



## **PUBLIC UTILITIES COMMISSION AGENDA**

City of Brainerd, Minnesota  
City Hall, 501 Laurel Street, Council Chambers  
Tuesday, September 30, 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**

C. **Approve Surplus Items for Auction**

D. **Approve Final Pay Application Minger Construction for River Crossing Forcemain \$15,000**

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**

8. **Unfinished Business**

(See attached separate memo regarding updates on unfinished business)

- A. **Memo**
  - 1. Discuss BlockMetrix Contract
- 9. **New Business**
  - A. **Approve/Award CMAR Contract — Rice Lake Construction**
  - B. **Direction Requested on Donation of Paint of Main Lift Buildings**
  - C. **Direction on PILOT Contribution to the City**
  - D. **Review/Recommend Approval of Revised Billing Representative Job Description**
- 10. **Staff Reports**  
(Verbal: Any Updates since Packet)
  - A. **City Administrator Report**
  - B. **City Council Liaison Report**
  - C. **HR Director Report**
  - D. **Finance Manager Report**
  - E. **Operations Manager Report**
  - F. **Water/Wastewater Manager Report**
- 11. **Commission Member Reports**
- 12. **Adjourn**

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

#### MISSION

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



# BRAINERD PUBLIC UTILITIES

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

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

www.bpu.org

The regular meeting of the Brainerd Public Utilities Commission was held at the Brainerd City Council Chambers at 9:00 AM on August 26, 2025.

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

## Commission Roll Call

Mike Angland – Present

Dolly Matten – Present

Mark O'Day – Present

Mike Higgins – Present

## Utility Staff Present

Finance Manager

Operation Manager

Water/Wastewater Manager

Business Office Supervisor

Recording Secretary

Billing Representative

Danny Loch

Trent Hawkinson

Charlie Gammon

Jana Pernula

Becky Ridlon

Kelly Dean

## Others in Attendance

City of Brainerd Mayor

City Council Liaison

City Administrator

HR Director

Public Works Director

Community Development Director

Technology Director

Bolton & Menk

Citizen

Dave Badeaux

Jeff Czczok

Nick Broyles

Kris Schubert

Mike Habighorst

James Kramvik

Shawn Strong

Morgan Salo, PE

Brian Timmers

Commissioner Angland opened the meeting with the Pledge of Allegiance.

## Approval of Agenda Items

**Motion by Commissioner Matten and seconded by Commissioner O'Day to approve the agenda, there was a unanimous voice vote in favor of the motion.**

## Approval of Consent Items

**Motion by Commissioner Matten and seconded by Commissioner O'Day to approve the minutes from July 29th, 2025, regular monthly meeting, approve the bills, and approve Save the Date: Invitation to Commissioners/Council Members to attend MMUA's Governance in Action Training on January 23<sup>rd</sup>, 2026. There was a unanimous roll call vote in favor of the motion. Motion carried.**

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**August 26, 2025**

### **Presentation of Tower Award**

Mayor Badeaux presented Kelly Dean with the tower award and thanked her for her nearly twenty-eight years of service.

### **Public Forum**

None

### **Commission Committee Reports**

#### **Personnel Committee**

Commissioner Matten stated no meeting was held this last month.

Commissioner Angland asked if there were any other personnel items to discuss - Water/Wastewater Manager Charlie Gammon informed the commission that employee Eric Kline has submitted his resignation his last day will be September 19<sup>th</sup>. He also requested a meeting to discuss upcoming personnel changes with backfilling this position.

#### **Finance/Operations Committee**

Commissioner O'Day said nothing to report for this month's meeting.

### **Unfinished Business**

#### **Memo -See board packet. - See board packet for updates.**

Discussion included:

Loch let the commission know about the reorganization of the Memo to reflect the areas that have received the most recent activity. Additionally, Loch reported the final update regarding the electric transmission service to Brainerd, moving the item from *Unfinished Business* to *Completed*. A response was received indicating that they are looking to move forward with either an interconnection study or further consideration of building capacity. Hawkinson noted that "the ball is in our court" if we wish to proceed by investing in the transmission study, this can be discussed in an operations committee meeting.

### **New Business**

#### **Credit Card Processing - See board packet for agenda request.**

Discussion included:

Matten inquired whether the percentage rate is subject to increase annually. Loch clarified that the agreement is structured as a year-to-year term. Higgins expressed interest in proceeding with Tyler Payments for one year to evaluate the service, with the potential to pursue a 5-year contract, thereafter, based on performance and satisfaction. O'Day agreed with Higgins' approach.

**Motion by Commissioner Higgins and seconded by Commissioner O'Day to approve Tyler payments for a year contract. There was a unanimous roll call vote in favor of the motion. Motion carried.**

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**August 26, 2025**

### **Discuss eReliability Report - See board packet for agenda request.**

Discussion included:

Angland stated he appreciated seeing this report and will follow up with Hawkinson after meeting.

Matten asked if we could post this on the website, Hawkinson said he is more than happy to share this report.

### **Staff Reports**

#### **City Administrator Report – see board packet for report.**

In addition, Broyles updated the commission about the charter commission meeting talked about charter chapter 5 section 4 looking to update language and looking to combine all sanitary within the same department, Charter commission is looking for staff to recommend some language and bring to the charter commission within thirty days.

#### **City Council Liaison Report Jeff Czeczok reported:**

Nothing to report.

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

Commissioner Higgins asked whether we conduct exit interviews. Schubert responded that we don't always do them but have conducted them in the past for certain employees. Higgins requested that we conduct one for Eric Klein. Schubert said she will get it scheduled.

### **Manager's Reports**

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

*Danny Loch reported:*

In addition to report the rotary solar project final cost has not changed from when it was approved in July 2024. The Finance committee will start to meet to talk about 2026 budget items.

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

Trent Hawkinson reported:

*Washington street we had a water line leaking; our crew were out through the night last night making repairs.*

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

### **Commission Members – Reports**

Commissioner Matten extended a thank you to everyone from the city that attended the Housing summit on August 6<sup>th</sup>.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING  
August 26, 2025

Adjournment

*Motion by Commissioner Matten and seconded by Commissioner O'Day to adjourn to the August 28<sup>th</sup> Joint Wastewater Management board meeting and the MN House Capitol Investment Committee presentation on September 23<sup>rd</sup>. There was a unanimous vote in favor of the motion. Motion carried at 9:32 AM.*

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Mike Angland, Commission President

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Danny Loch, Finance Manager/Secretary



## Brainerd Public Utilities, MN

# Board Packet Check Report

By Check Number

Date Range: 08/21/2025 - 09/25/2025

| Vendor Number                        | Vendor Name                               | Payment Date | Payment Type                                  | Discount Amount | Payment Amount | Number |
|--------------------------------------|-------------------------------------------|--------------|-----------------------------------------------|-----------------|----------------|--------|
| Payable #                            | Payable Type                              | Post Date    | Payable Description                           | Discount Amount | Payable Amount |        |
| <b>Bank Code: AP2-BREMER BANK</b>    |                                           |              |                                               |                 |                |        |
| 07343                                | Gridiron Generation HoldCo, LLC           | 09/17/2025   | EFT                                           | 0.00            | 101,228.98     | 255    |
| <a href="#">INV-1061</a>             | Invoice                                   | 09/15/2025   | Invoice Period: 08/01/2025-08/31/2025         | 0.00            | 101,228.98     |        |
| 00140                                | AEP ENERGY PARTNERS, INC.                 | 09/19/2025   | EFT                                           | 0.00            | 1,701,302.06   | 256    |
| <a href="#">175-21579079</a>         | Invoice                                   | 09/17/2025   | Invoice Period: 08/01/2025-08/31/2025         | 0.00            | 1,701,302.06   |        |
| 09535                                | U.S. BANK ST PAUL                         | 09/23/2025   | EFT                                           | 0.00            | 762,193.75     | 257    |
| <a href="#">2987024</a>              | Invoice                                   | 09/22/2025   | Acct: 0037186NS / GO Bond 2016A               | 0.00            | 762,193.75     |        |
| 00335                                | AMERICAN WATER WORKS ASSOCIATION          | 08/26/2025   | Regular                                       | 0.00            | 394.00         | 84238  |
| <a href="#">SQ249982</a>             | Invoice                                   | 08/26/2025   | Membership Dues: 11/01/2025-10/31/20...       | 0.00            | 394.00         |        |
| 02025                                | CITY OF BRAINERD                          | 08/26/2025   | Regular                                       | 0.00            | 202,445.03     | 84239  |
| <a href="#">07/2025-Mill Rate</a>    | Invoice                                   | 08/26/2025   | MONTHLY TRANSFER: 07/2025                     | 0.00            | 70,966.99      |        |
| <a href="#">07/31/2025-SAN...</a>    | Invoice                                   | 08/26/2025   | SANITARY & STORM SWR BILLING/COLLEC...        | 0.00            | 131,478.04     |        |
| 10301                                | Danny Loch                                | 08/26/2025   | Regular                                       | 0.00            | 51.34          | 84240  |
| <a href="#">08/20/2025-Rei...</a>    | Invoice                                   | 08/26/2025   | Reimburse Travel Exp: MMUA Conference         | 0.00            | 51.34          |        |
| 04580                                | IP NETWORKS, INC.                         | 08/26/2025   | Regular                                       | 0.00            | 1,200.00       | 84241  |
| <a href="#">20258557</a>             | Invoice                                   | 08/26/2025   | Fortinet InfoSec Training & Awareness - 1 ... | 0.00            | 1,200.00       |        |
| 06065                                | MILLS AUTOMOTIVE GROUP                    | 08/26/2025   | Regular                                       | 0.00            | 953.54         | 84242  |
| <a href="#">08/15/2025-CIP...</a>    | Invoice                                   | 08/26/2025   | CIP Rebate:14138 Dellwood Dr-LED Interio...   | 0.00            | 953.54         |        |
| 06141                                | MINNESOTA DEPT OF HEALTH                  | 08/26/2025   | Regular                                       | 0.00            | 12,485.00      | 84243  |
| <a href="#">1180002-Q3 2025</a>      | Invoice                                   | 08/26/2025   | System:118002 - Wtr Supply Connection F...    | 0.00            | 12,485.00      |        |
| 06190                                | MINNESOTA MUNICIPAL UTILITIES ASSOCIATION | 08/26/2025   | Regular                                       | 0.00            | 2,487.50       | 84244  |
| <a href="#">66555</a>                | Invoice                                   | 08/26/2025   | Apprentice Training Program: N. Carvelli      | 0.00            | 2,487.50       |        |
| 06220                                | MINNESOTA RURAL WATER ASSOCIATION         | 08/26/2025   | Regular                                       | 0.00            | 425.00         | 84245  |
| <a href="#">08/14/2025-Me...</a>     | Invoice                                   | 08/26/2025   | Associate Membership: 10/2025-09/2026         | 0.00            | 425.00         |        |
| 06200                                | MPCA                                      | 08/26/2025   | Regular                                       | 0.00            | 585.00         | 84246  |
| <a href="#">9900075083</a>           | Invoice                                   | 08/26/2025   | WWT Facility/Operator Conference: 11/2...     | 0.00            | 585.00         |        |
| 07335                                | OFFICE SHOP                               | 08/26/2025   | Regular                                       | 0.00            | 2,080.35       | 84248  |
| <a href="#">AR1958937</a>            | Invoice                                   | 08/26/2025   | Copier Lease: 20079 / C130479-001             | 0.00            | 420.89         |        |
| <a href="#">AR1958938</a>            | Invoice                                   | 08/26/2025   | System 18248: Copier Maint / Copies           | 0.00            | 1,659.46       |        |
| 06268                                | Ryan Churchill                            | 08/26/2025   | Regular                                       | 0.00            | 640.00         | 84249  |
| <a href="#">6685819</a>              | Invoice                                   | 08/26/2025   | WEBSITE SUPPORT / TRAINING: 08/2025           | 0.00            | 640.00         |        |
| 08789                                | Spencer Fane LP                           | 08/26/2025   | Regular                                       | 0.00            | 2,332.00       | 84250  |
| <a href="#">1429635</a>              | Invoice                                   | 08/26/2025   | Legal Fees: Large Power Agreements / Ge...    | 0.00            | 2,332.00       |        |
| 09202                                | Terex USA, LLC                            | 09/04/2025   | Regular                                       | 0.00            | 476,835.00     | 84255  |
| <a href="#">7579912</a>              | Invoice                                   | 09/04/2025   | PUR EL DIGGER DERRICK TRUCK - FA# 1047        | 0.00            | 476,835.00     |        |
| 00877                                | BRAINERD LICENSE OFFICE                   | 09/05/2025   | Regular                                       | 0.00            | 31,537.13      | 84256  |
| <a href="#">2025 Freightliner...</a> | Invoice                                   | 09/05/2025   | Tax/Reg/Title: FA # 1047 - 2025 Freightlin... | 0.00            | 31,537.13      |        |
| 05348                                | Aaron Wiese                               | 09/05/2025   | Regular                                       | 0.00            | 116.55         | 84257  |
| <a href="#">34950</a>                | Invoice                                   | 09/05/2025   | PUR AUG LAMS INVOICE                          | 0.00            | 116.55         |        |
| 00105                                | ACE HARDWARE-BRAINERD                     | 09/05/2025   | Regular                                       | 0.00            | 32.41          | 84258  |
| <a href="#">334631</a>               | Invoice                                   | 09/05/2025   | PUR AUG ACE INVOICES 02                       | 0.00            | 22.09          |        |

## Board Packet Check Report

Date Range: 08/21/2025 - 09/25/2025

| Vendor Number                       | Vendor Name                    | Payment Date | Payment Type                             | Discount Amount | Payment Amount | Number |
|-------------------------------------|--------------------------------|--------------|------------------------------------------|-----------------|----------------|--------|
| Payable #                           | Payable Type                   | Post Date    | Payable Description                      | Discount Amount | Payable Amount |        |
| <a href="#">334818</a>              | Invoice                        | 09/05/2025   | PUR AUG ACE INVOICES 02                  | 0.00            | 10.32          |        |
| 10188                               | ALPENGLOW TECHNOLOGIES, LLC    | 09/05/2025   | Regular                                  | 0.00            | 400.00         | 84259  |
| <a href="#">11864</a>               | Invoice                        | 09/05/2025   | Monthly IT Billing: 09/2025              | 0.00            | 400.00         |        |
| 00226                               | AMERICAN DOOR WORKS            | 09/05/2025   | Regular                                  | 0.00            | 164.83         | 84260  |
| <a href="#">03-019335</a>           | Invoice                        | 09/05/2025   | PUR AUG AMERICAN DOOR WORKS INVOI...     | 0.00            | 164.83         |        |
| 00670                               | BARR ENGINEERING CO            | 09/05/2025   | Regular                                  | 0.00            | 4,963.76       | 84261  |
| <a href="#">23181016.08-17</a>      | Invoice                        | 09/05/2025   | BPU Powerhouse Units 4 & 6 Upgrades      | 0.00            | 1,222.00       |        |
| <a href="#">23181016.09-5</a>       | Invoice                        | 09/05/2025   | Work Order #9: Support for Hydro Project | 0.00            | 3,741.76       |        |
| 00706                               | BELL LUMBER & POLE COMPANY     | 09/05/2025   | Regular                                  | 0.00            | 24,525.00      | 84262  |
| <a href="#">INV-043829</a>          | Invoice                        | 09/05/2025   | INV EP0035                               | 0.00            | 24,525.00      |        |
| 00778                               | BLA Clean, LLC.                | 09/05/2025   | Regular                                  | 0.00            | 2,476.00       | 84263  |
| <a href="#">1381</a>                | Invoice                        | 09/05/2025   | Cleaning Services: 08/2025               | 0.00            | 2,476.00       |        |
| 02025                               | CITY OF BRAINERD               | 09/05/2025   | Regular                                  | 0.00            | 5,882.28       | 84266  |
| <a href="#">25-0006357</a>          | Invoice                        | 09/05/2025   | MN GO Bond 2016A Admin/RRM: 05/2025...   | 0.00            | 5,882.28       |        |
| 02785                               | DACOTAH PAPER CO               | 09/05/2025   | Regular                                  | 0.00            | 191.25         | 84267  |
| <a href="#">84371</a>               | Invoice                        | 09/05/2025   | PUR AUG DACOTAH PAPER INVOICE            | 0.00            | 191.25         |        |
| 02790                               | DAKOTA SUPPLY GROUP            | 09/05/2025   | Regular                                  | 0.00            | 2,118.39       | 84268  |
| <a href="#">S104972890.001</a>      | Invoice                        | 09/05/2025   | INV WATER WV PARTS                       | 0.00            | 2,118.39       |        |
| 06904                               | DAVID NELSON                   | 09/05/2025   | Regular                                  | 0.00            | 79.50          | 84269  |
| <a href="#">09/03/25-Safety ...</a> | Invoice                        | 09/05/2025   | Reimburse Safety Boots @ 50%             | 0.00            | 79.50          |        |
| 02860                               | Dixon Mechanical Electric, LLC | 09/05/2025   | Regular                                  | 0.00            | 220.71         | 84270  |
| <a href="#">10472</a>               | Invoice                        | 09/05/2025   | PUR AUG DIXON MECH INVOICE               | 0.00            | 220.71         |        |
| 03118                               | ESSENTIA HEALTH                | 09/05/2025   | Regular                                  | 0.00            | 792.00         | 84271  |
| <a href="#">890000327-08/1...</a>   | Invoice                        | 09/05/2025   | Occ Med: Physicals/Drug Testing          | 0.00            | 792.00         |        |
| 03275                               | FASTENAL COMPANY               | 09/05/2025   | Regular                                  | 0.00            | 246.30         | 84272  |
| <a href="#">MNBAX275154</a>         | Invoice                        | 09/05/2025   | PUR AUG FASTENAL INVOICE                 | 0.00            | 246.30         |        |
| 07691                               | FERGUSON ENTERPRISES INC #3326 | 09/05/2025   | Regular                                  | 0.00            | 158.75         | 84273  |
| <a href="#">0294254</a>             | Invoice                        | 09/05/2025   | PUR TAPPING MACHINE CUTTER               | 0.00            | 158.75         |        |
| 03321                               | FIRST IMPRESSION PRINTING      | 09/05/2025   | Regular                                  | 0.00            | 926.50         | 84274  |
| <a href="#">94791</a>               | Invoice                        | 09/05/2025   | PRINTING/PUBLISHING FORMS: Watt's N...   | 0.00            | 926.50         |        |
| 03687                               | GOODIN COMPANY                 | 09/05/2025   | Regular                                  | 0.00            | 10.66          | 84275  |
| <a href="#">6688070-00</a>          | Invoice                        | 09/05/2025   | PUR AUG GOODIN INVOICES                  | 0.00            | 10.66          |        |
| 03695                               | GOPHER STATE ONE-CALL          | 09/05/2025   | Regular                                  | 0.00            | 245.70         | 84276  |
| <a href="#">5080111</a>             | Invoice                        | 09/05/2025   | GSOC TICKETS: 08/2025                    | 0.00            | 245.70         |        |
| 05130                               | KOMLINE-SANDERSON              | 09/05/2025   | Regular                                  | 0.00            | 29,075.11      | 84277  |
| <a href="#">42063441</a>            | Invoice                        | 09/05/2025   | PUR WW KOMLINE                           | 0.00            | 28,892.78      |        |
| <a href="#">42063786</a>            | Invoice                        | 09/05/2025   | PUR WW KOMELINE-SANDERSON SWITCH         | 0.00            | 182.33         |        |
| 05625                               | LOCATORS & SUPPLIES, INC.      | 09/05/2025   | Regular                                  | 0.00            | 734.68         | 84278  |
| <a href="#">0322824-IN</a>          | Invoice                        | 09/05/2025   | PUR LOCATORS & SUPPLIES                  | 0.00            | 734.68         |        |
| 10147                               | NATHAN WILLIAM DYKES           | 09/05/2025   | Regular                                  | 0.00            | 757.36         | 84280  |
| <a href="#">12776</a>               | Invoice                        | 09/05/2025   | PUR AUG MIDWEST FLO CAL INVOICE          | 0.00            | 757.36         |        |
| 07143                               | NORTHLAND FIRE PROTECTION      | 09/05/2025   | Regular                                  | 0.00            | 94.00          | 84281  |
| <a href="#">64440</a>               | Invoice                        | 09/05/2025   | PUR AUG NORTHLAND FIRE INVOICE           | 0.00            | 94.00          |        |
| 07335                               | OFFICE SHOP                    | 09/05/2025   | Regular                                  | 0.00            | 797.27         | 84282  |
| <a href="#">1157059-3</a>           | Invoice                        | 09/05/2025   | Office Supplies                          | 0.00            | 16.83          |        |
| <a href="#">1157287-0</a>           | Invoice                        | 09/05/2025   | Office Supplies: WWT                     | 0.00            | 81.51          |        |

