve use of the waiver/liability form, and approve customer request for credit of sewer treatment and collection charges. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum
None

<u>CliftonLarsonAllen Audit Presentation-</u>
Mary Reedy and Eric Smedsrud from CliftonLarsonAllen presented.

<u>Motion by Commissioner Matten and seconded by Commissioner Higgins to accept the CliftonLarsonAllen audit presentation. There was a unanimous vote in favor of the motion. Motion carried.</u>

Commission Committee Reports

<u>Personnel Committee</u>
Matten presented and updated the Commission noting that meetings have been occurring on the personnel committee side. The committee recommended not moving forward with the Interim public utility director position and request to move forward with the previous company GMP consulting to hire a permanent public utilities director. Higgins stated that he does not believe it is necessary to fill this position at this time.

O'Day passed the gavel to Higgins.

<u>Motion by Commissioner Matten and seconded by Commissioner O'Day recommending to City Council to move forward with hiring a full-time public utility director and engage GMP consultants for use of their guarantee to fill the position. There was a roll call vote with Matten and O'Day in favor and Higgins opposed. Motion carried.</u>

<u>Finance/Operations Committee</u>

<u>Request for Proposal for Construction Management Contract-Reclaim Tank</u>

Loch presented, Matten asked what the reason is for BPU to go through a Construction Manager at Risk (CMAR) rather than using a traditional project delivery method.

Bolton & Menk Morgan Salo, PE responded, saying the Construction Manager at Risk (CMAR) will be securing the most competitive quotes and providing BPU with a more transparent Guaranteed Maximum Price (GMP), while the contract itself remains between the City utility and the contractor.

<u>Motion by Commissioner O'Day and seconded by Commissioner Matten to accept staff recommendation going out for sealed bid on a Construction Management At-Risk proposal for construction of the reclamation and backwash building. There was a unanimous vote in favor of the motion. Motion carried.</u>

<u>Discuss/Approve Credit Card Transaction Processor</u>

Finance Manager Danny Loch presented. He noted that there were some changes that could be made to the customer portal that could lead to considerable savings on the utility or passing the fees on to the customer directly.

Discussion included:

- O'Day stated, savings are significant and is in favor of this new customer portal.
    - Matten said it would be nice to see the demo. Loch agreed to make the demo available to the commissioners, and stated the 212% - 300% increase is the reason staff are looking for change.

- O'Day asked how much lead time to you need once we decide
    - Loch said 120 days to come online

Commission is in favor of staff moving forward with a new portal and reduced rates.

Unfinished Business

<u>Memo</u>

Updates of Ongoing unfinished business. -*See board packet.*

Matten asked about item <u>F. Electric Transmission Service to Brainerd</u>, is Minnesota Power doing an impact study and the cost Hawkinson responded There's no cost yet, and they'll need to submit an application first. Once that's done, we'll be able to get more feedback on whether it's something they want to pursue.

<u>Discuss Flaherty & hood P.A. Lobbying contract for Hydro Generation</u>- *See board packet for agenda request.*
Finance Manager Danny Loch presented.

<u>Motion by Commissioner Matten and seconded by Commissioner Higgins to table this item/discussion until the June Commission meeting. There was a unanimous vote in favor of the motion. Motion carried.</u>

<u>Approve SCR lowest quote Main Lift Make Up Air Unit</u>- *See board packet for agenda request.*
WWTP Supervisor Charlie Gammon presented.

<u>Motion by Commissioner Higgins and seconded by Commissioner Matten to Accept SCR quote for the main lift make up air unit in the amount of $112,200. There was a unanimous vote in favor of the motion. Motion carried.</u>

<u>New Business</u>

<u>Tower Mixer Quote</u> - *See board packet for agenda request.*
Finance Manager Danny Loch presented.

Motion by Commissioner Higgins and seconded by Commissioner Matten to Accept Proposal from KLM Engineering Inc. to supply and install a new GridBee GS-12, 120v electric submersible mixer and GridBee SCADA control box for the 1,000,000 Gallon Torro Ellipsoidal "Downtown Tower". There was a unanimous vote in favor of the motion. Motion carried.

Discuss Brainerd Community Action Beautification Ideas- *See board packet for agenda request.*
Brainerd Community Action Dave Badeaux presented.

- Hometown Heros banners on light poles
    - Commissioners are in favor of this project.
- Decorative electrical boxes
    - *Hawkinson will work with Badeaux on this project.*

Staff Reports

City Administrator Report

- Brainerd city financial audit is still in process and moving forward. The Country Mannor groundbreaking ceremony is scheduled for June 10, 2025, YMCA project is in the works. Statewide fire request, Brainerd Fire Department sent one team to help out near Two Harbors. Brainerd Regional Airport Director resigned.

City Council Liaison Report

- Czeczok reported that the City of Brainerd is moving to a complaint-driven code enforcement model, where staff will review complaints and take appropriate action.

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

Manager's Reports

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

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

Water/Wastewater Manager Report**-** *see board packet for report.*

Commission Members – Reports – None noted

Adjournment

Motion by Commissioner Matten and seconded by Commissioner Higgins to adjourn the meeting, there was a unanimous vote in favor of the motion. Motion carried at 10:07 AM.

____
Mike Angland, Commission President

____
Danny Loch, Finance Manager/Secretary

Board Packet Check Report

Brainerd Public Utilities, MN

By Check Number

Date Range: 05/23/2025 - 06/20/2025

Vendor Number	Vendor Name		Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
Bank Code: AP2-BREMER BANK							
09535	U.S. BANK ST PAUL		05/27/2025	EFT	0.00	40,222.50	242
2865733	Invoice	05/22/2025	SERIES 2014A: 0018106NS		0.00	40,222.50	
00152	Truist Governmental Finance		05/30/2025	EFT	0.00	23,906.26	243
99230000940000...	Invoice	05/29/2025	Loan #:992300009400001 - Bond 2017A		0.00	23,906.26	
00140	AEP ENERGY PARTNERS, INC.		06/18/2025	EFT	0.00	1,440,264.99	244
175-21559926	Invoice	06/17/2025	Invoice Period: 05/01/2025-05/31/2025		0.00	1,440,264.99	
07343	Gridiron Generation HoldCo, LLC		06/18/2025	EFT	0.00	121,315.36	245
INV-0768	Invoice	06/17/2025	Invoice Period: 05/01/2025 - 05/31/2025		0.00	121,315.36	
07339	ONLINE INFORMATION SERVICES, INC.		06/06/2025	Regular	0.00	-236.80	83615
00670	BARR ENGINEERING CO		05/29/2025	Regular	0.00	24,522.00	83788
23181016.06-38	Invoice	05/29/2025	Work Order # 6: Support for Hydro Project		0.00	21,672.00	
23181016.08-13	Invoice	05/29/2025	BPU Powerhouse Units 4 & 6 Upgrades		0.00	2,850.00	
02850	Diebold Nixdorf, Incorporated		05/29/2025	Regular	0.00	703.37	83790
503814266	Invoice	05/29/2025	Replacement/Service: Motor Door & Bott...		0.00	703.37	
06085	Minger Construction Companies, Inc		05/29/2025	Regular	0.00	72,972.17	83791
05/21/25 - PYMT...	Invoice	05/29/2025	Directonal Drillling/River Crossing: Pay App..		0.00	72,972.17	
08430	SHORT ELLIOT HENDRICKSON, INC		05/29/2025	Regular	0.00	2,318.60	83793
487959	Invoice	05/29/2025	Project: 179750 Water Model Update/Wtr...		0.00	2,318.60	
03686	Tel Gold LLC		05/29/2025	Regular	0.00	1,100.00	83794
250406777101	Invoice	05/29/2025	Answering Service: 03/2025 & Set Up Fee		0.00	570.00	
250506777101	Invoice	05/29/2025	Answering Service: 04/2025		0.00	530.00	
00075	A W RESEARCH		06/02/2025	Regular	0.00	5,006.00	83796
69501	Invoice	06/02/2025	PUR APRIL AW INVOICES		0.00	896.00	
69503	Invoice	06/02/2025	PUR APRIL AW INVOICES		0.00	4,110.00	
05348	Aaron Wiese		06/02/2025	Regular	0.00	233.55	83797
34943	Invoice	06/02/2025	PUR MAY LAMS INVOICES		0.00	117.80	
34944	Invoice	06/02/2025	PUR MAY LAMS INVOICES		0.00	115.75	
00337	AMERICAN WELDING & GAS INC		06/02/2025	Regular	0.00	77.65	83798
0010849144	Invoice	06/02/2025	PUR MAY AWG INVOICES 01		0.00	77.65	
00825	BORDER STATES ELECTRIC		06/02/2025	Regular	0.00	56,431.31	83799
930353832	Invoice	06/02/2025	INV U-GUARD		0.00	914.10	
930353842	Invoice	06/02/2025	INV MISC ELEC		0.00	4,857.00	
930362216	Invoice	06/02/2025	INV ELEC WIREHOLDER		0.00	110.96	
930403312	Invoice	06/02/2025	INV MISC ELEC		0.00	44,754.32	
930436821	Invoice	06/02/2025	INV MISC ELEC		0.00	291.35	
930436829	Invoice	06/02/2025	INV MISC SEC WIRE QUOTE		0.00	5,503.58	
02556	CORE & MAIN LP		06/02/2025	Regular	0.00	22,830.79	83800
W899026	Invoice	06/02/2025	INV WATER METERS		0.00	22,830.79	
03282	FERGUSON WATERWORKS #2518		06/02/2025	Regular	0.00	188.44	83801
0546132	Invoice	06/02/2025	PUR WW 3XCLOSE GALV STL NIP		0.00	188.44	
04050	HAWKINS INC.		06/02/2025	Regular	0.00	1,624.44	83802
7064064	Invoice	06/02/2025	PUR MAY HAWKINS INVOICES 01		0.00	1,614.44	

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
7066573	Invoice	06/02/2025	PUR MAY HAWKINS INVOICES 01		0.00	10.00	
05975	Midwest Motor Supply Co. Inc.		06/02/2025	Regular	0.00	248.92	83803
103348388	Invoice	06/02/2025	PUR MAY KIMBALL INVOICE		0.00	248.92	
05977	FLATIRON CRANE OPERATING COMPANY LLC.		06/02/2025	Regular	0.00	1,928.44	83804
177159	Invoice	06/02/2025	PUR MAY MIDWEST OVERHEAD INVOICES		0.00	1,928.44	
08058	RESCO		06/02/2025	Regular	0.00	76.65	83805
3071988	Invoice	06/02/2025	INV AMPACT		0.00	76.65	
08125	Rotating Apparatus Co		06/02/2025	Regular	0.00	45,480.84	83806
216	Invoice	06/02/2025	PUR HYDRO WICKET GATES		0.00	45,480.84	
08410	SCR-NORTHERN		06/02/2025	Regular	0.00	8,161.03	83807
W54368	Invoice	06/02/2025	PUR SCR DIGESTER BOILER 1 & 2		0.00	8,161.03	
08895	STUART C. IRBY CO		06/02/2025	Regular	0.00	436.50	83808
S014104171.002	Invoice	06/02/2025	INV AMPACT ORDER		0.00	436.50	
09214	THEIN WELL CO. INC.		06/02/2025	Regular	0.00	52,803.00	83809
9481	Invoice	06/02/2025	PUR THEIN WELL BPU WELL 5		0.00	1,980.00	
9482	Invoice	06/02/2025	PUR CENTRAL THEIN WELL		0.00	40,890.00	
9483	Invoice	06/02/2025	PUR WELL 6 REPAIR		0.00	9,933.00	
00340	Vestis Group, Inc.		06/02/2025	Regular	0.00	101.43	83810
2530398988	Invoice	06/02/2025	PUR MAY VESTIS 01		0.00	33.81	
2530401457	Invoice	06/02/2025	PUR MAY VESTIS 01		0.00	33.81	
2530404262	Invoice	06/02/2025	PUR MAY VESTIS 01		0.00	33.81	
09899	WESCO RECEIVABLES CORP		06/02/2025	Regular	0.00	71,797.40	83811
535377	Invoice	06/02/2025	PUR CENTRAL TRIPOD SYSTEM		0.00	7,527.00	
545296	Invoice	06/02/2025	INV EU0860 35KV VFI		0.00	56,537.00	
545297	Invoice	06/02/2025	INV SM INTERFACE PARTS		0.00	3,896.20	
546716	Invoice	06/02/2025	INV MISC ELEC		0.00	133.20	
547806	Invoice	06/02/2025	INV UGUARD		0.00	726.20	
548262	Invoice	06/02/2025	INV MISC ELEC		0.00	2,977.80	
00075	A W RESEARCH		06/09/2025	Regular	0.00	4,372.64	83822
70424	Invoice	06/09/2025	PUR MAY AW INVOICES		0.00	756.00	
70426	Invoice	06/09/2025	PUR MAY AW INVOICES		0.00	3,616.64	
00105	ACE HARDWARE-BRAINERD		06/09/2025	Regular	0.00	37.89	83823
332315	Invoice	06/09/2025	PUR MAY ACE INVOICES 01		0.00	9.61	
332371	Invoice	06/09/2025	PUR MAY ACE INVOICES 01		0.00	28.28	
00198	ALTEC INDUSTRIES, INC.		06/09/2025	Regular	0.00	415.17	83824
12991333	Invoice	06/09/2025	PUR MAY ALTEC INVOICE		0.00	415.17	
00497	AUTO VALUE		06/09/2025	Regular	0.00	11.00	83825
17375537	Invoice	06/09/2025	PUR MAY AUTO VALUE INVOICE		0.00	11.46	
182096973	Credit Memo	05/22/2025	Credit: Sales Tax Adjustment		0.00	-0.46	
00735	Best Oil, LLC		06/09/2025	Regular	0.00	10,469.39	83826
10101	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	675.17	
10102	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	572.40	
10103	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	514.49	
10222	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	1,062.15	
10223	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	1,192.50	
10419	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	323.00	
10420	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	457.78	
10456	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	775.16	
10529	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	578.00	
10530	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	355.30	

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
40336	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	1,110.94	
40413	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	2,112.50	
40414	Invoice	06/09/2025	PUR MAY BEST OIL INVOICES		0.00	740.00	
00337	AMERICAN WELDING & GAS INC		06/10/2025	Regular	0.00	40.86	83828
0010901304	Invoice	06/10/2025	PUR MAY AWG INVOICES		0.00	40.86	
00825	BORDER STATES ELECTRIC		06/10/2025	Regular	0.00	276.87	83829
930321873	Invoice	06/10/2025	PUR CC2C06T COPPERTOP		0.00	276.87	
02785	DACOTAH PAPER CO		06/10/2025	Regular	0.00	586.93	83830
37118	Invoice	06/10/2025	PUR MAY DACOTAH PAPER INVOICES		0.00	518.03	
43334	Invoice	06/10/2025	PUR MAY DACOTAH PAPER INVOICES		0.00	120.97	
4459	Credit Memo	06/10/2025	Credit: Invoice 37118 - Facial Tissue		0.00	-52.07	
02860	Dixon Mechanical Electric, LLC		06/10/2025	Regular	0.00	380.73	83831
10047	Invoice	06/10/2025	PUR MAY DIXON MECHANICAL INVOICES		0.00	176.27	
10060	Invoice	06/10/2025	PUR MAY DIXON MECHANICAL INVOICES		0.00	204.46	
03497	FLEETPRIDE TRUCK & TRAILER PARTS		06/10/2025	Regular	0.00	1,026.76	83832
125417601	Invoice	06/10/2025	PUR MAY FLEET PRIDE INVOICE		0.00	1,026.76	
03699	GRAINGER		06/10/2025	Regular	0.00	126.75	83833
9508968899	Invoice	06/10/2025	PUR MAY GRAINGER INVOICES		0.00	77.90	
9511977853	Invoice	06/10/2025	PUR MAY GRAINGER INVOICES		0.00	48.85	
04050	HAWKINS INC.		06/10/2025	Regular	0.00	6,811.05	83834
7077444	Invoice	06/10/2025	PUR MAY HAWKINS INVOICE		0.00	6,811.05	
04613	JACO ANALYTICAL, INC.		06/10/2025	Regular	0.00	510.00	83835
40E90301	Invoice	06/10/2025	PUR MAY JACO INVOICES		0.00	447.00	
E5ET03	Invoice	06/10/2025	PUR MAY JACO INVOICES		0.00	63.00	
05168	KURITA AMERICA INC.		06/10/2025	Regular	0.00	31,785.20	83836
INV893338	Invoice	06/10/2025	PUR KURIFLOC		0.00	15,892.60	
INV895057	Invoice	06/10/2025	PUR KURIFLOC		0.00	15,892.60	
05625	LOCATORS & SUPPLIES, INC.		06/10/2025	Regular	0.00	168.22	83837
0321080-IN	Invoice	06/10/2025	PUR LOCATORS AND SUPPLIES INVOICE		0.00	168.22	
06141	MINNESOTA DEPT OF HEALTH		06/10/2025	Regular	0.00	12,485.00	83838
1180002 - Q2 20...	Invoice	06/10/2025	System:118002 - Wtr Supply Connection F...		0.00	12,485.00	
06266	MINNESOTA VALLEY TESTING LABS		06/10/2025	Regular	0.00	4,071.25	83839
1305013	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	1,553.25	
1305484	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	505.50	
1305485	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	397.50	
1305486	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	92.00	
1306015	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	198.00	
1306548	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	372.50	
1306549	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	505.50	
1306552	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	117.00	
1307309	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	66.00	
1307925	Invoice	06/10/2025	PUR MAY MVTL INVOICES		0.00	264.00	
06431	MOMENTUM TRUCK GROUP		06/10/2025	Regular	0.00	1,179.76	83840
X500017293-01	Invoice	06/10/2025	PUR MAY MOMENTUM INVOICE		0.00	944.43	
X500017481-01	Invoice	06/10/2025	PUR MAY MOMENTUM INVOICE		0.00	113.37	
X500017487-01	Invoice	06/10/2025	PUR MAY MOMENTUM INVOICE		0.00	121.96	
06790	NAPA AUTO PARTS BAXTER		06/10/2025	Regular	0.00	343.49	83841
803186	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	30.47	
805214	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	44.72	
805508	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	50.67	

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
805640	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	6.04	
805720	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	11.08	
805850	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	33.55	
806038	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	19.73	
809618	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	89.76	
810317	Invoice	06/10/2025	PUR MAY NAPA INVOICES		0.00	57.47	
07292	Nuss Truck Group Inc.		06/10/2025	Regular	0.00	276.60	83842
PSO204477-1	Invoice	06/10/2025	Connector/O-Ring		0.00	186.23	
PSO204477-2	Invoice	06/10/2025	Hose Clamp		0.00	44.49	
PSO204575-1	Invoice	06/10/2025	PUR MAY NUSS INVOICE		0.00	276.60	
PSR004897-1	Credit Memo	06/10/2025	Credit: Connector/O-Ring - Invoice PSO20...		0.00	-186.23	
PSR004898-1	Credit Memo	06/10/2025	Credit: Hose Clamp - Invoice PSO204477-2		0.00	-44.49	
07335	OFFICE SHOP		06/10/2025	Regular	0.00	440.24	83843
1154891-0	Invoice	06/10/2025	Office Supplies		0.00	151.77	
1154891-1	Invoice	06/10/2025	Office Supplies		0.00	96.33	
1154891-2	Invoice	06/10/2025	Receipt paper rolls		0.00	192.14	
07615	PIKE PLUMBING & HEATING OF BRD, INC		06/10/2025	Regular	0.00	520.33	83844
90422	Invoice	06/10/2025	PUR MAY PIKE PLUMBING INVOICES		0.00	520.33	
10225	POMP'S TIRE SERVICE INC.		06/10/2025	Regular	0.00	937.99	83845
2280008335	Invoice	06/10/2025	PUR MAY POMP INVOICE		0.00	937.99	
08002	RDO EQUIPMENT CO.		06/10/2025	Regular	0.00	555.26	83846
P5395003	Invoice	06/10/2025	PUR MAY RDO INVOICES		0.00	555.26	
08072	REFRIGERATION-HEATING, INC.		06/10/2025	Regular	0.00	49.50	83847
1479614	Invoice	06/10/2025	PUR MAY RHI INVOICES		0.00	49.50	
08058	RESCO		06/10/2025	Regular	0.00	685.14	83848
3070237	Invoice	06/10/2025	PUR KELLY BAR		0.00	685.14	
09165	TANNER MOTORS		06/10/2025	Regular	0.00	135.27	83849
167039	Invoice	06/10/2025	PUR MAY TANNER INVOICE		0.00	135.27	
09250	THOMPSON EXCAVATING, LLC		06/10/2025	Regular	0.00	3,363.36	83850
9053	Invoice	06/10/2025	PUR MAY THOMPSON INVOICES		0.00	3,363.36	
00340	Vestis Group, Inc.		06/10/2025	Regular	0.00	67.62	83851
2530406878	Invoice	06/10/2025	PUR MAY VESTIS INVOICES 02		0.00	33.81	
2530409205	Invoice	06/10/2025	PUR MAY VESTIS INVOICES 02		0.00	33.81	
09663	VIKING ELECTRIC SUPPLY, INC		06/10/2025	Regular	0.00	897.91	83852
S009139770.001	Invoice	06/10/2025	PUR MAY VIKING ELEC INVOICES		0.00	87.73	
S009139789.001	Invoice	06/10/2025	PUR MAY VIKING ELEC INVOICES		0.00	436.97	
S009156268.001	Invoice	06/10/2025	PUR MAY VIKING ELEC INVOICES		0.00	148.06	
S009156756.001	Invoice	06/10/2025	PUR MAY VIKING ELEC INVOICES		0.00	8.75	
S009165544.001	Invoice	06/10/2025	PUR MAY VIKING ELEC INVOICES		0.00	148.06	
S009190184.001	Invoice	06/10/2025	PUR MAY VIKING ELEC INVOICES		0.00	68.34	
09899	WESCO RECEIVABLES CORP		06/10/2025	Regular	0.00	719.85	83853
555904	Invoice	06/10/2025	PUR EXTRA ELEC GLOVES AND SLEEVES		0.00	719.85	
00670	BARR ENGINEERING CO		06/13/2025	Regular	0.00	16,071.50	83854
23181016.08-14	Invoice	06/13/2025	BPU Powerhouse Units 4 & 6 Upgrades		0.00	8,200.00	
23181016.09-2	Invoice	06/13/2025	Work Order #9: Support for Hydro Project		0.00	7,871.50	
00755	BJERGA'S FEED STORE		06/13/2025	Regular	0.00	267.17	83855
1480208	Invoice	06/13/2025	10 gal Glystar Plus		0.00	267.17	
00778	BLA Clean, LLC.		06/13/2025	Regular	0.00	2,476.00	83856
1282	Invoice	06/13/2025	Cleaning Services: May 2025		0.00	2,476.00	

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
00820	BOLTON & MENK, INC.		06/13/2025	Regular	0.00	3,582.00	83857
0364047	Invoice	06/13/2025	Water Treatment Improvements: 4/12/25...		0.00	3,582.00	
01890	CHARTER COMMUNICATIONS		06/13/2025	Regular	0.00	1,288.43	83858
175590201060125	Invoice	06/13/2025	TV SERVICE: 06/2025		0.00	39.43	
237487601060125	Invoice	06/13/2025	237487601: FIBER INTERNET: 06/2025		0.00	1,249.00	
02025	CITY OF BRAINERD		06/13/2025	Regular	0.00	183,979.51	83859
05/2025-Mill Rate	Invoice	06/13/2025	MONTHLY TRANSFER: 05/2025		0.00	57,810.61	
05/31/2025-San/...	Invoice	06/13/2025	SANITARY & STORM SWR BILLING/COLLEC...		0.00	126,168.90	
09192	Dycom Industries, Inc.		06/13/2025	Regular	0.00	7,776.00	83861
309228	Invoice	06/13/2025	Hwy 210 Crossing: Bore 2'' Pipe		0.00	7,776.00	
03321	FIRST IMPRESSION PRINTING		06/13/2025	Regular	0.00	926.50	83862
94194	Invoice	06/13/2025	PRINTING/PUBLISHING FORMS: Watt's N...		0.00	926.50	
03695	GOPHER STATE ONE-CALL		06/13/2025	Regular	0.00	280.80	83863
5050112	Invoice	06/13/2025	GSOC TICKETS: 05/2025		0.00	280.80	
04555	INTEGRATED PROTECTION SYSTEMS, INC.		06/13/2025	Regular	0.00	8,606.06	83864
85200	Invoice	06/13/2025	Fire System Upgrade-Progress Invoice # 2		0.00	8,606.06	
03090	JASON L. ENGHOLM		06/13/2025	Regular	0.00	19.00	83865
06/04/25-Lic Ren...	Invoice	06/13/2025	Reimburse difference to Class A Renewal		0.00	19.00	
05415	LANDIS-GYR TECHNOLOGY, INC/FKA CELLNET		06/13/2025	Regular	0.00	1,995.00	83866
90410948	Invoice	06/13/2025	MONTHLY ENDPOINT FEE: 05/2025		0.00	1,995.00	
05530	LEAGUE OF MN CITIES INS. TRUST WC		06/13/2025	Regular	0.00	18,252.75	83867
10002612-WC Q3...	Invoice	06/13/2025	ACCT: 10002612-WORK COMP - Q3 2025		0.00	18,252.75	
06125	MINNESOTA DEPT OF COMMERCE		06/13/2025	Regular	0.00	4,406.92	83868
1000053265	Invoice	06/13/2025	INDIRECT ASSESSMENT: #217 - Q1 Fiscal Yr..		0.00	4,406.92	
07339	ONLINE INFORMATION SERVICES, INC.		06/13/2025	Regular	0.00	210.16	83869
1327711	Invoice	06/13/2025	ONLINE UTILITY EXCHANGE REPORT: 05/2...		0.00	210.16	
08789	Spencer Fane LP		06/13/2025	Regular	0.00	2,200.00	83870
1407797	Invoice	06/13/2025	Large Power Agreements		0.00	2,200.00	
03686	Tel Gold LLC		06/13/2025	Regular	0.00	530.00	83871
250606777101	Invoice	06/13/2025	Answering Service: 05/2025		0.00	530.00	
09728	WASTE PARTNERS		06/13/2025	Regular	0.00	1,592.90	83872
55X18357	Invoice	06/13/2025	TRASH/RECYCLING SERVICE: ACCT#242053		0.00	1,592.90	
10188	ALPENGLOW TECHNOLOGIES, LLC		06/17/2025	Regular	0.00	400.00	83874
11605	Invoice	06/17/2025	Monthly IT Billing: 06/2025		0.00	400.00	
05348	Aaron Wiese		06/18/2025	Regular	0.00	114.20	83885
34945	Invoice	06/18/2025	PUR JUNE LAMS INVOICES		0.00	114.20	
00105	ACE HARDWARE-BRAINERD		06/18/2025	Regular	0.00	40.38	83886
332937	Invoice	06/18/2025	PUR JUNE ACE INVOICES		0.00	24.04	
333113	Invoice	06/18/2025	PUR JUNE ACE INVOICES		0.00	16.34	
00497	AUTO VALUE		06/18/2025	Regular	0.00	36.32	83887
17377137	Invoice	06/18/2025	PUR JUNE AUTO VALUE INVOICE		0.00	36.32	
00735	Best Oil, LLC		06/18/2025	Regular	0.00	2,311.60	83888
10646	Invoice	06/18/2025	PUR JUNE BEST OIL INVOICES		0.00	380.40	
10647	Invoice	06/18/2025	PUR JUNE BEST OIL INVOICES		0.00	669.75	
10774	Invoice	06/18/2025	PUR JUNE BEST OIL INVOICES		0.00	523.05	
10775	Invoice	06/18/2025	PUR JUNE BEST OIL INVOICES		0.00	738.40	