## Board Packet Check Report

Date Range: 08/21/2025 - 09/25/2025

| Vendor Number                       | Vendor Name                       | Payment Date | Payment Type                                 | Discount Amount | Payment Amount | Number |
|-------------------------------------|-----------------------------------|--------------|----------------------------------------------|-----------------|----------------|--------|
| Payable #                           | Payable Type                      | Post Date    | Payable Description                          | Discount Amount | Payable Amount |        |
| <a href="#">1157291-0</a>           | Invoice                           | 09/05/2025   | Office Supplies                              | 0.00            | 21.20          |        |
| <a href="#">1157304-0</a>           | Invoice                           | 09/05/2025   | Office Supplies                              | 0.00            | 24.79          |        |
| <a href="#">1157629-0</a>           | Invoice                           | 09/05/2025   | Office Supplies: Toner for WWT - Lab Prin... | 0.00            | 673.45         |        |
| <a href="#">1157703-0</a>           | Invoice                           | 09/05/2025   | Office Supplies                              | 0.00            | 7.65           |        |
| <a href="#">C1157059-1</a>          | Credit Memo                       | 09/05/2025   | Credit: Returned Product                     | 0.00            | -28.16         |        |
| 07335                               | OFFICE SHOP                       | 09/05/2025   | Regular                                      | 0.00            | 127.84         | 84283  |
| <a href="#">AR1958943</a>           | Invoice                           | 09/05/2025   | Copier Maint.: C131376-01 / Sys. 18305       | 0.00            | 127.84         |        |
| 07339                               | ONLINE INFORMATION SERVICES, INC. | 09/05/2025   | Regular                                      | 0.00            | 361.12         | 84284  |
| <a href="#">1343621</a>             | Invoice                           | 09/05/2025   | ONLINE UTILITY EXCHANGE REPORT: 08/2...      | 0.00            | 361.12         |        |
| 07920                               | QUALITY FLOW SYSTEMS, INC.        | 09/05/2025   | Regular                                      | 0.00            | 1,965.32       | 84285  |
| <a href="#">49562</a>               | Invoice                           | 09/05/2025   | PUR QUALITY FLOW PARTS                       | 0.00            | 1,965.32       |        |
| 08072                               | REFRIGERATION-HEATING, INC.       | 09/05/2025   | Regular                                      | 0.00            | 23.67          | 84286  |
| <a href="#">1507371</a>             | Invoice                           | 09/05/2025   | PUR AUG RHI INVOICES                         | 0.00            | 23.67          |        |
| 08410                               | SCR-NORTHERN                      | 09/05/2025   | Regular                                      | 0.00            | 17,915.15      | 84287  |
| <a href="#">W55804</a>              | Invoice                           | 09/05/2025   | PUR SCR DIGESTER SEAL KIT                    | 0.00            | 810.63         |        |
| <a href="#">W55805</a>              | Invoice                           | 09/05/2025   | PUR SCR WW DIGESTER                          | 0.00            | 4,045.65       |        |
| <a href="#">W55806</a>              | Invoice                           | 09/05/2025   | PUR SCR WW DIGESTER                          | 0.00            | 10,780.95      |        |
| <a href="#">W55807</a>              | Invoice                           | 09/05/2025   | PUR SCR WW DIGESTER                          | 0.00            | 2,277.92       |        |
| 02960                               | STEVEN W. DRYBURGH                | 09/05/2025   | Regular                                      | 0.00            | 99.98          | 84288  |
| <a href="#">08/18/25-Safety ...</a> | Invoice                           | 09/05/2025   | Reimburse Safety Boots @ 50%                 | 0.00            | 99.98          |        |
| 08895                               | STUART C. IRBY CO                 | 09/05/2025   | Regular                                      | 0.00            | 1,148.00       | 84289  |
| <a href="#">S014329489.001</a>      | Invoice                           | 09/05/2025   | INV EO0560 CROSS ARM BRACES                  | 0.00            | 1,148.00       |        |
| 03686                               | Tel Gold LLC                      | 09/05/2025   | Regular                                      | 0.00            | 520.00         | 84290  |
| <a href="#">250906777101</a>        | Invoice                           | 09/05/2025   | Answering Service: 08/2025                   | 0.00            | 520.00         |        |
| 09330                               | TIM THOMPSON PLUMBING, LLC        | 09/05/2025   | Regular                                      | 0.00            | 5,200.00       | 84291  |
| <a href="#">517</a>                 | Invoice                           | 09/05/2025   | Water Line: 209 2nd Ave NE                   | 0.00            | 5,200.00       |        |
| 00340                               | Vestis Group, Inc.                | 09/05/2025   | Regular                                      | 0.00            | 67.62          | 84292  |
| <a href="#">2530440606</a>          | Invoice                           | 09/05/2025   | PUR AUG VESTIS INVOICES                      | 0.00            | 33.81          |        |
| <a href="#">2530443133</a>          | Invoice                           | 09/05/2025   | PUR AUG VESTIS INVOICES                      | 0.00            | 33.81          |        |
| 09728                               | WASTE PARTNERS                    | 09/05/2025   | Regular                                      | 0.00            | 1,551.95       | 84293  |
| <a href="#">58X01354</a>            | Invoice                           | 09/05/2025   | TRASH/RECYCLING SERVICE: ACCT#242053         | 0.00            | 1,551.95       |        |
| 09899                               | WESCO RECEIVABLES CORP            | 09/05/2025   | Regular                                      | 0.00            | 1,920.00       | 84294  |
| <a href="#">595432</a>              | Invoice                           | 09/05/2025   | PUR EXTRA ELEC GLOVES AND SLEEVES            | 0.00            | 1,920.00       |        |
| 10418                               | Wilmore Electronics Company, Inc. | 09/05/2025   | Regular                                      | 0.00            | 1,790.38       | 84295  |
| <a href="#">122577</a>              | Invoice                           | 09/05/2025   | PUR WILMORE 1766-130-120-60-U UNIT           | 0.00            | 1,790.38       |        |
| 02025                               | CITY OF BRAINERD                  | 09/11/2025   | Regular                                      | 0.00            | 198,958.82     | 84307  |
| <a href="#">08/2025-Mill Rate</a>   | Invoice                           | 09/11/2025   | MONTHLY TRANSFER: 08/2025                    | 0.00            | 75,741.38      |        |
| <a href="#">08/31/2025-San/...</a>  | Invoice                           | 09/11/2025   | SANITARY & STORM SWR BILL/COLLECTIO...       | 0.00            | 123,217.44     |        |
| 00075                               | A W RESEARCH                      | 09/12/2025   | Regular                                      | 0.00            | 3,812.00       | 84308  |
| <a href="#">73448</a>               | Invoice                           | 09/12/2025   | PUR AUG AW INVOICE                           | 0.00            | 626.40         |        |
| <a href="#">73450</a>               | Invoice                           | 09/12/2025   | PUR AUG AW INVOICE                           | 0.00            | 3,185.60       |        |
| 00105                               | ACE HARDWARE-BRAINERD             | 09/12/2025   | Regular                                      | 0.00            | 54.78          | 84309  |
| <a href="#">334315</a>              | Invoice                           | 09/12/2025   | PUR AGU ACE INVOICES                         | 0.00            | 54.78          |        |
| 00315                               | AMERICAN STEEL INC                | 09/12/2025   | Regular                                      | 0.00            | 143.00         | 84310  |
| <a href="#">127007</a>              | Invoice                           | 09/12/2025   | PUR AUG AMERICAN STEEL INVOICE               | 0.00            | 143.00         |        |
| 00337                               | AMERICAN WELDING & GAS INC        | 09/12/2025   | Regular                                      | 0.00            | 40.86          | 84311  |
| <a href="#">0011094668</a>          | Invoice                           | 09/12/2025   | PUR AUG AWG INVOICES                         | 0.00            | 40.86          |        |

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| Vendor Number                     | Vendor Name                   | Payment Date | Payment Type                    | Discount Amount | Payment Amount | Number |
|-----------------------------------|-------------------------------|--------------|---------------------------------|-----------------|----------------|--------|
| Payable #                         | Payable Type                  | Post Date    | Payable Description             | Discount Amount | Payable Amount |        |
| 00735                             | Best Oil, LLC                 | 09/12/2025   | Regular                         | 0.00            | 3,530.00       | 84312  |
| <a href="#">12067</a>             | Invoice                       | 09/12/2025   | PUR AUG BEST OIL INVOICES       | 0.00            | 1,036.15       |        |
| <a href="#">12068</a>             | Invoice                       | 09/12/2025   | PUR AUG BEST OIL INVOICES       | 0.00            | 570.00         |        |
| <a href="#">12165</a>             | Invoice                       | 09/12/2025   | PUR AUG BEST OIL INVOICES       | 0.00            | 653.60         |        |
| <a href="#">12166</a>             | Invoice                       | 09/12/2025   | PUR AUG BEST OIL INVOICES       | 0.00            | 754.00         |        |
| <a href="#">41711</a>             | Invoice                       | 09/12/2025   | PUR AUG BEST OIL INVOICES       | 0.00            | 516.25         |        |
| 00825                             | BORDER STATES ELECTRIC        | 09/12/2025   | Regular                         | 0.00            | 111.30         | 84313  |
| <a href="#">931020250</a>         | Invoice                       | 09/12/2025   | INV MISC ELECTRIC               | 0.00            | 111.30         |        |
| 03282                             | FERGUSON WATERWORKS #2518     | 09/12/2025   | Regular                         | 0.00            | 1,203.45       | 84314  |
| <a href="#">0546791-1</a>         | Invoice                       | 09/12/2025   | INV WATER COUPLERS              | 0.00            | 1,203.45       |        |
| 03699                             | GRAINGER                      | 09/12/2025   | Regular                         | 0.00            | 96.86          | 84315  |
| <a href="#">9618057260</a>        | Invoice                       | 09/12/2025   | PUR AUG GRAINGER INVOICE        | 0.00            | 83.36          |        |
| <a href="#">9621390872</a>        | Invoice                       | 09/12/2025   | PUR AUG GRAINGER INVOICE        | 0.00            | 13.50          |        |
| 04050                             | HAWKINS INC.                  | 09/12/2025   | Regular                         | 0.00            | 5,442.29       | 84316  |
| <a href="#">7174071</a>           | Invoice                       | 09/12/2025   | PUR AUG HAWKINS INVOICE         | 0.00            | 5,442.29       |        |
| 05976                             | MIDWEST MACHINERY CO.         | 09/12/2025   | Regular                         | 0.00            | 33.99          | 84317  |
| <a href="#">10583629</a>          | Invoice                       | 09/12/2025   | PUR AUG MIDWEST MACHINE INVOICE | 0.00            | 33.99          |        |
| 06257                             | MINNESOTA T'S                 | 09/12/2025   | Regular                         | 0.00            | 645.50         | 84318  |
| <a href="#">OE66348</a>           | Invoice                       | 09/12/2025   | PUR MN T'S JACKET & CAPS        | 0.00            | 244.50         |        |
| <a href="#">OS66349</a>           | Invoice                       | 09/12/2025   | PUR MN T T-SHIRTS               | 0.00            | 401.00         |        |
| 06266                             | MINNESOTA VALLEY TESTING LABS | 09/12/2025   | Regular                         | 0.00            | 2,581.75       | 84319  |
| <a href="#">1319850</a>           | Invoice                       | 09/12/2025   | PUR AUG MVTL INVOICES           | 0.00            | 66.00          |        |
| <a href="#">1319999</a>           | Invoice                       | 09/12/2025   | PUR AUG MVTL INVOICES           | 0.00            | 117.00         |        |
| <a href="#">1320212</a>           | Invoice                       | 09/12/2025   | PUR AUG MVTL INVOICES           | 0.00            | 1,260.00       |        |
| <a href="#">1320421</a>           | Invoice                       | 09/12/2025   | PUR AUG MVTL INVOICES           | 0.00            | 1,021.75       |        |
| <a href="#">1321095</a>           | Invoice                       | 09/12/2025   | PUR AUG MVTL INVOICES           | 0.00            | 117.00         |        |
| 06431                             | MOMENTUM TRUCK GROUP          | 09/12/2025   | Regular                         | 0.00            | 94.64          | 84320  |
| <a href="#">X500018184-01</a>     | Invoice                       | 09/12/2025   | PUR AUG MOMENTUM INVOICE        | 0.00            | 94.64          |        |
| 06790                             | NAPA AUTO PARTS BAXTER        | 09/12/2025   | Regular                         | 0.00            | 194.16         | 84321  |
| <a href="#">834548</a>            | Invoice                       | 09/12/2025   | PUR AUG NAPA INVOICES 02        | 0.00            | 40.84          |        |
| <a href="#">837366</a>            | Invoice                       | 09/12/2025   | PUR AUG NAPA INVOICES 02        | 0.00            | 128.13         |        |
| <a href="#">837400</a>            | Invoice                       | 09/12/2025   | PUR AUG NAPA INVOICES 02        | 0.00            | 21.49          |        |
| <a href="#">837754</a>            | Invoice                       | 09/12/2025   | PUR AUG NAPA INVOICES 02        | 0.00            | 3.70           |        |
| 08410                             | SCR-NORTHERN                  | 09/12/2025   | Regular                         | 0.00            | 4,650.01       | 84322  |
| <a href="#">W56025</a>            | Invoice                       | 09/12/2025   | PUR AUG SCR INVOICES            | 0.00            | 4,650.01       |        |
| 09250                             | THOMPSON EXCAVATING, LLC      | 09/12/2025   | Regular                         | 0.00            | 1,077.30       | 84323  |
| <a href="#">9380</a>              | Invoice                       | 09/12/2025   | PUR AUG THOMPSON INVOICE        | 0.00            | 1,077.30       |        |
| 09899                             | WESCO RECEIVABLES CORP        | 09/12/2025   | Regular                         | 0.00            | 495.11         | 84324  |
| <a href="#">594220</a>            | Invoice                       | 09/12/2025   | PUR FR RAIN GEAR                | 0.00            | 495.11         |        |
| 09997                             | Zoro                          | 09/12/2025   | Regular                         | 0.00            | 481.85         | 84325  |
| <a href="#">INV17050689</a>       | Invoice                       | 09/12/2025   | PUR AUG ZORO INVOICES           | 0.00            | 50.86          |        |
| <a href="#">INV17096331</a>       | Invoice                       | 09/12/2025   | PUR AUG ZORO INVOICE            | 0.00            | 430.99         |        |
| 00820                             | BOLTON & MENK, INC.           | 09/19/2025   | Regular                         | 0.00            | 43,154.50      | 84345  |
| <a href="#">0372635</a>           | Invoice                       | 09/19/2025   | WWTP: 2025 Facility Plan        | 0.00            | 41,834.50      |        |
| <a href="#">0372636</a>           | Invoice                       | 09/19/2025   | CMAR Management                 | 0.00            | 1,320.00       |        |
| 07333                             | BRADLEY J. OLSON              | 09/19/2025   | Regular                         | 0.00            | 58.69          | 84346  |
| <a href="#">09/10/25-Training</a> | Invoice                       | 09/19/2025   | Reimburse Training Exp: MMUA OH | 0.00            | 26.85          |        |
| <a href="#">09/11/25-Training</a> | Invoice                       | 09/19/2025   | Reimburse Training Exp: MMUA OH | 0.00            | 31.84          |        |
| 09965                             | BRENT YAUNICK                 | 09/19/2025   | Regular                         | 0.00            | 40.18          | 84347  |

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| Vendor Number                        | Vendor Name                            | Payment Date | Payment Type                                | Discount Amount | Payment Amount | Number |
|--------------------------------------|----------------------------------------|--------------|---------------------------------------------|-----------------|----------------|--------|
| Payable #                            | Payable Type                           | Post Date    | Payable Description                         | Discount Amount | Payable Amount |        |
| <a href="#">09/10/25 Training</a>    | Invoice                                | 09/19/2025   | Reimburse Training Exp: MMUA OH             | 0.00            | 40.18          |        |
| 01750                                | CDW GOVERNMENT                         | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 1,480.00       | 84348  |
| <a href="#">AF9GD8M</a>              | Invoice                                | 09/19/2025   | Adobe Subscriptions: 10/07/2025 (Anniver... | 0.00            | 1,480.00       |        |
| 01805                                | CENTERPOINT ENERGY                     | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 178.85         | 84349  |
| <a href="#">8000014432-1-09...</a>   | Invoice                                | 09/19/2025   | MONTHLY GAS BILL - WTR PROD/WTR DIS...      | 0.00            | 178.85         |        |
| 01837                                | CENTURYLINK                            | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 481.20         | 84350  |
| <a href="#">333931378-09/0...</a>    | Invoice                                | 09/19/2025   | MONTHLY PHONE BILL: 09/2025                 | 0.00            | 481.20         |        |
| 01890                                | CHARTER COMMUNICATIONS                 | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 1,288.43       | 84351  |
| <a href="#">175590201090125</a>      | Invoice                                | 09/19/2025   | TV SERVICE: 09/2025                         | 0.00            | 39.43          |        |
| <a href="#">237487601090125</a>      | Invoice                                | 09/19/2025   | 237487601: FIBER INTERNET                   | 0.00            | 1,249.00       |        |
| 10301                                | Danny Loch                             | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 1,314.95       | 84352  |
| <a href="#">09/06-09/10 Rei...</a>   | Invoice                                | 09/19/2025   | Reimburse: APPA Conference / Training Exp   | 0.00            | 1,314.95       |        |
| 06904                                | DAVID NELSON                           | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 25.00          | 84353  |
| <a href="#">09/09/25 - Traini...</a> | Invoice                                | 09/19/2025   | Reimburse: Gopher State One Training Ex...  | 0.00            | 25.00          |        |
| 03557                                | FRONTIER ENERGY, INC.                  | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 8,080.88       | 84355  |
| <a href="#">198358</a>               | Invoice                                | 09/19/2025   | CIP SERVICES - 08/2025                      | 0.00            | 8,080.88       |        |
| 05607                                | JAKE LIPSKI                            | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 100.00         | 84356  |
| <a href="#">09/09/25 - Boots</a>     | Invoice                                | 09/19/2025   | Reimburse Safety Boots @ 50%                | 0.00            | 100.00         |        |
| 05415                                | LANDIS-GYR TECHNOLOGY, INC/FKA CELLNET | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 1,995.00       | 84357  |
| <a href="#">90417943</a>             | Invoice                                | 09/19/2025   | MONTHLY ENDPOINT FEE: 08/2025               | 0.00            | 1,995.00       |        |
| 05530                                | LEAGUE OF MN CITIES INS. TRUST WC      | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 18,252.75      | 84358  |
| <a href="#">10002612-WC Q4...</a>    | Invoice                                | 09/19/2025   | ACCT: 10002612-WORK COMP - Q4 2025          | 0.00            | 18,252.75      |        |
| 06125                                | MINNESOTA DEPT OF COMMERCE             | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 5,373.68       | 84359  |
| <a href="#">1000053974</a>           | Invoice                                | 09/19/2025   | INDIRECT ASSESSMENT: #217 - Q2 Fiscal Yr... | 0.00            | 5,373.68       |        |
| 08789                                | Spencer Fane LP                        | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 1,364.00       | 84361  |
| <a href="#">1438212</a>              | Invoice                                | 09/19/2025   | Large Power Agreements / General Repre...   | 0.00            | 1,364.00       |        |
| 09330                                | TIM THOMPSON PLUMBING, LLC             | 09/19/2025   | 09/19/2025 Regular                          | 0.00            | 4,660.00       | 84362  |
| <a href="#">908692</a>               | Invoice                                | 09/19/2025   | Replacement of Water Service Line: 1234 ... | 0.00            | 4,660.00       |        |
| 02820                                | DELL MARKETING L.P.                    | 09/22/2025   | 09/22/2025 Regular                          | 0.00            | 53,348.40      | 84365  |
| <a href="#">10835696112</a>          | Invoice                                | 09/22/2025   | New PCs / Monitors                          | 0.00            | 53,348.40      |        |
| 05348                                | Aaron Wiese                            | 09/22/2025   | 09/22/2025 Regular                          | 0.00            | 231.35         | 84368  |
| <a href="#">34951</a>                | Invoice                                | 09/22/2025   | PUR SEPT LAMS INVOICE                       | 0.00            | 114.55         |        |
| <a href="#">34952</a>                | Invoice                                | 09/22/2025   | PUR SEPT LAMS INVOICE                       | 0.00            | 116.80         |        |
| 00105                                | ACE HARDWARE-BRAINERD                  | 09/22/2025   | 09/22/2025 Regular                          | 0.00            | 81.74          | 84369  |
| <a href="#">334893</a>               | Invoice                                | 09/22/2025   | PUR SEPT ACE INVOICES                       | 0.00            | 47.09          |        |
| <a href="#">334977</a>               | Invoice                                | 09/22/2025   | PUR SEPT ACE INVOICES                       | 0.00            | 11.59          |        |
| <a href="#">335012</a>               | Invoice                                | 09/22/2025   | PUR SEPT ACE INVOICES                       | 0.00            | 23.06          |        |
| 00337                                | AMERICAN WELDING & GAS INC             | 09/22/2025   | 09/22/2025 Regular                          | 0.00            | 62.74          | 84370  |
| <a href="#">0011113508</a>           | Invoice                                | 09/22/2025   | PUR SEPT AWG INVOICE                        | 0.00            | 62.74          |        |
| 00405                                | ANDERSON BROTHERS CONSTRUCTION         | 09/22/2025   | 09/22/2025 Regular                          | 0.00            | 10,234.82      | 84371  |
| <a href="#">37736</a>                | Invoice                                | 09/22/2025   | PUR ANDERSON BROTHERS INVOICE               | 0.00            | 10,234.82      |        |
| 00735                                | Best Oil, LLC                          | 09/22/2025   | 09/22/2025 Regular                          | 0.00            | 2,503.30       | 84372  |
| <a href="#">12384</a>                | Invoice                                | 09/22/2025   | PUR SEPT BEST OIL INVOICES                  | 0.00            | 774.34         |        |
| <a href="#">12385</a>                | Invoice                                | 09/22/2025   | PUR SEPT BEST OIL INVOICES                  | 0.00            | 582.00         |        |
| <a href="#">41977</a>                | Invoice                                | 09/22/2025   | PUR SEPT BEST OIL INVOICES                  | 0.00            | 174.96         |        |
| <a href="#">42015</a>                | Invoice                                | 09/22/2025   | PUR SEPT BEST OIL INVOICES                  | 0.00            | 362.00         |        |

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|------------------------------------|------------------------------------------|--------------|-------------------------------------------|-----------------|----------------|--------|
| Payable #                          | Payable Type                             | Post Date    | Payable Description                       | Discount Amount | Payable Amount |        |
| <a href="#">42016</a>              | Invoice                                  | 09/22/2025   | PUR SEPT BEST OIL INVOICES                | 0.00            | 610.00         |        |
| 00825                              | BORDER STATES ELECTRIC                   | 09/22/2025   | Regular                                   | 0.00            | 1,700.29       | 84373  |
| <a href="#">931097995</a>          | Invoice                                  | 09/22/2025   | PUR REELCRAFT REELS                       | 0.00            | 1,487.69       |        |
| <a href="#">931098006</a>          | Invoice                                  | 09/22/2025   | INV MISC ELECTRIC                         | 0.00            | 212.60         |        |
| 00982                              | BRAINERD HYDRAULIC AIR & INDUSTRIAL SUPP | 09/22/2025   | Regular                                   | 0.00            | 68.00          | 84374  |
| <a href="#">36756</a>              | Invoice                                  | 09/22/2025   | PUR SEPT BRD HYDRAULICS                   | 0.00            | 68.00          |        |
| 02790                              | DAKOTA SUPPLY GROUP                      | 09/22/2025   | Regular                                   | 0.00            | 2,291.97       | 84375  |
| <a href="#">S104992069.001</a>     | Invoice                                  | 09/22/2025   | PUR FUSIBLE POLY                          | 0.00            | 2,192.51       |        |
| <a href="#">S104992069.002</a>     | Invoice                                  | 09/22/2025   | PUR FUSIBLE POLY                          | 0.00            | 99.46          |        |
| 02842                              | DIAMOND INDUSTRIAL CLEANING EQUIPMENT    | 09/22/2025   | Regular                                   | 0.00            | 541.24         | 84376  |
| <a href="#">27618</a>              | Invoice                                  | 09/22/2025   | PUR SEPT DIAMOND INDUSTRIAL INVOICES      | 0.00            | 541.24         |        |
| 02860                              | Dixon Mechanical Electric, LLC           | 09/22/2025   | Regular                                   | 0.00            | 94.29          | 84377  |
| <a href="#">10565</a>              | Invoice                                  | 09/22/2025   | PUR SEP DIXON MECHANICAL INVOICES         | 0.00            | 94.29          |        |
| 03497                              | FLEETPRIDE TRUCK & TRAILER PARTS         | 09/22/2025   | Regular                                   | 0.00            | 59.83          | 84378  |
| <a href="#">INV0003874</a>         | Invoice                                  | 09/22/2025   | PUR SEPT FLEET PRIDE INVOICE              | 0.00            | 59.83          |        |
| 03699                              | GRAINGER                                 | 09/22/2025   | Regular                                   | 0.00            | 685.81         | 84379  |
| <a href="#">9625385209</a>         | Invoice                                  | 09/22/2025   | PUR SEPT GRAINGER INVOICES                | 0.00            | 6.80           |        |
| <a href="#">9630271600</a>         | Invoice                                  | 09/22/2025   | PUR SEPT GRAINGER INVOICES                | 0.00            | 623.18         |        |
| <a href="#">9637887804</a>         | Invoice                                  | 09/22/2025   | PUR SEPT GRAINGER INVOICES                | 0.00            | 31.77          |        |
| <a href="#">9637918393</a>         | Invoice                                  | 09/22/2025   | PUR SEPT GRAINGER INVOICES                | 0.00            | 24.06          |        |
| 04050                              | HAWKINS INC.                             | 09/22/2025   | Regular                                   | 0.00            | 10.00          | 84380  |
| <a href="#">7196810</a>            | Invoice                                  | 09/22/2025   | PUR SEPT HAWKINS INVOICES                 | 0.00            | 10.00          |        |
| 05080                              | KNIFE RIVER CORPORATION                  | 09/22/2025   | Regular                                   | 0.00            | 106.80         | 84381  |
| <a href="#">1134517</a>            | Invoice                                  | 09/22/2025   | PUR SEPT KNIFE RIVER INVOICE              | 0.00            | 106.80         |        |
| 05168                              | KURITA AMERICA INC.                      | 09/22/2025   | Regular                                   | 0.00            | 16,717.00      | 84382  |
| <a href="#">INV918201</a>          | Invoice                                  | 09/22/2025   | PUR KURIFLOC                              | 0.00            | 16,717.00      |        |
| 06266                              | MINNESOTA VALLEY TESTING LABS            | 09/22/2025   | Regular                                   | 0.00            | 891.17         | 84383  |
| <a href="#">1316233</a>            | Invoice                                  | 09/22/2025   | PUR MVTL - Invoice 1316233                | 0.00            | 891.17         |        |
| 06431                              | MOMENTUM TRUCK GROUP                     | 09/22/2025   | Regular                                   | 0.00            | 20.01          | 84384  |
| <a href="#">X500018302-01</a>      | Invoice                                  | 09/22/2025   | PUR SEPT MOMENTUM INVOICE                 | 0.00            | 20.01          |        |
| 10225                              | POMP'S TIRE SERVICE INC.                 | 09/22/2025   | Regular                                   | 0.00            | 46.08          | 84385  |
| <a href="#">2300011616</a>         | Invoice                                  | 09/22/2025   | PUR SEPT POMP INVOICE                     | 0.00            | 46.08          |        |
| 08895                              | STUART C. IRBY CO                        | 09/22/2025   | Regular                                   | 0.00            | 4,969.50       | 84386  |
| <a href="#">S014326511.001</a>     | Invoice                                  | 09/22/2025   | INV WM0110 WATER ENDPOINTS                | 0.00            | 4,969.50       |        |
| 03710                              | Superior Capital Holdings, Inc           | 09/22/2025   | Regular                                   | 0.00            | 121.91         | 84387  |
| <a href="#">2509028</a>            | Invoice                                  | 09/22/2025   | PUR DSC ANTENNA NEW DIGGER                | 0.00            | 121.91         |        |
| 09218                              | DARYL J THESING                          | 09/25/2025   | Regular                                   | 0.00            | 74.02          | 84392  |
| <a href="#">09/17/2025-Safe...</a> | Invoice                                  | 09/25/2025   | Reimburse Safety Boots @ 50%              | 0.00            | 74.02          |        |
| 04400                              | IC SYSTEM, INC.                          | 09/25/2025   | Regular                                   | 0.00            | 139.05         | 84393  |
| <a href="#">1052288-09/01/...</a>  | Invoice                                  | 09/25/2025   | IC SYSTEM - 1052288 STATEMENT             | 0.00            | 139.05         |        |
| 07335                              | OFFICE SHOP                              | 09/25/2025   | Regular                                   | 0.00            | 773.19         | 84394  |
| <a href="#">AR1969828</a>          | Invoice                                  | 09/25/2025   | Copier Lease: 20079 / C130479-001         | 0.00            | 420.89         |        |
| <a href="#">AR1969829</a>          | Invoice                                  | 09/25/2025   | Copier Maint - Repair/Service #17903      | 0.00            | 352.30         |        |
| 08430                              | SHORT ELLIOT HENDRICKSON, INC            | 09/25/2025   | Regular                                   | 0.00            | 5,438.80       | 84396  |
| <a href="#">495205</a>             | Invoice                                  | 09/25/2025   | Project: 179750 Water Model Update/Wtr... | 0.00            | 5,438.80       |        |

## Board Packet Check Report

Date Range: 08/21/2025 - 09/25/2025

| Vendor Number                        | Vendor Name                   | Payment Date | Payment Type                       | Discount Amount | Payment Amount | Number     |
|--------------------------------------|-------------------------------|--------------|------------------------------------|-----------------|----------------|------------|
| Payable #                            | Payable Type                  | Post Date    | Payable Description                | Discount Amount | Payable Amount |            |
| 06171                                | MN DEPT OF REVENUE            | 08/26/2025   | Bank Draft                         | 0.00            | 163,506.00     | DFT0001793 |
| <a href="#">07/2025 - Sales T...</a> | Invoice                       | 08/26/2025   | SALES TAX DRAFT: 07/2025           | 0.00            | 163,506.00     |            |
| 01191                                | BREMER BANK - CC              | 08/26/2025   | Bank Draft                         | 0.00            | 6,700.81       | DFT0001794 |
| <a href="#">07/31/2025 CC S...</a>   | Invoice                       | 08/26/2025   | CC Statement: 07/2025              | 0.00            | 6,700.81       |            |
| 03682                                | Global Payments Direct, Inc.  | 08/31/2025   | Bank Draft                         | 0.00            | 58,336.31      | DFT0001812 |
| <a href="#">08/01/2025 - CC ...</a>  | Invoice                       | 08/31/2025   | CREDIT CARD FEES: 07/2025          | 0.00            | 58,336.31      |            |
| 01805                                | CENTERPOINT ENERGY            | 09/11/2025   | Bank Draft                         | 0.00            | 18.15          | DFT0001822 |
| <a href="#">11582840-2-08/1...</a>   | Invoice                       | 09/11/2025   | 1602 E RIVER RD                    | 0.00            | 18.15          |            |
| 01805                                | CENTERPOINT ENERGY            | 09/11/2025   | Bank Draft                         | 0.00            | 18.15          | DFT0001823 |
| <a href="#">11595232-7-08/1...</a>   | Invoice                       | 09/11/2025   | 50 JENNY STREET                    | 0.00            | 18.15          |            |
| 02002                                | CITY OF BAXTER                | 09/11/2025   | Bank Draft                         | 0.00            | 1,091.23       | DFT0001824 |
| <a href="#">007335-000-08/1...</a>   | Invoice                       | 09/11/2025   | STORMWATER - ACCT# 007335-000      | 0.00            | 1,091.23       |            |
| 02717                                | CULLIGAN                      | 09/11/2025   | Bank Draft                         | 0.00            | 100.65         | DFT0001825 |
| <a href="#">150-01059575-2-...</a>   | Invoice                       | 09/11/2025   | 150-01059575-2 Service Center      | 0.00            | 100.65         |            |
| 02717                                | CULLIGAN                      | 09/11/2025   | Bank Draft                         | 0.00            | 61.38          | DFT0001826 |
| <a href="#">150-10024107-7-...</a>   | Invoice                       | 09/11/2025   | 150-10024107-7 Hydro               | 0.00            | 61.38          |            |
| 07715                                | U.S. POSTAL SERVICE           | 09/11/2025   | Bank Draft                         | 0.00            | 12.84          | DFT0001829 |
| <a href="#">670778001</a>            | Invoice                       | 09/11/2025   | Additional Postage Due - Bulk Mail | 0.00            | 12.84          |            |
| 06171                                | MN DEPT OF REVENUE            | 09/22/2025   | Bank Draft                         | 0.00            | 163,076.00     | DFT0001832 |
| <a href="#">08/2025-Sales Tax</a>    | Invoice                       | 09/22/2025   | SALES TAX DRAFT: 08/2025           | 0.00            | 163,076.00     |            |
| 00472                                | AT&T MOBILITY                 | 09/22/2025   | Bank Draft                         | 0.00            | 1,890.04       | DFT0001833 |
| <a href="#">287302792515X...</a>     | Invoice                       | 09/22/2025   | AT & T MONTHLY BILL: 08/2025       | 0.00            | 1,890.04       |            |
| 00472                                | AT&T MOBILITY                 | 09/22/2025   | Bank Draft                         | 0.00            | 373.09         | DFT0001834 |
| <a href="#">287260682523X...</a>     | Invoice                       | 09/22/2025   | AT & T MONTHLY BILL: 09/2025       | 0.00            | 373.09         |            |
| 01655                                | CANON FINANCIAL SERVICES, INC | 09/22/2025   | Bank Draft                         | 0.00            | 347.53         | DFT0001835 |
| <a href="#">41849363</a>             | Invoice                       | 09/22/2025   | Canon Invoice - Contract Charge    | 0.00            | 347.53         |            |
| 02455                                | CTC                           | 09/22/2025   | Bank Draft                         | 0.00            | 1,870.89       | DFT0001836 |
| <a href="#">21651702</a>             | Invoice                       | 09/22/2025   | MONTHLY BILL: 09/12-10/11          | 0.00            | 1,870.89       |            |
| 03682                                | Global Payments Direct, Inc.  | 09/22/2025   | Bank Draft                         | 0.00            | 63,299.04      | DFT0001839 |
| <a href="#">09/01/2025 CC F...</a>   | Invoice                       | 09/22/2025   | CREDIT CARD FEES: 08/2025          | 0.00            | 63,299.04      |            |
| 07640                                | PITNEY BOWES, INC.            | 09/22/2025   | Bank Draft                         | 0.00            | 3,500.00       | DFT0001840 |
| <a href="#">09/05/2025-Post...</a>   | Invoice                       | 09/22/2025   | POSTAGE REFILL                     | 0.00            | 3,500.00       |            |
| 07715                                | U.S. POSTAL SERVICE           | 09/22/2025   | Bank Draft                         | 0.00            | 4.07           | DFT0001841 |
| <a href="#">671356964</a>            | Invoice                       | 09/22/2025   | Additional Postage Due - Bulk Mail | 0.00            | 4.07           |            |
| 07715                                | U.S. POSTAL SERVICE           | 09/22/2025   | Bank Draft                         | 0.00            | 8.84           | DFT0001842 |
| <a href="#">670958504</a>            | Invoice                       | 09/22/2025   | Additional Postage Due - Bulk Mail | 0.00            | 8.84           |            |
| 09925                                | WEX HEALTH, INC               | 09/22/2025   | Bank Draft                         | 0.00            | 23.00          | DFT0001843 |
| <a href="#">0002230998-IN</a>        | Invoice                       | 09/22/2025   | MONTHLY COBRA BILLING: 08/2025     | 0.00            | 23.00          |            |
| 09961                                | XCEL ENERGY                   | 09/22/2025   | Bank Draft                         | 0.00            | 1,436.09       | DFT0001844 |
| <a href="#">943654255</a>            | Invoice                       | 09/22/2025   | Xcel Energy - Service Center/WWT   | 0.00            | 1,436.09       |            |
| 02002                                | CITY OF BAXTER                | 09/25/2025   | Bank Draft                         | 0.00            | 1,091.23       | DFT0001853 |
| <a href="#">007335-000-09/1...</a>   | Invoice                       | 09/25/2025   | STORMWATER - ACCT# 007335-000      | 0.00            | 1,091.23       |            |
| 07715                                | U.S. POSTAL SERVICE           | 09/25/2025   | Bank Draft                         | 0.00            | 4.26           | DFT0001854 |

## Board Packet Check Report

Date Range: 08/21/2025 - 09/25/2025

| Vendor Number             | Vendor Name  | Payment Date | Payment Type                       | Discount Amount | Payment Amount | Number |
|---------------------------|--------------|--------------|------------------------------------|-----------------|----------------|--------|
| Payable #                 | Payable Type | Post Date    | Payable Description                | Discount Amount | Payable Amount |        |
| <a href="#">672327982</a> | Invoice      | 09/25/2025   | Additional Postage Due - Bulk Mail | 0.00            | 4.26           |        |

## Bank Code AP2 Summary

| Payment Type   | Payable Count | Payment Count | Discount    | Payment             |
|----------------|---------------|---------------|-------------|---------------------|
| Regular Checks | 157           | 110           | 0.00        | 1,254,858.02        |
| Manual Checks  | 0             | 0             | 0.00        | 0.00                |
| Voided Checks  | 0             | 0             | 0.00        | 0.00                |
| Bank Drafts    | 22            | 22            | 0.00        | 466,769.60          |
| EFT's          | 3             | 3             | 0.00        | 2,564,724.79        |
|                | <b>182</b>    | <b>135</b>    | <b>0.00</b> | <b>4,286,352.41</b> |

## All Bank Codes Check Summary

| Payment Type   | Payable<br>Count | Payment<br>Count | Discount    | Payment             |
|----------------|------------------|------------------|-------------|---------------------|
| Regular Checks | 157              | 110              | 0.00        | 1,254,858.02        |
| Manual Checks  | 0                | 0                | 0.00        | 0.00                |
| Voided Checks  | 0                | 0                | 0.00        | 0.00                |
| Bank Drafts    | 22               | 22               | 0.00        | 466,769.60          |
| EFT's          | 3                | 3                | 0.00        | 2,564,724.79        |
|                | <b>182</b>       | <b>135</b>       | <b>0.00</b> | <b>4,286,352.41</b> |

## Fund Summary

| Fund | Name                | Period | Amount              |
|------|---------------------|--------|---------------------|
| 9    | POOLED CASH CONTROL | 8/2025 | 454,621.88          |
| 9    | POOLED CASH CONTROL | 9/2025 | 3,831,730.53        |
|      |                     |        | <b>4,286,352.41</b> |



# Public Utilities Commission Agenda Request

**MEETING DATE:** September 30, 2025

**TITLE OF ITEM:** Approve Surplus Items for Auction

**ACTION REQUESTED:** Approve/Deny Motion

**ESTIMATED TIME (MIN):** 1

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

**PRESENTER:**

**SUMMARY OF ISSUE:** In accordance with the State of Minnesota requirements governing the disposal of public assets, staff has conducted a review of the identified items that are no longer in use, have exceeded their useful life, or have been replaced through capital purchase. These items are considered surplus to the operational needs of the utility and the City.

State statutes require governing body approval prior to the disposal of surplus property through auction or other approved methods. Declaring the listed items as surplus ensures compliance with state law and allows staff to proceed with the sale, recapturing value where possible and reducing storage and maintenance costs.

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

**RECOMMENDED ACTION/MOTION:** Authorize staff to recommend to City Council the disposal of surplus items as required by state statute.

**FINANCIAL IMPACT:**

## Online Auction Request

Online auctions run for 7 to 10 days. Each lot is run as a separate auction. Inspections will be done by appointment only. Please provide all the information below along with digital photos of the lots and copies of titles for all vehicles and trailers. **BIDDER PAYMENTS MUST BE A CERTIFIED CHECK OR MONEY ORDER MADE PAYABLE TO SURPLUS SERVICES.** Full payments must be sent to Surplus Services as soon as possible.