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
00825	BORDER STATES ELECTRIC		06/18/2025	Regular	0.00	368.16	83889
930513520	Invoice	06/18/2025	INV MISC ELEC		0.00	368.16	
00982	BRAINERD HYDRAULIC AIR & INDUSTRIAL SUPPI		06/18/2025	Regular	0.00	206.18	83890
35470	Invoice	06/18/2025	PUR MAY BRAINERD HYDRAULIC		0.00	206.18	
02645	CRESCENT ELECTRIC SUPPLY		06/18/2025	Regular	0.00	206.16	83891
S513291021.001	Invoice	06/18/2025	PUR MAY CRESCENT INVOICES		0.00	206.16	
03282	FERGUSON WATERWORKS #2518		06/18/2025	Regular	0.00	1,891.36	83892
0546791	Invoice	06/18/2025	INV WATER COUPLERS		0.00	1,118.30	
0547078	Invoice	06/18/2025	PUR WATER PARTS		0.00	773.06	
03699	GRAINGER		06/18/2025	Regular	0.00	11.60	83893
9526364261	Invoice	06/18/2025	PUR JUNE GRAINGER INVOICES		0.00	11.60	
04050	HAWKINS INC.		06/18/2025	Regular	0.00	4,813.08	83894
7096943	Invoice	06/18/2025	PUR JUNE HAWKINS INVOICES		0.00	4,803.08	
7099270	Invoice	06/18/2025	PUR JUNE HAWKINS INVOICES		0.00	10.00	
04096	HENGEL READY MIX & CONST		06/18/2025	Regular	0.00	80.00	83895
244736	Invoice	06/18/2025	PUR MAY HENGEL INVOICES		0.00	80.00	
04750	JOHN HENRY FOSTER MINNESOTA, INC.		06/18/2025	Regular	0.00	4,334.19	83896
10768197-00	Invoice	06/18/2025	PUR CENTRAL JH FOSTER PARTS		0.00	3,452.56	
10768197-01	Invoice	06/18/2025	PUR CENTRAL JH FOSTER PARTS		0.00	881.63	
05895	MCMASTER CARR SUPPLY CO		06/18/2025	Regular	0.00	379.29	83897
47190495	Invoice	06/18/2025	PUR JUNE MCMASTER-CARR INVOICE		0.00	379.29	
06790	NAPA AUTO PARTS BAXTER		06/18/2025	Regular	0.00	34.85	83898
812524	Invoice	06/18/2025	PUR JUNE NAPA INVOICES		0.00	34.85	
07292	Nuss Truck Group Inc.		06/18/2025	Regular	0.00	15,868.34	83899
SWO052570-1	Invoice	06/18/2025	PUR JUNE NUSS INVOICES		0.00	7,959.26	
SWO052573-1	Invoice	06/18/2025	PUR JUNE NUSS INVOICES		0.00	7,909.08	
08072	REFRIGERATION-HEATING, INC.		06/18/2025	Regular	0.00	51.42	83900
1486518	Invoice	06/18/2025	PUR JUNE RHI INVOICES		0.00	51.42	
08106	RMB Environmental Laboratories, Inc.		06/18/2025	Regular	0.00	1,145.00	83901
E000700	Invoice	06/18/2025	PUR JUNE RMB INVOICE		0.00	1,145.00	
08279	RS Americas, Inc.		06/18/2025	Regular	0.00	120.38	83902
9020871623	Invoice	06/18/2025	PUR JUNE RS INVOICE		0.00	120.38	
09827	Scale Bros, LLC		06/18/2025	Regular	0.00	1,072.50	83903
3682	Invoice	06/18/2025	PUR MAY WEIGH-RITE INVOICE		0.00	1,072.50	
00340	Vestis Group, Inc.		06/18/2025	Regular	0.00	67.62	83904
2530411816	Invoice	06/18/2025	PUR JUNE VESTIS INVOICES		0.00	33.81	
2530414435	Invoice	06/18/2025	PUR JUNE VESTIS INVOICES		0.00	33.81	
09663	VIKING ELECTRIC SUPPLY, INC		06/18/2025	Regular	0.00	4.05	83905
S009228997.001	Invoice	06/18/2025	PUR JUNE VIKING INVOICES		0.00	4.05	
09899	WESCO RECEIVABLES CORP		06/18/2025	Regular	0.00	7,444.94	83906
556713	Invoice	06/18/2025	INV EO5730		0.00	1,034.50	
558698	Invoice	06/18/2025	INV MISC ELEC		0.00	602.00	
562483	Invoice	06/18/2025	PUR GROUND SET		0.00	5,808.44	
09996	ZIEGLER INC.		06/18/2025	Regular	0.00	21.52	83907
IN001925860	Invoice	06/18/2025	PUR MAY ZIEGLER INVOICE		0.00	21.52	

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
01191	BREMER BANK - CC		05/29/2025	Bank Draft	0.00	11,560.04	DFT0001666
04/30/2025 CC S...	Invoice	05/29/2025	CC Statement: 04/30/2025		0.00	11,560.04	
07715	U.S. POSTAL SERVICE		05/29/2025	Bank Draft	0.00	11.46	DFT0001669
661173595	Invoice	05/29/2025	Additional Postage Due - Bulk Mail		0.00	11.46	
09561	United Parcel Service, Inc		06/10/2025	Bank Draft	0.00	46.30	DFT0001678
0000E4015K195	Invoice	06/10/2025	PUR MAY UPS INVOICES		0.00	46.30	
02002	CITY OF BAXTER		06/13/2025	Bank Draft	0.00	1,091.23	DFT0001679
00335-000-05/19...	Invoice	06/13/2025	STORMWATER - ACCT# 007335-000		0.00	1,091.23	
00472	AT&T MOBILITY		06/13/2025	Bank Draft	0.00	2,188.83	DFT0001681
287302792515X...	Invoice	06/13/2025	AT & T MONTHLY BILL: 04/26-05/25		0.00	2,188.83	
01805	CENTERPOINT ENERGY		06/13/2025	Bank Draft	0.00	18.15	DFT0001682
11582840-2-05/1...	Invoice	06/13/2025	1602 E RIVER RD		0.00	18.15	
01805	CENTERPOINT ENERGY		06/13/2025	Bank Draft	0.00	44.41	DFT0001683
11595232-7-05/1...	Invoice	06/13/2025	50 JENNY STREET		0.00	44.41	
02717	CULLIGAN		06/13/2025	Bank Draft	0.00	100.65	DFT0001684
150-01059575-2-...	Invoice	06/13/2025	150-01059575-2 Service Center		0.00	100.65	
02717	CULLIGAN		06/13/2025	Bank Draft	0.00	50.08	DFT0001685
150-10024107-7-...	Invoice	06/13/2025	150-10024107-7 Hydro		0.00	50.08	
03682	Global Payments Direct, Inc.		06/13/2025	Bank Draft	0.00	97,512.08	DFT0001687
06/01/2025 - CC ...	Invoice	06/13/2025	CREDIT CARD FEES: 05/2025		0.00	97,512.08	
07715	U.S. POSTAL SERVICE		06/13/2025	Bank Draft	0.00	4.22	DFT0001689
662460396	Invoice	06/13/2025	Additional Postage Due - Bulk Mail		0.00	4.22	
09925	WEX HEALTH, INC		06/13/2025	Bank Draft	0.00	23.00	DFT0001691
0002178043-IN	Invoice	06/13/2025	MONTHLY COBRA BILLING: 05/2025		0.00	23.00	
07715	U.S. POSTAL SERVICE		06/13/2025	Bank Draft	0.00	8.35	DFT0001692
661566555	Invoice	05/31/2025	Additional Postage Due - Bulk Mail		0.00	8.35	
07640	PITNEY BOWES, INC.		06/13/2025	Bank Draft	0.00	3,500.00	DFT0001693
05/29/2025-Post...	Invoice	05/31/2025	POSTAGE REFILL		0.00	3,500.00	

Bank Code AP2 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	179	94	0.00	748,274.40
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-236.80
Bank Drafts	14	14	0.00	116,158.80
EFT's	4	4	0.00	1,625,709.11
	197	**113**	**0.00**	**2,489,905.51**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	179	94	0.00	748,274.40
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-236.80
Bank Drafts	14	14	0.00	116,158.80
EFT's	4	4	0.00	1,625,709.11
	197	**113**	**0.00**	**2,489,905.51**

Fund Summary

Fund	Name	Period	Amount
9	POOLED CASH CONTROL	5/2025	177,316.40
9	POOLED CASH CONTROL	6/2025	2,312,589.11
			2,489,905.51

Public Utilities Commission
Agenda Request

MEETING DATE: June 24, 2025

TITLE OF ITEM: KLM Tower Maintenance Contract

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 2

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

SUMMARY OF ISSUE: Our 10-year maintenance contract agreements with SEH have lapsed. KLM who are specialists in water storage (towers and reservoirs), performed remote-operated vehicle (ROV) video evaluations of two of the towers in our system and noticed some items to review on a rotating basis. They presented to staff the attached recommendation for an evaluation schedule and presented potential budgeted items to consider for future capital budgets.

These ROV evaluations showed some abnormal wear in the interior coatings that should be evaluated on an on-going basis. The attached Tower Maintenance contract consists of scheduled ROV evaluations to be completed on a rotating basis.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: The additional maintenance for mixer install, and dry-tank cleanouts are for budgeting purposes and are typical items suggested for proper tower maintenance.

RECOMMENDED ACTION/MOTION: Recommendation coming out of the finance committee discussion is to approve the attached ROV evaluation schedule with KLM as presented and to utilize the presented maintenance schedule for budgeting purposes.

FINANCIAL IMPACT:

Corporate Office

1976 Wooddale Drive, Suite 4
Woodbury, MN 55125
651-773-5111

June 11, 2025

Sent via Email Only

Trent Hawkinson
Operations Manager
Brainerd Public Utilities
8027 Highland Scenic Rd
Brainerd, MN 56401

RE: 1,000,000-Gallon Toro Ellipsoidal Water Tower "Downtown Tower"
1,000,000-Gallon Ground Storage Reservoir "Ground Storage Reservoir 1"
1,000,000-Gallon Ground Storage Reservoir "Ground Storage Reservoir 2"
600,000-Gallon Radial Cone Bottom Water Tower "Hospital Tower"
500,000-Gallon Composite Water Tower "South Tower"
Brainerd, Minnesota

Dear Trent:

KLM is pleased to submit a maintenance agreement proposal for the above-referenced water towers. The first task order will be during the 2025 construction season. KLM proposes to perform evaluations on a three (3)-year cycle. Other maintenance items will be budgeted for and incorporated into the maintenance agreement as necessary.

KLM Engineering provides AMPP (NACE) and AWS trained inspectors, certificated in competent climbing, that have experience and comply with the Occupational Safety and Health Standards (OSHA), American Water Works Association (AWWA), American Concrete Industry (ACI) and State Regulations.

MAINTENANCE ITEMS

- Remote Operated Vehicle (ROV) Tower Evaluations
- Dry Tank Clean Out (DTCO) Tower Evaluations
- Mixer installations
- Exterior Cleanings
- Spot Repairs of the coating systems
- Overcoats of the exterior of the tower
- Interior Wet Area reconditioning
- Full tower reconditioning

MAINTENANCE AGREEMENT SCHEDULE

The purpose of a maintenance agreement is to provide the Owner with known fees and a schedule for evaluating the assets on a rotating basis. KLM will perform an ROV or DTCO evaluation every three years for each water tower, as detailed below. For this maintenance agreement, all evaluations are listed as ROV evaluations. Once an ROV evaluation indicates that a DTCO is necessary on a given tower, we will adjust the maintenance agreement accordingly.

1,000,000-Gallon Downtown Tower			
Year	**Scope of Work**	**Documentation**	**Price**
2027	ROV Evaluation	**Report**	$3,500.00
2030	ROV Evaluation	**Report**	$3,700.00
2033	ROV Evaluation	**Report**	$3,900.00
Total Price			**$11,100.00**

1,000,000-Gallon Ground Storage Reservoir 1			
Year	**Scope of Work**	**Documentation**	**Price**
2026	ROV Evaluation	**Report**	$3,400.00
2029	ROV Evaluation	**Report**	$3,600.00
2032	ROV Evaluation	**Report**	$3,800.00
Total Price			**$10,800.00**

1,000,000-Gallon Ground Storage Reservoir 2			
Year	**Scope of Work**	**Documentation**	**Price**
2026	ROV Evaluation	**Report**	$3,400.00
2029	ROV Evaluation	**Report**	$3,600.00
2032	ROV Evaluation	**Report**	$3,800.00
Total Price			**$10,800.00**

600,000-Gallon Hospital Tower			
Year	**Scope of Work**	**Documentation**	**Price**
2028	ROV Evaluation	**Report**	$3,500.00
2031	ROV Evaluation	**Report**	$3,700.00
2034	ROV Evaluation	**Report**	$3,900.00
Total Price			**$11,100.00**

500,000-Gallon South Tower			
Year	**Scope of Work**	**Documentation**	**Price**
2025	ROV Evaluation	**Report**	$3,300.00
2028	ROV Evaluation	**Report**	$3,500.00
2031	ROV Evaluation	**Report**	$3,700.00
Total Price			**$10,500.00**

Lead and Chromium collection and testing are an additional fee and will be charged at the current rate if/when services are provided.

The fee for gasket installation on state-required wet access manways is an additional fee and will be charged at the current rate if/when services are provided.

It is the responsibility of the Owner to make sure that the tank is prepared for the evaluation per the schedule agreed to in advance by both parties. In the event KLM arrives on site and the tank is not ready, or a second day is required to remove the sediment during a DTCO evaluation, a second day will be charged as additional time and materials.

KLM can replace the existing manway gasket(s) on a time and materials basis, per gasket. If the tank is not drained and ready for cleanout and inspection, KLM will charge an hourly rate (based on, then current, KLM Fee Schedule) per each full hour of mobilization or delay time.

MAINTENANCE AGREEMENT BUDGET SCHEDULE

This section is a rolling budget for services needed on the towers. This schedule will be updated following each evaluation. These budget numbers can be used for Capital Improvement Planning (CIP). When a service in the CIP budget comes due, a Task Order will be executed for that service under this same agreement.

1,000,000-Gallon Downtown Tower		
Year	**Scope of Work**	**CIP Budget**
2025	GS-12 Mixer Installation	$30,724.00
2028	Exterior Cleaning	$16,000.00
2028	Spot Coatings Repairs	$41,000.00
2031	GS-12 Mixer Replacement	$21,500.00
2033	Exterior Cleaning	$20,000.00
2033	Spot Coatings Repairs	$48,000.00
2033	Exterior Overcoat	$132,000.00
2037	GS-12 Mixer Replacement	$26,000.00
2039	Full Tower Reconditioning	$1,500,000.00

1,000,000-Gallon Ground Storage Reservoir 1		
Year	**Scope of Work**	**CIP Budget**
2025	GS-12 Mixer Installation	$30,724.00
2031	GS-12 Mixer Replacement	$21,500.00
2037	GS-12 Mixer Replacement	$26,000.00

1,000,000-Gallon Ground Storage Reservoir 2		
Year	**Scope of Work**	**CIP Budget**
2025	GS-12 Mixer Installation	$30,724.00
2031	GS-12 Mixer Replacement	$21,500.00
2037	GS-12 Mixer Replacement	$26,000.00

600,000-Gallon Hospital Tower		
Year	**Scope of Work**	**CIP Budget**
2026	GS-12 Mixer Installation	$32,000.00
2028	Interior Wet Area Reconditioning	$385,000.00
2029	Exterior Cleaning	$15,000.00
2032	GS-12 Mixer Replacement	$22,000.00
2033	Spot Coatings Repairs	$59,000.00
2034	Exterior Cleaning	$20,000.00
2034	Exterior Overcoat	$107,000.00
2038	GS-12 Mixer Replacement	$26,500.00
2040	Full Tower Reconditioning	$1,100,000.00

500,000-Gallon South Tower		
Year	**Scope of Work**	**CIP Budget**
2026	GS-9 Mixer Installation	$26,500.00
2028	Exterior Cleaning	$15,000.00
2032	GS-9 Mixer Replacement	$17,500.00
2033	Spot Coatings Repairs	$59,000.00
2033	Exterior Cleaning	$20,000.00
2038	GS-9 Mixer Replacement	$21,000.00
2038	Spot Coatings Repairs	$68,000.00
2038	Exterior Cleaning	$18,000.00
2038	Exterior Overcoat	$124,000.00
2043	Full Tower Reconditioning	$1,250,000.00

***All above budget items are potential services to be selected by BPU depending on the current needs.**
***Descriptions of each of these services can be found in Appendix A of this agreement.**

ADDITIONAL INFORMATION

Additional information can be found at KLM's website at: www.klmengineering.com

***KLM will not bill you in a lump sum. KLM will bill you once the owner receives the report or the services are performed for that individual year.**

***This Agreement can be extended, at any time, upon written request.**

From the evaluation reports, we will collaboratively agree on the next maintenance items to be addressed. These activities will then initiate the execution of a Task Order for the Maintenance Agreement. Each Task Order will address one or several services needed at a given time.

TERMS AND CONDITIONS

KLM has attached our standard Terms and Conditions. The Terms and Conditions are part of this Agreement between Brainerd Public Utilities and KLM Engineering, Inc., unless otherwise agreed to in writing by both parties.

***Either party may terminate this Agreement at any time by providing a written notice. Any modification to this agreement must be in writing and signed by both parties.**

AGREEMENT

This Agreement is valid for sixty (60) days from the date of this Agreement. If Brainerd Public Utilities finds this Agreement acceptable, please sign and return it by mail or email. When KLM receives the signed Agreement, we will contact the Client to coordinate services. Upon execution of a given service or Task Order, an invoice will be submitted according to the terms of this Agreement.

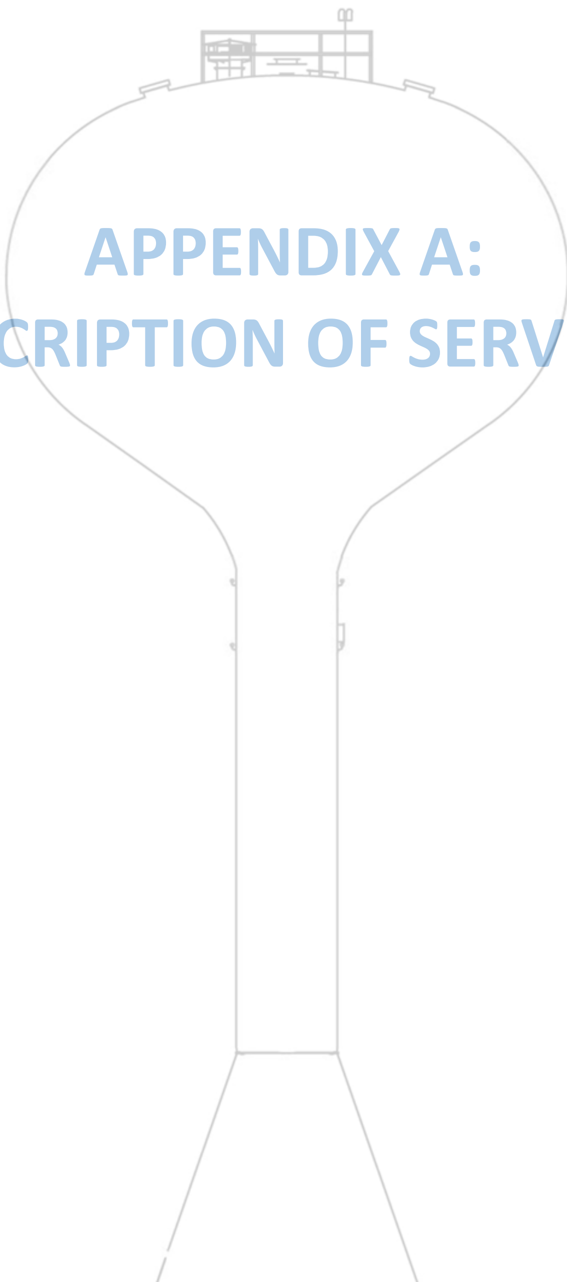
This Agreement, between Brainerd Public Utilities of Brainerd, Minnesota and KLM Engineering, Inc. is accepted by:

BRAINERD PUBLIC UTILITIES **8027 Highland Scenic Rd** **Brainerd, MN 56401**	**KLM ENGINEERING, INC.** **1976 Wooddale Drive, Suite 4** **Woodbury, MN 55125**
Signature	Signature
Name	Dan Popehn Name
Title	Director of Business Development Title
Date	June 11, 2025 Date

We look forward to working with you.

Sincerely,

KLM ENGINEERING, INC.
Dan Popehn
Director of Business Development
1976 Wooddale Drive, Suite 4
Woodbury, MN 55125
Cell: 612-743-3102
Email: dpopehn@klmengineering.com



APPENDIX A:
DESCRIPTION OF SERVICES

DESCRIPTION OF SERVICES

TOWER EVALUTIONS

KLM Engineering provides evaluation reports that are reviewed by an engineer who has authored the report and/or were written under the engineer's direct supervision.

SCOPE OF WORK

ROV Evaluation

KLM plans to utilize a two-man crew and a Remote Operated Vehicle (ROV) to perform the evaluations. This evaluation method can be performed in one day.

KLM will provide AMPP (NACE) Coatings Inspectors, with proper training to perform this type of evaluation. To perform an ROV evaluation, the Owner is required to have the water at, or near, the high-water level (HWL) at the start of the evaluation. KLM inspectors will insert a disinfected ROV into the tank interior for the interior inspection of the roof, roof structure and all appurtenances such as vents, manways and ladders. Photographs will be taken with an underwater camera, which will show coating deficiencies. The camera will be disinfected in accordance with AWWA. The inlet pipe or wet riser is ***excluded*** from the inspection, unless otherwise provided in this Agreement.

Dry Tank Clean Out (DTCO) Evaluation

KLM will evaluate the floor, the reservoir walls and any interior structure accessible without rigging the tank. All accessible exterior surfaces, including the roof, will also be evaluated. KLM will measure and photograph all areas that need to be included in the evaluation report. KLM will also remove any sediment inside the tower and sediment will remain on site.

When the tanks are empty, KLM will perform a clean-out of the tower interior and riser. KLM will supply the chlorine and disinfect the tank in accordance with Method 2 or 3 of AWWA C652.

Exterior and Interior Inspection

The exterior and interior evaluation is critical to determine whether the coating is a candidate for repairs or reconditioning. KLM inspectors will also check for structure deficiencies and OSHA compliance.

Exterior and interior evaluation is critical for evaluating the coating conditions to determine whether the coating is a candidate for repairs or reconditioning. KLM inspectors will also check for structure deficiencies and OSHA compliance.

For each evaluation, KLM will provide a AMPP (NACE) coatings inspector that is properly trained and qualified to perform this type of evaluation. The exterior will be evaluated from all areas accessible without rigging, unless otherwise written into this Agreement. Conditions of both the interior and exterior will be examined using ultrasonic thickness readings (UT), dry film thickness (DFT) and standard ASTM tests.

OWNER'S RESPONSIBILITIES

ROV Evaluation

The Owner shall be responsible for:

- Providing copies of background information on tanks, including maintenance records, construction drawings, previous inspection reports and previous painting or reconditioning specifications. It is especially helpful if this information is collected prior to KLM's personnel beginning its inspection.
- Providing keys for locks and access to the water storage tanks.

Dry Tank Clean Out (DTCO) Evaluation

The Owner's personnel shall be responsible for:

- Verifying the tanks are empty prior to arrival of KLM inspectors.
- Manning the shut off valve at all times.
- Opening and closing the inlet/outlet pipe.
- Operating any valves prior to, during, and after the evaluation.
- Assist to backflush and disinfect the reservoir.
- Provide a supply of water.
- Verify that cleanout and disinfection have been performed to Owner's satisfaction.
- Disposing of sediment and debris.
- Taking and testing water samples within 24 hours after cleanout of the tanks has been completed.
- Providing copies of background information on tank, including maintenance records, construction drawings, previous evaluation reports and previous painting or reconditioning specifications. It is especially helpful if this information is collected prior to KLM's personnel beginning its evaluation.

DOCUMENTATION

KLM will provide to the Owner an evaluation report after each inspection. These reports will provide the following beneficial information:

1. Clearly stating the actual condition of the coating and tank structure.
2. For coated reservoirs, provide a life expectancy estimate of the coatings and/or an estimated timeline for coating replacement.
3. Identify structure deficiencies and recommended repairs to bring the reservoir into compliance with ACI, AWWA, OSHA, DNR and State Regulations.
4. Provide a schedule for performing recommended maintenance work.
5. Provide a Cost Estimate for all structure repairs and coating replacement for budgetary purposes only.
6. Identify the quantity of sediment and recommend a timeline for cleanout, if warranted.
7. Include color photographs identifying current conditions and any required repairs.
8. Recommend a timeline for future evaluations.

The evaluation report will be provided to the Owner in digital format (PDF), unless indicated to KLM otherwise.

MIXER INSTALLATIONS

SCOPE OF WORK

- Supply and install (1) GridBee GS-12, 120v electric submersible mixer.
- Supply (1) GridBee SCADA control box.
- KLM will have a licensed electrician complete the electrical installation, as required by code.
- KLM Engineering, Inc. will submit the documentation, on behalf of the Owner, as required by the Minnesota Department of Health, on the mixer installation.

With over 1,500 installations nation-wide, an Ixom GS Series mixer is a perfect fit for your tank. The GS Series mixer's proven durability and performance surpasses that of other mixing systems, as seen by its CFD modeling and customer recommendations. In addition, each mixer comes with a five (5) year manufacturer's warranty and NSF certification.

KLM Engineering, Inc. will submit the documentation, on behalf of the Owner, as required by the Minnesota Department of Health on the mixer installation. At the close of the project, KLM will submit the registration documentation to Ixom. A copy of the registration and mixer installation approval will be sent to the Owner for their records.

OWNER'S RESPONSIBILITIES

The Owner's personnel shall be responsible for:

- Providing access to the tower for the mixer installation.
- Connecting the SCADA control box to the Owner's Telemetry System.
- Providing a sales tax exemption form; or paying sales tax on the mixer and SCADA control box.

The Owner needs to exchange a minimum of twenty (20%) percent of the water in the tower for the mixer to be effective. If the tower exchange rate is less than twenty (20%) percent, additional mixers may be required.
A licensed electrician is required to complete the electrical installation.

EXTERIOR CLEANINGS

By choosing KLM Engineering, Inc., the owner is investing in the knowledge and expertise of a consultant who can perform a thorough cleaning of the exterior of your water tank.

SCOPE OF WORK

Exterior Pressure Washing

The complete exterior of the tank (roof, upper torus, shell, lower torus, bowl, and cone) and riser/lower cone shall be cleaned by power washing. Power wash and clean water rinse surfaces shall be completely dry and approved by the Owner.

KLM is not responsible for any coating damage that may occur during exterior cleaning. If the exterior protective coatings are failing prematurely, KLM will discuss with the owner different options on removing the mold/mildew/biofilm. If the current coatings are visibly showing premature coating failures, KLM's crew will discuss options for proceeding.

OWNER'S RESPONSIBILITIES

The Owner's personnel shall be responsible for:

- Providing a live fire hydrant for fresh water for the pressure washer.
- Removal of any equipment or obstructions that may inhibit access to the tower.
- Approving the cleaning at the start up and when it's completed, including site restoration.

INTERIOR WET AREA SPOT COATINGS REPAIRS

Interior Wet Area Spot Repair and Coating:

A. This work will be monitored and verified by the Inspector of the project. Increases and decreases in the amount of work, and appropriate contract price adjustments, will be made per the General Conditions in the project specifications.

B. Remove all surface contaminates in accordance with AMPP/SSPC-SP 1 Solvent Cleaning. After structure modifications and repairs are completed, all interior wet area surfaces at areas of modifications, repairs, and coating failures shall be spot abrasive blasted, under direction of the Inspector, to an AMPP/NACE No. 2/SSPC-SP 10 near White Metal Blast. Feather edges of existing coating, at spot blasted areas, using AMPP/SSPC-SP 3 Power Tool Cleaning methods or abrasive blast using non-aggressive media within 6 to 10-inches of the repair edge.

C. Spot apply an epoxy coating system, including stripe coat if application of primer is by spray method.

D. Disinfect reservoir and clean up site. The Contractor shall be fully responsible for proper testing, waste evaluation, waste tracking, documentation, and disposal of interior waste generated per state and federal (RCRA/EPA) pollution control agency regulations and the Contract Documents.

INTERIOR DRY AREA SPOT COATINGS REPAIRS

Interior Dry Area Spot Repair and Coating (Sweating Areas):

A. This work will be monitored and verified by the Inspector of the project. Increases or decreases in the amount of work, and appropriate contract price adjustments, will be made per the General Conditions in the project specifications.

B. Remove all surface contaminants in accordance with AMPP/SSPC-SP 1 Solvent Cleaning. After structure modifications and repairs are completed, all interior dry area surfaces at areas of modifications, repairs, and coating failures shall be spot abrasive blasted, under direction of the Inspector, to an AMPP/NACE No. 3/SSPC-SP 6 Commercial Blast Cleaning. This includes the entire exterior of the bowl, entire drywell tube interior and all associated items such as the overflow pipe, ladder, brackets, couplings, manways, etc., top two (2) feet of the pedestal, entire top platform, all piping and appurtenances with the valve pit, and any other randomly located coating failures as directed by the Inspector. Feather edges of existing coating, at spot blasting areas, using AMPP/SSPC-SP 3 Power Tool Cleaning methods.

C. Apply a zinc/epoxy coating system, including stripe coat.

D. The Contractor shall be fully responsible for proper testing, waste evaluation, waste tracking, documentation, and disposal of interior waste generated per state and federal (RCRA/EPA) pollution control agency regulations and the Contract Documents.

OVERCOATS OF THE EXTERIOR OF THE TOWER

Exterior Area Spot Repair and Overcoat (Full Exterior):

A. This work will be monitored and verified by the Inspector of the project. Increases and decreases in the amount of work, and appropriate contract price adjustments, will be made per the General Conditions in the project specifications.
B. Remove all surface contaminants with AMPP/SSPC-SP 1 Solvent Cleaning. After structure modifications, repairs, and coating failures shall be spot abrasive blasted, under direction of the Inspector, to an AMPP/NACE No. 3/SSPC-SP 6 Commercial Blast Cleaning, AMPP/NACE No. 2/SSPC-SP 10 Near White Metal Blast Cleaning, AMPP/SSPC-SP 3 Power Tool Cleaning, and/or AMPP/SSPC-SP 2 Hand Tool Clean, dependent on the type and amount of corrosion in each area identified. This work includes, but not limited to, all new items such as manways, weld repairs, vent and overflow pipe screen retainer, etc. and does include miscellaneous and randomly located exterior coating failures. Feather edges of existing coating, at prepared areas, using AMPP/SSPC-SP 3 Power Tool Cleaning methods.
C. After application of the primer and intermediate coats, power wash the entire exterior of the tower.
D. Apply a coating system in the following order, primer and intermediate coats to all spot prepared areas, power wash and clean all exterior surfaces, full tie-coat to all exterior surfaces, and full finish coat to all exterior surfaces.
E. The Contractor shall be fully responsible for proper testing, waste evaluation, waste tracking, documentation, and disposal of exterior waste generated per state and federal (RCRA/EPA) pollution control agency regulations and the Contract Documents.

INTERIOR WET AREA RECONDITIONING

Interior Wet Area Full Reconditioning:

A. Remove all surface contaminants in accordance with AMPP/SSPC-SP1, Solvent Cleaning. After structure modifications and repairs, abrasive blast the entire interior to an AMPP/NACE No. 2/SSPC-SP 10 Near White Metal Blast Cleaning.
B. Apply a zinc/epoxy coating system, including stripe coat.
C. Perform holiday testing of all interior wet area surfaces to ensure the coating conforms to near AMPP/NACE Condition “A” Pinhole Free, at Engineer’s discretion. The intent of the applied coating film is to be continuous.
D. Disinfect reservoir and clean up site. The Contractor shall be fully responsible for proper testing, waste evaluation, waste tracking, documentation, and disposal of interior waste generated per state and federal (RCRA/EPA) pollution control agency regulations and the Contract Documents.

FULL TOWER RECONDITIONING

KLM is a consulting and inspection firm specializing in water storage tanks. Our staff has credentials associated with AWS Welding and AMPP coating inspections. We bring together key components from all aspects of services to fulfill each of our clients’ goals and expectations.

The professionals at KLM have been working on water towers since the 1970’s. We have combined experience of over 150 years and have rehabilitated over 500 water towers of various sizes. With KLM professional inspections, a tower’s coating system can last 25 – 30 years.

KLM sets the standards that other companies strive to duplicate. No firm receives respect from tank contractors and subcontractors like KLM. Our inspectors climb the towers daily to inspect and document the work; holding contractors accountable for quality workmanship and ensuring that the specifications are met. Our dedication to quality inspections can be seen nationally, as our projects are represented each year in Tnemec's Tank of the Year calendar contest.

With our team's expertise, we are confident this project will be completed to your satisfaction.

PROJECT PROFILES

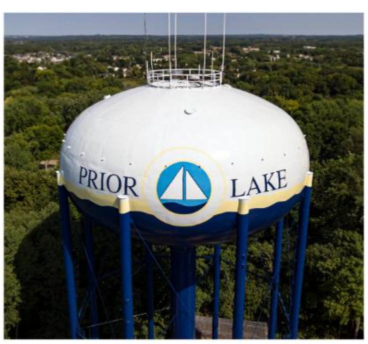
KLM has an unparalleled record of consistently delivering successful projects like yours. KLM has planned, designed and refurbished water towers for the past thirty (30+) plus years. The longevity of the coatings system of our projects is what we are most proud of. What owners most appreciate is the return-on-investment KLM brings to each new construction or rehabilitation project. This section highlights projects KLM has completed.

City of Savage, MN
Credit River Tower | 1.0 MG Hydropillar

Recondition | 2024
Specification | 2023
Evaluation | 2020

City of Red Lake Falls, MN
Adams Street Tower| 0.5 MG Hydropillar

Recondition | 2024
Specification | 2023
Evaluation | 2018
Mixer | 2018



City of Prior Lake, MN
South Tower | 0.75 MG Oblatoid

Reconditioning | 2021
Specifications | 2020
Evaluation | 2015

City of Andover, MN
Tower No. 2 | 1 MG Hydropillar

Reconditioning - Inspection Services | 2022
Specification Consulting Services | 2021
Evaluation | 2020, 2017
Exterior Cleaning | 2017

City of Eagan, MN
South Lakes Tower | 1.0MG Hydropillar

Reconditioning | 2020

City of East Grand Forks, MN
North Tower | 0.5MG Double Ellipsoidal

Reconditioning - Inspection Services | 2020
Miscellaneous Repairs | 2019

City of Montgomery, MN
Tower No. 1 | 0.5 MG Hydropillar

Reconditioning - Inspection Services | 2022
Design Services | 2022

ABOUT US

Founded in 1995, **KLM Engineering, Inc.** is a consulting and inspection firm. On average, KLM completes over 150 water storage projects each year for clients across the United States. KLM specializes in:

- Inspection services on new and reconditioned elevated water towers, ground storage reservoirs, water treatment plants, wastewater treatment plants and concrete tanks during construction.
- Inspection and evaluations of existing concrete and steel storage tanks, pressure vessels, and other related structures.
- Design Build services.
- Preparation of project specifications for tank rehabilitation/lead paint abatement and disposal.
- Welding inspection during rehabilitation.
- Tank cleanings.
- Non-destructive testing.
- Antenna lease reviews, removal and installation inspections, and drawing reviews.
- Wastewater treatment plant inspections.

Our Engineers Are:

- Experienced in design and structure modifications based upon years of employment with tank fabricators, erectors and consulting engineers.
- Experienced at examining existing tanks regarding corrosion, structure integrity and fitness for continued service.
- Registered Professional Engineers with practical knowledge of current designs and code requirements.

Our Inspectors Are:

- Association for Materials Protection and Performance (AMPP), formerly NACE, trained/certified protective coating inspectors.
- American Welding Society (AWS) associate/certified welding inspectors.
- Experienced journeyman painters, climbers and riggers with the proven abilities to perform proper hands-on inspections and testing.
- Experienced in project management and enforcement of specifications for quality control and lead abatement.

REGIONAL OFFICES

- Headquarters | Woodbury, Minnesota
- Great Lakes Region | New Lenox, Illinois
- West Central Region |Blue Springs, Missouri

INSURANCE COVERAGE

Our firm maintains general liability, automotive, professional liability insurance and workers compensation. A certificate of insurance, listing the client as additional insured, will be provided upon execution of a contract.

PROFESSIONAL AFFILIATIONS

Association & Corporate Affiliations

Local Association Affiliations

Charities

PROJECT-SPECIFIC TEAM MEMBER RESUMES

Rodney Ellis | Vice President/COO

612-810-0956 @ rellis@klmengineering.com

Education, Experience & Certifications

- Mount Senario College
- Federal Department of Natural Resources
- OSHA 10
- Certified Competent Climber
- NACE/AMPP Level 3 #1686
  - 37 Years Certified Experience
- AWS Weld Inspection Certified #04040311
  - 29 Years Certified Experience

KLM Projects

City of Valley Center, KS
Reconditioning of 0.75MG Composite

City of Moorhead, MN
New Construction of 0.75MG Composite

City of Andover, MN
Reconditioning of 1.0MG Hydropillar

City of Brighton, CO
New Construction of 2.0MG Composite

City of Des Moines, IA
Reconditioning of 4.1MG Standpipe

City of Hinckley, MN
Reconditioning of 0.3MG Single Pedestal

City of Joliet, IL
Reconditioning of 1.0MG Toro Ellipsoidal

City of Rogers, AR
Reconditioning of 2.0MG Toro Ellipsoidal

City of Verndale, MN
New Construction of 0.075MG Hydrocone

City of Parshall, ND
New Construction of 0.5MG Composite

City of Lawrence, KS
Reconditioning of 1.5MG Ground Storage Tank

AMPP ACCREDITED ORGANIZATION QP5

Ben Feldman, PE | Civil Engineer

651-773-5111 @ bfeldman@klmengineering.com

Education, Experience & Certifications

- University of Minnesota - Twin Cities
  - BS Civil Engineering
  - Minor in Business Management
  - Men's Crew
- OSHA 10
- Licensed Professional Engineer
  - Minnesota License No. 49598
  - Colorado License No. 57334
  - South Dakota License No. 16938
- MN AWWA Awards Committee Co-Chair
  - Past Secretary-Treasurer

KLM Projects

City of Hastings, MN
Reconditioning of 0.75MG Hydropillar

City of Brighton, CO
New Construction of 2.0MG Composite

City of Hinckley, MN
Reconditioning of 0.15MG Double Ellipsoidal

City of Jamaica, IA
New Construction of 0.05MG Single Pedestal

City of Delavan, WI
Reconditioning of 0.5MG Single Pedestal

City of Lawrence, KS
Reconditioning of 1.5MG Ground Storage Tank

City of Napoleon, ND
New Construction of 0.3MG Single Pedestal

City of Goodview, MN
Reconditioning of 0.1MG Single Pedestal

City of Verndale, MN
New Construction of 0.075MG Hydrocone

City of West Chicago, IL
Reconditioning of 0.5MG Booster Reservoirs

City of Rogers, AR
Reconditioning of 2.0 MG Toro Ellipsoidal

Scott Kriese | Project Supervisor

651-773-5111 @ skriese@klmengineering.com

Education, Experience & Certifications

- NACE/AMPP Level 3 #11236
- 25 Years Industry Experience
- OSHA 10
- Certified Competent Climber

KLM Projects

City of Moorhead, MN
New Construction of 0.75MG Composite

City of Otsego, MN
New Construction of 1.5MG Composite

Village of Dresser, WI
Reconditioning of 0.2MG Double Ellipsoidal

City of Farmington, MN
Reconditioning of 1.5MG Hydropillar

City of Baxter, MN
Reconditioning of 0.75MG Hydropillar

City of St. Cloud, MN
Reconditioning of 1.0MG Hydropillar

City of Plymouth, MN
Design Build of 2.0MG Toro Ellipsoidal

Village of Somerset, WI
New Construction of 0.2MG Composite

City of Sioux Falls, SD
Reconditioning of 1.5MG Composite

City of Neodesha, KS
Reconditioning of 0.2MG Single Pedestal

Jackson County PWSD #1, MO
Reconditioning of 1.5MG Elevated Water Tower

City of Elgin, IL
Reconditioning of 1.0MG Single Pedestal

City of South Bend, IN
Reconditioning of 1.5MG Single Pedestal

City of Forney, TX
New Construction of 1.0MG Composite

City of Rogers, AR
Reconditioning of 2.0MG Toro Ellipsoidal

City of Topeka, KS
New Construction of 1.0MG Composite

City of Kansas City, MO
New Construction of 3.0MG Composite

Oglala Sioux Rural Water Supply System, SD
New Construction of 0.8MG Composite

City of Sioux Falls, SD
Reconditioning of 0.5MG Single Pedestal

City of Jamaica, IA
New Construction of 0.05MG Composite

City of Dubuque, IA
Reconditioning of 2.4MG Ground Storage Tank

BENEFITS TO BRAINERD PUBLIC UTILITIES

Today's protective coating systems are designed to last 25-30 years with only minor maintenance. Tight project specifications and inspection services give the coating systems the opportunity to realize their intended service life.

1. The reservoir-specific submittals will be reviewed to verify conformance to the specifications, AWWA, OSHA, and State regulations. KLM will respond in writing regarding the acceptance of the submittals.
2. KLM proposes preparing a technical specification package specifically designed for water tower reconditioning. Our experience has shown that the more comprehensive the specification is, the more likely it is that the project is completed on time, on budget, and with quality workmanship. The technical specifications mitigate requests for change orders during the reconditioning.
3. Welding and AMPP Coating Inspections during reconditioning assures that the work performed by the contractor is in conformance with the specifications, as to maximize its life expectancy. KLM's inspectors monitor workmanship during all phases of work to verify the contractor's work meets the specification. Utilizing this process reduces reconditioning cycles over the life of the tower.
4. Our project administration and inspection services provide a buffer between the project specifications and the real-world challenges that can negatively affect the project performance. To initiate the project correctly, KLM's project supervision assures that a qualified contractor is retained at an appropriate cost.

DESIGN

KLM will also perform the following related specification services:

1. Meet with the Owner to review plans and specifications.
2. Produce preliminary and completed copies of the specifications for the Owner.
3. Provide an updated cost estimate.
4. Advertise specifications.
5. Attend and facilitate a mandatory pre-bid meeting, virtually.
6. Respond (in writing) to bidder questions.
7. Tabulate results for the Owner.
8. Evaluate contractors' bid proposals for conformance to the specification.
9. Make a written recommendation to the Owner on the low, qualified bidder(s).
10. Prepare Notice of Award and contract Agreement (forward to Owner).

SPECIFICATIONS

The project specifications will include:

a. Advertisement for Bids
   This section provides a detailed description of the project and meets the requirements for legal advertisements.

b. Instructions to Bidders
   This section provides precise instructions to bidders, including the scope of work, insurance,

payments, time of completion, bidder qualifications, taxes and permits, legal requirements, performance and payment bonds and other important project information.

c. Bid Forms
This section contains the bid proposals, construction time frame, alternate bid proposals, legal requirements and the bidder and subcontractor qualification forms.

d. Project Requirements
This section includes a complete description of the project, project schedule(s), execution of contract documents, notice to proceed, project meetings, quality assurance, liquidated damages and legal and technical requirements for executing the scope of work.

e. Technical Specifications
This section details the technical specifications for structural modifications, surface repairs, interior and exterior surface preparation, exterior abrasive blast, containment, disposal of spent abrasives, dehumidification, lettering and logo, submittals, workmanship, unfavorable weather conditions, protective coating and material, repair work, health and sanitary facilities, clean up, ventilation and safety requirements, inspection of work, sterilization of tank interiors and containment plan.

f. Supplemental Conditions
This section supplements or amends the General Conditions and/or other provisions of the Contract Documents.

g. General Conditions
This section includes all the General Conditions designed for water tank reconditioning, such as authority of the Engineer, engineering inspection, modifications, additions and subtractions of scope of work, extensions of time, insurance and other appropriate items.

h. Contract Documents
This section provides the form of agreement to be used between the Owner and Contractor.

i. Payment and Performance Bond
Bonds for payment and performance are required for this project, as specified by state law.

j. Appendix A – Photos
This section includes copies of color photographs. This provides the contractor with a clear perspective of the interior/exterior conditions of the tank and the scope of work involved.

k. Appendix B – Drawings
This section includes drawings, which define structural repairs or modifications and welding definitions.

l. Appendix C – Surface Preparation Requirements
This section references excerpts from AMPP Standard Practice SP0178-2007 Standard Practice: Design, Fabrication and Surface Finish Practices for Tanks and Vessels to Be Lined for Immersion Services for defining welding and grinding requirements of the structural repair or modifications.

m. Appendix D – Paint Chip Lead Test Results
This section contains paint chip test results for lead and chromium used to calculate the risk factor and classification of containment required for conformance with Federal and State Environmental Regulations.

n. Appendix E – Lettering and Logo (optional)
If required, this section includes drawings of any required lettering and logo. Such drawings are to be provided by Owner.

CONSTRUCTION SERVICES

Construction Administration

The project manager and project supervisor work together on managing the project. KLM performs the review of the submittals and communicates with the inspector daily to help enforce the project specifications, as necessary. The project supervisor is the main contact between the contractor representative and the Owner/Engineer. The project manager performs the final review of the submittals and will assist the supervisor, as required.

Construction Management Consists of The Following:

- Attend pre-construction conference.
- Removal of cellular equipment. If contracted
- Periodically perform on-site review of project's work status and report to the Owner.
- Coordinate progress meetings, as necessary.
- Review of meeting minutes.
- Scheduling of inspections.
- Project close-out administration.
- Establishes warranty date.
- Review of inspector's daily documentation.
- Process change-orders.
- Prepare monthly payment request forms.
- Review and approval of the contractor's submittals:
  - ✓ Drawing reviews.
  - ✓ Welder Certifications.
  - ✓ Welder Qualifications
  - ✓ Welding Procedures.
  - ✓ Coating Materials Submittal.
  - ✓ TCLP Sampling Plan.

Construction Observation

The inspector assigned to this project will be an AMPP Coating Inspector and/or AWS Certified Welding Inspector. All our inspectors have extensive practical experience and knowledge of water storage tank reconditioning. They are experienced sandblasters, painters, climbers, riggers, coating inspectors, welders and welding inspectors which allow the inspector to perform inspections alongside the contractor to ensure the conformance to the project specification.

Field Inspections Consist of the Following:

- A pre-construction meeting with the client and contractor to clearly define the role of the Engineer and Inspector, to discuss the intent of the specifications, and to ensure all parties agree to the scope of work and expectations regarding the quality of work.
- Monitor and approval of the structure repairs and modifications for conformance to the specifications.
- Inspection of the abrasive blasting media and equipment for conformance to the specifications and to prevent contamination of surfaces during surface preparation with moisture and oil or other contaminants.
- Monitor the paint removal and disposal process for conformance to the specifications and environmental regulations.
- Monitor the contractors mixing and application of the coats for conformance to the specifications and the coat manufacturer's recommendations.
- Approve surface preparation samples.
- Record the contractor's progress for adherence to the construction schedule.
- Submit daily and weekly inspection reports and photos. Prepare and file copies of the reports on construction activities.
- Coordinate and review testing of materials for conformance to the specification and environmental regulations.
- Monitor punch list items and subsequent corrective action by the contractor.
- Final inspection, substantial completion and project acceptance.

ANTENNA INSPECTION

The Owner is responsible for establishing escrow accounts from each cellular provider prior to the commencement of the rehabilitation. Cellular antenna management fees for engineering and inspections services are paid for by the carriers through these accounts. Antenna management fees during reconditioning are charged per the current Fee Schedule per carrier and for any Owner antennas.

WARRANTY INSPECTION (2 Year)

KLM proposes to perform a ROV warranty inspection on the referenced tank prior to the expiration of the performance bonded warranty. The warranty inspection will include an inspection report. The fixed fee does not include any necessary warranty repair work required.

DELIVERABLES

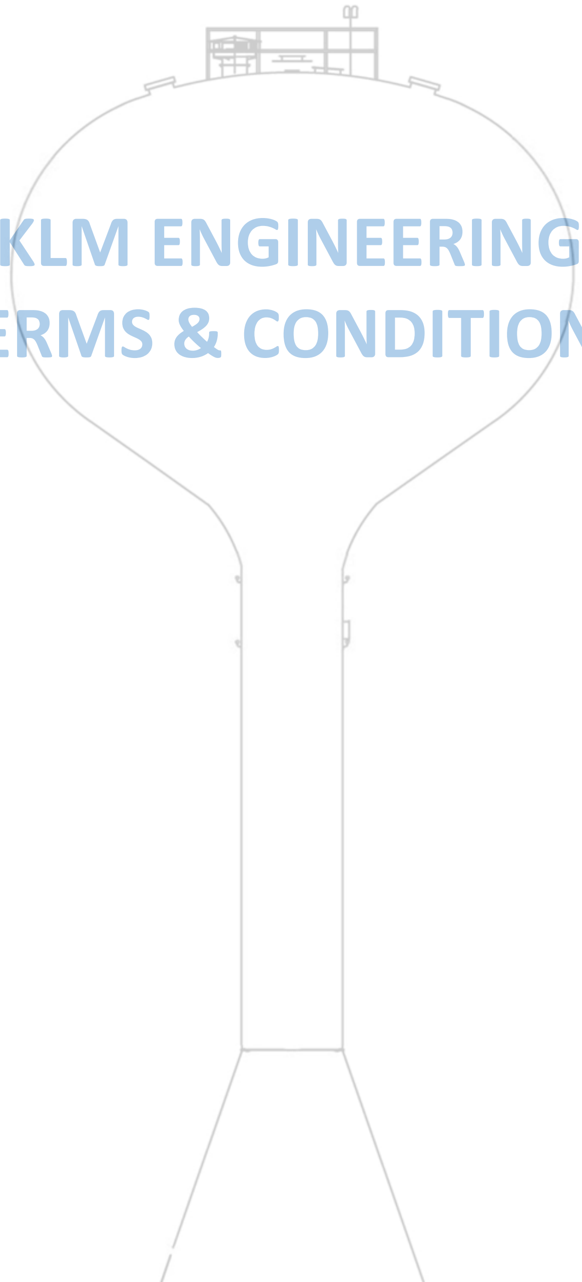
The Owner owns and retains this documentation. KLM also retains these records for future reference. Deliverables submitted electronically, unless indicated hard copy.

- Professional Engineering Certified plans and specifications.
- State Regulatory documentation including permitting, State Agency or Department of Health, TCLP Testing and Waste Tracking.
- Contractor Submittals.
- Daily Logs and Weather Logs.
- Surface Preparation.
- Daily Digital Photos.
- Weekly Summary and Progress Meetings.
- Project Acceptance Certificate.
- Warranty Inspection Report (Owner and Contractor).

WHY USE KLM

KLM Engineering, Inc. has been evaluating water towers for over 30 years. KLM is the leader in providing engineering and inspection services during reconditioning of towers greater than 500,000-gallons. Our reference list has customers including the US Military, US Steel, Indian Health Services, State of Minnesota and municipalities ranging from coast-to-coast and beyond, including Hawaii.

KLM ENGINEERING
TERMS & CONDITIONS



KLM ENGINEERING, INC. (KLM)
TERMS AND CONDITIONS

1. **AGREEMENT.** The agreement between the parties when entered by the parties shall include the applicable referenced agreement documents (i.e., KLM proposal/Agreement) and shall include these KLM Terms and Conditions (the "Agreement"). The Agreement may not be modified except by mutual agreement in writing.

2. **ADDITIONAL SERVICES**. Additional work or services shall not be performed without a KLM executed change order or purchase order outlining the scope of additional work or services.

3. **KLM CLIENT RESPONSIBILITIES**. The KLM Client shall fully disclose to KLM its knowledge of the condition of the project structure(s), its past and present contents and shall provide KLM with full information regarding the requirements for the project; shall designate an individual to act on the KLM Client's behalf regarding the project; and provide safe access to and at the project site. When reasonably requested by KLM, the KLM Client shall furnish the services of other consultants including, but not limited to engineers and insurance representatives. The KLM Client shall test for pollution and hazardous materials when required by law or as requested by KLM. The KLM Client shall provide KLM with all necessary permits and other authorizations.

4. **SAFETY.** KLM shall be responsible for the safety of KLM personnel at the project site. The KLM Client or other persons shall be responsible for the safety of all other persons at the project site. The KLM Client shall inform KLM of any known or suspected hazardous materials or unsafe conditions at the project site. If, during the course of the KLM services, such materials, or conditions are discovered at the project site, KLM reserves the right to take measures to protect KLM personnel and equipment or to immediately terminate KLM services. The KLM Client agrees to be responsible for, and agrees to pay, any such additional protection costs. Upon such discovery by KLM, KLM agrees to use commercially reasonable efforts to notify the KLM Client in writing, of hazardous materials or unsafe conditions regarding the project site.

5. **HAZARDOUS MATERIALS.** Unless otherwise agreed to in the scope of work with the KLM Client, KLM has no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials at the project site. To the full extent permitted by the law, the KLM Client shall defend, indemnify, and hold harmless KLM, its employees and representatives from all claims, including costs and attorney fees, arising out of the presence of hazardous materials or exposure to the same on the job site.

6. **SITE ACCESS AND RESTORATION.** The KLM Client will provide KLM and its representatives with safe and legal project site access. It is understood by the KLM Client that in the normal course of KLM providing its services and work, some nominal damage to the project site may occur. KLM agrees to take reasonable commercial precautions to minimize such damage, if any. Restoration of the project site, if any, is the responsibility of the KLM Client, unless otherwise agreed to in writing in the scope of work.