### Contact information

|                                       |                                                      |                        |  |
|---------------------------------------|------------------------------------------------------|------------------------|--|
| <b>Department/Agency:</b>             | Brainerd Public Utilities                            |                        |  |
| <b>Contact Name:</b>                  | AnnMarie Lamser                                      |                        |  |
| <b>Address:</b>                       | 8027 Highland Scenic Rd, Baxter, MN, 56401           |                        |  |
| <b>Email:</b>                         | <a href="mailto:alamser@bpu.org">alamser@bpu.org</a> |                        |  |
| <b>Phone:</b>                         | 218-825-3233                                         |                        |  |
| <b>Item Location:</b>                 | 8027 Highland Scenic Rd, Baxter, MN, 56401           |                        |  |
| <b>Deposit Info</b><br>Vendor Number: |                                                      | Remittance<br>Address: |  |

### Lot Information

Please review our website: [www.MinnBid.org](http://www.MinnBid.org). Look over some of the past and current Online Auctions. This will give you an idea of what the information should be provided in the Remarks section.

#### LOT 1

|                                                                                   |                                                                                                                                                                                           |                  |            |                                 |             |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------|---------------------------------|-------------|
| <b>Year</b>                                                                       | 2005                                                                                                                                                                                      | <b>Make</b>      | CHEVEROLET | <b>Model</b>                    | 1500 PICKUP |
| <b>VIN/Serial Number</b>                                                          | 1GCEK14T65Z305824                                                                                                                                                                         |                  |            |                                 |             |
| <b>Mileage</b>                                                                    | 65902                                                                                                                                                                                     | <b>Condition</b> | USED       | <b>Reserve Price (optional)</b> | \$3500      |
| <b>Remarks:</b><br>Any known<br>Defects<br>and<br>options the<br>unit may<br>have | 2005 CHEVEROLET 1500<br>5.3L V8<br>4X4 STANDARD CAB, LONG BOX WITH DIAMOND BACK BATWING COVER<br>POWER WINDOWS AND POWER LOCKS<br>CLOTH SEATS, MAYBE HOLES IN DASH FROM ACCESSORY REMOVAL |                  |            |                                 |             |

#### LOT 2

|                                                                                   |                                                                                                                                                                                                                                                           |                  |      |                                 |               |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------|---------------------------------|---------------|
| <b>Year</b>                                                                       | 2007                                                                                                                                                                                                                                                      | <b>Make</b>      | GMC  | <b>Model</b>                    | 5500HD W/BOOM |
| <b>VIN/Serial Number</b>                                                          | 1GDE5C3267F414697                                                                                                                                                                                                                                         |                  |      |                                 |               |
| <b>Mileage</b>                                                                    | 124,299                                                                                                                                                                                                                                                   | <b>Condition</b> | USED | <b>Reserve Price (optional)</b> | \$7500        |
| <b>Remarks:</b><br>Any known<br>Defects<br>and<br>options the<br>unit may<br>have | 2007 GMC 5500 HD BUCKET TRUCK, 6.6L DEISEL, ALLISON TRANSMISSION<br>4X4, GVWR-19,500, 245/70R19.5 TIRES, MANUAL WINDOWS AND LOCKS, MAYBE HOLES IN DASH<br>FROM ACCESSORY REMOVAL<br>BOOM<br>2001 37FT TEREX HIGH RANGER, 2 STIFF LEGS, INSPECTION EXPIRED |                  |      |                                 |               |

**LOT 3**

|                                                                                   |                                   |                  |      |                                 |    |
|-----------------------------------------------------------------------------------|-----------------------------------|------------------|------|---------------------------------|----|
| <b>Year</b>                                                                       |                                   | <b>Make</b>      |      | <b>Model</b>                    |    |
| <b>VIN/Serial Number</b>                                                          |                                   |                  |      |                                 |    |
| <b>Mileage</b>                                                                    |                                   | <b>Condition</b> | USED | <b>Reserve Price (optional)</b> | \$ |
| <b>Remarks:</b><br>Any known<br>Defects<br>and<br>options the<br>unit may<br>have | PALLET OF 6' USED CROSSARM BRACES |                  |      |                                 |    |

**LOT 4**

|                                                                                   |                   |                  |      |                                 |    |
|-----------------------------------------------------------------------------------|-------------------|------------------|------|---------------------------------|----|
| <b>Year</b>                                                                       |                   | <b>Make</b>      |      | <b>Model</b>                    |    |
| <b>VIN/Serial Number</b>                                                          |                   |                  |      |                                 |    |
| <b>Mileage</b>                                                                    |                   | <b>Condition</b> | USED | <b>Reserve Price (optional)</b> | \$ |
| <b>Remarks:</b><br>Any known<br>Defects<br>and<br>options the<br>unit may<br>have | VINTAGE OHM METER |                  |      |                                 |    |

**LOT 5**

|                                                                                   |                                                                    |                  |      |                                 |    |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------|------|---------------------------------|----|
| <b>Year</b>                                                                       |                                                                    | <b>Make</b>      |      | <b>Model</b>                    |    |
| <b>VIN/Serial Number</b>                                                          |                                                                    |                  |      |                                 |    |
| <b>Mileage</b>                                                                    |                                                                    | <b>Condition</b> | USED | <b>Reserve Price (optional)</b> | \$ |
| <b>Remarks:</b><br>Any known<br>Defects<br>and<br>options the<br>unit may<br>have | PALLET MISC USED TOOLS AND 1 NEW CUTOUT. WORKING CONDITION UNKNOWN |                  |      |                                 |    |

**BIDDER PAYMENTS MUST BE A CERTIFIED CHECK OR MONEY ORDER MADE PAYABLE TO SURPLUS SERVICES.** Full payments must be sent to Surplus Services, 5420 Old Highway 8, Arden Hills, MN 55112 as soon as possible.

I certify that this is property owned by agency submitting this form and is not subject to any lien, restriction, or other encumbrance.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

|                                  |                                |
|----------------------------------|--------------------------------|
| <b>Surplus Services Use Only</b> |                                |
|                                  | Surplus Services Authorization |













# Public Utilities Commission

## Agenda Request

**MEETING DATE:** September 30, 2025

**TITLE OF ITEM:** Approve Final Pay Application Minger Construction for River Crossing Forcemain  
\$15,000

**ACTION REQUESTED:** Approve/Deny Motion

**ESTIMATED TIME (MIN):** 2

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

**PRESENTER:**

**SUMMARY OF ISSUE:**

Enclosed for consideration and approval is Pay Application No. 9 – Final for the Minger Construction Directional Drilling Forcemain River Crossing Project.

All contractual obligations have been fulfilled, and the project has been reviewed and approved by the engineering firm. The State of Minnesota IC-134 Contractor Affidavit has been submitted and accepted, satisfying state requirements for final payment.

The City of Baxter has released the \$1,000 for turf restoration to BPU. Accordingly, the outstanding retainage of \$15,000.00 may now be released to Minger Construction Co. Inc.

The final contract amount, inclusive of all approved change orders, is \$1,782,945.48. The total of the work completed with this final payment is \$1,759,443.19, \$23,502.29 under the final approved change order requests.

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

**RECOMMENDED ACTION/MOTION:** Approve Pay Application No. 9 – Final, authorizing release of the \$15,000.00 retainage to Minger Construction Co. Inc., thereby closing out the Directional Drilling Forcemain River Crossing Project.

**FINANCIAL IMPACT:**

September 19, 2025

Daniel Loch  
Brainerd Public Utilities  
8027 Highland Scenic Drive  
Baxter, MN 56425

**Brainerd/Baxter**  
7804 Industrial Park Road  
Baxter MN 56425

218.829.5117  
Baxter@Widseth.com  
Widseth.com

Re: Directional Drilling Forcemain River Crossing  
Pay Application No. 9- Final  
Widseth Project No. 2022-11121

Dear Danny:

Enclosed for Brainerd Public Utilities Commision consideration and approval is Pay Application No. 9 Final-for the Directional Drilling Forcemain River Crossing Project.

The City of Baxter released the \$1,000 for the turf restoration to BPU, so the \$15,000.00 of retainage may be released to Minger Construction Co. Inc.

The Contract amount with all approved change orders is \$1,782,945.48. The total of the work completed with this final payment is **\$1,759,443.19**.

Work has been completed according to the plans and specifications.

Attached along with the Pay Application No. 9- Final is the final documentation from Minger Construction:

- Consent of Surety to Final Payment
- Minnesota Department of Revenue Contract Affidavits
- Conditional Receipt of Waiver of Mechanic's Lien Rights

If you have any questions, please contact me.  
Sincerely,

WIDSETH



William K. Westerberg

**PARTIAL PAYMENT APPLICATION**  
**NUMBER 9 Final**

|                         |                                                                                |                    |
|-------------------------|--------------------------------------------------------------------------------|--------------------|
| Name of Contractor:     | Minger Construction Companies, Inc.<br>620 Corporate Drive<br>Jordan, MN 55352 |                    |
| Name of Owner:          | Brainerd Public Utilities<br>8027 Highland Scenic Drive<br>Baxter, MN 56425    |                    |
| Date of Completion:     | Amount of Contract:                                                            | Dates of Estimate: |
| Original: See Agreement | Original: \$1,727,164.08                                                       | From: 5/21/25      |
| Revised:                | Revised: \$1,782,945.48                                                        | To: 9/16/25        |

Description of Project:  
**DIRECTIONAL DRILLING FORCEMAIN RIVER CROSSING**

| SPEC NO.   | ITEM DESCRIPTION                                | CONTRACT ITEMS |      |              |                | THIS PERIOD |        | TOTAL TO DATE  |              |
|------------|-------------------------------------------------|----------------|------|--------------|----------------|-------------|--------|----------------|--------------|
|            |                                                 | QTY.           | UNIT | UNIT PRICE   | AMOUNT         | QTY.        | AMOUNT | QTY.           | AMOUNT       |
| Plan       | MOBILIZATION                                    | 1              | LS   | \$135,000.00 | \$135,000.00   |             |        | 1              | \$135,000.00 |
| 31 1100    | CLEARING                                        | 0.9            | AC   | \$5,500.00   | \$4,950.00     |             |        | 0.9            | \$4,950.00   |
| 31 1100    | GRUBBING                                        | 0.9            | AC   | \$2,750.00   | \$2,475.00     |             |        | 0.9            | \$2,475.00   |
| 02 4100    | ABANDON EX MH 2-6                               | 1              | LS   | \$3,472.00   | \$3,472.00     |             |        | 1              | \$3,472.00   |
| 02 4100    | ABANDON EX MH 2-7                               | 1              | LS   | \$3,472.00   | \$3,472.00     |             |        | 1              | \$3,472.00   |
| 02 4100    | ABANDON EX VAULT MH-1                           | 1              | LS   | \$15,000.00  | \$15,000.00    |             |        | 1              | \$15,000.00  |
| 02 4100    | ABANDON EX VAULT MH-2                           | 1              | LS   | \$24,250.00  | \$24,250.00    |             |        | 1              | \$24,250.00  |
| 02 4100    | FLUSH EACH OF THE EXISTING 20" DIP FORCEMAIN    | 1              | LS   | \$14,500.00  | \$14,500.00    |             |        | 1              | \$14,500.00  |
| 31 2200    | EXCAVATION- COMMON                              | 825            | CY   | \$20.00      | \$16,500.00    |             |        | 825            | \$16,500.00  |
| 31 2200    | COMMON TOPSOIL BORROW                           | 150            | CY   | \$75.00      | \$11,250.00    |             |        | 304            | \$22,800.00  |
| 32 1216    | BITUMINOUS PAVEMENT RESTORATION                 | 1              | LS   | \$24,480.00  | \$24,480.00    |             |        | 0.938725       | \$22,979.99  |
| 32 1500    | AGGREGATE SURFACED ROADWAY RESTORATION          | 1              | LS   | \$3,460.00   | \$3,460.00     |             |        | 0              |              |
| 33 3913    | AIR RELEASE MANHOLE                             | 1              | EA   | \$94,770.00  | \$94,770.00    |             |        | 1              | \$94,770.00  |
| 01 5526    | TRAFFIC CONTROL                                 | 1              | LS   | \$4,000.00   | \$4,000.00     |             |        | 1              | \$4,000.00   |
| 01 5713    | STABILIZED CONSTRUCTION EXIT                    | 4              | EA   | \$1,215.00   | \$4,860.00     |             |        | 2              | \$2,430.00   |
| 01 5713    | SILT FENCE, TYPE MS                             | 1500           | LF   | \$4.45       | \$6,675.00     |             |        | 1529           | \$6,804.05   |
| 33 3123    | CONNECT TO HDD PIPE                             | 2              | EA   | \$18,200.00  | \$36,400.00    |             |        | 2              | \$36,400.00  |
| 33 3123    | 20" FORCEMAIN AND FITTINGS - EAST SIDE          | 1              | LS   | \$128,500.00 | \$128,500.00   |             |        | 1              | \$128,500.00 |
| 33 3111    | 30" GRAVITY PIPE AND MANHOLES - WEST SIDE       | 1              | LS   | \$261,000.00 | \$261,000.00   |             |        | 1              | \$261,000.00 |
| 33 7079    | BYPASS PIPING, WET TAP, LINE STOPS - EAST VAULT | 1              | LS   | \$167,500.00 | \$167,500.00   |             |        | 1              | \$167,500.00 |
| 33 3123    | CAP FORCEMAIN IN EAST VAULT                     | 1              | LS   | \$4,750.00   | \$4,750.00     |             |        | 1              | \$4,750.00   |
| 33 0597.16 | TRACER WIRE SYSTEM                              | 1              | LS   | \$1,500.00   | \$1,500.00     |             |        |                |              |
| 33 0507.13 | FORCEMAIN(HORIZONTAL DIRECTIONAL DRILL)         | 1              | LS   | \$688,000.00 | \$688,000.00   |             |        | 1              | \$688,000.00 |
| 01 5713    | SEDIMENT CONTROL LOG TYPE WOOD FIBER            | 1330           | LF   | \$4.45       | \$5,918.50     |             |        |                |              |
| 01 5713    | TEMPORARY EROSION CONTROL                       | 1              | LS   | \$11,000.00  | \$11,000.00    |             |        | 1              | \$11,000.00  |
| 32 9219    | HYDRAULIC BONDED FIBER MATRIX(3500 #/AC)        | 11130          | LBS  | \$1.85       | \$20,590.50    |             |        | 3650           | \$6,752.50   |
|            | LANDSCAPING- BAXTER                             | 1              | LS   | \$24,500.00  | \$24,500.00    |             |        | 1              | \$24,500.00  |
| 32 9219    | SEEDING                                         | 3.18           | AC   | \$556.00     | \$1,768.08     |             |        | 1              | \$556.00     |
| 32 9219    | SEED MIX 25-131(220 #/Ac)                       | 22             | LBS  | \$4.50       | \$99.00        |             |        | 16             | \$72.00      |
| 32 9219    | SEED MIX 34-371(12.5 #/Ac)                      | 13             | LBS  | \$90.00      | \$1,170.00     |             |        |                |              |
| 32 9219    | SEED MIX 36-311 (33.5 #/Ac)                     | 44             | LBS  | \$31.00      | \$1,364.00     |             |        | 26.75          | \$829.25     |
| 32 9219    | SEED MIX TRAIL (35 #/Ac)                        | 30             | LBS  | \$133.00     | \$3,990.00     |             |        | 3              | \$399.00     |
|            | Helical Piling Installation                     | 1              | LS   | \$16,885.57  | \$16,885.57    |             |        | 1              | \$16,885.57  |
|            | Raise Existing MH 2-5                           | 1              | LS   | \$7,658.53   | \$7,658.53     |             |        | 1              | \$7,658.53   |
|            | Bolt Down Casting                               | 1              | LS   | \$2,376.13   | \$2,376.13     |             |        | 1              | \$2,376.13   |
|            | Contaminated Soils                              | 1              | LS   | \$9,249.73   | \$9,249.73     |             |        | 1              | \$9,249.73   |
|            | IR Drilling Fluid Return                        | 1              | LS   | \$12,611.44  | \$12,611.44    |             |        | 1              | \$12,611.44  |
|            | Baxter(West) Side Driveway Access               | 1              | LS   | \$7,000.00   | \$7,000.00     |             |        | 1              | \$7,000.00   |
| TOTAL:     |                                                 |                |      |              | \$1,782,945.48 | \$0.00      |        | \$1,759,443.19 |              |

Notes:

| THIS PERIOD                                                |             | TOTAL TO DATE |                |
|------------------------------------------------------------|-------------|---------------|----------------|
| AMOUNT EARNED                                              | \$0.00      |               | \$1,759,443.19 |
| AMOUNT RETAINED (.852542445% OF THE AMOUNT EARNED TO DATE) | \$0.00      |               | \$0.00         |
| PREVIOUS PAYMENTS                                          |             |               | \$1,744,443.19 |
| AMOUNT DUE                                                 | \$15,000.00 |               | \$1,759,443.19 |

Estimated Percentage Completed:

98.7% Project Completed

**CONTRACTOR'S CERTIFICATION:**

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the Contractor for work for which previous payment estimates were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR : MINGER CONSTRUCTION COMPANIES, INC.

BY: \_\_\_\_\_  
Date: **9/18/25**

APPROVED BY BRAINERD PUBLIC UTILITIES:

BY: \_\_\_\_\_  
\_\_\_\_\_, Public Works Director  
Date: \_\_\_\_\_

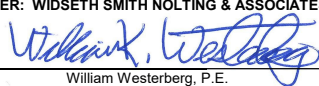
APPROVED BY :

BY: \_\_\_\_\_  
Date: \_\_\_\_\_

**ENGINEER'S CERTIFICATION:**

The undersigned endorses that to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.

ENGINEER: WIDSETH SMITH NOLTING & ASSOCIATES INC.

BY:   
William Westerberg, P.E.  
Date: **9/19/25**

RECOMMENDED FOR APPROVAL BY BRAINERD PUBLIC UTILITIES

BY: \_\_\_\_\_  
Date: \_\_\_\_\_



## Contractor Affidavit Submitted

Thank you, your Contractor Affidavit has been approved.

### Confirmation Summary

|                            |                                     |
|----------------------------|-------------------------------------|
| Confirmation Number:       | 1-350-867-168                       |
| Submitted Date and Time:   | 30-Oct-2024 3:28:33 PM              |
| Legal Name:                | MINGER CONSTRUCTION COMPANIES, INC. |
| Federal Employer ID:       | 46-5108070                          |
| User Who Submitted:        | MingerComp.                         |
| Type of Request Submitted: | Contractor Affidavit                |

### Affidavit Summary

|                          |                           |
|--------------------------|---------------------------|
| <b>Affidavit Number:</b> | <b>1349529600</b>         |
| Minnesota ID:            | 3440852                   |
| Project Owner:           | BRAINERD PUBLIC UTILITIES |
| Project Number:          | 2022-11121                |
| Project Begin Date:      | 31-Jul-2023               |
| Project End Date:        | 15-Aug-2024               |
| Project Location:        | DIRECTIONAL DRILLING      |
| Project Amount:          | \$1,759,443.19            |

### Subcontractor Summary

| Name                                              | ID      | Affidavit Number |
|---------------------------------------------------|---------|------------------|
| ANDERSON BROTHERS CONSTRUCTION CO OF BRAINERD LLC | 2978140 | 130273280        |
| DOUCETTES LANDSCAPING & CNTRNG INC                | 3229019 | 1864486912       |
| RANGELINE TAPPING SERVICES INC                    | 8316629 | 1601425408       |
| ELLINGSON TRENCHLESS LLC                          | 2731175 | 271699968        |
| BIERLEY ASSOCIATES                                | 3398630 | 594137088        |
| ALL STATE TRAFFIC CONTROL INC                     | 4300984 | 343003136        |
| ROSELAND PROTECTIVE COATING LLC                   | 9245188 | 718131200        |

### Important Messages

A copy of this page must be provided to the contractor or government agency that hired you.

### Contact Us

If you need further assistance, contact our Withholding Tax Division at 651-282-9999, (toll-free) 800-657-3594, or (email) [withholding.tax@state.mn.us](mailto:withholding.tax@state.mn.us). Business hours are Monday through Friday 8:00 a.m. to 4:30 p.m. Central Time.

Please [print this page](#) for your records using the print or save functionality built into your browser.

**Brainerd Public Utilities  
BPU Commission Unfinished Business  
September 30, 2025**

A. Crypto Mining Activity (7/1/22)

JFK current mining load is approximately 24 MWs. JFK has requested additional capacity. BlockMetrix presented a 6-month extension at the April 29th meeting. The extended contract discussed at the joint session has been supplied to BlockMetrix and an agreement has not yet been reached. BlockMetrix met with staff and proposed the attached suggested edits and redlined version for Commission's consideration.

B. ClimaVision (June 2024)

Follow-up on presentation from June 2024 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. 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 May 2025 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 and are awaiting the final approval form the state for the agreement to move forward. All parties are agreeable to the installation and are working on paperwork to achieve the install. The project is on-going. The state has requested a response to the construction easement within 60 days, attorney Langel is aware and working on any language changes.