7. **KLM LIMITED WARRANTY AND DISCLAIMER.** KLM will perform services consistent with the standard of care and skill normally performed by other like firms in the industry and profession at the time of this service and in the geographic area of the project. **EXCEPT AS EXPRESSLY STATED IN THIS SECTION, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, PERTAINING TO THE PRODUCTS AND SERVICES SOLD UNDER THIS AGREEMENT. KLM DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL KLM BE LIABLE TO THE KLM CLIENT, ITS AGENTS, REPRESENTATIVES, EMPLOYEES,**

CUSTOMERS OR ANY OTHER THIRD PARTY, FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE, LOSS OF REVENUE OR LOSS OF PROFIT, IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING OR FUNCTIONING OF ANY ITEM OR SERVICES PROVIDED FOR IN THIS AGREEMENT OR FROM ANY OTHER CAUSE, INCLUDING WITHOUT LIMITATION CLAIMS BY THIRD PARTIES, EVEN IF KLM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. **SCHEDULING.** Prior to KLM scheduling its services related to the project, the KLM Client shall furnish KLM with a written Agreement, purchase order or other written request for KLM services and shall give as much notice as reasonably possible in advance of the time when the KLM services are desired to commence. The KLM service schedule shall be mutually agreed upon by the parties in writing. If a KLM inspection is canceled or delayed after KLM personnel and/or equipment are in transit to the project site, then the KLM Client shall be billed, and the KLM Client agrees to pay for KLM time and expenses according to the then current KLM Fee Schedule for KLM time spent and KLM costs incurred. If KLM is unable to redirect KLM representatives to other third-party project sites on the canceled or delayed scheduled service day, at a minimum, the KLM Client will be billed and the KLM Client agrees to pay KLM for one (1) full day of KLM labor.

9. **INSURANCE.** KLM will maintain worker's compensation insurance and comprehensive general liability insurance. KLM will provide KLM Client with a certificate of insurance upon KLM Client's request.

10. **PAYMENT.** KLM will submit periodic invoices for KLM services provided and work performed. Invoices are due upon receipt. The KLM Client agrees to inform KLM of invoice questions or disputes within 10 business days of the invoice date. The KLM Client agrees to pay all undisputed KLM invoiced amounts within 45 days of the invoice date. The KLM Client agrees to pay interest on all overdue amounts at a rate of 1.5% per annum or the rate allowed by law, whichever is less, plus costs of collection, court costs, and reasonable attorney fees on all such amounts. If any undisputed invoice remains unpaid for 60 days, then KLM may, at its sole discretion, suspend or terminate services to the KLM Client without liability.

11. **INDEMNIFICATION.** KLM shall indemnify and hold harmless the KLM Client and its shareholders, directors, officers, members, governors and employees from liability, claims, losses, and damages arising out of or relating to the applicable Project, provided that such claims, costs, losses, or damages are attributable to bodily injury, sickness, disease, or death, or injury to, or destruction of tangible property, including the loss of use resulting therefrom to the extent caused by KLM's negligent acts or omissions.

    The KLM Client shall indemnify and hold harmless KLM and its shareholders, directors, officers, members, governors and employees from liability, claims, losses, and damages arising out of or relating to the applicable Project, provided that such claims, costs, losses, or damages are attributable to bodily injury, sickness, disease, or death, or injury to, or destruction of tangible property, including the loss of use resulting therefrom to the extent caused by the KLM Client's negligent acts or omissions. Further, the KLM Client shall indemnify and hold harmless KLM from all claims or losses arising out of the unauthorized use of KLM's Documents.

12. **LIMITATION OF LIABILITY. IN NO EVENT SHALL KLM OR THE KLM CLIENT BE LIABLE, ONE TO THE OTHER, FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE FURNISHING, PERFORMANCE OR USE OF ANY PRODUCTS OR SERVICES PROVIDED PURSUANT TO THIS AGREEMENT.**

13. **DELAYS**. If KLM service or work delays are caused by the KLM Client, by third parties, strikes, natural causes, weather, or other circumstances beyond KLM's control, a reasonable time extension for performance of KLM services and work shall be granted, and KLM shall be entitled to and the KLM Client agrees to pay KLM an equitable fee adjustment.

14. **TERMINATION.** After seven (7) days written notice, either party may elect to terminate this Agreement. Notwithstanding the foregoing, the KLM Client agrees to pay for all KLM services provided and work performed through the date of termination. Notwithstanding the foregoing, the following sections shall survive the termination of this Agreement: Sections 5, 7, 10, 11, 12, 15, 16, 21 and 24.

15. **SEVERABILITY.** Any provisions of this Agreement later held to violate a law or regulation shall be deemed void, and all remaining provisions of the Agreement shall continue in full force and effect.

16. **KLM'S DOCUMENTS**. All reports, specifications, drawings and other documents furnished by KLM are part of KLM's services and work for the KLM Client and the same are for use only for the project (KLM Documents). KLM retains all ownership of said documents regardless of whether the project is completed. The KLM Client may retain copies of the KLM Documents for reference purposes. KLM does not represent or warrant that the KLM Documents are suitable for reuse on any extension of the project or on other projects. The KLM Client shall not use the KLM Documents without KLM's written consent.

17. **ASSIGNMENT.** KLM may not assign this Agreement to any other person unless written consent is obtained from the KLM Client.

18. **AMENDMENTS.** Any modification or amendment of to this Agreement shall require a written agreement signed by both Parties.

19. **NONDISCRIMINIATION.** In the hiring of employees to perform work under this Agreement, KLM shall not discriminate against any person by reason of any characteristic or classification protected by state or federal law.

20. **GOVERNING LAW.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota without regard to or application of conflicts of law rules or principles. All proceedings related to this Agreement shall be venued in **Washington County, Minnesota.**

21. **AUDIT.** Pursuant to **Minnesota Statutes, § 16C.05, Subdivision 5, KLM agrees that the KLM Client, the State Auditor, or any of their duly authorized represen**tatives at any time during normal business hours and as often as they may reasonably deem necessary (but under all circumstances not more often than once per calendar year), shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, or records which are pertinent to the accounting practices and procedures of KLM, and involve transactions relating to this Agreement.

22. **JOB SITE IMAGES, PHOTOGRAPHY AND VIDEO.** During the term of this Agreement and thereafter, KLM has the KLM Client's permission to take photographs or video of the project site for training, documentation, education or KLM promotional purposes. A signed Agreement that includes these KLM Terms and Conditions constitutes the KLM Client's written permission to KLM regarding the use of the items and information set forth in this section.

23. **WAIVER.** The waiver by either party of any breach or failure to comply with any provision of this Agreement by the other Party shall not be construed as or constitute a continuing waiver of such provision or a waiver of any other breach of or failure to comply with any other provision of this Agreement.

24. **HEADINGS.** Section headings used in this Agreement are for convenience only, have no legal significance, and in no way change the construction or meaning of the terms hereof.

25. **ENTIRE AGREEMENT.** This Agreement supersedes any prior or contemporaneous representations or agreements, whether written or oral, between the Parties and contains the entire agreement.

End of the KLM Terms and Conditions.

Rev 2022.11.23

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Public Utilities Commission
Agenda Request

MEETING DATE: June 24, 2025

TITLE OF ITEM: Approve Bolton & Menk Construction Management At Risk Contract

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 4

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

SUMMARY OF ISSUE: During last month's Commission meeting, the Commission approved the Construction At-Risk Management process. In discussion with Bolton & Menk Inc. they can provide services to help with bidding, interviewing, and selecting the best suited contractor to provide the best value for the construction project. Attached is the proposal for completing that work and the additional time necessary for the change in scope of work.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: Staff recommend utilizing Bolton & Menk for this process due to their familiarity with the project.

RECOMMENDED ACTION/MOTION: Staff recommendation coming out of Committee is to approve the attached Bolton & Menk Inc. contract to assist in bidding and selection of a contractor to perform the Construction At-Risk Management contract for the backwash and reclamation tank.

FINANCIAL IMPACT: Not to exceed $20,600.

BOLTON & MENK
Real People. Real Solutions.

7656 Design Road
Suite 200
Baxter, MN 56425-8676

Ph: (218) 825-0684
Fax: (218) 825-0685
Bolton-Menk.com

VIA EMAIL

June 11, 2025

Danny Loch, Finance Manager
Brainerd Public Utilities
8027 Highland Scenic Dr.
Baxter, MN 56425

RE: Water Treatment Facility Improvements – Backwash Reclamation
Engineering Scope and Fee for CMAR selection services
Brainerd Public Utilities – WTP

Danny,

Over the last several months, we have been in discussion about the direction of water treatment facility improvements backwash reclamation system as well as the contract delivery method. It is our understanding that the City of Brainerd and Brainerd Public Utilities would like to proceed with a Construction Manager at Risk (CMAR) as a project delivery method to help progress this project toward construction starting in 2026. This project was bid in November 2024, but the bids were rejected due to cost constraints. The plans for the project will be utilized as the baseline moving forward with the selected CMAR contractor. In order to achieve these goals, we would recommend the following critical path be followed:

June – September 2025	CMAR Selection Process through kickoff meeting (See CMAR Section Below)
September 2025 – June 2026	Final Design (based on existing design plans) and GMP (Separate scope and fee)
Fall 2026 – Fall 2028	Construction (Future Scope of Work)

While we proceed down this critical path, we have provided additional detail on the first two items to assist the city with engineering services and work toward upgrading the water treatment facility for addition of the backwash reclamation system for the community.

I. SCOPE OF WORK

The Construction Manager at Risk (CMAR) project delivery method is an alternative process to the traditional design, bid, and build, in which contractors bid a completed plan set and provide a lump sum cost for construction. To assist the community with CMAR implementation and help follow the State requirements for the selection of a construction manager, the following scope of work will be provided for CMAR implementation up to the kickoff meeting with the selected CMAR who was awarded the contract. A future scope and fee will be developed after the CMAR is selected for developing plans and specifications for the desired project.

1. Create a preliminary Request for Proposals (RFP) for the selection of the CMAR for the city/utility to review. This will include the current design of the project for contractors to review.
2. Finalize the RFP incorporating city comments.

3. Assist the city with publicly advertising the RFP for CMAR services.
4. Assist the city with reviewing written proposals and helping rank candidates, short-listing up to three construction managers (meeting to discuss).
5. Organize and attend up to three interviews with CMAR candidates (meeting day to interview all three.)
6. Assist the city with final selection (meeting to discuss selection following interviews).
7. Coordinate agreement with selected CMAR.
8. Attend one commission meeting for recommendation of award to the selected CMAR.
9. Coordinate and attend kick-off meeting with city and selected CMAR.

II. FEES

Based on the scope of work to assist with preparing CMAR selection documents, for working with the city staff through this process, we have estimated our fees at **$20,600**. These fees would be billed hourly and shall not exceed the amount above unless authorized by Brainerd Public Utilities. This fee represents approximately 100 hours of engineering and staff time to assist the community with this important project.

Bolton & Menk, Inc.							
Task No.	**Work Task Description**	Principal-in-Charge	Project Manager	Project Engineer	Clerical	**Totals**	**Costs**
1.0	**Proposal Development**						
1.1	Proposal/RFP Development and adding city comment		2	4	6	12	$2,412.00
1.2	Advertise RFP and assist with questions		2	14	6	18	$4,362.00
1.3	Review of CMAR proposals		2	3		6	$993.00
1.4	Interview candidates (3 total on one day)		8	8		16	$3,192.00
1.5	Assist city in final selection (one meeting with utility)		4	4		8	$1,596.00
1.6	Write agreement and incorporate city comments		4	8	4	16	$3,192.00
1.7	Commission meeting to award CMAR contract		2	1		3	$603.00
1.8	Kickoff meeting with CMAR	4	8	8		20	$4,268.00
	Total Hours	**4**	**32**	**46**	**16**	**102**	
	Average Hourly Rate	**$269.00**	**$204.00**	**$195.00**	**$204.00**		
	Subtotal	**$1,076.00**	**$6,528.00**	**$9,750.00**	**$3,264.00**		
	Total Fee						**$20,600.00**

Thank you again for using Bolton & Menk, Inc. for your engineering needs. Please feel free to contact us if you have any questions or if you require any additional information.

Sincerely,

BOLTON & MENK, INC.

Morgan Salo, P.E.
Principal Environmental Engineer

cc: Paul Saffert, P.E., Bolton & Menk, Inc.

Brainerd Public Utilities
BPU Commission Unfinished Business
June 24, 2025

A. Hydro Generation (1/31/23)
Barr Engineering and staff continue work related to procurement of one at the hydro facility. Staff and Barr are awaiting responses on state funding prior to bidding. Barr recently found from multiple suppliers that the project type with the submersible generators are not longer in production or have been paused. We are still awaiting the reasoning behind this change. One such vendor eliminated their line completely. In Barr's preliminary research the eliminated line of turbine was anticipated to be the most economical for the utility. Additional information is forth coming. Marty confirmed earlier this month our bill did not get signed and the contract discussions need to occur 6/10/2025.

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. Joint meeting of Council/Commission held 12/19/24, no action taken on this item. A roles and responsibilities discussion prior to hiring the next utility director has been requested at Council on 6/16/2025, all Commissioners received a request for comment.

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 AEP contract has been finalized and approved with the contract pricing secured 1/28/25.

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 have continued since the last Commission meeting. Process is ongoing 05/14/25.

E. Lead Service Line (LSL) Inventory Assessment (9/26/23)
Work continues on 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 unknown on the BPU or customer side were sent via mail. Additional information will be posted on the website as the details become available. Staff continue to make a plan for replacement and funding requirements. Held meeting with BPU and Department Heads on 10/13/24. Notice letters mailed on 10/15/24. Staff held meeting with PFA and MN Dept. of Health on funding requests and avenues for available funding sources 12/18/24. PFA expected to have a handout or informational flyer for customers explaining the funding avenue for replacements. Meeting held with MN Department of Health 2/12/2025 for update. Staff attended the MRWA Conference related to funding on March 5, 2025. Staff presented the project priority list application ratification in the consent calendar for the meeting. Project continues as scheduled, awaiting approval from MDH, expected sometime fall of 2025.

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. Staff have been coordinating a meeting with MN Power Staff to discuss next steps in increasing transmission capacity to our facilities. MN Power staff have indicated the next steps in process are to proceed with requests for system impact studies (03/14/2025).

G. Crypto Mining Activity (7/1/22)
JFK current mining load is approximately 20 MWs. JFK has requested additional capacity. BlockMetrix presented a 6-month extension at the April 29th meeting. The joint session discussion lead to a draft contract which has been provided to the operations and finance committee for comment.

H. Reclamation and Backwash Project (2/27/2024)
Project bids were rejected and approved at the last commission and council meeting. Bolton and Menk are suggesting we pursue construction manager at risk to oversee the project and create a maximum price. See contract for CMAR bid assistance from BMI (6/24/25)

I. ClimaVision (June 2024)
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. ClimaVision is expected to present at the January 2025 Commission meeting. Engineers and site visit all came back with a passing score for the location, the next step will be to agree on a leasing agreement which is not needed until 60 days prior to site build out. Discussion occurred at the last meeting and staff are continuing to review the potential lease, met with the Finance/Operations committee 2/14/25, and staff continues work on the draft of the lease. The lease agreement has been provided to Attorney Langel for review 03/04/2025. Staff are working with Attorney Langel, and KLM Engineering on verbiage for a contract/lease agreement. Additionally, staff are working on securing easement from the State of Mn for access allowing ClimaVision a location for their equipment as suggested by Langel. Staff have discussed with State of MN and attorney Langel and all appear positive, next steps will be for ClimaVision to provide a site map for the easement. (05/22/2025).

J. Strategic Planning (04/24/2025)
Director Evans began and presented a strategic planning session and documentation. During the integration conversations the strategic planning was paused in order to align all City departments under one plan.

Completed in 2024:

1. Organizational Restructuring – Job Descriptions
2. Water Treatment Plant (WTP) Asset Inventory Prepared by Bolton & Menk
3. Brainerd City Code Section 700 – Sewer Code
4. Wellhead Protection Plan (WHPP)
5. Directional Drilling Forcemain River Crossing Project
6. Proposal for Strategic Visioning and momentum Services
7. Credit Card Transaction Fees
8. Joint Committee for Parking and Car Chargers
9. Water Wastewater 20-year Feasibility Quote
10. Hydro Automation – tainter gate
11. Current Unfilled Employment Positions at BPU
12. Corrosion Control Plan to Minnesota Department of Health
13. Robert's Property Purchase

Completed in 2025:

1. Customer Communications Policy – GoldCross
2. Commissioners Health Insurance – Tabled
3. Website Updates: Solar Distributed Energy Resources – Posted on Website

Public Utilities Commission
Agenda Request

MEETING DATE: June 24, 2025

TITLE OF ITEM: Discuss/Approve Flaherty & Hood P.A. Lobbying Contract for Hydro Generation

ACTION REQUESTED: Discussion Item   **ESTIMATED TIME (MIN):** 4

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

SUMMARY OF ISSUE: Item was tabled from the May 2025 Commission meeting and brought forward to the June 2025 meeting as determined last Commission meeting. As the legislative session has closed, the contract for lobbying with Marty Seifert of Flaherty and Hood comes to an end on June 30, 2025. The original 16-month contract was $35,000. F&H is estimating $25,000 for an additional 12-month extension and $45,000 for an extension to December 31, 2027.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: Staff felt there were 4 options to consider and discuss as of the last meeting:

1. Extend for 12-month with F&H
2. Extend through December 31, 2027 with F&H
3. Work with MMUA governance and legislative team - **No longer an option**
4. Commission/Staff work with their own contacts to continue the efforts

In discussions since the last meeting we have found that MMUA cannot work directly with a single organization to lobby on our behalf. They do have services that are available for grant writing, and we can provide MMUA a detailed listing of projects that we prioritize that then assist in finding available funding opportunities.

A discussion with F&H occurred the week of June 16th where F&H did notify staff that with the change in the Senate seat the authoring of the funding bill and introductions and the work presented at the last session must be re-written with the change in authors of the bill. Marty did discuss with Senator Heintzman, and Senator Heintzman noted that she would be interested in authoring the bill if we move forward with a contract.

RECOMMENDED ACTION/MOTION: Staff request direction on whether to continue the lobbying expenses with F&H.

FINANCIAL IMPACT: $25,000 - $45,000

Public Utilities Commission
Agenda Request

MEETING DATE: June 24, 2025

TITLE OF ITEM: Provide ClimaVision Upate

ACTION REQUESTED: Discussion Item

ESTIMATED TIME (MIN): 2

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Trent Hawkinson, Operations Manager, Danny Loch, Finance Manager

SUMMARY OF ISSUE: Staff will provide a verbal update on the ClimaVision progress. Items to consider from Commission is to determine if payment is necessary to move forward with the project. During the national weather service seminar that Trent and Danny attended it was noted that there is a need for a low level radar, the one climavision is proposing in the area.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

RECOMMENDED ACTION/MOTION:

FINANCIAL IMPACT:

MEMORANDUM

TO: Mayor Badeaux and City Councilmembers
FROM: Nick Broyles, City Administrator
DATE: 16 June 2025
SUBJ: City Administrator Report

In addition to routine administrative matters and in preparation of topics and business action items on the Council's work sessions and meeting agendas, the following is a summary of tasks and activities the City Administrator's office has been working on since the last report of 19 May 2025.

Community Engagement
21 May: Met w/Mike H. and Council President O'Day to discuss various issues
29 May: DeAnn Barry retired from The Center
30 May: Visited outfall property at BIC w/Mike H., staff, and two state legislators
09 Jun: Attended YMCA Board of Directors meeting
10 Jun: Discussed Certificate of Liability Insurance w/Connie and Nate Oland
10 Jun: Attended groundbreaking ceremony for Country Manor at the NP Center

Legislative Update
Lawmakers returned to the Capitol on 09 Jun for a special session to complete their remaining work. During the one-day special session, the House and Senate passed 14 bills. Here of some of the highlights.

Bonding
Capital project funding includes a net of $700 million in new general obligation bonds, and $10.5 million of general fund appropriations. Most of the funding supports state facility preservation and construction, and programs that allocate funds to local governments for specific purposes. Notable allocations include:

- $176 million for Public Facilities Authority (PFA) programs
  - $39 million for state match for federal loan funds
  - $87 million for Water Infrastructure Fund (WIF)
  - $32 million for Point Source Implementation Grants (PSIG)
  - $18 million for a new Emerging Contaminants Grant Program for drinking water
- $1.5 million for Business Development Public Infrastructure (BDPI)
- $1.5 million for Transportation Economic Development Infrastructure (TEDI)
- $42 million for Local Road Improvement Program (LRIP)
- $20 million for Local Bridge Replacement
- $11 million for Major Bridge Replacement
- $5 million for Local Road Wetland Replacement
- The cash bill also transferred a skatepark grant program that had been created last biennium to DEED and specified a few communities as recipients, including **Brainerd**.

Taxes

The taxes omnibus bill increases state revenue by $118 million in the first biennium and $190 million in the second. **The final bill does not reduce local government aid (LGA), despite earlier proposals**. Key city-related provisions include:

- Cannabis gross receipts tax change: The bill increases the tax rate from 10% to 15% and repeals local government cannabis aid (LGCA). LGCA was to be distributed to cities based on the number of licensed cannabis retailers in each city. The increase in the tax rate and the repeal of LGCA is expected to raise $80 million in the first biennium and $132 million in the second.
- Tax increment financing (TIF): There are 19 special-local TIF provisions for 15 cities. It also extends temporary pooled increment authority by one year (from 2025 to 2026) for projects that help create and retain jobs.
- Low-income rental housing property tax treatment: A 2024 Minnesota Supreme Court decision ruled that certain low-income housing owned by qualifying nonprofit entities are exempt from property taxes. These properties fell under the 4(d)-class rate, and the implication of this ruling meant tenants of the property would be liable for personal property tax. This bill limits the exemption so rental housing is not eligible for the exemption, and tenants will not be liable for personal property taxes, as they will be paid by the building owner.
- Local sales tax authority: This bill does not make changes to the general local sales tax laws. The moratorium expired on 31 May 25 and was not extended in this bill. The proposal to provide general authority to cities was also not included.
- Other: The bill provides LGA forgiveness for multiple cities, updates public finance statutes, and makes various smaller property tax changes.

Transportation

The transportation finance and policy omnibus bill contains no major changes to city street funding. The 2023 revenue increases remain intact, though cities may see small reductions in municipal state aid and Transportation Advancement Account payments due to lower-than-expected revenue collections. Greater Minnesota transit funding is reduced by $22 million for the biennium.

Jobs, Labor, and Economic Development

The jobs, labor, and economic development omnibus bill has a net reduction of $28 million in fiscal years 2026-2027 and a net reduction of $40 million in fiscal years 2028-2029.
It include minor updates to Minnesota Paid Leave and changes to earned sick and safe time (ESST), which were originally passed into law in 2023. The change to Minnesota Paid Leave reduces the maximum premium levied by DEED from 1.2% of taxable wages to 1.1%. No other changes were agreed to by the House and Senate this year. It also includes four policy changes to ESST that were agreed upon in the final days before the special session. The changes, effective 01 Jan 26, apply to:

- Notices: Previously, employers could require notice from employees on the usage of ESST “as soon as practicable.” Notice can now be required as “reasonably required by the employer.”

- Documentation: Allows employers to require documentation if ESST is used for two or more consecutive scheduled workdays (it was previously three consecutive days).
- Replacement workers: Clarifies that ESST statute does not prohibit an employee from voluntarily seeking or trading shifts with a replacement worker to cover ESST hours used.
- Prorating frontloaded hours: Employers may advance ESST hours based on an employee's projected work hours for the remaining portion of the accrual year.

Now that the two-year state budget is complete, it is unlikely that there will be another special session called. The Legislature will return for the 2026 regular session on 17 Feb 26.

Finance

Annual Audit: Financial auditors started fieldwork on the week of 28 Apr. The audit will be complete by the deadline of 30 Jun. We received a draft of the audit in the week of 09 Jun, and the final audit will be presented to the City Council in July.

Human Resources

Teamsters Interest Arbitration hearing is scheduled for 31 Jul.

Community Development/Building Official

Country Manor: A groundbreaking ceremony took place, and the clearing of the property has begun.

Front Street Fire: State Fire Marshalls office completed the onsite investigation portion of the fire and has turned the building over to Dave P. Insurance adjusters were on-site and were able to review the building; unknown timeline for their response. Per Dave Pueringer, a structural engineer performed an evaluation of the damage to the structure. It was determined that the front facade was compromised. We are still awaiting the formal report. Over the weekend the tenants on the second floor were given access to their units to remove their possessions. Dave P. is considering his options: remodel the entire structure, remove the upper floor of the structure and remodeling the business tenant spaces, or complete removal of the structure. Insurance settlement and further structural evaluations are going to determine the timeline for this structure. Dave wants to move fast with whatever his final plans do end up being, but the insurance company will be dictating the pace of when that will happen and what viable options Dave will have.

Public Works/Utilities/Parks/Transit

Transit

- Working with MnDOT and consultants to improve Transit operations. Staff are working on the 2026 operation budget

Recreation

- Softball and Pickleball leagues ongoing
- Organizing National Guard volunteers for large park clean-up improvements on 21 Jun

Parks

- Ongoing maintenance is a priority
- Preparing for little league tournaments
- Staff logging Customer Service Log tracking concerns/projects completed

Streets

- MnDOT inspections of commercial vehicles
- Completed roundabout maintenance
- Alley and crosswalk improvements ongoing

Engineering

- 371/Willow Roundabout: Staff will meet with SEH and MnDOT to discuss final timing details before advertisement to ensure that key items such as the County Fair and school start dates are considered. Coordination with all stakeholders will be taken into consideration during the construction project.
- Preconstruction meeting conducted for the Library Improvement Project
- Buffalo Hills Lions Park project is completed

Fire

04 Jun: There was a fire at 614 Front Street causing the temporary closure of the street until a structural engineer could provide an initial assessment. The street was reopened to two-way traffic on 05 Jun, and we are still waiting for the engineer's formal assessment.

Technology

Remodel of office space and network reconfiguration to accommodate new staff nearly complete and onboarding and training of new employees is ongoing. BPU inventory continues as their current computers need to be replaced before Windows 10 end-of-life in October. The Network Administrator begins 30 Jun and will quickly jump into large networking projects at BPU. Transit software replacement is in July and CLC staff are running most of our meetings for the PEG channel.

Airport

12 Jun: Interim Airport Director, Neil Planzer, begins work.

HRA

Staff submitted the Greater Minnesota Housing Infrastructure Grant in support of a housing development in the Brainerd Oaks neighborhood and are anticipating that Minnesota Housing will make their decision on funding by September.

HR Director's Report to Public Utilities Commission

June 20, 2025

Personnel:

- Four Public Utilities Department employees were off work intermittently this past month with two of them for a work-related medical issue.
- The Lineworker position has been posted and closed on June 10th. Staff are reviewing the applications at this time.
- Council approved the hiring of Kyle Glass for the Laborer position. Kyle will start with us on June 23rd.
- Council approved the promotion of Steven Dryburgh to Meter Serviceworker effective June 3, 2025, as well as authorized Staff to backfill the Meter Tech/Locator position.
- Council approved the promotion of David Nelson to the Meter Tech/Locator effective June 17th, as well as authorized Staff to backfill the Water Serviceworker position.
- Council approved the hiring of Jacob Walz as our Network Administrator. Jacob will start with us on June 30th.
- HR Assistant Brittney Boser was married on June 6th. Be on the lookout for emails from Brittney Kummet in the future. Congrats to Mr. and Mrs. Kummet!

Union Negotiations:

On May 5th, the City Council approved the 2025-2027 contract terms and wage resolution with the United Steel Workers International, Local 9230 Unit 09 (Hydro) Union. The Council also approved a Memorandum of Understanding (MOU) allowing IBEW Union members to temporarily work at the Hydro Facility. This MOU was an extension of previous agreements and will expire on 12/31/27. The MOU is being negotiated with the IBEW Union.

New MN Paid Family & Medical Leave Law:

The new MN Paid Family & Medical Leave (PFML) law will go into effect on January 1, 2026. MN is the 13th state to offer PFML. Staff are working with Integrity Benefits (our ancillary benefits broker) to consider a private plan option instead of utilizing the state's plan. We are considering this option in hopes of securing a better payroll premium rate and we are also concerned if the State will be ready to administer the program by January 1st. The private plan option would utilize an insurance company that currently administers similar benefits in other states that offer PFML. This new law will also require the City to modify our policies and some of our benefits including short-term disability. More information to come!

Panelist for WAVE HR Event:

HR Director Schubert participated as a panelist for the recent Brainerd Chamber WAVE event held on June 18th entitled "Candid Conversations with HR". WAVE Young Professionals Network is a new networking and professional development program for individuals aged 18-39 in the Brainerd Lakes Area.

BRAINERD PUBLIC UTILITIES
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www.bpu.org

Brainerd Public Utilities
Finance Managers Report
June 24, 2025

Financial Reports
See attached January and February final reports. March through May will be provided at the next Commission meeting. I will send them to the Finance Committee as soon as they are completed. See attached budget to actual report to date. Staff have begun a new process to provide the reports within the timeframe requested, with the director turnover staff time as been allocated to other projects and will be by end of July.

2026 Budget Process
The 2026 budget process is beginning, if there are known projects or items to be budgeted please provide those as soon as they are available.

MMUA Summer Conference August 18-20, 2025, Rochester MN
Just to note, that the Conference budget was increased in 2025 for conference attendance by Commissioners. See attached flyer. Depending on interest we may have to adjourn to this conference.

Streetlighting/Water/Wastewater Cost Studies
The cost studies for streetlighting/water/wastewater continue. UFS is awaiting the 2025 numbers and will be completing the studies on the most up to date information.

Hydro Funding:
Marty Seifert provided an update noting that our bill did not pass but has been agreed to be authored by Senator Heintzman. With Senator and Representative Heintzman, the bill is likely to be heard at both the Senate and House, but the authorship that was performed this last year needs to be re-written. See packet for agenda request. Additionally per Council request the funding for the water treatment plant of $58M was submitted earlier this month.

Attorney Discussions
On-going discussions have been happening with attorney Langel related to the ClimaVision Lease, BlockMetrix agreement, and Rotary Solar Project.

Credit Card Transaction Processing
Staff have been meeting with and receiving demonstrations of options to assist with the credit card transaction processing. We have seen four separate demonstrations, and updated information for Commission will be available at the July meeting as we vet one last demonstration.

MMUA Legislative Update
I attended the MMUA (Minnesota Municipal Utilities Association) legislative update session in Grand Rapids on June 18. There was a lot of discussion on the happenings within the legislative session this year. There were a lot of challenges with the impacts of Senators and representatives stepping away from their seats for various reasons. Notable items to note: telecommunication installers running a boring rig are only required to have one certified installer on the machine, any reduction in commission sizes now requires a referendum vote, Natural Gas storage now classifies large facility over 1,000,000 gallons versus 100,000 gallons, Electricity sales for E.V. chargers require inspections of each port similar to gas pump inspection. Attached is the handout on the bills for your review.

MMUA

Minnesota Municipal Utilities Association

UTILITY LEADERSHIP

AT THE SPEED OF CHANGE

AUGUST 18–20, 2025

Rochester, MN

2025 Summer Conference

MMUA's flagship event is its Annual Summer Conference, where Minnesota's municipal utility leaders come together to connect, learn, and lead.

This event is designed for utility commissioners, superintendents and managers, supervisors and crew leaders, and anyone invested in the future of municipal utilities. Whether shaping policy or leading a crew, there's something here for you.

- Go in-depth at preconference sessions exploring team functioning, Artificial Intelligence in utilities, or take a tour of Rochester Public Utilities facilities.
- Enjoy time with colleagues and peers by teeing off at the golf tournament or hiking a nature trail.
- Network with other utility professionals from across the state and share information.
- Learn through insightful speakers, panel discussions, and educational breakout sessions focused on today's challenges.
    - Five tracks are available including sessions for council and commission members, utility staff leaders, electrical experts, water/wastewater experts, and human resources/admin professionals.
- Explore the trade show where you will meet vendors offering the latest tools, technologies, and solutions for municipal utilities.
- Celebrate excellence at the MMUA awards ceremony, honoring outstanding individuals and utilities that make a difference in our industry.
- Learn how MMUA deploys your dues dollars to achieve results in Washington and St. Paul, and vote on a change to MMUA's bylaws.

Learn more at mmua.org/event/summer-2025

MMUA

2025 Minnesota Legislature
Summary of Laws Pertaining to or Impacting Municipal Utilities

Chapter (bill number)	Title	Location
Regular Session Laws		
Ch. 23 (SF 908)	**Modification of 2024 Telecommunications Installer Certification Law**	**Entire bill**
Makes January 1, 2026, the uniform deadline to have trained installers. Recognizes some past training and training other than by DLI. Modifies requirement from two trained installers at each underground installation to only one. Effective date: May 20, 2025.		
Ch. 34 (HF 2446)	**Agriculture and Broadband Development Policy and Finance bill**	**Article 1, section 2, subdivision 4 (k); Article 2, section 2**
Appropriates $50,000 in FY 26 for a study by a not-for-profit organization examining market and workforce factors that may contribute to incorrect markings, due June 1, 2027. Appropriates $1,001,000 in both FY 26 and FY 27 to the Office of Broadband Development. Effective date: July 1, 2025.		
Ch. 39 (SF 3045)	**State and Local Government Elections Policy and Finance bill**	**Article 6, sections 11-13**
Local utilities commission may be established with 3, 5, or 7 members. Process to modify size of existing commissions. Effective date: July 1, 2025. Increases the threshold for a mandated audit when the offices of clerk and treasurer are combined from $150,000 to $1 million, including enterprise funds. Effective date: August 1, 2025 and applies to audits performed for 2026 and thereafter. MMUA lobbied successfully for a proposal change to require a referendum before a city council can downsize a commission.		

Chapter (bill number)	Title	Location
First Special Session Laws		
(SF 2)	**Energy bill**	**Articles 2-4**
No direct impact on municipal utilities. Very limited RDA funds expenditure. Large energy facility increase from 100,000 to one million gallons of LNG storage at single site. Securitization for investor-owned gas utilities. Effective date: July 1, 2025. MMUA testified against provisions in the House bill that were ultimately dropped from the legislation.		
(HF 4)	**Commerce and Consumer Protection bill**	**Article 7, section 14-15, 23**
Preservation of service territory integrity when 3rd party charges for EV charging. MMUA secured this provision to codify that only 3rd parties with express statutory authority may sell electricity at retail in Minnesota. $100 per port inspection fee. Effective date: July 1, 2025.		
(HF 9)	**Tax bill**	**Article 3, section 4**
Electricity used by qualified data centers now taxed. Effective date: Sales and purchases made after June 30, 2025.		
(HF 14)	**Transportation bill**	**Article 2, section 69-78**
Public charging stations license required. Charging station owners must collect and remit 5 cents per kWh tax. Stations with charging capacity less than 50 kilowatts exempt. Free stations exempt. Charging stations that begin operating after July 1, 2027, must be capable of selling on a per-kilowatt-hour basis. Pay stations operating before October 1, 2023, that are incapable must comply by January 1, 2032. Effective date: July 1, 2025.		
(HF 16)	**Data Centers bill**	**Entire bill**
Water permit conditions established. IOUs must create tariffs for very large customers to protect other customers and ensure ongoing compliance with energy standards. Gross annual sales exempt for ECO. Data centers with peak demand above 100 megawatts must pay fee into state conservation account. State may invest funds anywhere in Minnesota for low-income ECO and weatherization programs. Information technology equipment (computers) and software purchases are exempt from sales tax. Effective dates: for policy provisions, the date following enactment or August 1, 2025; for tax provisions, sales and purchases made after June 30, 2025. MMUA analyzed multiple proposals collected by the House energy committee chair, discussed them with members, and conveyed to the chair concerns with issues that she ultimately dropped from the legislation.		

Chapter (bill number)	Title	Location
(SF 17)	**Workforce and Labor bill**	**Article 5, sections 10-13**
Earned Sick and Safe Time (ESST) leave modified. Notice of need when reasonably required by employer. Documentation after 2 consecutive days. Employee may seek to trade shifts with replacement worker to cover the hours employee could use ESST. Effective date: July 1, 2025. Employers may advance leave time. Effective date: January 1, 2026. MMUA members lobbied their legislators for such changes during the MMUA Legislative Conference.		
(HF 17)	**Capital Investment (Cash) bill**	
Appropriates various amounts from the general fund for various state and local projects.		
(HF 18)	**Capital Investment (Bonding) bill**	**Article 1, sections 7-8, 21; Article 2, section 2**
Appropriates $44 million to the Department of Natural Resources; $12 million to the Pollution Control Agency, including $6 million for the new Statewide Drinking Water Contamination Mitigation Program (established under this bill); $176 million to the Public Facilities Authority, including $87 million for the Water Infrastructure Funding Program, $32 million for the Point Source Implementation Grants Program, and $18 million for the Emerging Contaminants Grant Program. Effective date: the day following enactment. MMUA members lobbied their legislators to support state bonding focused on these programs during the MMUA Legislative Conference.		
Bills that did not pass		
(Multiple bills)	**Nuclear Moratorium Repeal bill**	
MN Nuclear Energy Alliance formed; Even partial repeal for modular reactors failed; Negotiations between Xcel and Prairie Island Indian Community ongoing. MMUA testified before both energy committees and joined forces with over 30 other organizations to advocate for passage. MMUA members also lobbied their legislators to repeal the ban during the MMUA Legislative Conference.		
(HF 845) (SF 1142)	**MREA/MMUA Net-metering Revision bill**	
Revise "capacity" definition; Eliminate "Average Retail Utility Energy Rate"; Monthly kWh credits only; Credits remaining Dec. 31 paid out at avoided cost. MMUA members lobbied their legislators for these changes during the MMUA		

Chapter (bill number)	Title	Location
Legislative Conference. MMUA and MREA staff worked together closely to draft and lobby for passage of this legislation, securing hearings in both the House and Senate energy committees, inclusion in the Senate omnibus energy bill, and earnest negotiations with legislative and industry opponents. While the bill did not become law, the initiative was successful in pushing back against solar industry efforts to expand net metering and in shifting the narrative.		
(Included in multiple bills)	**Air dispersion modeling proposal**	
MPCA attempted to gain authority to require it under any air permit; Defacto 1-hour NOx rule enforcement. With initial alert from CGMC, MMUA led the effort with the Minnesota Chamber of Commerce successfully defeating efforts by the MPCA at multiple legislative process steps to insert this authority as a "permit streamlining."		
(Multiple bills)	**Gas Ban Prohibition bill**	
There continues to be no state prohibition against local gas appliance bans.		
(HF 18) (SF 821)	**Large Hydro bill**	
Electricity from hydropower plants with capacity greater than 100 MW still does not qualify as renewable.		
(HF 249) (SF 2710)	**Woody Biomass bill**	
Electricity produced by burning timber harvesting byproducts and discarded wood products still does not qualify as carbon-free. MMUA lobbied for inclusion of woody biomass in coordination with Hibbing Public Utilities.		
(HF 2553) (SF 434)	**ROFR Repeal bill**	
All "incumbent transmission owners," (which includes *all* municipal electric utilities, municipal power agencies, and power districts, regardless of transmission ownership), continue to have the right of first refusal to build transmission connected to their own facilities. MMUA member lobbying of Senate bill author was key to him dropping his support for his own bill.		

Chapter (bill number)	Title	Location
(HF 1040) (SF 2892)	**Solar and Wind Product Stewardship Program bill**	
Require sellers of solar panels and wind turbines, towers, and blades to assess purchase fees and operate product end-of-life disposal programs.		

Packet Summary Budget Report

Brainerd Public Utilities, MN

Group Summary

For Fiscal: 2025 Period Ending: 06/30/2025

Account Typ…	Original YTD Budget	Current YTD Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 1 - ELECTRIC						
Revenue	15,399,637.68	15,399,637.68	1,047,759.14	12,703,695.37	-2,695,942.31	17.51 %
Expense	14,592,160.80	14,592,160.80	1,866,842.38	12,660,044.49	1,932,116.31	13.24 %
Fund: 1 - ELECTRIC Surplus (Deficit):	**807,476.88**	**807,476.88**	**-819,083.24**	**43,650.88**	**-763,826.00**	**94.59 %**
Fund: 2 - WATER						
Revenue	2,303,628.18	2,303,628.18	166,692.60	1,762,290.93	-541,337.25	23.50 %
Expense	2,391,697.86	2,391,697.86	167,266.24	1,729,017.87	662,679.99	27.71 %
Fund: 2 - WATER Surplus (Deficit):	**-88,069.68**	**-88,069.68**	**-573.64**	**33,273.06**	**121,342.74**	**137.78 %**
Fund: 3 - WASTEWATER TREATMENT						
Revenue	2,647,740.48	2,647,740.48	169,248.08	2,824,867.92	177,127.44	6.69 %
Expense	2,587,374.54	2,587,374.54	158,381.08	1,745,237.24	842,137.30	32.55 %
Fund: 3 - WASTEWATER TREATMENT Surplus (Deficit):	**60,365.94**	**60,365.94**	**10,867.00**	**1,079,630.68**	**1,019,264.74**	**-1,688.48 %**
Fund: 4 - HYDRO DAM						
Revenue	6,597.36	6,597.36	0.00	2,617.92	-3,979.44	60.32 %
Expense	314,614.08	314,614.08	36,610.89	373,976.75	-59,362.67	-18.87 %
Fund: 4 - HYDRO DAM Surplus (Deficit):	**-308,016.72**	**-308,016.72**	**-36,610.89**	**-371,358.83**	**-63,342.11**	**-20.56 %**
Report Surplus (Deficit):	**471,756.42**	**471,756.42**	**-845,400.77**	**785,195.79**	**313,439.37**	**-66.44 %**

Note: Deficit in Electric revenues is timing of industrial user payments. and deficit in Hydro is timing of the entries for generation which have not been recorded yet, but presented in the next attachment.

Fund Summary

Fund	Original YTD Budget	Current YTD Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
1 - ELECTRIC	807,476.88	807,476.88	-819,083.24	43,650.88	-763,826.00
2 - WATER	-88,069.68	-88,069.68	-573.64	33,273.06	121,342.74
3 - WASTEWATER TREATMENT	60,365.94	60,365.94	10,867.00	1,079,630.68	1,019,264.74
4 - HYDRO DAM	-308,016.72	-308,016.72	-36,610.89	-371,358.83	-63,342.11
Report Surplus (Deficit):	**471,756.42**	**471,756.42**	**-845,400.77**	**785,195.79**	**313,439.37**

Brainerd Public Utilities
Calculation of Net Benefit of Hydro Generation
For the Year Ended December 31, 2025

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Hydro Generation - kWh	1,021,000	917,000	1,002,000	968,000	1,252,000	759,000							5,919,000
Station Usage	-	-	-	-	-	-	-	-	-	-	-	-	-
Line Loss %5 Estimate	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Generation	1,021,000	917,000	1,002,000	968,000	1,252,000	759,000	-	-	-	-	-	-	5,919,000
Blended AEP Cost	$ 0.06472	$ 0.07869	$ 0.08077	$ 0.08472	$ 0.08864	$ 0.08864							$ 0.0810
Calculated Full Benefit	66,079.12	72,158.73	80,931.54	82,008.96	110,977.28	67,277.76	-	-	-	-	-	-	479,433.39

Brainerd Public Utilities
Calculation of Net Benefit of Hydro Generation
For the Year Ended December 31, 2024

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Hydro Generation - kWh	863,000	952,000	968,000	978,000	802,000	745,000	794,000	941,000	909,000	4,000	539,000	708,000	9,203,000
Station Usage	-	-	-	-	-	-	-	-	-	-	-	-	-
Line Loss %5 Estimate	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Generation	863,000	952,000	968,000	978,000	802,000	745,000	794,000	941,000	909,000	4,000	539,000	708,000	9,203,000
Blended AEP Cost	$ 0.07291	$ 0.07199	$ 0.07821	$ 0.08334	$ 0.08305	$ 0.08360	$ 0.07682	$ 0.07970	$ 0.07785	$ 0.08055	$ 0.06268	$ 0.07022	$ 0.0767
Calculated Full Benefit	62,921.33	68,534.48	75,707.28	81,506.52	66,606.10	62,282.00	60,995.08	74,997.70	70,765.65	322.20	33,784.52	49,715.76	708,138.62

Monthly Financial Report

January 2025

BRAINERD PUBLIC UTILITIES
COMPARISON OF OPERATING RESULTS
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2025 AND 2024

	2025		2024	
	Amount	Percent of Sales	Amount	Percent of Sales
OPERATING REVENUE				
Department				
Electric	2,462,214	81.0%	2,412,438	78.8%
Water	301,286	9.9%	379,091	12.4%
Wastewater	278,077	9.1%	270,528	8.8%
Total Operating Revenue	3,041,577	100.0%	3,062,057	100.0%
OPERATING EXPENSES				
Salaries and Wages	886,787	29.2%	568,285	18.6%
Purchased Power	1,594,042	52.4%	1,717,530	56.1%
Purchased Services	163,114	5.4%	154,982	5.1%
Other Charges	32,988	1.1%	78,146	2.6%
Employee Benefits	176,902	5.8%	163,898	5.4%
Insurance and Bonds	30,177	1.0%	31,367	1.0%
Depreciation and Amortization	451,654	14.8%	441,154	14.4%
Total Operating Expenses	3,335,664	109.7%	3,155,362	103.0%
OPERATING INCOME (LOSS)	(294,087)	-9.7%	(93,305)	-3.0%
NONOPERATING REVENUE				
Interest Revenue - Investments	(3,330)	-0.1%	133,353	4.4%
Interest Revenue - Notes Receivable	6,558	-0.1%	8,900	4.4%
Bond Premium	11,424	0.2%	12,210	0.3%
Bond Issuance Costs	-	0.4%	-	0.4%
Interest Expense - Bonds	(61,188)	0.0%	126,034	0.0%
Local Option Sales Tax	122,160	4.0%	(60,400)	-2.0%
Other	5,100	0.2%	4,566	0.1%
Total Nonoperating Revenue	80,724	4.6%	224,663	7.6%
INCOME (LOSS) BEFORE OPERATING TRANSFERS TO THE CITY	(213,363)	-7.0%	131,358	4.3%
TRANSFERS TO THE CITY	(67,421)	-2.2%	(62,649)	-2.0%
CHANGE IN NET ASSETS	$ (280,784)	-9.2%	$ 68,709	2.2%

BRAINERD PUBLIC UTILITIES
COMBINING STATEMENT OF NET POSITION BY DEPARTMENT
JANUARY 31, 2025 AND 2024

	Electric	Water	Wastewater Treatment	Totals 2025	Totals 2024
ASSETS					
UTILITY PLANT					
Construction in Progress	$ 1,344,849	$ 576,611	$ 1,012,397	$ 2,933,857	$ 5,551,086
Right-to-Use	430,612	18,402	18,402	467,416	461,978
In Service	51,432,362	40,040,121	42,789,849	134,262,332	125,769,002
Total Investment in Utility Plant	53,207,823	40,635,134	43,820,648	137,663,605	131,782,066
Less: Accumulated Depreciation	(28,029,129)	(16,999,263)	(22,943,939)	(67,972,331)	(62,712,875)
Net Utility Plant	25,178,694	23,635,871	20,876,709	69,691,274	69,069,191
CASH AND INVESTMENTS					
Nonrestricted	3,698,521	(2,695,366)	5,256,441	6,259,596	7,853,239
Restricted					
Customer Deposits	596,969	-	-	596,969	487,050
City of Brainerd Contribution	89,055	-	-	89,055	132,293
Conservation Incentive Program	619,855	-	-	619,855	422,210
Water and Sewer Accessiblity Charges	-	621,024	7,138	628,162	684,102
Construction Bond Proceeds	-	-	-	-	-
Debt Service Reserve	1,117,250	1,449,702	2,139,099	4,706,051	4,799,578
Total Restricted Cash and Investments	2,423,129	2,070,726	2,146,237	6,640,092	6,525,233
Total Cash and Investments	6,121,650	(624,640)	7,402,678	12,899,688	14,378,472
CURRENT ASSETS					
Accounts Receivable	4,203,580	541,415	3,297,863	8,042,858	4,817,560
Interest Receivable	12,366	3,077	10,000	25,443	32,356
Inventory	2,162,797	119,226	-	2,282,023	1,956,759
Prepaid Expenses	171,980	46,551	23,167	241,698	204,304
Total Current Assets	6,550,723	710,269	3,331,030	10,592,022	7,010,979
OTHER ASSETS					
Bonds and Notes Receivable	-	-	-	-	3,710,923
Interest Receivable - Notes Receivable	-	-	37,000	37,000	43,700
Service Territory Acquisitions, Net of Accumulated	172,083				
Amortization	(76,856)	(15,004)	(15,004)	(106,864)	210,183
Deferred Outflows of Resources	287,943	95,980	95,980	479,903	1,050,947
Investment in Solar Generation Facility	617,954	-	-	617,954	662,073
Total Other Assets	1,001,124	80,976	117,976	1,027,993	5,677,826
Total Assets	38,852,191	23,802,476	31,728,393	94,210,977	96,136,468
LIABILITIES AND NET ASSETS					
NET POSITION					
Net Investment in Capital Assets	20,779,835	11,862,069	11,229,216	43,871,120	40,666,420
Restricted	-	1,578,451	2,031,163	3,609,614	7,434,463
Unrestricted	6,811,107	(2,785,723)	7,531,273	11,556,658	9,161,142
Total Net Position	27,590,942	10,654,797	20,791,652	59,037,391	57,262,025
LONG-TERM LIABILITIES					
Revenue Bonds Payable	3,310,000	11,035,000	2,408,200	16,753,200	17,127,400
PFA Construction Loan Payable	-	-	5,285,000	5,285,000	6,870,000
Compensated Absences	603,733	252,161	186,445	1,042,339	1,229,947
Other Postemployment Benefit Obligation	199,331	66,443	66,443	332,217	366,208
Net Pension Liability	1,241,138	413,713	413,713	2,068,564	3,405,460
Deferred Inflows of Resources	1,104,250	368,082	368,082	1,840,414	1,303,305
Capital Lease Payable	367,373	3,411	3,411	374,195	383,917
Revenue Bond Premium	33,016	657,323	97,169	787,508	840,656
Total Long-Term Liabilities	6,858,841	12,796,133	8,828,463	28,483,437	31,526,893
CURRENT LIABILITIES					
Accounts Payable	1,576,837	9,160	-	1,585,997	1,661,673
Revenue Bonds Payable	1,120,000	75,000	79,200	1,274,200	1,924,200
PFA Construction Loan Payable	-	-	1,585,000	1,585,000	1,585,000
Capital Lease Payable	11,470	3,068	3,068	17,606	28,497
Payable to City of Brainerd	89,055	19,550	234,267	342,872	380,268
Conservation Incentive Program Payable	619,855	-	-	619,855	422,210
Accrued Expenses					
Salaries and Withholding Taxes	147,470	112,277	61,807	321,554	376,803
Sales Taxes	219,266	3,742	-	223,008	180,195
Bond Interest	21,486	128,749	144,936	295,171	301,654
Customer Deposits	596,969	-	-	596,969	487,050
Total Current Liabilities	4,402,408	351,546	2,108,278	6,862,232	7,347,550
Total Liabilities	11,261,249	13,147,679	10,936,741	35,345,669	38,874,443
Total Liabilities and Net Position	$ 38,852,191	$ 23,802,476	$ 31,728,393	$ 94,383,060	$ 96,136,468

BRAINERD PUBLIC UTILITIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2025, 2024, AND 2023

	January 31, 2025				Totals	
			Wastewater		January 31,	
	Electric	Water	Treatment	Total	2024	2023
OPERATING REVENUES						
Utility Revenues	$ 2,439,242	$ 290,557	$ 198,181	$ 2,927,980	$ 2,854,645	$ 2,248,266
Other Operating Revenue	22,972	10,729	79,896	113,597	207,412	87,727
Total Operating Revenue	2,462,214	301,286	278,077	3,041,577	3,062,057	2,335,993
OPERATING EXPENSES						
Purchased Power	1,594,042	-	-	1,594,042	1,717,530	940,189
Production/Generation						
Salaries and Wages	51,428	69,990	85,024	206,442	130,365	164,681
Operations and Maintenance	1,948	13,689	69,814	85,451	78,583	93,662
Employee Benefits	10,099	14,088	15,778	39,965	33,231	39,432
Other Charges	-	-	55	55	895	612
Total Generation/Production Expenses	63,475	97,767	170,671	331,913	243,074	298,387
Distribution						
Salaries and Wages	328,458	113,742	22,384	464,584	268,958	311,812
Operations and Maintenance	15,667	15,672	11,180	42,519	37,404	41,167
Employee Benefits	45,476	15,909	4,214	65,599	34,201	55,959
Other Charges	2,112	11,385	-	13,497	19,133	13,504
Total Distribution Expenses	391,713	156,708	37,778	586,199	359,696	422,442
General and Administrative						
Salaries and Wages	124,351	46,598	44,812	215,761	168,962	146,862
Operations and Maintenance	20,591	9,248	5,305	35,144	38,995	53,887
Insurance and Bonds	17,960	5,117	7,100	30,177	31,367	27,684
Employee Benefits	51,522	10,259	9,557	71,338	96,466	105,354
Other Charges	14,005	1,127	4,304	19,436	58,118	54,605
Total Gen. and Admin. Expenses	228,429	72,349	71,078	371,856	393,908	388,392
Depreciation and Amortization	199,314	111,170	141,170	451,654	441,154	415,800
Total Operating Expenses	2,476,973	437,994	420,697	3,335,664	3,155,362	2,465,210
NET OPERATING INCOME (LOSS)	(14,759)	(136,708)	(142,620)	(294,087)	(93,305)	(129,217)
NONOPERATING REVENUE (EXPENSE)						
Interest Revenue - Investments	(4,559)	(573)	1,802	(3,330)	133,353	47,756
Sale of Renewable Energy Credits	-	-	-	-		
Bond Premium	873	10,257	294	11,424	12,210	14,529
Interest Revenue - Notes Receivable	-	-	6,558	6,558	8,900	9,500
Local Option Sales Tax	-	-	122,160	122,160	126,034	94,000
Interest Expense - Bonds	(9,423)	(25,659)	(26,106)	(61,188)	(60,400)	(73,992)
PERA Aid Revenue	-	-	-	-	-	-
Other	-	-	5,100	5,100	4,566	6,400
Total Nonoperating Revenue (Expense)	(13,109)	(15,975)	109,808	80,724	224,663	98,193
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(27,868)	(152,683)	(32,812)	(213,363)	131,358	(31,024)
TRANSFERS TO THE CITY	(67,421)	-	-	(67,421)	(62,649)	(65,269)
CHANGE IN NET POSITION	$ (95,289)	$ (152,683)	$ (32,812)	$ (280,784)	$ 68,709	$ (96,293)