C. Hydro Generation (1/31/23)

Barr Engineering and staff continue work related to procurement of one generator at the hydro facility. Barr recently found from multiple suppliers that the project type with the submersible generators are no longer in production or have been paused. In Barr's preliminary research the eliminated line of turbine was anticipated to be the most economical for the utility. Barr continues to evaluate options, for the generation at the hydro facility. The newest challenges are evaluating civil work and costs that would be incurred for installation of any new generators. No estimates have been provided at this time as Barr continues to estimate the additional costs, these are anticipated for the next Commission meeting.

D. Rewrite of Brainerd City Code Section 705 – Water System (6/27/23)

The process of rewriting Section 705 has begun and continues to be in process. This was identified at the July Commission meeting and continues. Community Development Director Kramvik has received and provided updated changes from all staff and formatting to City code and is under final staff review prior to being sent to legal review. Staff reviewing changes made by Kramvik, once reviewed and agreed upon will be sent to Langel. With construction season and the water main breaks staff have found it challenging to get all necessary edits to Langel for review.

E. 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 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, 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.

F. 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 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 a 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 information 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. We received an update from Bolton & Menk that the State of Minnesota has provided funding to review unknown services lines. This funding provides Bolton and Menk funds to research the unknown services and request additional information from customers. More information will be provided when known, look for updates on the BPU website. Bolton & Menk began trying to contact customers with unknown service line with letters. An update will be posted to the website outlining this communication effort. As part of the state initiative Bolton & Menk can begin knocking on doors and leaving door notices when the letters are returned.

G. 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 this pause in presentation continues.

**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
4. Schedule of Authority Roles of Commission and Council in Operation of BPU
5. Electric Transmission Service to Brainerd – Interconnection Study v. Building Capacity
6. Reclamation and Backwash Project



# Public Utilities Commission Agenda Request

**MEETING DATE:** September 30, 2025

**TITLE OF ITEM:** Discuss BlockMetrix Contract

**ACTION REQUESTED:** Discussion Item

**ESTIMATED TIME (MIN):** 15

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

**PRESENTER:** Danny Loch, Finance Manager

**SUMMARY OF ISSUE:**

Timeline of events to aid discussion:

**April 16, 2024** The Commission enters agreement VCV Digital Infrastructure Minnesota, LLC, which expired by its terms on December 31, 2024.

**October 7, 2024** The Commission sends a proposed draft agreement to Blockmetrix. No response was provided to the Commission.

**April 23, 2025** Blockmetrix requested a six-month extension to September 30, 2025 and attended the April 29, 2025 Commission meeting to discuss the extension.

**May 8, 2025** The City Council, Public Utilities Commission and the EDA meet to discuss the Blockmetrix project and extension.

**July 2, 2025** The Commission provides draft large power agreement responding to the six-month extension request and items discussed at the Joint meeting.

**July 21, 2025** Blockmetrix responds with email expressing general concerns with the draft, without proposed language changes or any update as to the status of the project.

**August 2025** Blockmetrix representatives express to City staff representatives questions about whether the project would proceed.

**September 3, 2025** Blockmetrix notes for the first time to BPU the potential for a go/no-go decision for the project.

**September 25, 2025** Blockmetrix provides proposed redline changes to the July 2, 2025 draft.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:** Highlights of the proposed changes from BlockMetrix to the Commission for consideration:

1. Proposed extension of term: Agreement starts October 2025 and goes for two years, with automatic two-year additional terms.
2. Proposed extension of start-up: from September 2025 to October 31, 2026.
3. Proposed reimbursement of all costs incurred by BlockMetrix for services to the site if the agreement terminates within 10 years of energization.
4. Proposed removal of Section 5.11 disallowing generation construction and purchasing outside of BPU.
5. Proposed adjusting liquidating damages clause from March 30, 2026, with payments starting April 1, 2026, to September 30, 2026, with payments starting October 1, 2026.
6. Proposed removal of costs for this load associated with Minnesota renewable energy standards.

**RECOMMENDED ACTION/MOTION:**

**FINANCIAL IMPACT:**

## LARGE INTERRUPTIBLE POWER AGREEMENT BETWEEN BRAINERD PUBLIC UTILITIES COMMISSION AND BLOCKMETRIX, LLC

This Large Interruptible Power Agreement (the "Agreement") is made and entered into effective the ~~31st~~<sup>15th</sup> day of ~~October~~<sup>June</sup>, 2025 by and between the Water and Light Department d/b/a/ Brainerd Public Utilities ("BPU"), a municipal utility duly organized and existing under the laws of the State of Minnesota, and Blockmetrix, LLC a limited liability company duly organized and existing under the laws of the State of ~~Texas~~ ("Customer"), individually referred to as a "Party" and collectively as the "Parties."

WHEREAS, Customer requested electric service for its operations at the level of at least 15 megawatts by ~~October~~<sup>September</sup> 31<sup>0</sup>, 2026; ~~and 5 and by letter dated April 23, 2025, requested a six-month extension to its project timeline; and~~

WHEREAS, the Parties wish to set forth the terms and conditions under which BPU will provide electric service to Customer.

NOW THEREFORE, in consideration of the commitments herein and for other good and valuable consideration, the sufficiency of which is acknowledged, BPU and Customer agree as follows:

### 1. INTENT AND INTERPRETATION

The Parties acknowledge and agree that Customer's anticipated load is significant as compared to BPU's current electrical system load. The Parties acknowledge and agree that the Customer shall be responsible for all ~~initial~~ components of costs attributable to providing or arranging electric service to Customer, including, but not limited to, transmission costs, facilities and equipment costs, including construction and installation costs, energy, demand, ~~renewable energy requirements~~ and the costs of compliance with energy regulatory provisions, MISO costs and all applicable MISO services, ~~and~~ wholesale provider costs, ~~and administrative costs~~. For clarity, The Parties acknowledge and agree that Customer does not have the ability to control sources of power generation by the grid, nor will Customer bear any responsibility for power generation infrastructure costs. The Parties acknowledge and agree that BPU's service to Customer shall not prejudice BPU's service to its remaining customers. BPU shall be responsible for maintenance and ongoing operation of all equipment supplying power to Customer including all equipment, repairs, and labor required to deliver electric service to the site.

### 2. DEFINITIONS

**Contract Year** shall mean the twelve-month period beginning on January 1 and ending on December 31 of each year.

**Credit and Security Addendum** means the agreement attached hereto as Exhibit B between BPU and Customer related to the credit assurances provided by Customer specifically supporting this Agreement, the terms of which are incorporated herein by reference.

**Customer Load** shall mean the power and energy capacity to be delivered to Customer under this Agreement, in megawatt hour amounts to be agreed to by the Parties, but in any case, not to exceed 25 megawatts.

**Customer Point(s) of Delivery:** The point(s) of delivery under this Agreement for BPU's retail service, requiring three-phase electric service at transmission transformed voltage through a direct connection to BPU's distribution substation.

**Energy Block(s)** shall mean designated hourly blocks of three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours, which are interruptible and qualify under the MISO Programs.

**Force Majeure** means an event or circumstance (i) that prevents one Party from performing its obligations under this agreement (the "Claiming Party"); (ii) that is not within the reasonable control of or the result of the negligence of the Claiming Party; (iii) that was not anticipated as of the effective date of the Agreement; and (iv) that the Claiming Party, by the exercise of due diligence, is unable to overcome, to avoid, or cause to be avoided.

**Load Factor** shall mean:  $[\text{monthly kWh} / (30 \text{ days} \times 24 \text{ hours per day} \times \text{peak demand})] \times 100\% = \% \text{ load factor}$ . This load factor calculation excludes any interruption due to MISO.

**Minimum Load** shall have the meaning set forth in Section 5.27.

**MISO** shall mean the Midcontinent Independent System Operator, Inc., or any successor thereto.

**MISO Programs** shall mean the MISO Load Management Resource Program, MISO DDR-1 Program, Real-Time Energy Optimization, or such other MISO interruptible programs authorized by BPU or its designee, as may be modified by MISO from time to time.

**Party** shall mean either Customer or BPU as a party to this Agreement.

**Wholesale Provider** shall mean AEP Energy Partners, Inc. pursuant to the contract for wholesale electric service between BPU and AEP, effective as of January 4, 2016, as amended.

### **3. CONDITIONS**

The following requirements are conditions precedent to performance of the Parties under this Agreement:

**3.1.** Registration of Customer's load in the MISO Programs.

**3.2.** Execution of the Credit and Security Addendum attached as Exhibit B and provision and acceptance of the Security provided thereunder.

**3.3** Payment of the Facilities Costs detailed in Section 8.1.

Until these conditions precedent have occurred, this Agreement shall not become effective and neither Party shall have any rights or obligations by reason of this Agreement, regardless of whether or not it has been executed.

#### **4. TERM OF AGREEMENT; CAPACITY**

**4.1. Term.** The initial term of this Agreement shall be two years from the effective date, unless terminated sooner as provided in the Agreement. ~~and The Agreement shall be automatically renewed in two year increments. Upon any termination event equal to or less than 10 years from the date of energization, BPU shall promptly reimburse all costs incurred by Customer for providing electrical services to the sitelf Customer remains in good standing under the terms of the Agreement, then the Parties shall, in good faith, determine, without reasonable delay, mutually agreed upon terms and conditions to extend the Agreement.~~

Commented [1]: Note: this may change as agreement is worked out.

**4.2. Capacity.** The Parties acknowledge and agree that BPU has maximum capacity of 25 megawatts that it may offer Customer for electric service. Additional capacity would require material upgrades to BPU and transmission facilities at significant costs; these upgrades would require separate and additional contractual obligations, including Customer's participation in the costs and terms and conditions determined by BPU and the Regional Transmission Owner, Minnesota Power. During the term of this Agreement, the Parties do not contemplate these capacity or facility upgrades. Customer remains interested in additional capacity, and BPU will work in good faith with Minnesota Power to consider reasonable and cost-effective potential options, consistent with prudent utility practices.

#### **5. ELECTRIC SERVICE CONDITIONS AND RATE COMPONENTS**

**5.1. Energy Block Purchases.** Customer may purchase Energy Blocks after providing advance notice to BPU or its designee as provided in Section 5.2. Customer acknowledges and agrees that Energy Blocks are market-based pricing through MISO, and Customer assumes all risks of such pricing, including changes in prices and rates.

**5.2. Nomination Process.** After construction of facilities described in Section 8.1, when requested by Customer, BPU or its designee will provide estimated Energy Block prices to Customer. If Customer wishes to arrange the purchase of Energy Block(s), it must provide written notice to BPU and its Wholesale Provider or designee no later than the noon Central Time on the 15th calendar day of the month for the following month(s) in the quantities and market prices and during such periods as will be memorialized in a signed Confirmation Letter, the form of which is set forth in Exhibit C. BPU and its authorized agents will not arrange any purchase of Energy Block(s) absent Customer's timely written notice.

**5.3. Annual Projections.** By June 1 of each year, unless a different projection is required by Wholesale Provider, Customer shall provide annual projections of its requirements for the following Contract Year. BPU shall review at least quarterly the annual projection as compared to projected costs for the remainder of the Contract Year.

In the event such review or any other review indicates that the annual projection will not substantially correspond with actual monthly energy, capacity, transmission, and scheduling costs, or if at any time during such Contract Year there are or are expected to be extraordinary costs substantially affecting costs, BPU shall notify Customer of any billing adjustments applicable to the remainder of such Contract Year as soon as possible and no later than 30 days from the review-

**5.4. Planned Outages and Operations Updates.** Customer will provide BPU with information related to its energy consumption, including any planned outages for operations and any ramping up or ramping down of operations. This information will assist BPU and its Wholesale Provider in connection with the Energy Block purchase, including forecasting and scheduling, and otherwise to minimize imbalance or other potential MISO charges. Hourly Energy Block purchases will be scheduled absent timely Customer communication to BPU.

**5.5. Customer's Failure to Take.** If Customer fails to take all or a portion of the Energy Block(s) that customer nominated under Section 5.2, then BPU or its agent or Wholesale Provider may arrange the sale of such amounts into the market. Customer shall nonetheless remain obligated to pay the Energy Block(s) that Customer nominated, and BPU shall apply the proceeds, if any, of any sale as follows: (1) to offset any costs to BPU, including, but not limited to, any MISO fees or charges, any amounts owing to its Wholesale Provider, and any costs associated with the resale efforts; (2) should any proceeds remain, to credit Customer up to the amount owing under the applicable billing statement(s) for the Energy Block(s) that Customer nominated but failed to take. ~~For the avoidance of doubt, Customer shall be responsible for any additional costs required by its failure to take all or a portion of the nominated Energy Block(s).~~

**5.6. MISO Program Requirements.** Customer acknowledges and agrees that its electric service must at all times remain qualified under the MISO Programs. Customer shall fully comply with the requirements of the MISO Programs. Customer acknowledges and agrees that it is solely responsible for all penalties or charges due to the failure to comply with the MISO Programs. The failure to comply with the MISO Programs' requirements constitutes a material breach of the Agreement and subject to immediate termination by BPU. Customer shall fully cooperate and respond promptly to requests for information from BPU or its Wholesale Provider to assure initial and on-going registration in the MISO Programs, including annual testing requirements and execution of documents reasonably required therefore.

**5.7. Minimum Load Factor.** Customer must maintain a minimum monthly Load Factor of 95%.

**5.8. Interruptible Service.** Customer's electric service will be interruptible according to the applicable MISO Programs or requirements of the Regional Transmission Owner, Minnesota Power ("MP"). When notified by MISO, MP, BPU, or its authorized agent, Customer shall remove the interruptible portion of its load from BPU's system at Customer Delivery Point. Customer acknowledges that the Energy Block purchased is interruptible and waives any claims of loss or damages due to interruption.

**5.9. Resale Prohibited.** As a retail end user under Minnesota law, Customer is prohibited from reselling any power or energy under this Agreement.

**5.10. Conservation Improvement Plan.** Under Minnesota law, a conservation improvement plan fee of 1.5% of all electric utility charges is required for loads less than 20 MW. BPU will bill and collect this fee until the Customer provides notice that its load has reached at least 20 MW and that it elects to opt-out of this program.

~~**5.11. All Requirements.** During the term of this Agreement Customer agrees not to purchase electric power or energy within BPU's electric service territory from any person or party other than BPU, and, in consideration of the undertakings by BPU to arrange service to Customer, not to construct generation to serve Customer's load.~~

**5.12. Option for Firm Service or Other MISO programs.** With Customer's authorization, BPU will explore securing a firm power purchase arrangement for Customer needs, not to exceed the term of the Agreement. In the event that Customer wishes to participate in other MISO programs (interruptible or otherwise), Customer shall provide notice to BPU, and the Parties shall reach mutual agreement on the terms and conditions of such participation, evidenced by a separate, signed document.

**5.13. Rates.** Customer shall be responsible for all costs of providing or arranging service for Customer Load, including Energy Block costs, demand, transmission, scheduling, ~~renewable energy requirements~~ and the costs of compliance with energy regulatory provisions, and any other charges or penalties related to providing service or costs determined by MISO or other governmental entity of competent jurisdiction. The Parties acknowledge and agree that Customer does not have the ability to control sources of power generation by the grid, nor will Customer bear any responsibility for power generation infrastructure costs. BPU shall solely be responsible for maintenance and ongoing operation of all equipment supplying power to Customer including all equipment, repairs, and labor required to deliver electric service to the site.

All pass-through supply costs to BPU from the Wholesale Provider for Customer's service for will pass through in their entirety to Customer. In addition, Customer shall pay related BPU distribution system costs including monthly customer charge, capacity charge, distribution demand charge, and any City of Brainerd transfer costs. BPU has the right to adjust charges based on any future cost of service study. Customer shall be responsible for all taxes and fees, if any, from Customer's Point of Delivery.

**5.14. Tariff.** In addition to the terms and conditions contained in this Agreement, service to Customer shall also be subject to the terms and conditions contained in the BPU Large Interruptible Power Tariff and the applicable BPU electric service regulations.

**5.15. Future Governmental Impositions.** In the event that any governmental authority imposes any tax, fee, or assessment on BPU during the term of this Agreement, which tax or assessment increases BPU's cost of serving Customer, BPU shall be entitled to recover those increased costs from Customer.

**5.16. Governmental Mandates or Requirements.** In the event that the State of Minnesota or the United States of America or any agency of these governments imposes

any renewable energy ~~or generation requirement~~, or conservation improvement mandate, environmental tax or assessment, transmission requirement, and/or any other requirement, tax, fee, charge, or assessment on BPU or Customer that increases BPU's costs of providing service under this Agreement, BPU shall be entitled to pass such cost through to Customer.

(a) **Minnesota Renewable Energy Standard.** Without limiting the generality of this Section, BPU must demonstrate Customer's compliance with the Minnesota Renewable Energy Standard (RES) rules. As determined by Customer's annual energy use, BPU, at Customer's cost, shall comply with Customer's portion of this rule by purchasing and retiring the Renewable Energy Credits ("REC") needed by June 1st of the following compliance year. BPU and its Wholesale Provider will coordinate both the volume and cost in advance of the calendar year requirement and pass through to Customer these REC costs. The final determination of compliance will be submitted to the Minnesota Public Utilities Commission or the applicable state authority by June 1st of the following compliance year.

**5.17. Character and Continuity of Service.** Service to Customer will be scheduled or dispatched in accordance with prudent utility practice, subject however to transmission arrangements and agreements that BPU is a party to, MISO rules, regulations, curtailments and availability, and Section 5.18. Customer shall comply with BPU's policies and procedures for large customer behind the meter, attached as Exhibit A.

**5.18. Emergency Interruptions.** BPU or its agent or authorized authority, including, but not limited to Wholesale Provider, MP, or MISO may temporarily interrupt, increase, or reduce deliveries of electric energy to Customer if BPU, MISO, MP, Wholesale Provider, or BPU's agent determines that such action is necessary in case of emergencies, including MISO requirements.

**5.19. Planned Interruptions.** BPU or its agent may interrupt or reduce deliveries of electric energy to Customer to install equipment in or make repairs to or replacements, investigations, and inspections of or to perform other maintenance work on the generation or transmission facilities and apparatuses. In the event on any temporary interruption, increase, or reduction of deliveries of electric energy due to such planned interruptions, Customer shall not be responsible, or required to pay, for any period of temporary interruption, increase, or reduction. The provisions of Section 5.23 shall apply.

**5.20. Force Majeure.** To the extent a Claiming Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations under this Agreement and the Claiming Party gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement, other than the obligation to make payments due or becoming due with respect to performance before the Force Majeure. The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

**5.21. Force Majeure Exceptions.** Force Majeure shall not be based upon (1) the loss of Customer Load; (2) Customer's inability to economically use or receive the Energy Blocks; or (3) BPU's ability to resell the Energy Blocks at a price greater than the pricing set forth in the Agreement.

**5.22. Permanent Facility Shutdown.** In the event of a permanent cessation of operations at the Customer facilities, Customer shall notify BPU and Wholesale Provider in writing at least twelve months in advance. Upon notification by Customer, BPU, its agent, or its Wholesale Provider shall make commercially reasonable efforts to arrange the sale of remaining nominated Energy Blocks to the market. BPU shall apply the proceeds, if any, of such sale as follows: (1) to offset any costs to BPU, including, but not limited to, any MISO fees or charges, any amounts owing to its Wholesale Provider, and any costs associated with the resale efforts; (2) to satisfy the amounts owing under the applicable billing statement(s) for the Energy Blocks; provided, however, that in the event of a loss, the Customer shall be responsible for any difference between the billing statement(s) for the Energy Blocks and the corresponding resale amount. Customer shall continue to be responsible for all payments under this Agreement if BPU or its Wholesale Provider make commercially reasonable efforts to arrange a sale, from the date of the notice through the later of the expiration of the nominated Energy Block(s) or the term. Customer's rescission or modification of such notice shall be permitted only at the sole discretion of BPU and the Wholesale Provider.

**5.23. Resale of Portion of Customer Load.** If BPU must interrupt or reduce delivery of electric energy to Customer as provided in Section 5.19, then BPU, its agent, or its Wholesale Provider shall make commercially reasonable efforts to arrange the sale of the applicable portions of the Energy Blocks not used by Customer to the market. BPU shall apply the proceeds, if any, of such sale as follows: (1) to offset any costs to BPU, including, but not limited to, any MISO fees or charges, any amounts owing to its Wholesale Provider, and any costs associated with the resale efforts; (2) to satisfy the amount owing under the applicable billing statement(s); and (3) any remaining proceeds to Customer.

**5.24. Registration for Load Management.** To offset the cost of volatile and rising capacity market prices, Customer must register its facility in ~~anthe-Voltus~~ Operating Reserve (OR) and demand Response (DR) program. These programs will also allow Customer to participate in the MISO Load Management Resource (LMR) program in order to receive an offsetting capacity credit from MISO, based on the amount of expected demand during the MISO Planning Year ("PY") by season. The \$2,000/month cost of administering this program shall be paid by Customer and invoiced by BPU. Based on Customer's forecast, Wholesale Provider or Demand Response Partner~~Voltus~~, will register Customer every November before the next PY. Should Customer need to request a change to its expected forecasted demand, Customer will inform Wholesale Provider and Demand Response Partner~~Voltus~~ as soon as possible, but no less than 2 months before the next MISO capacity auction, and such requested change shall only be allowed if MISO approves. Customer shall always inform Wholesale Provider and Demand Response Partner~~Voltus~~ of its minimum desired participation levels or both demand and ancillary services during all hours, (or the amount that cannot be curtailed by MISO).

**5.25. Capacity Costs.** Once the MISO LMR registration period ends, Demand Response PartnerVeltus shall transfer to Wholesale Provider the ZRC Capacity equivalent, based on Customer's LMR participation level, and such ZRC amount shall also be added to the BPU capacity forecast that is submitted to MISO for the upcoming PY. To the extent the amount of ZRC transferred by Demand Response PartnerVeltus to Wholesale Provider is less than the amount submitted to MISO, Customer shall pay the difference at the then market price for bi-lateral capacity, which such cost shall be confirmed by Customer at least 8 weeks before the auction start date.

**5.26. Customer Responsibility.** Upon registration with Demand Response PartnerVeltus, Customer shall assume all underperformance liability in the MISO LMR program for the duration of the PY. Underperformance penalties specifically include, but are not limited to:

- a. Energy penalties assessed by MISO directly attributable to Customer failing to reach its committed performance, according to BPM 11 section 4.2.7 and Section 69A.3.9 of Module E-1 of the MISO tariff; and
- b. Capacity penalties assessed by MISO due to resource disqualification according to BPM 26 and Section 69A.3.9 of Module E-1 of the MISO tariff.

**5.27. Minimum Load and Liquidated Damages.** Customer has represented and warranted to BPU that it will achieve 15 megawatts minimum operating load by OctoberMarch 31, 2026 ("Minimum Load"). If Customer fails to satisfy the Minimum Load by OctoberMarch 31, 2026, then Customer shall pay BPU liquidated damages of \$55,000 per month, which represents BPU's costs or losses due to the failure to attain the Minimum Load. The monthly liquidated damages payments shall start November 1, 2026 and continue until the earlier of (a) the Customer achieving the Minimum Load, or (b) notice of termination of this Agreement. The Parties acknowledge that such damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient, and that the liquidated damages constitute a reasonable approximation of the harm or loss to BPU.

## **6. DELIVERY AND EQUIPMENT**

**6.1. Points of Delivery and Metering.** Customer shall have a metered Point of Delivery at three-phase, 60 hertz, alternating current at high voltage of 34,500/19,900.

**6.2. Equipment Ownership.** Customer shall install, own, operate, and maintain, at its sole expense, all facilities on Customer's property, necessary to reach BPU's available distribution and transmission lines of adequate capacity to handle customer's electric service requirements, including, but not limited to, the equipment necessary to interrupt customer's load.

**6.3. Standby Generating Equipment.** Unless authorized by separate written agreement, standby electric generating equipment installed by the Customer shall not be interconnected or operated in parallel with the BPU system. Subject to BPU's review and approval, Customer shall own, install, operate, and maintain electrical interlocking equipment that will prevent parallel operation.

**6.4. Metering and Settlements.** Customer shall require Demand Response PartnerVeltus to install its revenue quality and real-time meter as required by participation in the Demand ResponseVeltus programs and provide ongoing access by Wholesale Provider to this data. Wholesale Provider shall use the metered data, among other purposes, for settlement, bid development, and forecasting purposes.

## **7. BILLING / PAYMENT**

**7.1. Billing Statement.** ~~Unless BPU determines, in its sole discretion, to issue invoices more frequently,~~ BPU will invoice Customer on or about the last calendar day of each month, ~~including by email or other electronic transmission.~~ The billing statement will include all pass-through expenses from BPU and the Wholesale Provider, including capacity, energy, minimum demand, MISO charges, congestion charges, as well as the BPU Substation Charge, applicable Conservation Incentive Program charges, ~~renewable energy requirements,~~ RECs, and the costs of compliance with energy regulatory provisions, and all other applicable taxes, charges, penalties, and assessments. ~~If BPU issues billing statements twice a month, the first statement, issued on or about the fifteenth of the month, will present estimated charges and the final bill will present a true-up of amounts owed.~~

**7.2. Payments.** Customer's payments are due ~~in same day funds tenseven (107)~~ calendar days following issuance of the billing statement (the "Due Date"). ~~Same day funds mean funds that are available for BPU's use on the same day as the Due Date.~~ Bills not paid ~~in same day funds~~ on or before such Due Date as printed on the bill are past due or delinquent and shall bear a late fee until paid at the rate of one and one-half percent (~~1-1/2~~%) per month.

**Commented [2]:** we don't have any control over BPU's ability to use the funds. the due date is clearly defined without this statement, including the late fee.

**7.3. Monthly Summary.** BPU or Wholesale Provider will prepare a monthly billing summary which will show all power delivered to BPU on behalf of Customer.

**7.4. Delinquent Amounts; Disconnection.** Customer bills become delinquent if not paid on or before the past due date as shown on bill and service may be discontinued for delinquency upon two (2) days written notice to Customer. Additionally, BPU may draw upon assurances as defined in the Credit and Security Addendum for delinquent amounts.

**7.5. Amounts Owning.** The disconnection of service for any cause shall not release Customer from any obligation to pay for utilities or services received or amounts specified in the Agreement. Any delinquent amounts will be subject to collection procedures. BPU may employ any and all reasonable methods for collecting unpaid amounts, including assignment to collection agencies, or legal actions against Customer. If BPU believes Customer is insolvent, is in financial difficulty or considering bankruptcy, BPU may take appropriate action to secure payment of previous and present charges for electric service. Such action may include obtaining an adequate security deposit, collecting payment on a more frequent basis, or other such actions as may be deemed necessary and reasonable under the circumstances.

**7.6. Reconnection Request.** Before BPU considers any request by Customer for reconnection of service, all account balances must be paid in full. Before reconnecting

service, BPU may require a reconnect charge, deposit, assessment, security, or other appropriate conditions to assure payment.

**7.7. Billing Disputes.** In the event of any dispute as to any portion of any billing statement, the Customer shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to BPU not later than the date such payment is due. Such notice shall identify the amount in dispute and set forth a summary of the grounds on which such dispute is based. BPU shall consider such dispute and shall advise Customer of BPU's position within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be properly reflected in the billing statement next submitted to Customer after such determination. Customer shall not have the right to challenge any billing statement or other bill, invoice, or statement provided by BPU after a period of twelve months from the date of rendering.

## **8. PROJECT COSTS AND CONSTRUCTION**

**8.1. Project Costs.** Customer is responsible for all actual costs of design, engineering, planning, purchasing facilities, professional services, easement rights, acquisition, installation, and construction incurred by BPU in arranging electric facilities to Customer's Delivery Point (collectively, "Facilities Costs"). BPU has estimated the Facilities Costs to be \$280,000 as outlined in Appendix X. Customer acknowledges and agrees that BPU will not incur expenses without Customer's upfront payment. Customer shall fully cooperate with BPU in providing detailed specifications and information needed to plan the Facilities Costs. Customer acknowledges and agrees that timing to order materials and arrange labor for the Facilities Costs depends significantly upon Customer's cooperation and timely responses to BPU. Delinquent payments are subject to the interest provision and service disconnection under Sections 7.2 and 7.4.

Commented [3]: we would like to see a breakdown of this cost

**8.2 Billing for Facilities Costs.** Customer hereby approves BPU's initial estimate of Facilities Costs. Customer acknowledges that this estimate may change from time to time.- Concurrent with the signature of this Agreement, the Customer shall arrange for payment of funds to the BPU equal to the Facilities Costs. BPU will deposit the funds in a separate customer account. Thereafter, the BPU shall invoice the Customer for any ongoing Facilities Costs on a monthly basis, with payment required within fifteen (15) days of the invoice. BPU will draw down appropriate funds in the separate customer account in its sole discretion to arrange electric service to Customer's Delivery Point. BPU will not incur expenses for Facilities Costs without the Customer's timely payment. If the Customer does not proceed with the project, BPU is not obligated to return any of the dollars that the BPU has already spent or encumbered for Facilities Costs. BPU will provide a final accounting.

**8.3 Quarterly True-Up Process.** BPU shall review at least quarterly, the actual Facilities Costs incurred as compared to projected Facilities Costs. In the event the quarterly projected Facilities Costs do not substantially correspond with actual costs, or if at any time there are or are expected to be extraordinary costs substantially affecting costs, BPU shall notify the Customer of any billing adjustments or recourse to the Security provided in the Credit and Security Addendum, as may be applicable. In the

event the actual Facilities Costs are lower than the projected costs, the BPU shall notify the Customer and apply any remaining overage as a credit to the next billing of Facilities Costs, unless mutually agreed by the Parties to proceed otherwise. If changes aggregating more than 10% of the estimate occurs, BPU shall provide revised estimates to the Customer of projected costs, substantial changes in construction schedules, plans, or specifications.

**8.4 Project Responsibility.** BPU shall have sole responsibility for decisions on behalf of the Customer with respect to BPU's interconnection with Customer's system. Customer shall be responsible for its system from Customer's Points of Delivery to Customer's operations. The Customer shall be responsible, at its cost, to install, own, operate, and maintain the electrical equipment from the Customer's Point of Delivery, including equipment necessary to interrupt its load, to the Customer's operations.

**8.5 BPU Policies/Requirements.** All expenditures made by BPU on behalf of the Customer must comply with BPU's policies and applicable requirements, including municipal competitive bidding, and the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

**8.6 Local Approvals.** The project is subject to all typical local approvals, including, but not limited to comprehensive plan, zoning, subdivision, environmental and historic approval processes, traffic management plans, inspections, site plan and design reviews, conditional use permits, variances, and other applicable zoning and land use approvals.

**8.7 Customer Responsibility.** Customer shall be responsible to maintain, repair, and replace its facilities in good condition and repair at all times under this Agreement. Customer shall comply with all applicable permits, state, federal, and local laws and requirements. Customer shall give BPU access at all reasonable times to allow BPU to inspect Customer's facilities and interconnection with BPU's system to confirm compliance with the requirements of this Section.

## **9. CERTAIN OBLIGATIONS OF THE CUSTOMER**

**9.1. Unconditional Payment Obligation.** The Customer shall pay its billing statement whether or not its energy is suspended, interrupted, interfered with, reduced, curtailed, or terminated in whole or in part. Provided, however, payments shall be subject to Section 5.23.

## **10. TRANSMISSION SERVICE**

**10.1.** BPU shall arrange for the transmission of energy sold under this Agreement to Customer's Point of Delivery at Customer's sole cost and expense.

**10.2.** Customer or its agent shall be responsible and arrange for the installation, construction, maintenance, and repair of all facilities required for it to receive electric energy into its system from Customer's Point of Delivery.

**10.3.** BPU shall provide or shall cause to be provided all required ancillary services, including scheduling and dispatch of electrical energy.

**10.4.** The Customer appoints BPU, or its authorized agent, as Customer's agent to arrange for such transmission and ancillary services.

~~**10.5.**—The Customer shall be solely responsible for all transmission and transformation losses and costs incurred with respect to the energy and capacity required by Customer.~~

**10.6.** The Customer shall be responsible for payment of all costs for the transmission services and arrangements described in Sections 10.1 through 10.5.

**11. REPRESENTATIONS AND WARRANTIES BY CUSTOMER** Customer represents and warrants as of the effective date that:

**11.1.** It is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware and has all requisite power and authority (corporate and otherwise) and has made all registrations and filings (if any) required under the laws of the State to own its property and to carry on its business as now conducted and as intended to be conducted under this Agreement, and to enter into and carry out the terms of this Agreement.

**11.2.** The execution and delivery of this Agreement by Customer and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary board, shareholder, or other company action on behalf of Customer, and Customer is not subject to any charter, bylaw, lien or encumbrance, agreement, instrument, order or decree of any court or governmental body (other than any required governmental approval) which would prevent the consummation of the transactions contemplated by this Agreement.

**11.3.** The execution, delivery, and performance of this Agreement by Customer do not and will not violate any material statute, ordinance, or governmental rule or regulation applicable to Customer, or result in a breach or constitute a default under any indenture or agreement to which it is a party or by which it or its property may be bound.

**11.4.** This Agreement has been duly executed and delivered by Customer, and this Agreement and such instruments executed as the result thereof shall, constitute legal, valid, and binding obligations of Customer enforceable in accordance with their terms, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium and similar laws from time to time in effect relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

**11.5.** No further consent, approval, permit, license or authorization of any governmental body is required in connection with the execution, delivery and performance of this Agreement by Customer.

**11.6.** There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the

knowledge of Customer, threatened against or affecting Customer as to the execution, delivery, validity, performance, or enforceability of this Agreement.

**11.7.** No event has occurred and is continuing which would constitute, or upon the passage of time or the giving of notice or both could constitute, directly or indirectly, a default as to Customer under this Agreement.

**11.8.** Neither Customer nor any affiliate of Customer has taken any action which would give rise to a valid claim against BPU for a brokerage commission, finder's fee, or other like payment.

**11.9.** Customer has requested a six month extension to the agreed-upon requirement to achieve Minimum Load by September 30, 2025. Customer has performed its due diligence in this regard and requests a further extension to achieve the Minimum Load by ~~October~~March 31, 2026.

**12. REPRESENTATIONS AND WARRANTIES BY BPU** BPU represents and warrants as of the effective date that:

**12.1.** BPU is a municipal utilities commission duly established and existing under the law of the State of Minnesota. BPU has the power and authority under the law to own its property and to carry on its business as now conducted and to enter into and to carry out the terms of this Agreement.

**12.2.** The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary approval on behalf of BPU, and BPU is not subject to any constitutional provision, statute, bylaw, lien or encumbrance of any kind, or any agreement, instrument, order or decree of any court or governmental body (other than any required governmental approval) which would prevent consummation of the transactions contemplated by this Agreement.

**12.3.** The execution, delivery and performance of this Agreement by BPU does not or will not violate any material constitutional provision, statute, charter, ordinance, or governmental rule or regulation applicable to BPU, or result in a breach or constitute a default under any indenture or agreement to which BPU is a party or by which its properties may be bound.

**12.4.** This Agreement has been duly executed and delivered by BPU, and this Agreement does constitute legal, valid, and binding obligations of BPU enforceable in accordance with their terms, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium and similar laws from time to time in effect relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

**12.5.** BPU has not employed any broker or finder in connection with the transactions contemplated by this Agreement nor has it taken any action which would give rise to a valid claim against Customer for a brokerage commission, finder's fee or other like payment.

**12.6.** No further consent, approval, permit, license, or authorization of any governmental body or the voting public is required in connection with the execution, delivery, and performance of this Agreement by BPU.

**12.7.** There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the knowledge of BPU, threatened against or affecting BPU contesting or affecting as to BPU the execution, delivery, validity, or enforceability of this Agreement.

**12.8.** No event has occurred and is continuing which would constitute, or upon the passage of time or the giving of notice or both could constitute, directly or indirectly, an event of default as to BPU under this Agreement.

### **13. DISCONNECTION OF SERVICE**

**13.1.** BPU may refuse to connect, or may disconnect service for good cause, including, but not limited to, violation of any of its service regulations, failure to pay a deposit when requested, failure to pay utility charges when due, theft or illegal diversion of the electricity, or upon receipt of written instructions from the proper authorities of the violation of municipal, state, or national electric codes.

**13.2.** Upon unauthorized use of electricity by the Customer during periods of ordered interruption, BPU in its sole discretion may, or its agent may, immediately disconnect service.

**13.3.** If BPU in its sole discretion determines a safety issue or system emergency, BPU or its agent may immediately disconnect service to Customer.

### **14. DEFAULT AND REMEDIES; INDEMNITY**

**14.1. Customer Default.** Each of the following shall constitute a default by Customer ("Customer Event of Default"):

- (a) The failure of the Customer to make any payment in full when due under this Agreement;
- (b) Customer's violation or failure to perform or observe any obligation, covenant, or condition of this Agreement (other than as provided in (a)) and upon BPU's demand to Customer, the failure to cure within 2 days;
- (c) Customer shall institute voluntary proceedings in bankruptcy, (ii) involuntary proceedings in bankruptcy shall be instituted against Customer that are not discharged within ninety (90) days thereafter, (iii) any proceedings shall be instituted by or against Customer under any law relating to insolvency or bankruptcy reorganization, and in the case of an involuntary proceeding, that is not discharged within ninety (90) days after filing, (iv) a trustee or receiver shall be appointed for the Customer by any court of competent jurisdiction, or (v) the Customer shall make a general assignment for the benefit of its creditors; or

- (d) Any representation or warranty made by the Customer in this Agreement shall prove to have been incorrect when made, in any material respect.

**14.2. Cure Option.** If the Customer in good faith disputes the legal validity of BPU's demand under Section 14.1(b), Customer shall perform such obligation within the 2-day period under protest directed to BPU and specifying the rationale for the objection.

**14.3. Costs Relating to Default.** Whenever there occurs any default, any condition or state of affairs which with the lapse of time or the giving of notice could result in a Customer Event of Default, or an actual Customer Event of Default, and if BPU employs attorneys, engineers, financial advisors, or other consultants, or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Customer under this Agreement, the Customer agrees that it shall, within seven calendar days of written demand by BPU pay to BPU the reasonable fees of such attorneys, engineers, financial advisors, or consultants, and such other expenses so incurred by BPU.

**14.4. Immediate Action.** In the event of Customer's failure to disconnect interruptible service or if BPU in its sole discretion determines the existence of a safety issue or system emergency, BPU or its agent shall be entitled to immediately, without further notice, terminate Customer's service.

**14.5. Other Remedies.** In the event of a Customer Event of Default, BPU will have the right to exercise any of the following remedies:

- (a) any remedy afforded hereunder or by law;
- (b) seek specific performance or other equitable relief;
- (c) sue for money damages;
- (d) disconnect service as provided in this Agreement; or
- (e) terminate this Agreement.

**14.6. Remedies Cumulative; Limitation on Remedies; Waiver.** All rights and remedies set forth in this Agreement are cumulative and in addition to the Parties' rights and remedies at law or in equity, subject, however, to any limitation on damages, fees and costs as provided for in this Agreement. A Party's exercise of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. A Party's delay or failure to exercise or enforce any rights or remedies shall not constitute a waiver of any such rights, remedies, or obligations. No Party shall be deemed to have waived any default unless such waiver is expressly set forth in an instrument signed by such Party. If a Party waives in writing any default, then such waiver shall not be construed as a waiver of any covenant or condition set forth in this Agreement, except as to the specific circumstances described in such written waiver. Neither payment of a lesser amount than the sum due hereunder, nor endorsement or statement on any check or letter accompanying such payment shall be deemed an

accord and satisfaction, and the other Party may accept the same without prejudice to the right to recover the balance of such sum or to pursue any other remedy.

**14.7. MutualBPU Immunity.** Nothing contained in this Agreement shall in any way affect or impair The Parties'BPU's immunity or the immunity of its commissioners, officials, employees, agents, attorneys, consultants, or independent contractors, whether on account of official immunity, legislative immunity, statutory immunity, discretionary immunity or otherwise. Nothing contained in this Agreement, including any provisions regarding obtaining insurance or otherwise being insured, shall in any way affect or impair the limitations on The Parties'BPU's liability or the liability of The Parties'BPU's commissioners, officials, employees, agents, attorneys, consultants, or independent contractors set forth in Minnesota Statutes Chapter 466, as such statute may be amended, modified, or replaced from time to time. By entering into this Agreement, The PartiesBPU does not waive any rights, protections, or limitations provided to The PartiesBPU or its commissioners, officials, employees, agents, attorneys, consultants, or independent contractors under the various rules of governmental immunity or under Minnesota Statutes Chapter 466, as such statute may be amended, modified, or replaced from time to time.

~~**14.8. Indemnity.** Customer shall indemnify, defend, and hold BPU, its officials, officers, agents, and employees harmless from any liability, claim, assessment, penalty, causes of action, judgment, damage, loss, cost, or expense, including reasonable attorneys' fees, to the extent resulting directly or indirectly from any act, failure to act, or omission of Customer, its employees, agents, or representatives, in the performance of this Agreement. The provisions of this Section shall survive the termination of this Agreement.~~

**14.9. Customer Responsibility.** Customer, its successors, and assigns, shall be solely responsible and liable for Customer's obligations under the terms of this Agreement. The failure by Customer to meet such obligations shall not create or give rise to any claim, liability, or obligation of BPU.