BRAINERD PUBLIC UTILITIES
COMBINING STATEMENT OF NET POSITION FOR ELECTRIC DEPARTMENT
JANUARY 31, 2025 AND 2024

	January 31, 2025			
	Generation	Distribution	Total	2024
ASSETS				
UTILITY PLANT				
Construction in Progress	$ 803,913	$ 540,936	$ 1,344,849	$ 2,496,999
Right-to-Use	-	430,612	430,612	421,686
In Service	8,082,043	43,350,319	51,432,362	48,070,611
Total Investment in Utility Plant	8,885,956	44,321,867	53,207,823	50,989,296
Less: Accumulated Depreciation	(2,911,479)	(25,117,650)	(28,029,129)	(25,765,369)
Net Utility Plant	5,974,477	19,204,217	25,178,694	25,223,927
CASH AND INVESTMENTS				
Nonrestricted	(4,998,299)	8,696,820	3,698,521	4,916,292
Restricted				
Customer Deposits	-	596,969	596,969	487,050
City of Brainerd Contribution	-	89,055	89,055	132,293
Conservation Incentive Program	-	619,855	619,855	422,210
Debt Service Reserve	686,750	430,500	1,117,250	1,117,250
Total Restricted Cash and Investments	686,750	1,736,379	2,423,129	2,158,803
Total Cash and Investments	(4,311,549)	10,433,199	6,121,650	7,075,095
CURRENT ASSETS				
Accounts Receivable	-	4,203,580	4,203,580	3,557,905
Interest Receivable	-	12,366	12,366	15,106
Inventory	-	2,162,797	2,162,797	1,816,779
Prepaid Expenses	5,001	166,979	171,980	171,299
Total Current Assets	5,001	6,545,722	6,550,723	5,561,089
OTHER ASSETS				
Service Territory Acquisitions, Net of Accumulated	-	172,083	172,083	
Amortization	-	(76,856)	(76,856)	210,183
Deferred Outflows of Resources	47,991	239,952	287,943	630,567
Investment in Solar Generation Facility	-	617,954	617,954	662,073
Total Other Assets	47,991	953,133	1,001,124	1,502,823
Total Assets	1,715,920	37,136,271	38,852,191	39,362,934
LIABILITIES AND NET ASSETS				
Net Investment in Capital Assets	3,209,961	17,569,874	20,779,835	19,800,311
Unrestricted	(5,079,875)	11,890,982	6,811,107	6,711,275
Total Net Position	(1,869,914)	29,460,856	27,590,942	26,511,586
LONG-TERM LIABILITIES				
Revenue Bonds Payable	2,370,000	940,000	3,310,000	4,500,000
Compensated Absences	62,316	541,417	603,733	720,064
Other Postemployment Benefit Obligation	33,222	166,109	199,331	219,726
Net Pension Liability	206,856	1,034,282	1,241,138	2,043,276
Deferred Inflows of Resources	184,042	920,208	1,104,250	781,983
Capital Lease Payable	-	367,373	367,373	374,705
Revenue Bond Premium	33,016	-	33,016	44,974
Total Long-Term Liabilities	2,889,452	3,969,389	6,858,841	8,684,728
CURRENT LIABILITIES				
Accounts Payable	-	1,576,837	1,576,837	1,652,316
Revenue Bonds Payable	665,000	455,000	1,120,000	1,040,000
Capital Lease Payable	-	11,470	11,470	17,937
Payable to City of Brainerd	-	89,055	89,055	132,293
Conservation Incentive Program Payable	-	619,855	619,855	422,210
Accrued Expenses				
Salaries and Withholding Taxes	15,152	132,318	147,470	211,639
Sales Taxes	-	219,266	219,266	177,227
Bond Interest	16,230	5,256	21,486	25,948
Customer Deposits	-	596,969	596,969	487,050
Total Current Liabilities	696,382	3,706,026	4,402,408	4,166,620
Total Liabilities	3,585,834	7,675,415	11,261,249	12,851,348
Total Liabilities and Net Position	$ 1,715,920	$ 37,136,271	$ 38,852,191	$ 39,362,934

BRAINERD PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2025, 2024, AND 2023

	January 31, 2025 Current Month	January 31, 2025 Year to Date	Budget	Variance With Budget - Positive (Negative)	Year to Date January 31, 2024	Year to Date January 31, 2023
OPERATING REVENUES						
Utility Revenues						
Residential	$ 607,522	$ 607,522	$ 580,000	$ 27,522	$ 598,428	$ 651,901
Commercial	817,040	817,040	885,000	(67,960)	824,707	872,391
Medium/Large Commercial	164,880	164,880	229,000	(64,120)	185,463	190,532
Industrial	740,895	740,895	750,000	(9,105)	690,401	5,319
City of Brainerd	29,899	29,899	30,200	(301)	31,789	32,148
BPU	79,006	79,006	65,000	14,006	79,307	81,335
Total Utility Revenue	2,439,242	2,439,242	2,539,200	(99,958)	2,410,095	1,833,626
Other Operating Revenue						
Penalties	19,524	19,524	8,500	11,024	13,118	10,919
Other	3,448	3,448	19,033	(15,585)	(10,775)	4,607
Total Other Operating Revenue	22,972	22,972	27,533	(4,561)	2,343	15,526
Total Operating Revenue	2,462,214	2,462,214	2,566,733	(104,519)	2,412,438	1,849,152
OPERATING EXPENSES						
Purchased Power						
All Other Customers	929,324	929,324	1,020,000	90,676	1,055,932	911,266
Solar Generation - Airport	27,771	27,771	60,000	32,229	14,044	24,979
Crypto Mining Customers	636,947	636,947	583,333	(53,614)	647,554	3,944
Total Purchased Power Expense	1,594,042	1,594,042	1,663,333	69,291	1,717,530	940,189
Generation						
Salaries and Wages	51,428	51,428	19,708	(31,720)	28,992	60,685
Operations and Maintenance	1,948	1,948	3,425	1,477	878	1,459
Employee Benefits	10,099	10,099	4,300	(5,799)	8,700	14,080
Other Charges	-	-	500	500	-	-
Depreciation	27,300	27,300	27,200	(100)	27,400	27,200
Total Generation Expenses	90,775	90,775	55,133	(35,642)	65,970	103,424
Distribution						
Salaries and Wages	328,458	328,458	168,525	(159,933)	182,118	224,687
Operations and Maintenance	15,667	15,667	51,467	35,800	15,220	18,047
Employee Benefits	45,476	45,476	40,400	(5,076)	19,011	38,440
Other Charges	2,112	2,112	5,717	3,605	5,999	6,915
Depreciation and Amortization	154,600	154,600	142,950	(11,650)	147,500	142,500
Total Distribution Expenses	546,313	546,313	409,058	(137,255)	369,848	430,589
General and Administrative						
Salaries and Wages	124,351	124,351	94,133	(30,218)	105,950	85,031
Operations and Maintenance	20,591	20,591	57,807	37,216	26,440	32,792
Insurance and Bonds	17,960	17,960	22,317	4,357	18,407	17,220
Employee Benefits	51,522	51,522	43,350	(8,172)	70,323	57,925
Other Charges	14,004	14,005	44,750	30,745	38,039	37,756
Depreciation and Amortization	17,414	17,414	14,508	(2,906)	15,214	10,900
Total Gen. and Admin. Expenses	245,842	245,843	276,865	31,022	274,373	241,624
Total Operating Expenses	2,476,972	2,476,973	2,404,390	(72,583)	2,427,721	1,715,826
NET OPERATING INCOME	(14,758)	(14,759)	162,343	(177,102)	(15,283)	133,326
NONOPERATING REVENUE						
Interest Revenue - Investments	(4,559)	(4,559)	800	(5,359)	33,107	20,228
Interest Expense - Bonds	(9,423)	(9,423)	(13,067)	3,644	(10,800)	(14,970)
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	873	873	1,100	(227)	1,008	1,456
PERA Aid Revenue	-	-	-	-		-
Gain on Disposal of Capital Assets	-	-	100	(100)	-	-
Total Nonoperating Revenue	(13,109)	(13,109)	(11,067)	(2,042)	23,315	6,714
INCOME BEFORE TRANSFERS TO THE CITY	(27,867)	(27,868)	151,277	(179,145)	8,032	140,040
TRANSFERS TO THE CITY	(67,421)	(67,421)	(68,000)	579	(62,649)	(65,269)
CHANGE IN NET POSITION	$ (95,288)	$ (95,289)	$ 83,277	$ (178,566)	$ (54,617)	$ 74,771

BRAINERD PUBLIC UTILITIES
OPERATING STATISTICS - ELECTRIC DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2025, 2024, AND 2023

	KWH SOLD PERIOD ENDED JANUARY 31,			REVENUE PERIOD ENDED JANUARY 31,			AVERAGE REVENUE PER KWH PERIOD ENDED JANUARY 31,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	5,360,511	4,950,298	5,397,485	$ 607,522	$ 598,428	$ 651,901	$ 0.1133	$ 0.1209	$ 0.1208
Commercial	3,514,120	3,352,384	3,467,306	817,040	824,707	872,391	0.2325	0.2460	0.2516
Medium/Large Commercial	5,239,366	5,203,024	5,539,454	164,880	185,463	190,532	0.0315	0.0356	0.0344
Industrial	14,334,803	5,783,570	3,861	740,895	690,401	5,319	0.0517	0.1194	1.3776
City of Brainerd	185,798	198,090	191,329	29,899	31,789	32,148	0.1609	0.1605	0.1680
BPU	749,526	715,224	723,570	79,006	79,307	81,335	0.1054	0.1109	0.1124
Total	29,384,124	20,202,590	15,323,005	$ 2,439,242	$ 2,410,095	$ 1,833,626	$ 0.0830	$ 0.1193	$ 0.1197
% Change From Previous Year	45.45%	31.84%	NA	1.21%	31.44%	NA	-30.42%	-0.31%	NA

	% TO TOTAL - KWH PERIOD ENDED JANUARY 31,			% TO TOTAL - REVENUE PERIOD ENDED JANUARY 31,			TOTAL METERS IN SERVICE PERIOD ENDED JANUARY 31,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	18.24%	24.50%	35.22%	24.91%	24.83%	35.55%	6,966	6,944	6,926
Commercial	11.96%	16.59%	22.63%	33.50%	34.22%	47.58%	1,234	1,223	1,223
Medium/Large Commercial	17.83%	25.75%	36.15%	6.76%	7.70%	10.39%	64	66	67
City of Brainerd	0.63%	0.98%	1.25%	1.23%	1.32%	1.75%	42	36	37
Industrial	2.55%	28.63%	0.03%	30.37%	28.65%	0.29%	1	1	1
BPU	2.55%	3.54%	4.72%	3.24%	3.29%	4.44%	39	39	38
Total	53.77%	100.00%	100.00%	100.00%	100.00%	100.00%	8,346	8,309	8,292
% Change From Previous Year							0.45%	0.21%	NA

BRAINERD PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2025, 2024, AND 2023

	January 31, 2025			Variance With Budget -	Year to Date January 31,	
	Current Month	Year to Date	Budget	Positive (Negative)	2024	2023
OPERATING REVENUES						
Utility Revenues						
Residential	$ 155,219	$ 155,219	$ 152,208	$ 3,011	$ 127,067	$ 127,028
Commercial	119,678	119,678	160,800	(41,122)	103,246	91,320
City of Brainerd	7,813	7,813	12,442	(4,629)	7,730	7,307
BPU	7,847	7,847	9,308	(1,461)	6,798	5,167
Total Utility Revenue	290,557	290,557	334,758	(44,201)	244,841	230,822
Other Operating Revenue						
Penalties	2,834	2,834	1,700	1,134	2,470	1,886
Other	7,895	7,895	5,433	2,462	131,780	9,897
Total Other Operating Revenue	10,729	10,729	7,133	3,596	134,250	11,783
Total Operating Revenue	301,286	301,286	341,892	(40,606)	379,091	242,605
OPERATING EXPENSES						
Production						
Salaries and Wages	69,990	69,990	43,133	(26,857)	56,463	54,302
Operations and Maintenance	13,689	13,689	23,283	9,594	16,026	22,189
Employee Benefits	14,088	14,088	14,700	612	13,285	14,196
Other Charges	-	-	60	60	-	-
Depreciation	17,400	17,400	22,300	4,900	15,200	22,200
Total Production Expenses	115,167	115,167	103,477	(11,690)	100,974	112,887
Distribution						
Salaries and Wages	113,742	113,742	49,308	(64,434)	74,412	85,425
Operations and Maintenance	15,672	15,672	23,250	7,578	10,457	12,359
Employee Benefits	15,909	15,909	16,600	691	12,008	14,270
Other Charges	11,385	11,385	2,133	(9,252)	13,134	6,571
Depreciation	88,700	88,700	86,075	(2,625)	85,400	67,900
Total Distribution Expenses	245,408	245,408	177,367	(68,041)	195,411	186,525
General and Administrative						
Salaries and Wages	46,598	46,598	35,699	(10,899)	32,347	31,852
Operations and Maintenance	9,248	9,248	18,900	9,652	6,247	10,097
Insurance and Bonds	5,117	5,117	5,700	583	4,608	5,833
Employee Benefits	10,259	10,259	13,900	3,641	14,488	24,763
Other Charges	1,127	1,127	13,900	12,773	9,830	7,713
Depreciation	5,070	5,070	4,633	(437)	4,570	3,500
Total Gen. and Admin. Expenses	77,419	77,419	92,733	15,314	72,090	83,758
Total Operating Expenses	437,994	437,994	373,576	(64,418)	368,475	383,170
NET OPERATING INCOME (LOSS)	(136,708)	(136,708)	(31,684)	(105,024)	10,616	(140,565)
NONOPERATING REVENUE						
Interest Revenue - Investments	(573)	(573)	800	(1,373)	6,700	2,613
Local Option Sales Tax - Baxter	-	-	29,100	(29,100)	-	-
Bond Premium	10,257	10,257	12,300	(2,043)	10,490	12,137
Bond Issuance Costs	-	-	-		-	-
Interest Expense - Bonds	(25,659)	(25,659)	(25,200)	(459)	(24,900)	(28,514)
PERA Aid Revenue	-	-	-	-		-
Gain on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenue	(15,975)	(15,975)	17,000	(32,975)	(7,710)	(13,764)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(152,683)	(152,683)	(14,684)	(137,999)	2,906	(154,329)
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-
CHANGE IN NET POSITION	$ (152,683)	$ (152,683)	$ (14,684)	$ (137,999)	$ 2,906	$ (154,329)

BRAINERD PUBLIC UTILITIES
OPERATING STATISTICS - WATER DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2025, 2024, AND 2023

	GALLONS SOLD			REVENUE			AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED JANUARY 31,			PERIOD ENDED JANUARY 31,			PERIOD ENDED JANUARY 31,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	12,113,108	11,614,502	12,101,408	155,219	127,067	127,028	$ 12.81	$ 10.94	$ 10.50
Commercial	13,830,112	14,732,539	13,257,981	134,676	117,222	103,794	9.74	7.96	7.83
City of Baxter	-	-	-	662	552	-	#DIV/0!	-	-
Total	25,943,220	26,347,041	25,359,389	$ 290,557	$ 244,841	$ 230,822	$ 11.20	$ 9.29	$ 9.10
% Change From Previous Year	-1.53%	3.89%	NA	18.67%	6.07%	NA	20.52%	2.10%	NA

	% TO TOTAL - GALLONS			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED JANUARY 31,			PERIOD ENDED JANUARY 31,			PERIOD ENDED JANUARY 31,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	46.69%	44.08%	47.72%	53.42%	51.90%	55.03%	4,080	4,064	4,047
Commercial	53.31%	55.92%	52.28%	46.35%	47.88%	44.97%	858	852	849
City of Baxter	0.00%	0.00%	0.00%	0.23%	0.23%	0.00%	1	1	1
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	4,939	4,917	4,897
% Change From Previous Year							0.45%	0.41%	NA

BRAINERD PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2025, 2024, AND 2023

	January 31, 2025			Variance	Year to Date	
	Current Month	Year to Date	Budget	With Budget - Positive (Negative)	January 31, 2024	January 31, 2023
OPERATING REVENUES						
Utility Revenues						
Residential	$ 130,113	$ 130,113	$ 130,500	$ (387)	$ 128,391	$ 122,357
Commercial	68,068	68,068	94,717	(26,649)	71,318	61,461
Total Utility Revenue	198,181	198,181	225,217	(27,036)	199,709	183,818
Other Operating Revenue						
Penalties	4,019	4,019	2,300	1,719	3,309	2,473
Reimbursement of Expenses - Baxter	75,288	75,288	66,667	8,621	66,613	57,381
Other	589	589	4,250	(3,661)	897	564
Total Other Operating Revenue	79,896	79,896	73,217	6,679	70,819	60,418
Total Operating Revenue	278,077	278,077	298,433	(20,356)	270,528	244,236
OPERATING EXPENSES						
Treatment						
Salaries and Wages	85,024	85,024	38,067	(46,957)	44,910	49,694
Operations and Maintenance	69,814	69,814	87,792	17,978	61,679	70,014
Employee Benefits	15,778	15,778	13,033	(2,745)	11,246	11,156
Other Charges	55	55	3,350	3,295	895	612
Depreciation	119,200	119,200	118,000	(1,200)	119,200	117,000
Total Treatment Expenses	289,871	289,871	260,242	(29,629)	237,930	248,476
Lift Stations						
Salaries and Wages	22,384	22,384	13,942	(8,442)	12,428	1,700
Operations and Maintenance	11,180	11,180	15,983	4,803	11,727	10,761
Employee Benefits	4,214	4,214	4,400	186	3,182	3,249
Other Charges	-	-	200	200	-	18
Depreciation	18,000	18,000	22,400	4,400	23,000	22,200
Total Collection Expenses	55,778	55,778	56,925	1,147	50,337	37,928
General and Administrative						
Salaries and Wages	44,812	44,812	31,733	(13,080)	30,665	29,979
Operations and Maintenance	5,305	5,305	14,623	9,318	6,308	10,998
Insurance and Bonds	7,100	7,100	7,142	42	8,352	4,631
Employee Benefits	9,557	9,557	12,900	3,343	11,655	22,666
Other Charges	4,304	4,304	14,629	10,325	10,249	9,136
Depreciation and Amortization	3,970	3,970	2,908	(1,062)	3,670	2,400
Total Gen. and Admin. Expenses	75,048	75,048	83,935	8,887	70,899	79,810
Total Operating Expenses	420,697	420,697	401,102	(19,595)	359,166	366,214
NET OPERATING LOSS	(142,620)	(142,620)	(102,668)	(39,952)	(88,638)	(121,978)
NONOPERATING REVENUE						
Interest Revenue - Investments	1,802	1,802	8,333	(6,531)	93,546	24,915
Interest Revenue - Notes Receivable	6,558	6,558	-	6,558	8,900	9,500
Interest Expense - Bonds	(26,106)	(26,106)	(30,300)	4,194	(24,700)	(30,508)
Bond Premium	294	294	700	(406)	712	936
Local Option Sales Tax - Brainerd	122,160	122,160	122,700	(540)	126,034	94,000
Local Option Sales Tax - Baxter	-	-	6,100	(6,100)	-	-
Federal Grant Revenue - Build America Bond	5,100	5,100	5,200	(100)	4,566	6,400
PERA Aid Revenue	-	-	-	-		-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenue	109,808	109,808	112,733	(2,925)	209,058	105,243
CHANGE IN NET POSITION	$ (32,812)	$ (32,812)	$ 10,065	$ (42,877)	$ 120,420	$ (16,735)

BRAINERD PUBLIC UTILITIES
OPERATING STATISTICS - WASTEWATER TREATMENT DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2025, 2024, AND 2023

	GALLONS PROCESSED			REVENUE			AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED JANUARY 31,			PERIOD ENDED JANUARY 31,			PERIOD ENDED JANUARY 31,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	12,049,127	11,546,949	12,033,333	$ 130,113	$ 128,391	$ 122,357	$ 10.80	$ 11.12	$ 10.17
Commercial	12,564,738	13,433,275	12,316,810	68,068	71,318	61,461	5.42	5.31	4.99
City of Baxter	18,981,000	18,528,000	17,775,000	75,288	66,613	57,381	3.97	3.60	3.23
Total	43,594,865	43,508,224	42,125,143	$ 273,469	$ 266,322	$ 241,199	$ 6.27	$ 6.12	$ 5.73
% Change From Previous Year	0.20%	3.28%	NA	2.68%	10.42%	NA	2.48%	6.91%	NA

	% TO TOTAL - GALLONS			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED JANUARY 31,			PERIOD ENDED JANUARY 31,			PERIOD ENDED JANUARY 31,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	27.64%	26.54%	28.57%	47.58%	48.21%	50.73%	4,055	4,048	4,034
Commercial	28.82%	30.88%	29.24%	24.89%	26.78%	25.48%	834	832	824
City of Baxter	43.54%	42.59%	42.20%	27.53%	25.01%	23.79%	1	1	1
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	4,890	4,881	4,859
% Change From Previous Year							0.18%	0.45%	NA

Monthly Financial Report

February 2025

BRAINERD PUBLIC UTILITIES
COMPARISON OF OPERATING RESULTS
FOR THE TWO MONTH PERIOD ENDED FEBRUARY 28, 2025 AND 2024

	2025		2024	
	Amount	Percent of Sales	Amount	Percent of Sales
OPERATING REVENUE				
Department				
Electric	4,702,472	79.9%	4,747,343	80.2%
Water	609,745	10.4%	628,460	10.6%
Wastewater	569,939	9.7%	540,703	9.1%
Total Operating Revenue	5,882,156	100.0%	5,916,506	100.0%
OPERATING EXPENSES				
Salaries and Wages	1,230,974	20.9%	950,215	16.1%
Purchased Power	2,953,619	50.2%	3,098,624	52.4%
Operations and Maintenance	481,745	8.2%	381,664	6.5%
Other Charges	119,473	2.0%	135,465	2.3%
Employee Benefits	286,041	4.9%	300,872	5.1%
Insurance and Bonds	57,923	1.0%	51,736	0.9%
Depreciation and Amortization	903,308	15.4%	882,308	14.9%
Total Operating Expenses	6,033,083	102.6%	5,800,884	98.0%
OPERATING INCOME	(150,927)	-2.6%	115,622	2.0%
NONOPERATING REVENUE				
Interest Revenue - Investments	38,956	0.7%	138,246	2.3%
Interest Revenue - Notes Receivable	13,116	0.2%	13,058	0.2%
Bond Premium	24,255	0.4%	24,420	0.4%
Interest Expense - Bonds	(121,141)	-2.1%	(119,226)	-2.0%
Local Option Sales Tax	122,160	2.1%	497,438	8.4%
Other	10,200	0.2%	9,641	0.2%
Federal Grant Revenue - Build America Bond	-	0.0%	-	0.0%
Gain (Loss) on Disposal of Capital Assets	-	0.0%	-	0.0%
Total Nonoperating Revenue	87,546	1.5%	563,577	9.5%
INCOME BEFORE OPERATING TRANSFERS TO THE CITY	(63,381)	-1.1%	679,199	11.5%
TRANSFERS TO THE CITY	(138,050)	-2.3%	(126,654)	-2.1%
CHANGE IN NET ASSETS	$ (201,431)	-3.4%	$ 552,545	9.3%

BRAINERD PUBLIC UTILITIES
COMBINING STATEMENT OF NET POSITION BY DEPARTMENT
FEBRUARY 28, 2025 AND 2024

			Wastewater	Totals	
	Electric	Water	Treatment	2025	2024
ASSETS					
UTILITY PLANT					
Construction in Progress	$ 1,431,507	$ 597,088	$ 1,075,553	$ 3,104,148	$ 5,668,877
Right-to-Use	430,612	18,402	18,402	467,416	461,978
In Service	51,441,089	40,040,121	42,839,832	134,321,042	125,818,775
Total Investment in Utility Plant	53,303,208	40,655,611	43,933,787	137,892,606	131,949,630
Less: Accumulated Depreciation	(28,221,929)	(17,109,963)	(23,084,239)	(68,416,131)	(63,150,929)
Net Utility Plant	25,081,279	23,545,648	20,849,548	69,476,475	68,798,701
CASH AND INVESTMENTS					
Nonrestricted	4,013,505	(3,528,953)	5,048,665	5,533,217	7,563,023
Restricted					
Customer Deposits	598,044	-	-	598,044	491,202
City of Brainerd Contribution	92,263	-	-	92,263	133,649
Conservation Incentive Program	651,608	-	-	651,608	452,390
Water and Sewer Accessiblity Charges	-	621,024	7,138	628,162	684,102
Construction Bond Proceeds	-	-	-	-	-
Debt Service Reserve	1,117,250	1,449,702	2,139,099	4,706,051	4,069,578
Total Restricted Cash and Investments	2,459,165	2,070,726	2,146,237	6,676,128	5,830,921
Total Cash and Investments	6,472,670	(1,458,227)	7,194,902	12,209,345	13,393,944
CURRENT ASSETS					
Accounts Receivable	3,910,517	562,405	3,327,764	7,800,686	5,377,077
Interest Receivable	9,393	3,657	10,092	23,142	32,188
Inventory	2,193,206	118,222	-	2,311,428	1,960,759
Prepaid Expenses	195,804	38,720	15,098	249,622	220,903
Total Current Assets	6,308,920	723,004	3,352,954	10,384,878	7,590,927
OTHER ASSETS					
Bonds and Notes Receivable	-	-	-	-	3,710,923
Interest Receivable - Notes Receivable	-	-	6,540	6,540	2,300
Service Territory Acquisitions, Net of Accumulated	168,083				
Amortization	(79,770)	(15,474)	(15,473)	(110,717)	207,083
Deferred Outflows of Resources	287,943	95,980	95,980	479,903	1,050,947
Investment in Solar Generation Facility	617,954	-	-	617,954	662,073
Total Other Assets	994,210	80,506	87,047	993,680	5,633,326
Total Assets	38,857,079	22,890,931	31,484,451	93,064,378	95,416,898
LIABILITIES AND NET ASSETS					
NET POSITION					
Net Investment in Capital Assets	20,684,373	12,572,464	11,273,078	44,529,915	41,138,433
Restricted	-	1,486,445	2,132,043	3,618,488	6,692,023
Unrestricted	7,065,562	(3,424,856)	7,327,633	10,968,340	9,915,410
Total Net Position	27,749,935	10,634,053	20,732,754	59,116,742	57,745,866
LONG-TERM LIABILITIES					
Revenue Bonds Payable	3,310,000	10,245,000	2,338,200	15,893,200	17,127,400
PFA Construction Loan Payable	-	-	5,285,000	5,285,000	6,870,000
Compensated Absences	603,572	248,704	187,484	1,039,760	1,222,770
Other Postemployment Benefit Obligation	199,331	66,443	66,443	332,217	366,208
Net Pension Liability	1,241,138	413,713	413,713	2,068,564	3,405,460
Deferred Inflows of Resources	1,104,250	368,082	368,082	1,840,414	1,303,305
Capital Lease Payable	366,292	3,050	3,050	372,392	382,166
Revenue Bond Premium	32,144	647,066	95,468	774,678	828,446
Total Long-Term Liabilities	6,856,727	11,992,058	8,757,440	27,606,225	31,505,755
CURRENT LIABILITIES					
Accounts Payable	1,420,541	14,390	677	1,435,608	1,329,224
Revenue Bonds Payable	1,120,000	75,000	79,200	1,274,200	1,194,200
PFA Construction Loan Payable	-	-	1,585,000	1,585,000	1,585,000
Capital Lease Payable	11,470	3,068	3,068	17,606	28,497
Payable to City of Brainerd	92,263	19,550	249,817	361,630	380,786
Conservation Incentive Program Payable	651,608	-	-	651,608	452,390
Accrued Expenses					
Salaries and Withholding Taxes	133,421	112,154	62,899	308,474	398,603
Sales Taxes	191,718	3,915	-	195,633	189,561
Bond Interest	31,352	36,743	13,596	81,691	115,814
Customer Deposits	598,044	-	-	598,044	491,202
Total Current Liabilities	4,250,417	264,820	1,994,257	6,509,494	6,165,277
Total Liabilities	11,107,144	12,256,878	10,751,697	34,115,719	37,671,032
Total Liabilities and Net Position	$ 38,857,079	$ 22,890,931	$ 31,484,451	$ 93,232,461	$ 95,416,898