## **15. RELATED DOCUMENTS; NOTICE; DATA**

**15.1. Credit and Security Addendum.** BPU and Customer have entered into this Agreement with the express understanding that service at the Customer Point(s) of Delivery will be subject to Customer's compliance with the Credit and Security Addendum attached hereto as Exhibit B. To the extent possible, the Credit and Security Addendum and this Agreement will be interpreted in a manner to give effect to both agreements. To the extent that any provision in the Credit and Security Addendum directly and irreconcilably conflicts with the main body of this Agreement, the applicable Agreement provision shall govern. Nothing in the Credit and Security Addendum or this Section limits the rights or remedies otherwise available to BPU under this Agreement.

**15.2. Notice.** Any notice, election or other correspondence required or permitted under this Agreement shall become effective upon receipt and, except invoices and payments, shall be deemed to have been properly given or delivered when made in writing and delivered by letter, personal service, facsimile, or other documentary form to the authorized representative of the parties designated below:

TO BPU:  
ATTN: General Manager  
8027 Highland Scenic Rd  
PO Box 373  
Brainerd, MN 56401  
Phone: (218) 829-3220

TO CUSTOMER:  
Blockmetrix, LLC  
Attn: CEO  
2651 North Harwood Street  
Suite 400  
Dallas, TX 75201  
Phone:

The Parties shall provide each other with any updated contact information. BPU shall provide Customer with any updated contact information for its Wholesale Provider.

**15.3. Protected Data.** The Parties acknowledge and agree that BPU is subject to the Minnesota Governmental Data Practices Act, Minnesota Statutes, Chapter 13 (the "Act"). Customer electric usage levels and other identifying information of Customer "customer data" is governed by the Act. Customer acknowledges and agrees that the MISO Programs and Energy Block purchases, among other terms of this Agreement, require close communication with the Wholesale Provider and BPU's authorized agent. Customer authorizes and consents to BPU to providing customer data to Wholesale Provider and BPU's authorized agent for the purpose of planning, performing, billing, collecting, and enforcing this Agreement. Any data that a Party provides that is not generally available to the public and that contains value in remaining confidential shall be marked "trade secret."

**15.4. Forward Contract.** The Parties acknowledge and agree that all Energy Block transactions under this Agreement constitute forward contracts within the meaning of the United States Bankruptcy Code.

## **16. GENERAL**

**16.1. Entire Agreement.** This Agreement constitutes the entire Agreement and, with respect to the subject matter herein, supersedes all prior agreements and understandings, oral and written, between the Parties hereto. Headings are for convenience and are not a part of this Agreement.

**16.2. Successors and Assigns.** This Agreement shall be binding upon the respective Parties, their successors and assigns, on and after the effective date hereof; provided, however, that neither this Agreement, nor any interest herein, shall be assigned, transferred, or sold by the Customer, including, without limitation, any membership interests sales of the Customer, without the prior written consent of BPU, for consideration at the next Commission meeting. No such assignment, transfer, or sale shall relieve Customer of any obligation hereunder, unless mutually agreed by the Parties.

**16.3. Joint Drafting.** The Parties agree that they participated equally in, and are jointly responsible for, the drafting of this Agreement. In the event of any dispute, any ambiguity in this Agreement shall not be construed against either Party.

**16.4. Governing Law and Jurisdiction.** The validity, interpretation, and performance of this Agreement and each of its provisions shall be governed by the laws of Minnesota without regard to its conflicts of law principles. The Parties agree that any claim, action, or proceeding seeking any relief in connection with this Agreement shall be brought in a state or federal court of competent jurisdiction located in Minnesota.

**16.5. Severability.** If any provision in this Agreement is determined by any court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired and they shall remain in force and effect.

**16.6. Duly Authorized Signatories; Binding Effect of Execution.** Each Party represents and warrants that the person executing this Agreement on its respective behalf is duly authorized to do so, and that, by such execution set forth on the following page of this Agreement, such party is hereby duly and lawfully bound by this Agreement.

**16.7. Counterparts.** This Agreement may be executed in counterpart copies by the Parties and each counterpart, when taken together with the other, shall be deemed one and the same executed Agreement.

[Remainder of page blank; signature page follows]

DRAFT – Subject to Review and Approval by Brainerd Public Utilities Commission

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by a duly authorized representative, as of the date set forth above.

**WATER AND LIGHT DEPARTMENT d/b/a BRAINERD PUBLIC UTILITIES**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**BLOCKMETRIX, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

## Exhibit A

### **BPU Large Customer Behind the Meter Procedures**

The following policies and procedures govern BPU's large customer agreements involving load over 5 MW.

#### **Energy and Ancillary Forecasting and Cost:**

Customer will provide AEP with its forecasted demand needs on an ongoing basis. This forecast shall be submitted to the AEP Forecasting and Bid Development Team's \_\_\_\_\_ email \_\_\_\_\_ to \_\_\_\_\_ [LFG Unregaepes.com](mailto:LFG_Unregaepes.com) \_\_\_\_\_ and [bid dev gen resourcesaepes.com](mailto:bid_dev_gen_resourcesaepes.com), which shall include any changes to the forecasted amounts (increases or decreases). AEP will require at least 48-hours advance notice to make any changes to the forecasted energy volumes.

Unless Customer elects to purchase its energy on a Real-Time (RT) basis, AEP will submit to MISO a daily energy schedule that will settle at the CP Node MP.AEPE14, based on the Day-Ahead (DA) energy forecast. Any imbalances will continue to be passed through as applicable.

Customer must communicate any requested changes to the energy schedule or forecast with the AEP Forecasting Team and Bid Development group emails as listed above. Such changes shall occur only: (1) upon receipt of an acknowledgment response from AEP, and (2) after the passage of at least 48 hours after AEP receives Customer's such change request.

Customer may also choose to hedge all or a portion of its energy needs (Around-the-Clock ATC, Settled DA at the [MP.MP](#) CP Node) in advance of the desired term. This hedge shall be coordinated with AEP's Mid Marketing Department and a final agreement must be approved and entered into between AEP and BPU. Customer will then assume any additional congestion cost from [MP.MP](#) to MP.AEPE14.

Customer must participate in ~~anthe~~ [Voltus](#) Operating Reserve (OR) program and Demand Response (DR) program. That program will provide Customer with ongoing savings in the MISO market. Other than the monthly LMR administration fee as shown in Section 5.24, any charges/benefits for participation in the [Demand Response](#) ~~Voltus~~ program shall be separately settled as between Customer and [Demand Response Parter](#) ~~Voltus~~.

#### **Transmission Cost:**

The only way to reduce Customer's Transmission cost is for Customer to accurately predict the local transmission peak hour and to curtail its load during such hour. Any

reduction in peaks will show up in the monthly invoice as provided by Minnesota Power (MP), and MP may elect to not allow the reduction. Regardless, the actual transmission MP costs will be passed through as they are incurred.

**Exhibit B**  
**Credit and Security Addendum**

THIS CREDIT AND SECURITY ADDENDUM (this "Addendum") is made and executed by and among Blockmetrix, LLC ("Customer") and Water and Light Department d/b/a/ Brainerd Public Utilities ("BPU"), and is attached to and made a part of that certain Large Interruptible Power Agreement dated as of ~~October 31~~May .2025 (the "Agreement"). All capitalized terms used but not otherwise defined in this Addendum shall have the meanings set forth in the Agreement.

WHEREAS, BPU will supply electric power and associated energy to Customer for its sole use under the terms and conditions of the Agreement;

WHEREAS, BPU is relying on the performance of Customer in order to perform its wholesale payment obligations to Wholesale Provider;

WHEREAS, as a condition to performing its obligations, BPU requires that Customer provide security, in the forms and amounts as required in this Addendum, securing all obligations of Customer under the Agreement.

NOW THEREFORE, in consideration of the commitments herein and for other good and valuable considerations Customer and BPU agree as follows:

1. Customer shall provide to BPU documentation fulfilling the security requirements as detailed in this Addendum (the "Security"). BPU shall have the right to suspend any or all of its obligations under the Agreement, until such Security has been submitted and accepted by BPU in its sole discretion. At all times during the term of the Agreement and for ~~sixty (60) days~~ ~~six (6) months~~ following the term of the Agreement, Customer shall maintain the Security. Any default under any instrument delivered to satisfy the Security requirements, or any failure to deliver or maintain the Security as required herein shall constitute a default by Customer under the Agreement and this Addendum.
2. BPU shall hold the Security. BPU may draw on the Security in full or in part, in its sole discretion upon any default by Customer under this Addendum or upon any default or suspension under the Agreement, including any failure by Customer to pay any and all amounts due under the Agreement, including regular billing statements or otherwise (each, a "Delinquent Amount"). After BPU has made any draw on the Security to pay a Delinquent Amount, Customer shall re-establish such Security by causing the Issuer (as defined below) to increase the available amount on the Security instrument back up to the Required Amount (as defined below).
3. The required Security shall be a letter of credit or cash based on the following length of term of the Energy Block purchase:

- a. Six month, One-year, or Two-year contract — The Security shall be the

difference between Energy Block price in \$/MWh and the price BPU would be required to sell on the market in \$/MWh. This spread is calculated to be twenty-five percent (25%) of contracted Energy Block price multiplied by monthly MWh usage under contract multiplied by the number of months under contract (Delivery Period).

b. Monthly contract — deposit and/or letter of credit equal to the number of months under contract. By way of example, a one-month deposit equals a one month billing statement, including all pass-through expenses from the Wholesale Provider, including capacity, energy, MISO charges, congestion charges, as well as the BPU substation charge, applicable Conservation Incentive Program charges, and all other applicable taxes, charges, penalties, and assessments.

4. The amount of Security required by or available to BPU is based on estimates of costs and liabilities and shall not limit the damages that are otherwise required to be paid by Customer hereunder. In the event the Security drawn by or paid to BPU is not sufficient to cover all amounts due to BPU from Customer, Customer shall be required to pay the full amount of the deficiency.

5. The required Security shall be in the form cash or of an irrevocable standby letter of credit to BPU in a form and substance acceptable to BPU in its sole discretion. The issuing financial institution for such letter of credit shall have, and must maintain at all times, an unsecured bond credit rating at the time of issuance equivalent to (a) A- or better as determined by Standard & Poor's Rating Services and (b) A3 or better from Moody's investors Service, Inc., or if these are not available, equivalent ratings from alternate rating sources acceptable to BPU in its sole discretion and, at all times, with a minimum of \$10 billion in capital and otherwise acceptable to BPU in its sole discretion (the "Issuer"). The letter of credit must be issued by an Issuer chartered and domiciled in the United States, or by a branch bank located in the United States. Customer shall immediately notify BPU if the Issuer fails to maintain the bond rating described in this paragraph or the minimum capital requirement and, notwithstanding paragraph (c) below, shall within five (5) Business Days (where Business Day shall mean Monday through Friday, excluding federal holidays) deliver a replacement letter of credit in form and substance and as described in this Addendum that is acceptable to BPU in its sole discretion. Such failure to deliver a replacement letter of credit from a qualifying Issuer will be considered a default under this Addendum and BPU shall have the right to draw immediately (or upon such time as BPU elects in its sole discretion) upon the remaining balance of the existing letter of credit and may at Customer's cost place the amounts so drawn, to the extent not yet owing to BPU, in an interest bearing escrow account owned and controlled by BPU (an "Escrow Account"). Credit rating means for any Person (as defined herein), the senior unsecured and non-credit-enhanced long-term debt rating of such Person or, if such Person does not have a senior unsecured and non-credit-enhanced long-term debt rating, the issuer rating of such Person. Person means an individual, corporation, limited liability company,

voluntary association, joint stock company, business trust, partnership, governmental authority, or other entity.

6. The form of Security must permit claims and drawings to be made unilaterally by BPU in accordance with the terms of this Addendum. A form Letter of Credit and

Drawing Under Letter of Credit is attached hereto as Attachment A. The letter of credit must be issued for a minimum term provided below and by its terms shall be automatically extended for a period of at least the same period of time on each successive expiration date, unless, at least one hundred twenty (120) calendar days before the current expiration date, the Issuer notifies BPU by overnight courier or certified mail that the Issuer has decided not to extend the letter of credit. Any unused portion of the letter of credit shall be available for drawings regardless of renewal, through the current expiration date. If the Issuer notifies BPU that it will not renew, BPU may then immediately (or any time prior to expiration, in BPU's sole discretion) draw upon the remaining balance and may, at Customer's cost place the amounts so drawn, but not yet owing to BPU, in an Escrow Account.

7. Customer may replace a letter of credit in form and substance and as described in this Addendum that is acceptable to BPU in its sole discretion, with another letter of credit from another Issuer meeting all requirements described above, provided however that Customer has given at least one hundred twenty (~~6~~120) calendar days notice to BPU that a replacement letter of credit will be issued. Any replacement letter of credit(s) will be issued not later than sixty (60) calendar days prior to the expiration of the current letter of credit. BPU may immediately draw down the remaining balance of the current letter of credit if a replacement letter of credit is not delivered to BPU at least sixty (60) calendar days prior to the expiration of the current letter of credit and may, at Customer's cost place the amounts so drawn, but not yet owing to BPU, in an Escrow Account.

8. Any funds placed into an Escrow Account hereunder shall constitute cash collateral securing the obligations of Customer under the Agreement and shall be subject to disbursement to, or withdrawal by, BPU to satisfy any amounts reasonably owing by Customer to BPU hereunder. Customer hereby grants a security interest to BPU in any such cash collateral.

9. Security for payment in the form of an irrevocable letter of credit shall be governed by the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Brochure No. 600 (the "UCP"), as may be amended, except that to the extent that the terms of the letter of credit are inconsistent with the provisions of the UCP (including but not limited to Articles 14(b), 32 and 36 of the UCP), the terms of the letter of credit shall control. To the extent the provisions of this letter of credit are not covered in the UCP, and to the extent not inconsistent with the UCP or made inapplicable by the letter of credit, the laws of State of New York, including the Uniform Commercial Code as in effect in the State of New York, shall apply thereto. Each letter of credit shall permit partial and multiple drawings and presentations and the beneficiary's interest shall be freely transferable.

10. Customer may provide all or any portion of the Security for payment in cash collateral deposited into an Escrow Account, and BPU shall refund any such cash security not owed or owing to BPU within 5 Business Days after Customer's replacement of such cash security with a letter of credit meeting the terms of this Agreement. All such cash security posted by Customer shall be posted with United States currency.

11. Any security obligations hereunder are in addition to, and not duplicative of, any security obligations required of Customer in any other agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Addendum to be duly executed by their duly authorized officers or agents on the day and year first above written.

**WATER AND LIGHT DEPARTMENT d/b/a BRAINERD PUBLIC UTILITIES**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**BLOCKMETRIX, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Attachment A: Form of Letters of Credit**  
(Date)

Letter of Credit No.

To: City of Brainerd, Minnesota, by and through the  
Brainerd Public Utilities ("Beneficiary")

Brainerd, Minnesota  
Attention:

1.

We hereby establish in your favor this irrevocable transferable Letter of Credit (this "Letter of Credit") for the account of \_\_\_\_\_ (the "Applicant"), in the aggregate amount of \$ \_\_\_\_\_, effective immediately and available to you at sight upon demand at our counters at \_\_\_\_\_ (location) and expiring 364 days from date of issuance or any extension thereof (in the form of Annex 5), unless terminated earlier or automatically extended in accordance with the provisions hereof or otherwise extended.

2.

This Letter of Credit is issued at the request of the Applicant, and we hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions hereof, up to the maximum amount of this Letter of Credit, subject to reduction as provided in Paragraph 12 hereof. This Letter of Credit may be drawn:

(a) upon an Event of Default with respect to the Applicant under the Power Supply Agreement; or

(b) in the event the Applicant has failed to supply a substitute letter of credit thirty (30) days prior to the expiration of this Letter of Credit as required by the Power Supply Agreement.

3.

A partial or full drawing hereunder may be made by you on any Business Day on or prior to the expiration of this Letter of Credit by delivering, by no later than 11:00 A.M. (prevailing Central Time) on such Business Day to \_\_\_\_\_ (Bank), \_\_\_\_\_ (address), (i) a notice in the form of Annex 1 hereto, appropriately completed and duly signed by an Authorized Officer of the Beneficiary and (ii) your draft in the form of Annex 2 hereto, appropriately completed and duly signed by an Authorized Officer of the Beneficiary.

4.

We may, but shall not be obligated to, accept any request to issue a substitute letter of credit. Such request shall be in an Availability Certificate in the form of Annex 3 hereto by you to us for exchange for a new letter of credit in the amount set forth in an Availability Certificate, which amount shall not exceed the present value of this Letter of Credit. Upon acceptance by us of any such request to issue a substitute letter of credit for exchange, the new letter of credit shall be issued in the amount as set forth in the Availability Certificate.

1 If the issuer of the Letter of Credit is located in an area that is not in the [Central] time zone, this time and all other times in this Letter of Credit, and the definition of a Business Day should be adjusted accordingly.

5. We hereby agree to honor a drawing hereunder made in compliance with the terms and provisions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such account at such banks in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by 3:00 P.M. prevailing Central Time on the date of such drawing, if delivery of this requisite document is made prior to 11:00 A.M. (prevailing Central time) on a Business Day pursuant to Paragraph 3 hereof, but at the opening of business on the first Business Day next succeeding the date of such drawing if delivery of the requisite document is made after 11:00 A.M. (prevailing Central time) on any Business Day pursuant to Paragraph 3 hereof.

6. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice (not later than three (3) Business Days following the date of receipt of the documents) that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefore and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment to the extent that you are entitled to do so, provided, however, that in such event a conforming demand for payment must be timely made in accordance with the terms of this Letter of Credit.

7. This Letter of Credit will automatically terminate and be delivered to us for cancellation on the earliest of (i) the making by you of the drawings in an amount equal to the maximum amount available to be made hereunder; (ii) the date we issue a new letter of credit in exchange for this Letter of Credit in accordance with Paragraph 4 hereof; and (iii) the date we receive from you a Certificate of Expiration in the form of Annex 4 hereto. The Letter of Credit will be automatically extended without written amendment for successive additional one (1) year periods from the current or any future extended expiry date, unless at least one hundred and twenty (120) days prior to such date of expiration, we give written notice to the Beneficiary by registered or certified mail, return receipt requested, or by overnight courier, at the address set forth above, or at such other address of which prior written notice has been provided to us, that we elect not to renew this Letter of Credit for such additional one (1) year period.

8. As used herein:

"Authorized Officer" shall mean any Commissioner or officer of the Brainerd Public Utilities Commission, or any Finance Director or any other person holding an equivalent title.

"Availability Certificate" shall mean a certificate substantially in the form of Annex 3 hereto, appropriately completed and duly signed by an Authorized Officer of the Beneficiary.

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in New York, NY and any day on which payments can be effected on the Fed wire system.

"Power Supply Agreement" shall mean that certain Large Industrial Power Agreement between

the Applicant and the Beneficiary, dated [ J.

9. This Letter of Credit is assignable and transferable, in accordance with Annex 6, to an entity certified by you to us in the form of Annex 6, and we hereby consent to such assignment or transfer, provided that this Letter of Credit may not otherwise be amended or

modified without consent from us, you and the Applicant, and, except as otherwise expressly stated herein, is subject to the Uniform Customs and Practice for Documentary Credits - 2007

Revision, ICC Publication No. 600, or any successor publication thereto (the "UCP"). Any and all banking charges, transfer fees, expenses and costs shall be borne by the Applicant. This Letter of Credit shall, as to matters not governed by the UCP, be governed and construed in accordance with New York law, without regard to principles of conflicts of law.

**10.** This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, changed, amplified or limited by reference to any document, instrument or agreement referred to herein, except for Annexes 1 through 6 hereto and the notices referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.

**11.** We certify that as of \_\_\_\_\_ (date) we ("Bank") satisfy the minimum long-term senior unsecured debt rating of "A-" from Standard & Poor's Rating Services or "A3" from Moody's Investors Service, Inc.

**12.** The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawings paid through us referencing this Letter of Credit No. \_\_\_\_\_. Partial drawings are permitted hereunder. Drafts showing amounts in excess of amounts available under this Letter of Credit are acceptable, however, in no event will payment exceed the amount available to be drawn under this Letter of Credit.