BRAINERD PUBLIC UTILITIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT
FOR THE TWO MONTH PERIOD ENDED FEBRUARY 28, 2025, 2024, AND 2023

	February 28, 2025				Totals	
			Wastewater		Febuary 28,	
	Electric	Water	Treatment	Total	2024	2023
OPERATING REVENUES						
Utility Revenues	$ 4,662,831	$ 591,493	$ 405,009	$ 5,659,333	$ 5,587,184	$ 4,698,289
Other Operating Revenue	39,641	18,252	164,930	222,823	329,322	198,773
Total Operating Revenue	4,702,472	609,745	569,939	5,882,156	5,916,506	4,897,062
OPERATING EXPENSES						
Purchased Power	2,953,619	-	-	2,953,619	3,098,624	1,841,217
Production/Generation						
Salaries and Wages	70,307	93,078	117,983	281,368	220,917	262,822
Operations and Maintenance	3,960	48,654	188,231	240,845	178,653	220,188
Employee Benefits	17,019	20,917	27,485	65,421	64,632	72,701
Other Charges	-	100	1,980	2,080	2,232	2,993
Total Generation/Production Expenses	91,286	162,749	335,679	589,714	466,434	558,704
Distribution						
Salaries and Wages	455,133	155,261	30,143	640,537	456,462	483,823
Operations and Maintenance	45,708	28,302	25,671	99,681	102,091	145,952
Employee Benefits	80,940	27,980	7,402	116,322	102,854	105,028
Other Charges	5,600	11,560	-	17,160	25,068	20,141
Total Distribution Expenses	587,381	223,103	63,216	873,700	686,475	754,944
General and Administrative						
Salaries and Wages	179,504	66,017	63,548	309,069	272,836	242,451
Operations and Maintenance	91,326	29,771	20,122	141,219	100,920	116,949
Insurance and Bonds	33,489	10,234	14,200	57,923	51,736	55,368
Employee Benefits	67,223	19,219	17,856	104,298	133,386	197,927
Other Charges	64,917	15,753	19,563	100,233	108,165	97,202
Total Gen. and Admin. Expenses	436,459	140,994	135,289	712,742	667,043	709,897
Depreciation and Amortization	398,628	222,340	282,340	903,308	882,308	839,306
Total Operating Expenses	4,467,373	749,186	816,524	6,033,083	5,800,884	4,704,068
NET OPERATING INCOME (LOSS)	235,099	(139,441)	(246,585)	(150,927)	115,622	192,994
NONOPERATING REVENUE (EXPENSE)						
Interest Revenue - Investments	(15,801)	(2,367)	57,124	38,956	138,246	21,854
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	1,746	20,514	1,995	24,255	24,420	28,739
Interest Revenue - Notes Receivable	-	-	13,116	13,116	13,058	17,935
Local Option Sales Tax	-	-	122,160	122,160	497,438	187,669
Interest Expense - Bonds	(19,289)	(52,132)	(49,720)	(121,141)	(119,226)	(140,597)
PERA Aid Revenue	-	-	-	-	-	-
Other	-	-	10,200	10,200	9,641	12,500
Total Nonoperating Revenue (Expense)	(33,344)	(33,985)	154,875	87,546	563,577	128,100
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	201,755	(173,426)	(91,710)	(63,381)	679,199	321,094
TRANSFERS TO THE CITY	(138,050)	-	-	(138,050)	(126,654)	(131,154)
CHANGE IN NET POSITION	$ 63,705	$ (173,426)	$ (91,710)	$ (201,431)	$ 552,545	$ 189,940

BRAINERD PUBLIC UTILITIES
COMBINING STATEMENT OF NET POSITION FOR ELECTRIC DEPARTMENT
FEBRUARY 28, 2025 AND 2024

	February 28, 2025			
	Generation	Distribution	Total	2024
ASSETS				
UTILITY PLANT				
Construction in Progress	$ 821,855	$ 609,652	$ 1,431,507	$ 2,599,289
Right-to-Use	-	430,612	430,612	421,686
In Service	8,082,041	43,359,048	51,441,089	48,120,384
Total Investment in Utility Plant	8,903,896	44,399,312	53,303,208	51,141,359
Less: Accumulated Depreciation	(2,939,479)	(25,282,450)	(28,221,929)	(2,595,638)
Net Utility Plant	5,964,417	19,116,862	25,081,279	25,188,976
CASH AND INVESTMENTS				
Nonrestricted	(5,039,657)	9,053,162	4,013,505	4,411,278
Restricted				
Customer Deposits	-	598,044	598,044	491,202
City of Brainerd Contribution	-	92,263	92,263	133,649
Conservation Incentive Program	-	651,608	651,608	452,390
Debt Service Reserve	686,750	430,500	1,117,250	1,117,250
Total Restricted Cash and Investments	686,750	1,772,415	2,459,165	2,194,491
Total Cash and Investments	(4,352,907)	10,825,577	6,472,670	6,605,769
CURRENT ASSETS				
Accounts Receivable	-	3,910,517	3,910,517	4,053,270
Interest Receivable	-	9,393	9,393	12,987
Inventory	-	2,193,206	2,193,206	1,820,776
Prepaid Expenses	33,365	162,439	195,804	180,190
Total Current Assets	33,365	6,275,555	6,308,920	6,067,223
OTHER ASSETS				
Service Territory Acquisitions, Net of Accumulated	-	168,083	168,083	-
Amortization	-	(79,770)	(79,770)	207,083
Deferred Outflows of Resources	47,991	239,952	287,943	630,567
Investment in Solar Generation Facility	-	617,954	617,954	662,073
Total Other Assets	47,991	946,219	994,210	1,499,723
Total Assets	1,692,866	37,164,213	38,857,079	39,361,691
LIABILITIES AND NET ASSETS				
Net Investment in Capital Assets	3,200,773	17,483,600	20,684,373	19,767,419
Unrestricted	(5,101,204)	12,166,766	7,065,562	7,007,468
Total Net Position	(1,900,431)	29,650,366	27,749,935	26,774,887
LONG-TERM LIABILITIES				
Revenue Bonds Payable	2,370,000	940,000	3,310,000	4,500,000
Compensated Absences	62,538	541,034	603,572	717,042
Other Postemployment Benefit Obligation	33,222	166,109	199,331	219,726
Net Pension Liability	206,856	1,034,282	1,241,138	2,043,276
Deferred Inflows of Resources	184,042	920,208	1,104,250	781,983
Capital Lease Payable	-	366,292	366,292	373,654
Revenue Bond Premium	32,144	-	32,144	43,966
Total Long-Term Liabilities	2,888,802	3,967,925	6,856,727	8,679,647
CURRENT LIABILITIES				
Accounts Payable	3	1,420,538	1,420,541	1,315,880
Revenue Bonds Payable	665,000	455,000	1,120,000	1,040,000
Capital Lease Payable	-	11,470	11,470	17,937
Payable to City of Brainerd	-	92,263	92,263	133,649
Conservation Incentive Program Payable	-	651,608	651,608	452,390
Accrued Expenses				
Salaries and Withholding Taxes	15,792	117,629	133,421	231,351
Sales Taxes	18	191,700	191,718	186,400
Bond Interest	23,682	7,670	31,352	38,348
Customer Deposits	-	598,044	598,044	491,202
Total Current Liabilities	704,495	3,545,922	4,250,417	3,907,157
Total Liabilities	3,593,297	7,513,847	11,107,144	12,586,804
Total Liabilities and Net Position	$ 1,692,866	$ 37,164,213	$ 38,857,079	$ 39,361,691

BRAINERD PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT
FOR THE TWO MONTH PERIOD ENDED FEBRUARY 28, 2025, 2024, AND 2023

	February 28, 2025			Variance With Budget - Positive	Year to Date February 28,	
	Current Month	Year to Date	Budget	(Negative)	2024	2023
OPERATING REVENUES						
Utility Revenues						
Residential	$ 636,669	$ 1,244,191	$ 1,160,000	$ 84,191	$ 1,191,433	$ 1,283,253
Commercial	886,828	1,703,868	1,770,000	(66,132)	1,680,192	1,766,073
Medium/Large Commercial	138,765	303,645	458,000	(154,355)	359,739	395,190
Industrial	448,711	1,189,606	1,500,000	(310,394)	1,253,395	68,614
City of Brainerd	30,730	60,629	60,400	229	61,930	63,774
BPU	81,886	160,892	130,000	30,892	150,452	165,599
Total Utility Revenue	2,223,589	4,662,831	5,078,400	(415,569)	4,697,141	3,742,503
Other Operating Revenue						
Penalties	17,419	36,943	17,000	19,943	23,019	21,724
Other	(750)	2,698	38,067	(35,369)	27,183	45,067
Total Other Operating Revenue	16,669	39,641	55,067	(15,426)	50,202	66,791
Total Operating Revenue	2,240,258	4,702,472	5,133,467	(430,995)	4,747,343	3,809,294
OPERATING EXPENSES						
Purchased Power						
All Other Customers	978,165	1,907,489	2,040,000	132,511	1,881,918	1,709,149
Solar Generation - Airport	38,920	66,691	120,000	53,309	56,023	72,846
Crypto Mining Customers	342,492	979,439	1,166,667	187,228	1,160,683	59,222
Total Purchased Power Expense	1,359,577	2,953,619	3,326,667	373,048	3,098,624	1,841,217
Generation						
Salaries and Wages	18,879	70,307	39,417	(30,890)	49,773	98,456
Operations and Maintenance	2,012	3,960	6,850	2,890	2,013	7,883
Employee Benefits	6,920	17,019	8,600	(8,419)	16,160	26,243
Other Charges	-	-	1,000	1,000	-	-
Depreciation	27,300	54,600	54,400	(200)	54,800	54,400
Total Generation Expenses	55,111	145,886	110,267	(35,619)	65,970	186,982
Distribution						
Salaries and Wages	126,675	455,133	337,050	(118,083)	318,775	345,368
Operations and Maintenance	30,041	45,708	102,933	57,225	52,955	72,954
Employee Benefits	35,464	80,940	80,800	(140)	73,353	72,793
Other Charges	3,488	5,600	11,433	5,833	11,934	12,671
Depreciation and Amortization	154,600	309,200	285,900	(23,300)	295,000	285,000
Total Distribution Expenses	350,268	896,581	818,117	(78,464)	752,017	788,786
General and Administrative						
Salaries and Wages	55,153	179,504	188,267	8,763	167,996	141,170
Operations and Maintenance	70,735	91,326	115,613	24,287	63,593	76,102
Insurance and Bonds	15,529	33,489	44,633	11,144	34,506	34,440
Employee Benefits	15,701	67,223	86,700	19,477	89,358	113,313
Other Charges	50,912	64,917	89,500	24,583	66,066	66,390
Depreciation and Amortization	17,414	34,828	29,017	(5,811)	30,428	27,628
Total Gen. and Admin. Expenses	225,444	471,287	553,730	82,443	451,947	459,043
Total Operating Expenses	1,990,400	4,467,373	4,808,780	341,407	4,425,334	3,276,028
NET OPERATING INCOME	249,858	235,099	324,687	(89,588)	322,009	533,266
NONOPERATING REVENUE						
Interest Revenue - Investments	(11,242)	(15,801)	1,600	(17,401)	34,511	8,701
Interest Expense - Bonds	(9,866)	(19,289)	(26,133)	6,844	(23,200)	(29,070)
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	873	1,746	2,200	(454)	2,016	2,618
PERA Aid Revenue	-	-	-	-	-	-
Gain on Disposal of Capital Assets	-	-	200	(200)	-	-
Total Nonoperating Revenue	(20,235)	(33,344)	(22,133)	(11,211)	13,327	(17,751)
INCOME BEFORE TRANSFERS TO THE CITY	229,623	201,755	302,553	(100,798)	335,336	515,515
TRANSFERS TO THE CITY	(70,629)	(138,050)	(136,000)	(2,050)	(126,654)	(131,154)
CHANGE IN NET POSITION	$ 158,994	$ 63,705	$ 166,553	$ (102,848)	$ 208,682	$ 384,361

BRAINERD PUBLIC UTILITIES
OPERATING STATISTICS - ELECTRIC DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED FEBRUARY 29, 2025, 2024, AND 2023

	KWH SOLD			REVENUE			AVERAGE REVENUE PER KWH		
	PERIOD ENDED FEBRUARY 28,			PERIOD ENDED FEBRUARY 28,			PERIOD ENDED FEBRUARY 28,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	11,016,893	9,907,011	10,574,749	$ 1,244,191	$ 1,191,433	$ 1,283,253	$ 0.1129	$ 0.1203	$ 0.1214
Commercial	7,169,624	6,765,840	7,106,045	1,703,868	1,680,192	1,766,073	0.2377	0.2483	0.2485
Medium/Large Commercial	10,849,036	10,433,165	11,305,051	303,645	359,739	395,190	0.0280	0.0345	0.0350
Industrial	26,950,932	15,265,280	95,884	1,189,606	1,253,395	68,614	0.0441	0.0821	0.7156
City of Brainerd	385,356	381,354	341,336	60,629	61,930	63,774	0.1573	0.1624	0.1868
BPU	1,537,944	1,368,568	1,487,398	160,892	150,452	165,599	0.1046	0.1099	0.1113
Total	57,909,785	44,121,218	30,910,463	$ 4,662,831	$ 4,697,141	$ 3,742,503	$ 0.0805	$ 0.1065	$ 0.1211
% Change From Previous Year	31.25%	42.74%	NA	-0.73%	25.51%	NA	-24.37%	-12.07%	NA

	% TO TOTAL - KWH			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED FEBRUARY 28,			PERIOD ENDED FEBRUARY 28,			PERIOD ENDED FEBRUARY 28,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	19.02%	22.45%	34.21%	26.68%	25.37%	34.29%	6,969	6,943	6,926
Commercial	12.38%	15.33%	22.99%	36.54%	35.77%	47.19%	1,233	1,226	1,223
Medium/Large Commercial	18.73%	23.65%	36.57%	6.51%	7.66%	10.56%	64	66	67
City of Brainerd	0.67%	0.86%	1.10%	1.30%	1.32%	1.70%	43	36	1
Industrial	2.66%	34.60%	0.31%	25.51%	26.68%	1.83%	1	1	37
BPU	2.66%	3.10%	4.81%	3.45%	3.20%	4.42%	39	39	38
Total	56.12%	100.00%	100.00%	100.00%	100.00%	100.00%	8,349	8,311	8,292
% Change From Previous Year							0.46%	0.23%	NA

BRAINERD PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT
FOR THE TWO MONTH PERIOD ENDED FEBRUARY 28, 2025, 2024, AND 2023

	February 28, 2025			Variance With Budget -	Year to Date	
	Current Month	Year to Date	Budget	Positive (Negative)	February 28, 2024	2023
OPERATING REVENUES						
Utility Revenues						
Residential	$ 159,850	$ 315,069	$ 304,417	$ 10,652	$ 253,591	$ 290,651
Commercial	125,841	245,519	321,600	(76,081)	207,596	183,542
City of Brainerd	7,838	15,651	24,883	(9,232)	15,363	14,744
BPU	7,407	15,254	18,617	(3,363)	13,110	10,381
Total Utility Revenue	300,936	591,493	669,517	(78,024)	489,660	499,318
Other Operating Revenue					-	-
Penalties	3,029	5,863	3,400	2,463	4,464	3,578
Other	4,494	12,389	10,867	1,522	134,336	9,130
Total Other Operating Revenue	7,523	18,252	14,267	3,985	138,800	12,708
Total Operating Revenue	308,459	609,745	683,783	(74,038)	628,460	512,026
OPERATING EXPENSES					-	-
Production					-	-
Salaries and Wages	23,088	93,078	86,267	(6,811)	92,199	78,707
Operations and Maintenance	34,965	48,654	46,567	(2,087)	37,137	36,299
Employee Benefits	6,829	20,917	29,400	8,483	26,411	25,837
Other Charges	100	100	120	20	345	100
Depreciation	17,400	34,800	44,600	9,800	30,400	44,400
Total Production Expenses	82,382	197,549	206,953	9,404	186,492	185,343
Distribution					-	-
Salaries and Wages	41,519	155,261	98,617	(56,644)	116,571	125,246
Operations and Maintenance	12,630	28,302	46,500	18,198	23,213	46,816
Employee Benefits	12,071	27,980	33,200	5,220	23,335	26,249
Other Charges	175	11,560	4,267	(7,293)	13,134	7,412
Depreciation	88,700	177,400	172,150	(5,250)	170,800	135,800
Total Distribution Expenses	155,095	400,503	354,733	(45,770)	347,053	341,523
General and Administrative					-	-
Salaries and Wages	19,419	66,017	71,398	5,381	53,400	51,544
Operations and Maintenance	20,523	29,771	37,800	8,029	20,193	20,546
Insurance and Bonds	5,117	10,234	11,400	1,166	6,126	11,666
Employee Benefits	8,960	19,219	27,800	8,581	23,727	43,590
Other Charges	14,625	15,753	27,800	12,047	20,058	14,065
Depreciation	5,070	10,140	9,267	(873)	9,140	7,939
Total Gen. and Admin. Expenses	73,714	151,134	185,465	34,331	132,644	149,350
Total Operating Expenses	311,191	749,186	747,152	(2,034)	666,189	676,216
NET OPERATING INCOME (LOSS)	(2,732)	(139,441)	(63,368)	(76,073)	(37,729)	(164,190)
NONOPERATING REVENUE					-	-
Interest Revenue - Investments	(1,794)	(2,367)	1,600	(3,967)	7,498	2,012
Local Option Sales Tax - Baxter	-	-	58,200	(58,200)	-	-
Bond Premium	10,257	20,514	24,600	(4,086)	20,980	24,473
Bond Issuance Costs	-	-	-		-	-
Interest Expense - Bonds	(26,473)	(52,132)	(50,400)	(1,732)	(48,251)	(54,114)
PERA Aid Revenue	-	-	-	-	-	-
Gain on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenue	(18,010)	(33,985)	34,000	(67,985)	(19,773)	(27,629)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(20,742)	(173,426)	(29,368)	(144,058)	(57,502)	(191,819)
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-
CHANGE IN NET POSITION	$ (20,742)	$ (173,426)	$ (29,368)	$ (144,058)	$ (57,502)	$ (191,819)

BRAINERD PUBLIC UTILITIES
OPERATING STATISTICS - WATER DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED FEBRUARY 29, 2025, 2024, AND 2023

	GALLONS SOLD			REVENUE			AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED FEBRUARY 29,			PERIOD ENDED FEBRUARY 29,			PERIOD ENDED FEBRUARY 29,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	25,209,248	23,174,341	23,850,571	315,069	253,591	290,651	$ 12.50	$ 10.94	$ 12.19
Commercial	28,827,604	29,621,502	26,934,745	275,100	234,965	208,667	9.54	7.93	7.75
City of Baxter	-	-	-	1,324	1,104	-	#DIV/0!	-	-
Total	54,036,852	52,795,843	50,785,316	$ 591,493	$ 489,660	$ 499,318	$ 10.95	$ 9.27	$ 9.83
% Change From Previous Year	2.35%	3.96%	NA	20.80%	-1.93%	NA	18.02%	-5.67%	NA

	% TO TOTAL - GALLONS			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED FEBRUARY 28,			PERIOD ENDED FEBRUARY 28,			PERIOD ENDED FEBRUARY 28,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	46.65%	43.89%	46.96%	53.27%	51.79%	58.21%	4,079	4,063	4,047
Commercial	53.35%	56.11%	53.04%	46.51%	47.99%	41.79%	860	855	849
City of Baxter	0.00%	0.00%	0.00%	0.22%	0.23%	0.00%	1	1	1
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	4,940	4,919	4,897
% Change From Previous Year							0.43%	0.45%	NA

BRAINERD PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT
FOR THE TWO MONTH PERIOD ENDED FEBRUARY 28, 2025, 2024, AND 2023

	February 28, 2025			Variance	Year to Date	
	Current Month	Year to Date	Budget	With Budget - Positive (Negative)	February 28, 2024	February 28, 2023
OPERATING REVENUES						
Utility Revenues						
Residential	$ 134,117	$ 264,230	$ 261,000	$ 3,230	$ 256,347	$ 274,894
Commercial	72,711	140,779	189,433	(48,654)	144,036	181,574
Total Utility Revenue	206,828	405,009	450,433	(45,424)	400,383	456,468
Other Operating Revenue					-	-
Penalties	3,695	7,714	4,600	3,114	6,064	4,692
Reimbursement of Expenses - Baxter	77,504	152,792	133,333	19,459	132,810	113,137
Other	3,835	4,424	8,500	(4,076)	1,446	1,445
Total Other Operating Revenue	85,034	164,930	146,433	18,497	140,320	119,274
Total Operating Revenue	291,862	569,939	596,867	(26,928)	540,703	575,742
OPERATING EXPENSES					-	-
Treatment					-	-
Salaries and Wages	32,959	117,983	76,133	(41,850)	78,945	85,659
Operations and Maintenance	118,417	188,231	175,583	(12,648)	139,503	176,006
Employee Benefits	11,707	27,485	26,067	(1,418)	22,061	20,621
Other Charges	1,925	1,980	6,700	4,720	1,887	2,893
Depreciation	119,200	238,400	236,000	(2,400)	238,400	234,000
Total Treatment Expenses	284,208	574,079	520,483	(53,596)	480,796	519,179
Lift Stations					-	-
Salaries and Wages	7,759	30,143	27,883	(2,260)	21,116	13,209
Operations and Maintenance	14,491	25,671	31,967	6,296	25,923	26,182
Employee Benefits	3,188	7,402	8,800	1,398	6,166	5,986
Other Charges	-	-	400	400	-	58
Depreciation	18,000	36,000	44,800	8,800	46,000	44,400
Total Collection Expenses	43,438	99,216	113,850	14,634	99,205	89,835
General and Administrative					-	-
Salaries and Wages	18,736	63,548	63,465	(83)	51,440	49,737
Operations and Maintenance	14,817	20,122	29,247	9,125	17,134	20,301
Insurance and Bonds	7,100	14,200	14,283	83	11,104	9,262
Employee Benefits	8,299	17,856	25,800	7,944	20,301	41,024
Other Charges	15,259	19,563	29,258	9,695	22,041	16,747
Depreciation and Amortization	3,970	7,940	5,817	(2,123)	7,340	5,739
Total Gen. and Admin. Expenses	68,181	143,229	167,870	24,641	129,360	142,810
Total Operating Expenses	395,827	816,524	802,203	(14,321)	709,361	751,824
NET OPERATING LOSS	(103,965)	(246,585)	(205,337)	(41,248)	(168,658)	(176,082)
NONOPERATING REVENUE					-	-
Interest Revenue - Investments	55,322	57,124	16,667	40,457	96,237	11,141
Interest Revenue - Notes Receivable	6,558	13,116	-	13,116	13,058	17,935
Interest Expense - Bonds	(23,614)	(49,720)	(60,600)	10,880	(47,775)	(57,413)
Bond Premium	1,701	1,995	1,400	595	1,424	1,648
Local Option Sales Tax - Brainerd	-	122,160	245,400	(123,240)	497,438	187,669
Local Option Sales Tax - Baxter	-	-	12,200	(12,200)	-	-
Federal Grant Revenue - Build America Bond	5,100	10,200	10,400	(200)	9,641	12,500
PERA Aid Revenue	-	-	-	-		-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenue	45,067	154,875	225,467	(70,592)	570,023	173,480
					-	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(58,898)	(91,710)	20,130	(111,840)	401,365	(2,602)
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-
CHANGE IN NET POSITION	$ (58,898)	$ (91,710)	$ 20,130	$ (111,840)	$ 401,365	$ (2,602)

BRAINERD PUBLIC UTILITIES
OPERATING STATISTICS - WASTEWATER TREATMENT DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED FEBRUARY 29, 2025, 2024, AND 2023

	GALLONS PROCESSED PERIOD ENDED FEBRUARY 28,			REVENUE PERIOD ENDED FEBRUARY 28,			AVERAGE PER 1,000 GALLONS PERIOD ENDED FEBRUARY 28,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	25,080,738	23,095,245	23,722,878	$ 264,230	$ 256,347	$ 274,894	$ 10.54	$ 11.10	$ 11.59
Commercial	26,409,212	26,982,779	25,021,845	140,779	143,046	181,574	5.33	5.30	7.26
City of Baxter	38,273,000	38,024,000	36,237,000	152,792	132,810	113,137	3.99	3.49	3.12
Total	89,762,950	88,102,024	84,981,723	$ 557,801	$ 532,203	$ 569,605	$ 6.21	$ 6.04	$ 6.70
% Change From Previous Year	1.89%	3.67%	NA	4.81%	-6.57%	NA	2.87%	-9.88%	NA

	% TO TOTAL - GALLONS PERIOD ENDED FEBRUARY 28,			% TO TOTAL - REVENUE PERIOD ENDED FEBRUARY 28,			TOTAL METERS IN SERVICE PERIOD ENDED FEBRUARY 28,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	27.94%	26.21%	27.92%	47.37%	48.17%	48.26%	4,058	4,048	4,036
Commercial	29.42%	30.63%	29.44%	25.24%	26.88%	31.88%	834	832	825
City of Baxter	42.64%	43.16%	42.64%	27.39%	24.95%	19.86%	1	1	1
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	4,893	4,881	4,862
% Change From Previous Year							0.25%	0.39%	NA

Public Utilities Commission
Agenda Request

MEETING DATE: June 24, 2025

TITLE OF ITEM: Operations Manager Report

ACTION REQUESTED: Discussion Item

ESTIMATED TIME (MIN): 2

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Trent Hawkinson, Operations Manager

SUMMARY OF ISSUE: A verbal update will be provided at the meeting. Please see the attached interruption/outage reports.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

RECOMMENDED ACTION/MOTION:

FINANCIAL IMPACT:

Outages May

Date	Meters	Time	Location		Cause
Water interuptions					
5/27/2025	1	vacant	500 Block	9th St S	frozen water meter and pipes
Electric Interuptions					
4/28/2025	2	1 hour 40 min	10000 block	Glacier Rd	Broken Cutout Fused at 20K
4/30/2025	46	1 Hour 3 min	2000 block	Spruce Drive	40T fuse blew on Norgaard Stepdown. Possilbe bird on Arrestor (North one)
4/30/2025	1	20 min	800 block	I St	Bad connection service wire
5/12/2025	1	30 min	400 block	SE 12th St	tree on triplex
5/14/2025	1	14 minutes	300 Block	Washington St W	Fuse let loose-6k
5/19/2025	1	1 hour 34 min	700 block	19th St SE	Tree on Triplex
5/23/2025	1	42 min	11000 block	St Hwy 210	Squirrel

Outages June

Date	Meters	Time	Location		Cause
Water interuptions					
6/12/2025	162	2-3 hours		Buffalo Hills Area	Construction
Electric Interuptions					
6/4/2025	15	11:12 AM	600 Block	Front St	Fire
6/6/2025	1	21 minutes	1000 Block	Industrial Park Rd	Fuse let loose at riser pole
6/7/2025	22	60 minutes	1000 Block	Oak St	blown fuse on transformer. Weather related
6/11/2025	1	14 minutes	1900 Block	13th St SE	Planned Outage

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

Brainerd Public Utilities
Water/Wastewater Manager's Report
June 2025

Collection System Lift Stations
Continuous maintenance of wet wells, pumps, generators, and controls for the 17 lift stations. Cleaning and painting of main lift pumps and piping as time allows.

Wastewater Treatment Facility Operations and Maintenance
On-call operators tested weekly SCADA alarms for the Wastewater Treatment Facility and lift stations to ensure reliability of systems.
BPU grounds crews removed shrubs and trees at the entrance of the Operations building on the Wastewater facility grounds, to improve rodent control. Thank you!

Land Application of Biosolids Program
Working on the Minnesota Biosolids PFAS Strategy compliance consisting of PFAS sampling, required actions include reduction efforts and communications with users. On-going development of the Minnesota Biosolids PFAS Strategy program for the approved Biosolids application sites. Currently there are 720,000 gallons in storage. Waiting on drier conditions for 1st cutting to apply according to the land application rules.

Wastewater Lab Testing and Compliance
Sent May 2025 Electronic Daily Monitoring Report to Minnesota Pollution Control Agency (MPCA). Sampled influent and effluent for copper, Influent and effluent mercury, WET sampling. Ongoing Mercury Minimization, Copper Minimization Plan, PFAS Minimization Plan. On-going program evaluation of delegation requirements with Brainerd and Baxter collection systems for Significant and Categorical Industrial Users.

Public Water System (PWS) Drinking Water Testing and Compliance
Testing for the Optimal Corrosion Control Treatment (OCCT) requirements. Collected 60 lead and copper samples at participating residents' homes and sent them to RMB lab in Detroit Lakes, waiting on test results to complete the requirements of the program from Minnesota Department of Health (MDH).
Collected 15 Coliform samples throughout the distribution system to comply with MDH coliform testing requirements.
Responded to 4 residential drinking water concerns of taste and odor from May 20 – June 17.

Emergency Generator Maintenance and Operations
Test ran Lum Park (Airport extension) water booster/Lift station, Riverside water extension booster, Evergreen Lift, Main Lift, SW6th Lift, portable 25KW, 150KW, 45KW and both Wastewater facilities generators. Added fuel as needed.
Updating the portable generator Standard Operating Procedures (SOP's) for standardized emergency operations as various issues arise.

Water and Wastewater Personnel
BPU Hosted a two-day school in cooperation with Minnesota Rural Water Association (MRWA) for the procurement of continuing education credits per renewal requirements for line tracing and fire hydrant repair at the SBR building on the Wastewater treatment facility grounds.
Water/Wastewater operators are scheduled to attend continuing education accredited schools at various locations throughout the state in June.

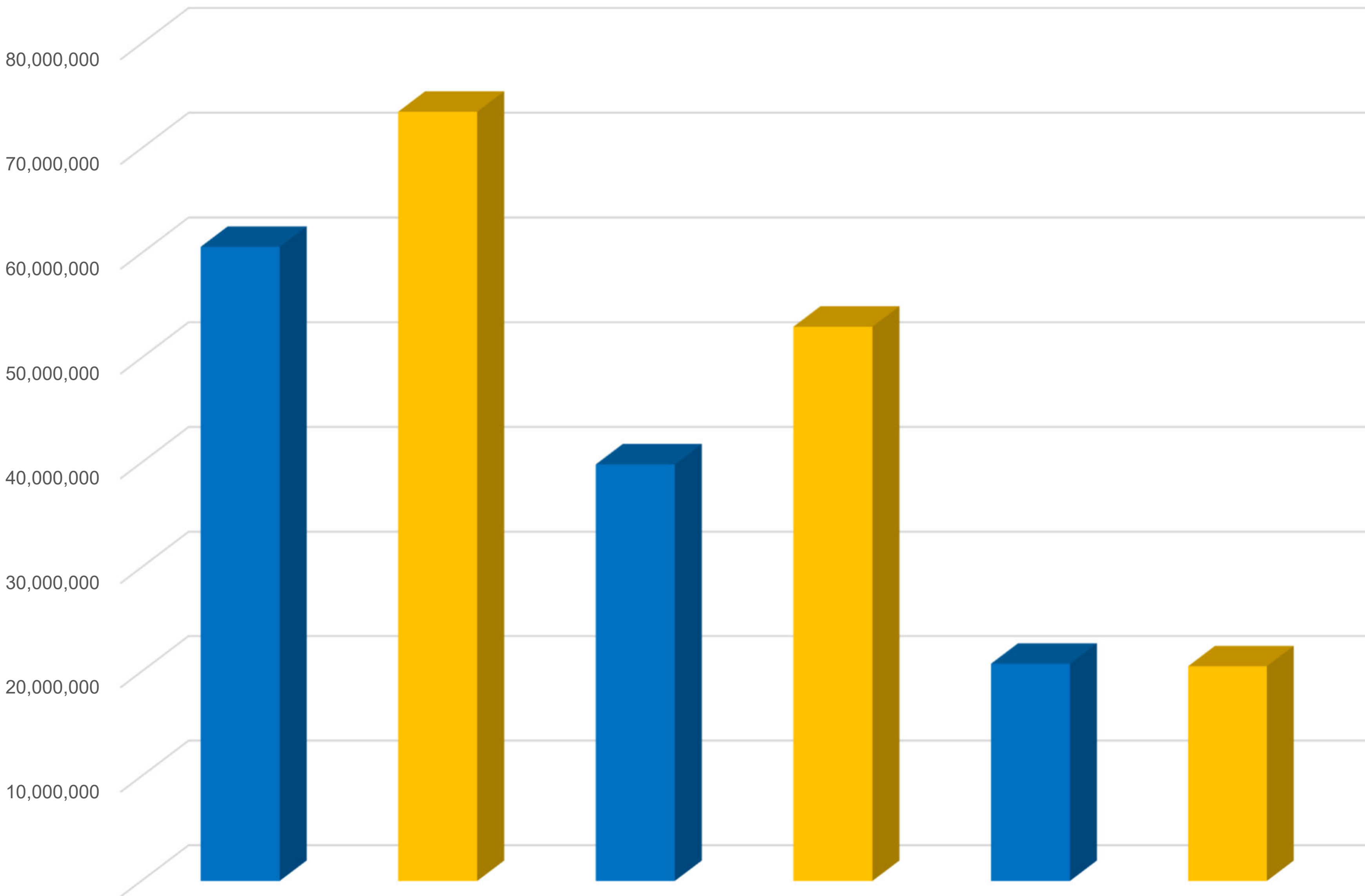
May 2025 Water Production and Pumping
Finish water pumped to the North distribution system was 40.48 MG for an average of 1.306 MGD. Finish water pumped to the South distribution system was 7.72 MG for an average of 0.249 MGD. Chemical usage averages for the month: 3.22 gallons of fluoride per day, 8.25 gallons of caustic soda per day, 9.80 gallons of orthophosphate per day, and 23.1 pounds of chlorine per day.
Performed 17 filter backwashes using on average 230,000 gallons for each event, totaling 3,910,000 gallons of waste to the seepage basin.

Raw Water Wells
All wells are functioning normally.
Repaired the flow meter in well 4.

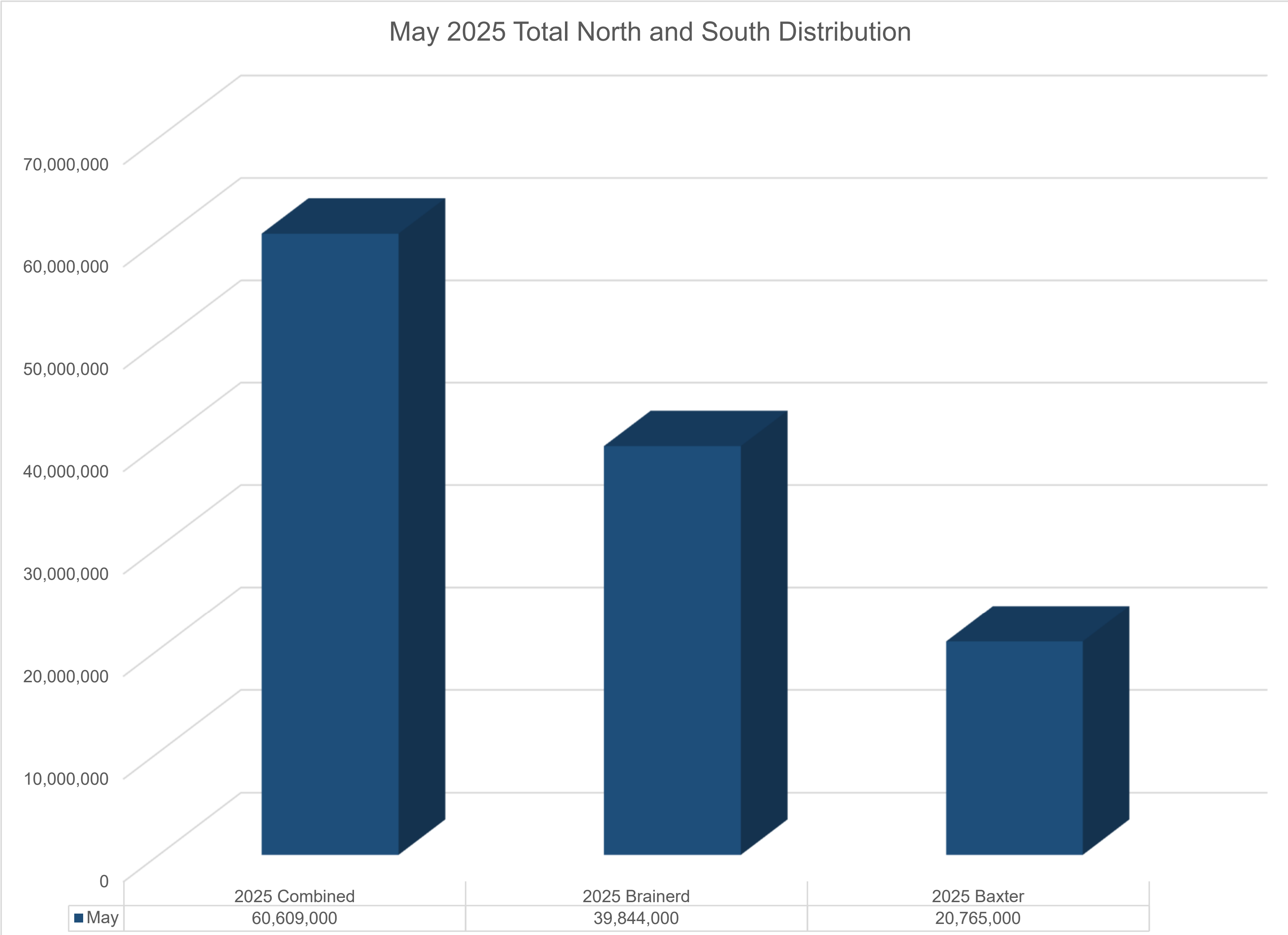
Drinking Water Filtration Plant Lab Testing and Compliance
May 2025 daily lab test results for finished water to distribution system was on average 98.2% removal of iron and 98.0% removal of manganese from the raw water concentration.

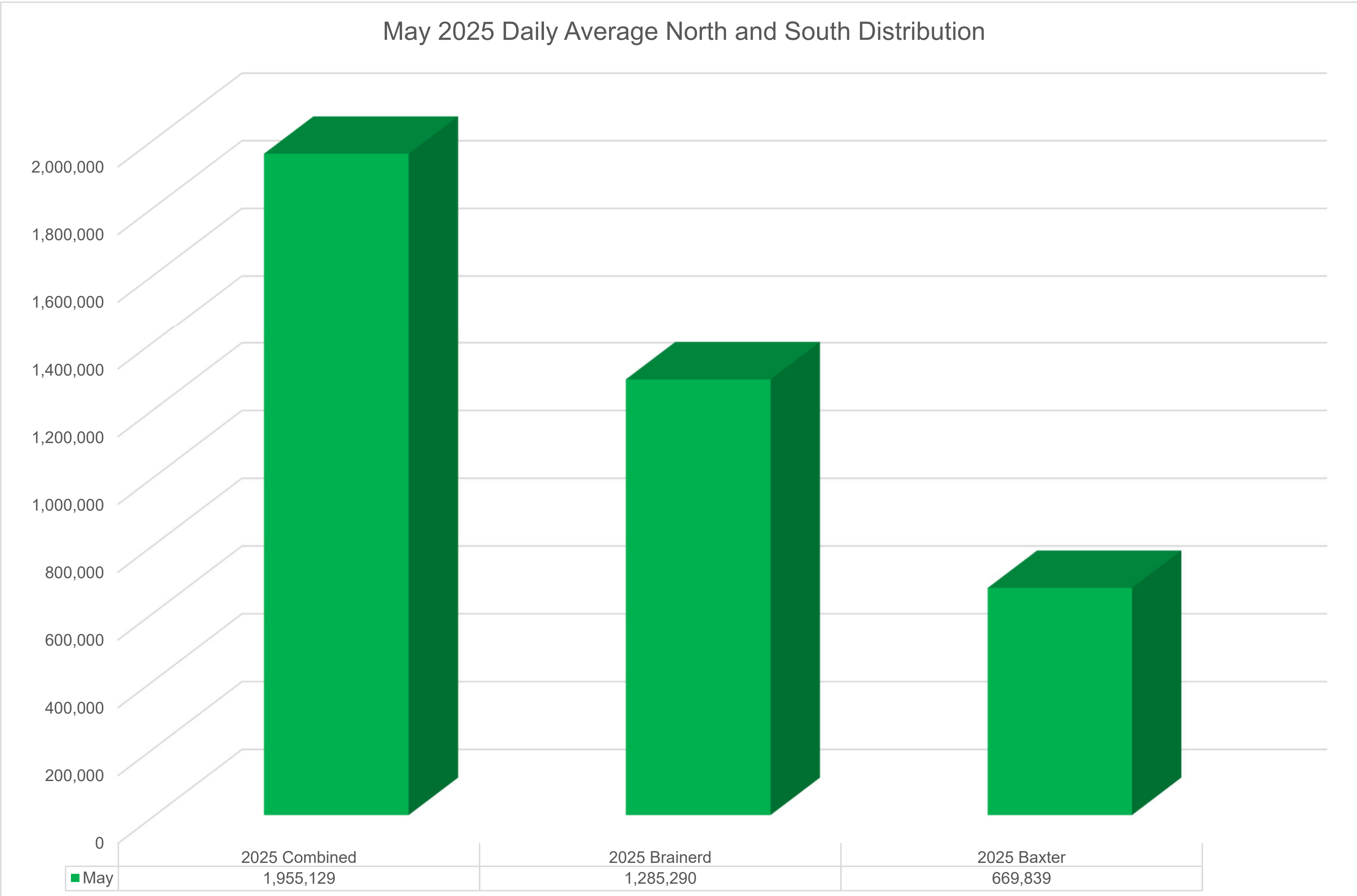
Water Facility High Service Pumping System
South zone high service pump 2 failed, BPU staff electrician was contacted to trouble shoot electrical issues causing the failure, issues were resolved, and it was placed back into operation.

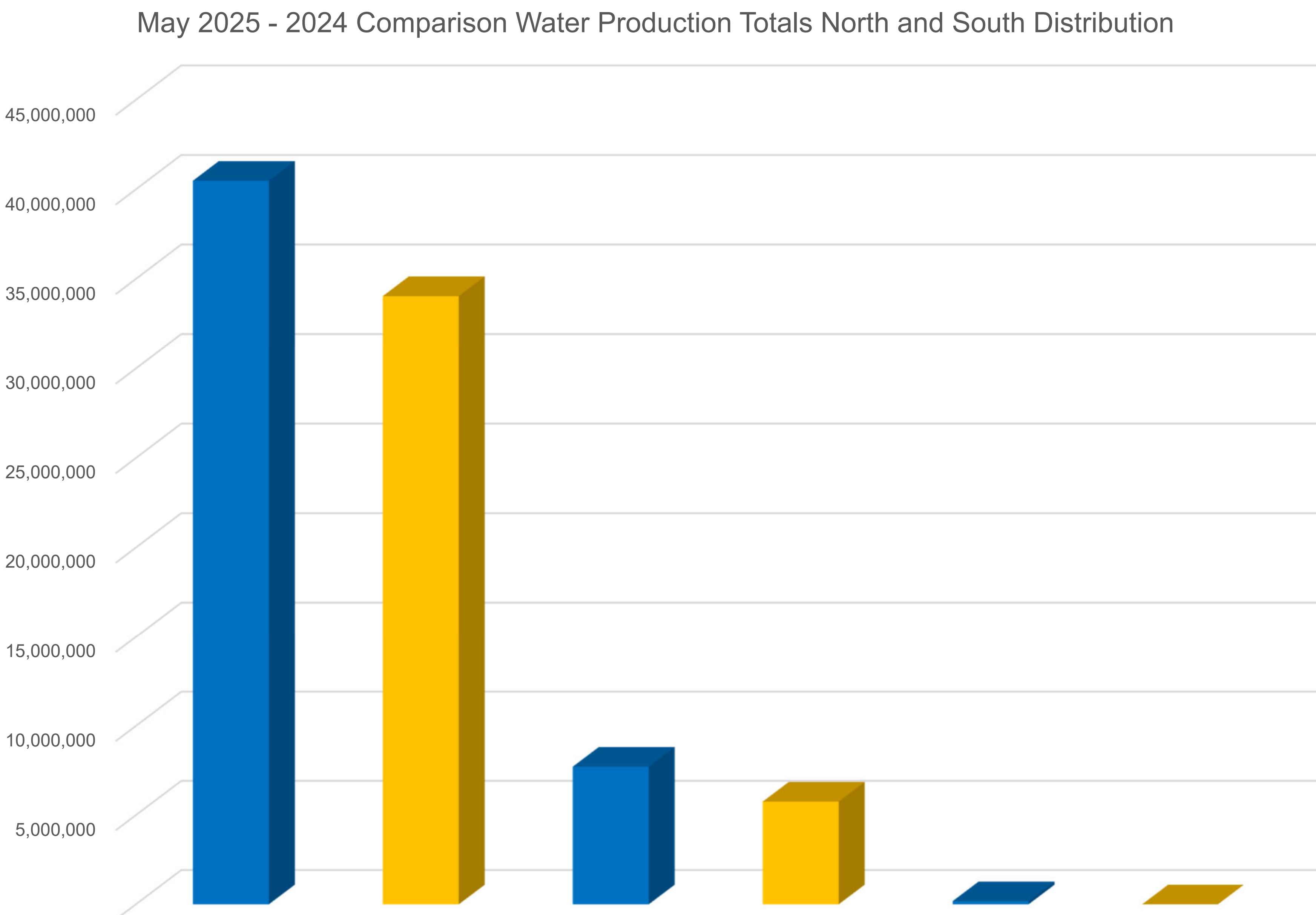
May 2025 - 2024 Comparison Water Production Totals North and South Distribution



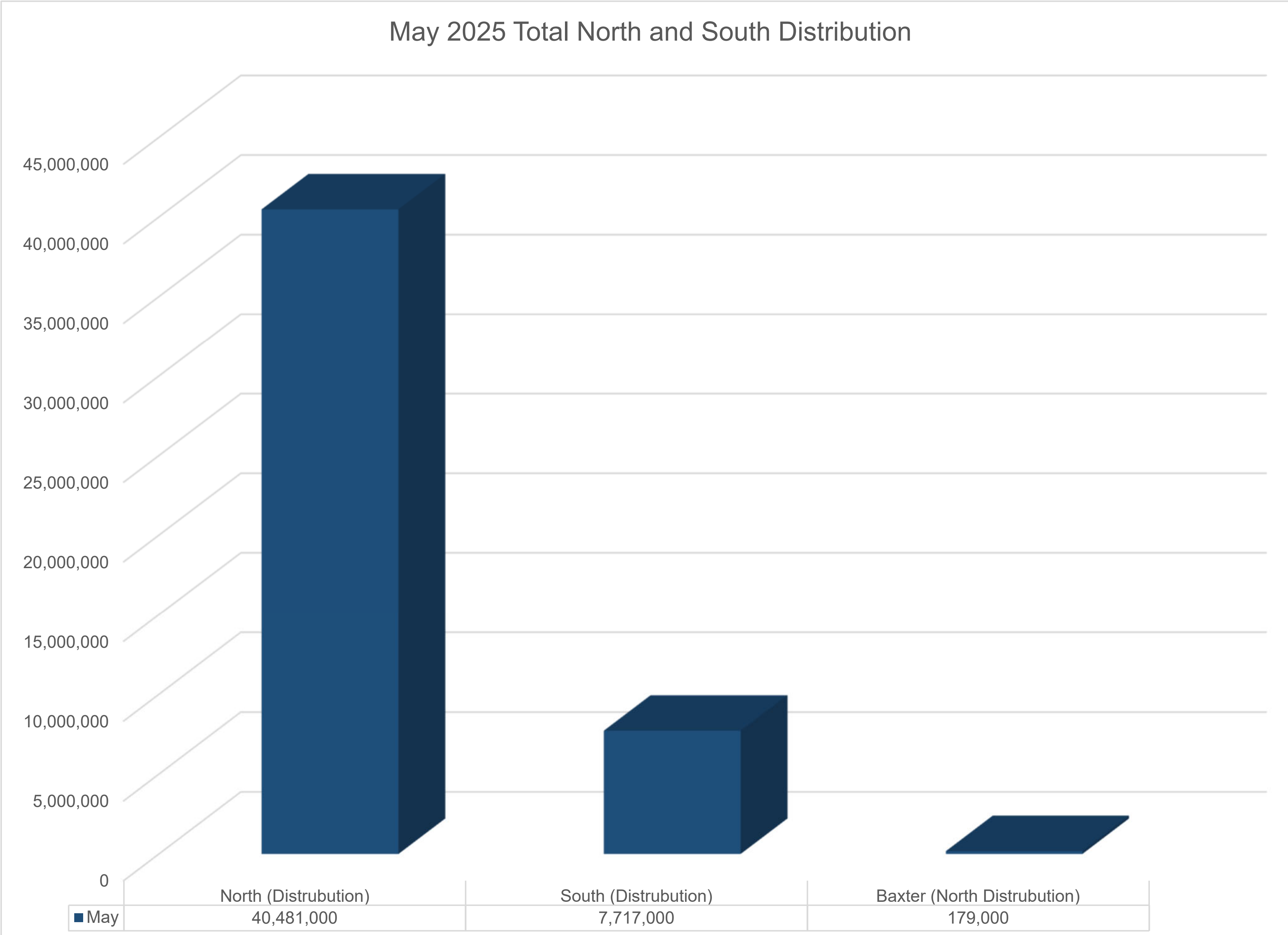
	2025 Combined	2024 Combined	2025 Brainerd	2024 Brainerd	2025 Baxter	2024 Baxter
May	60,609,000	73,515,000	39,844,000	52,987,000	20,765,000	20,528,000

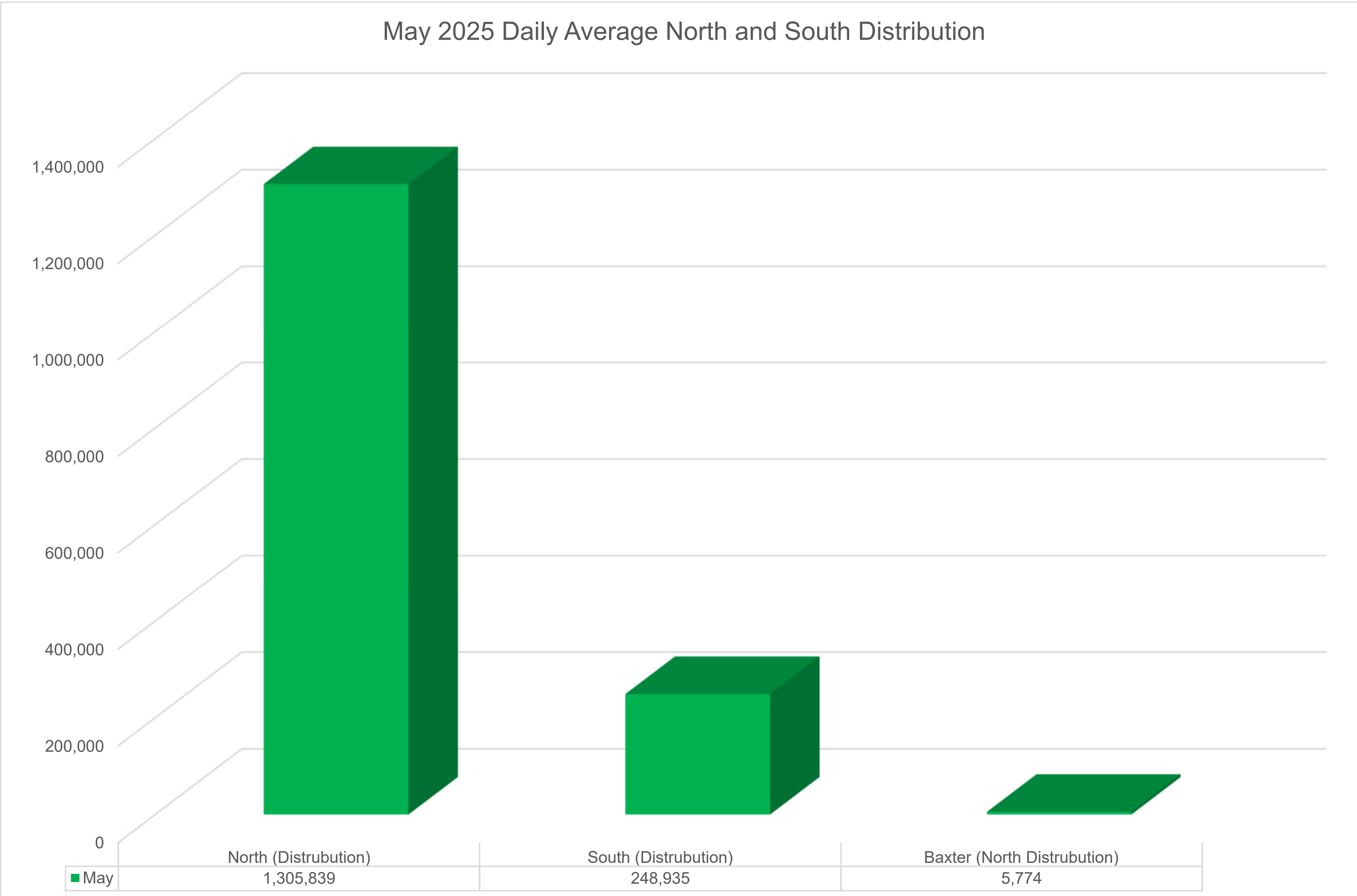

May 2025 Total North and South Distribution
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
2025 Combined
2025 Brainerd
2025 Baxter
May
60,609,000
39,844,000
20,765,000


May 2025 Daily Average North and South Distribution
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
2025 Combined
2025 Brainerd
2025 Baxter
May
1,955,129
1,285,290
669,839



	2025 North	2024 North	2025 South	2024 South	2025 Baxter	2024 Baxter
May	40,481,000	34,041,000	7,717,000	5,757,000	179,000	-


May 2025 Total North and South Distribution
45,000,000
40,000,000
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
0
North (Distrubution)
South (Distrubution)
Baxter (North Distrubution)
May
40,481,000
7,717,000
179,000


May 2025 Daily Average North and South Distribution
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
North (Distrubution)
South (Distrubution)
Baxter (North Distrubution)
May
1,305,839
248,935
5,774