**13.** Faxed document(s) are acceptable. Presentation by fax must be made to fax number \_\_\_\_\_ confirmed by telephone to \_\_\_\_\_

**14.** In the event of act of God, riot, civil commotion, insurrection, war, terrorism or any strikes or lock outs, or any cause beyond our control, that interrupts our business, and causes the place for presentation of this Letter of Credit to be closed for business on the last day of presentation, the expiration date of this Letter of Credit shall be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

**15.** This original Letter of Credit has been sent to the Beneficiary located at \_\_\_\_\_ (as per Applicant's instructions). Any demands or communications in the form of the attached Annexes (except for Annex 5) or other communications directed to us under this Letter of Credit must be signed by an Authorized Officer of the Beneficiary. Acceptance or rejection of any amendments to this Letter of Credit or any extensions pursuant to Annex 5 must be signed by an Authorized Officer of the Beneficiary.

Very truly yours,

(Bank)

By:  
Name:  
Title:

By:  
Name:  
Title:

**Annex 1 to Letter of Credit**

DRAWING UNDER LETTER OF CREDIT NO.

20

To: (Bank)  
(Address)  
Attention: Letter of Credit Unit

Ladies and Gentlemen:

The undersigned is making a drawing under the above-referenced Letter of Credit in the amount specified below and hereby certifies to you as follows:

1. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Letter of Credit.

2. Pursuant to Paragraph 2 of the Letter of Credit No. \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_, the undersigned is entitled to make a drawing under the Letter of Credit in the aggregate amount of \$ \_\_\_\_\_ inasmuch as (choose one of the following by placing an "X" on the line preceding the statement):

(a) An Event of Default has occurred with respect to the Applicant under the Power Supply Agreement;

(b) The Applicant has failed to supply a substitute letter of credit thirty (30) days prior to the expiration of this Letter of Credit as required by the Power Supply Agreement.

3. The amount to be received by City of Brainerd, Minnesota by and through the Brainerd Public Utilities is \$ \_\_\_\_\_

4. We acknowledge that, upon your honoring the drawing herein requested, the amount of the Letter of Credit available for drawing shall be automatically decreased by an amount equal to this drawing.

Very truly yours,

City of Brainerd, Minnesota  
By and Through the Brainerd Public Utilities

By:  
Name:  
Title:  
Date:

**Annex 2 to Letter of Credit**

**DRAWING UNDER LETTER OF CREDIT NO.**

**20**

**ON [Business Day set forth in Paragraph 5]**

**PAY TO: City of Brainerd, Minnesota by and through the Brainerd Public Utilities**

**For credit to the account of**

**FOR VALUE RECEIVED AND CHARGE TO ACCOUNT OF LETTER OF CREDIT NO. OF**

**(Bank)**

**(Address)**

**City of Brainerd, Minnesota by and through the Brainerd Public Utilities**

**By:**

**Name.**

**Title:**

**Date:**

**Annex 3 to Letter of Credit**

AVAILABILITY CERTIFICATE  
UNDER LETTER OF CREDIT NO.

, 20  
To: (Bank)  
(Address)  
Attention: Letter of Credit Unit

Ladies and Gentlemen:

Each of the undersigned hereby requests that, in exchange for the above-referenced Letter of Credit, a new letter of credit be issued in the aggregate amount of \$ (the "New Amount") and to expire on (date), but otherwise in the form of the above-referenced Letter of Credit.

Please acknowledge your intention to issue such new letter of credit in the New Amount upon the surrender of the above-referenced Letter of Credit by signing the attached acknowledgment copy hereof and forwarding it to:

[Beneficiary's Address]

Very truly yours,

City of Brainerd, Minnesota by and through the Brainerd Public Utilities

By:  
Name:  
Title:  
Date:

Agreed and Accepted  
(Bank)  
By:  
Title:  
Date:

APPLICANT NAME  
By:  
Name:  
Title:  
Date:

**Annex 4 to Letter of Credit**

CERTIFICATE OF EXPIRATION  
OF LETTER OF CREDIT NO.

20

To: (Bank)  
(Address)  
Attention: Letter of Credit Unit

Ladies and Gentlemen:

The undersigned hereby certifies to you that the above-referenced Letter of Credit may be cancelled without payment. Attached hereto is said Letter of Credit, marked cancelled.

City of Brainerd, Minnesota by and through the Brainerd Public Utilities

By:  
Name:  
Title:  
Date:

cc: (Applicant Name)

**Annex 5 to Letter of Credit**

NOTICE OF EXTENSION  
OF LETTER OF CREDIT NO.

, 20

To: City of Brainerd, Minnesota by and through the Brainerd Public Utilities

Attention: Chief Risk Officer

Re: Our Letter of Credit No. \_\_\_\_\_ presently in the aggregate amount of  
USD \_\_\_\_\_ issued for the account of \_\_\_\_\_ and expiring  
on \_\_\_\_\_

On the expiration date of the Letter of Credit No. \_\_\_\_\_, we will issue a new Letter  
of Credit No. \_\_\_\_\_ to expire on \_\_\_\_\_ (date). This new Letter of  
Credit No. \_\_\_\_\_ will, aside from the expiration date, be in the amount and form  
of our Letter of Credit No. \_\_\_\_\_  
Very truly yours,

BANK

By:  
Name:  
Title:  
Date:

City of Brainerd, Minnesota by and through the Brainerd Public Utilities

By:  
Name:  
Title:  
Date:

cc: \_\_\_\_\_ (Applicant Name)

**Annex 6 to Letter of Credit**

NOTICE OF TRANSFER  
OF LETTER OF CREDIT NO.

20

To:  
[Bank]  
[Bank Address]

To Whom It May Concern.  
Re: Credit  
Issued by  
Advice No

For the value received, the undersigned Beneficiary hereby irrevocably transfers to:

(Name of Transferee)

(Address)

all rights of the undersigned Beneficiary to draw under the above Letter of Credit in its entirety.

By this transfer, all rights of the undersigned Beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases, extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised direct to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The advice of such Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof and forward it directly to the transferee with your customary notice of transfer.

Very truly yours,

City of Brainerd, Minnesota by and through the Brainerd Public Utilities

By:  
Name:  
Title:  
Date:

The above signature with title as stated conforms to that on file with us and is authorized for the execution of said instruments.

(Name of authenticating party)

(Authorized signature of authenticating party)

Name  
Title

Brainerd Public Utilities  
P.O. Box 373  
8027 Highland Scenic Road  
Brainerd Mn, 56401

Trade Date:                      /    / \_\_\_\_\_

## ENERGY BLOCK CONFIRMATION LETTER

The purpose of this Confirmation Letter is to ~~to~~ confirm the terms and conditions of the electric power sales transaction ("Power Transaction") agreed upon by City of Brainerd, Minnesota By and Through the Brainerd Public Utilities ("Brainerd") and Blockmetrix, LLC on the Trade Date specified above. This Confirmation Letter constitutes a Confirmation Letter as referred to in the Amended and Restated Large Interruptible Power Agreement dated \_\_\_\_\_, as amended and executed between the Buyer and Seller (the "Agreement"). This Confirmation Letter and the Agreement form a single integrated agreement between the parties.

We confirm the following Power Transaction for Customer's load for [identify load]:

## TERMS

Seller: Brainerd Public Utilities  
ATTN: Finance Manager  
Tel: 218-825-3213  
[Email: dloch@bpu.org](mailto:dloch@bpu.org)

Buyer: Blockmetrix, LLC  
ATTN: CEO  
Tel:  
Email:

**TRANSACTION TYPE:**

Firm (LD) Energy.

**QUANTITY AND PRICE:**

Contract Quantity: See "Table A-1" Total: MWH  
Energy Block Price: USD \$\_\_ per MWH.

**DELIVERY:**

Delivery Period: Monday to Sunday from hours ending 0100 through 2400 EPT (Eastern Prevailing Time)  
From 1/1/2022 through 1/1/2022 including NERC Holidays. See "Table A".  
Delivery Point(s): MP.MP (settled Day Ahead LMP)

**SCHEDULING AND SPECIAL CONDITIONS:**

Energy Block Purchase will also be billed all Pass-Through Charges, including but not limited to Capacity, Transmission, and Ancillary Services Charges from MISO and Taxes, Levies, or Fees as set forth in the Agreement, and will receive a pass through of any Hourly Congestion charges from [MP.MP](#) to the applicable MISO CP Node. Any amounts of Energy consumed that are in excess of the Energy Block will be billed at the applicable MISO CP Node hourly market price, and not as a part of the Energy Block Purchase.

[illegible]

City of Brainerd, Minnesota by and  
LLC Through the Brainerd Public Utilities

Blockmetrix LLC

**By:**  
**Its:**

By:  
Its:



# Public Utilities Commission

## Agenda Request

**MEETING DATE:** September 30, 2025

**TITLE OF ITEM:** Approve/Award CMAR Contract — Rice Lake Construction

**ACTION REQUESTED:** Approve/Deny Motion

**ESTIMATED TIME (MIN):** 2

**SUBMITTED BY:** Danny Loch, Finance Manager,  
Charlie Gammon, Water/Wastewater Manager

**PRESENTER:** Danny Loch, Finance Manager, Charlie  
Gammon, Water/Wastewater Manager

**SUMMARY OF ISSUE:**

Staff publicly advertised a Request for Proposal (RFP) for Construction Management-at-Risk services for the reclamation project, which remained open through September 4, 2025, at 4:00 PM. Following the submission deadline, the selection committee has reviewed and evaluated all proposals received. The results and their recommendation are summarized in the attached letter from the committee.

Staff is seeking Commission direction to award the RFP based on the selection committee's recommendation, ensuring the selection aligns with project requirements, budget considerations, and best value for the utility. The selection committee is recommending Rice Lake Construction with a pre-construction phase fee of \$8,500.

The attached agreement as presented by Bolton & Menk has been submitted to the City Attorney for review; No response has been received at this time. The agreement presented is for the pre-construction phase and is standard language to move forward with the project.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:** Once accepted, Bolton & Menk will begin working on a re-design and value engineering in conjunction with the CMAR and owner to meet budget goals.

**RECOMMENDED ACTION/MOTION:** Authorize staff to proceed with awarding the RFP in accordance with the selection committee's recommendation, Rice Lake Construction, and direct the necessary contract execution to move forward with the project.

**FINANCIAL IMPACT:** \$8,500



Real People. Real Solutions.

7656 Design Road  
Suite 200  
Baxter, MN 56425-8676

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

September 22, 2025

Brainerd Public Utilities  
Mike Angland, BPU Commission President  
8027 Highland Scenic Rd  
Baxter, MN 56425

RE: Filter Backwash Reclaim Improvements – CMAR Procurement  
CMAR Selection  
City of Brainerd, Brainerd Public Utilities, Minnesota  
Project No.: 0M2.132915

Dear Mr. Angland,

Three bids for Construction Manager at Risk (CMAR) services were received via email at 4:00 p.m. on Thursday, September 04, 2025. The proposals were reviewed, and all (3) contractors were interviewed on September 12<sup>th</sup> by the selection committee. The proposals and interviews were scored by the selection committee and are summarized below.

| BPU WWTF Improvements – CMAR Services Scoring |                |                 |             |
|-----------------------------------------------|----------------|-----------------|-------------|
| Bidders                                       | Proposal Score | Interview Score | Total Score |
| 1. Rice Lake Construction Group               | 55.4           | 37.6            | <b>93.0</b> |
| 2. Magney Construction                        | 52.8           | 33.8            | <b>86.6</b> |
| 3. Journey Construction                       | 50.2           | 35.6            | <b>85.8</b> |

As part of the proposal packages, the contractors were required to submit a lump sum fee for the pre-construction phase services as we work to develop the final scope, plans, and specifications for the project. The pre-construction phase contractor fees are summarized below.

| BPU WWTF Improvements – CMAR Services Scoring |                            |
|-----------------------------------------------|----------------------------|
| Bidders                                       | Pre-Construction Phase Fee |
| 1. Rice Lake Construction Group               | \$8,500                    |
| 2. Lakehead Construction                      | \$35,000                   |
| 3. Journey Construction                       | \$48,000                   |

Per state statute, two responsive proposal submissions are required to move forward with the CMAR process. Three responsive proposals were received, meeting this requirement. The proposal documents did not contain any wording or ambiguities to force the Contractor to build in additional contingencies. The pre-construction phase fees were all with-in the price range we have seen indicating all contractors had an understanding of the project scope and the work required.

Based on the scoring by the selection committee on the proposals and interview, Rice Lake Construction Group was the highest scoring applicant. Rice Lake Construction Group has been a CMAR for numerous projects including the following:

- ❑ Alexandria Lake Area Sanitary District – WWTF Improvements (Brown & Caldwell)
- ❑ City of International Falls – New WTP (Bolton & Menk)
- ❑ SMSC – Water Reuse Facility (Bolton & Menk)
- ❑ Hibbing Public Utilities – New WTP (Bolton & Menk)

Based on the information above, if deemed financially feasible, we recommend awarding the CMAR contract for the WWTF Improvements to Rice Lake Construction Group with the current lump sum pre-construction phase fee of \$8,500. The preconstruction phase fee authorizes the CMAR to work through the re-design process to arrive at a guaranteed maximum price (GMP) for the agreed upon project scope. If the GMP and final project scope is agreed upon, a contract amendment is written allowing the CMAR to proceed with construction phase work. The final GMP for the project will be determined throughout the CMAR process.

Bolton & Menk will continue to work with City staff with design, construction, and on-site services. Please feel free to contact us with any questions regarding the bids or contract documents.

Sincerely,

**Bolton & Menk, Inc.**



**Morgan Salo, P.E.**

Water/Wastewater Project Manager | Principal

cc: Mac Graupman, Bolton & Menk

# AGREEMENT BETWEEN OWNER AND CONSTRUCTION MANAGER AT RISK

This Agreement is by and between The Brainerd Public Utilities (“Owner”) and Rice Lake Construction Group (“Construction Manager at Risk” or “CMAR”).

Terms used in this Agreement have the meanings stated herein and in the General Conditions and the Supplementary Conditions.

Owner and CMAR hereby agree as follows:

## ARTICLE 1—THE PROJECT

- 1.01 The Project, of which the CMAR Services and the Work under the Contract Documents are a part, is generally described as follows:

**Filter Backwash Reclamation  
OM2.132915**

## ARTICLE 2—OWNER’S ADVISOR AND ENGINEER; OWNER’S PROJECT TEAM

- 2.01 The Owner has retained Bolton and Menk, Inc. (Owner’s Advisor or OA) to act as Owner’s representative, assume all duties and responsibilities of advisor to Owner and construction contract administrator on behalf of Owner, and have the rights and authority assigned to Owner’s Advisor in the Contract.
- 2.02 The Owner has retained Bolton and Menk, Inc. (Engineer) to design the Project, to assume all duties and responsibilities of Engineer during the construction of the Project, and to have the rights and authority assigned to Engineer in the CMAR Contract.

## ARTICLE 3—CMAR SERVICES

- 3.01 Scope of CMAR Services
- A. CMAR will perform the CMAR Services set forth in Exhibit A, Scope of CMAR Services, as authorized, and other specified CMAR Services as expressly set forth in a Contract Amendment. Services rendered by CMAR to meet its general construction and management obligations are not CMAR Services, and are not compensated as CMAR Services, unless expressly designated as such.
  - B. CMAR Services are categorized in Exhibit A as Basic Preconstruction Services; Basic Procurement Services; Additional Procurement Services; and Special Services.
  - C. In Exhibit A and in scope of CMAR Services provisions in Contract Amendments, imperative sentences with respect to the performance of services are directives to CMAR, unless expressly indicated otherwise.
- 3.02 Basic Services, Additional Services, and Special Services
- A. Basic Services are CMAR Services (categorized as Preconstruction or Procurement) that are identified as Basic Services in Exhibit A.

- B. In addition to Basic Services, CMAR shall provide specific Additional Preconstruction Services and Additional Procurement Services within the scope set forth in Exhibit A, if Owner authorizes CMAR to do so. Owner or Owner's Advisor will authorize the specified Additional Services in a Contract Amendment. The Contract Amendment will describe the tasks to be performed, the compensation to be paid, the time for performance, the deliverables to be provided, and other applicable terms, if any. If a specific Additional Service has been priced during the CMAR selection process, such price will be binding on CMAR and Owner unless modified by mutual agreement.
- C. In addition to the services identified as Basic Services and Additional Services, after the Effective Date of the Contract the Owner and CMAR may identify Project-related services that were not contemplated at the time the Agreement was executed, are necessary to the Project, and should be added to the scope of CMAR Services. If Owner and CMAR mutually agree, a Contract Amendment will be issued that specifies the scope of such Special Services, the compensation to be paid, the time for performance, the deliverables to be provided, and other applicable terms. Any amount included in the Agreement for Special Services will serve as the Owner's contingency for Special Services, if authorized by the Owner.

### 3.03 Authorization to Provide CMAR Services

- A. CMAR is authorized by the execution of this Agreement to begin providing Basic Preconstruction Services set forth in Article 1 in Exhibit A, Scope of CMAR Services, as of the Effective Date of the Contract.
- B. CMAR shall provide Basic Construction Services set forth in Article 2 in Exhibit A, Scope of CMAR Services, upon receipt of notice to commence such services from Owner or the Owner's Advisor, or in a Contract Amendment establishing the scope and compensation for Construction Services.
- C. All other CMAR Services, including Additional Preconstruction Services, Additional Procurement Services, and Special Services, if any, must be authorized by Owner or Owner's Advisor.

### 3.04 Compensation for Basic CMAR Services

- A. Basic Preconstruction Services—Owner will compensate CMAR for Basic Preconstruction Services, provided per Article 1, Exhibit A—Scope of Work for CMAR Services, the lump sum of \$8,500 for CMAR Basic Preconstruction Services.
- B. Basic Construction Services—Owner will compensate CMAR for CMAR Basic Construction Services, provided per Article 2, Exhibit A—Scope of Work for CMAR Services, the lump sum pursuant to the specific compensation terms in a Contract Amendment establishing and authorizing such Basic Procurement Services.

### 3.05 Compensation for Special Services and Additional CMAR Services

- A. Owner will compensate CMAR for Special Services and Additional CMAR Services pursuant to the specific compensation terms in the Contract Amendment establishing and authorizing such Special Services.

### 3.06 Payment for CMAR Services

- A. Preparation and Submittal of Invoices

1. CMAR will prepare and submit invoices for CMAR Services to Owner's Advisor on a monthly basis in a format acceptable to Owner's Advisor.
2. CMAR may not submit invoices and is not entitled to compensation for Additional Services or Special Services unless Owner has authorized such services through execution of a Contract Amendment.
3. CMAR will provide documentation acceptable to the Owner to allow Owner to verify CMAR's charges included in invoices.

**B. Payments**

1. Payment for CMAR Services compensated on a Lump Sum (stipulated price) basis:
  - a. The Lump Sum amount includes compensation for CMAR's services, and services of CMAR Subconsultants, if any. Appropriate amounts are to be incorporated in the Lump Sum to account for labor costs, overhead, profit, expenses, and other cost.
  - b. The amount invoiced each billing period will be based on the CMAR's estimate of the percentage of the total CMAR Services completed during the billing period.
  - c. The compensation paid to CMAR for Basic Services will not exceed the Lump Sum amount unless duly authorized by a Contract Amendment.
2. The amounts paid to CMAR under this Article are deemed to include full compensation for CMAR's overhead and profit associated with such labor and expenses.

**C. Time of Payment**

1. Owner will make payments for CMAR Services within **[10]** days after receiving an approved invoice from the Owner's Advisor.
2. If Owner fails to make any payment due CMAR for CMAR Services within 35 days after receipt of CMAR's invoice, then:
  - a. Amounts due CMAR will be increased at the rate of 1.0% per month, or the maximum rate of interest permitted by law, if less, from said thirtieth day; and
  - b. CMAR may, after giving 7 days' written notice to Owner, suspend services under this Agreement until Owner has paid all amounts due for services, expenses, and other related charges in full. Owner waives any and all claims against CMAR for this suspension.
3. Owner may withhold only the contested portions of an invoice and must pay the undisputed portion of the invoice.

- D.** Compensation for CMAR Services discussed in Article 3 is not compensation for the Work and is not included in the GMP. No retainage will be withheld from payments of CMAR Services; however, such payments are subject to the set-off provisions in General Conditions Article 15.

## **ARTICLE 4—COMPENSATION FOR PERFORMANCE AND COMPLETION OF THE WORK**

- 4.01 Owner shall compensate CMAR for performance and completion of the Work in accordance with the Contract Documents. Payment for Work will consist of the following:
  - A. Payment for Construction Support Costs in accordance with Article 5, and as set forth in Contract Amendment.
  - B. Payment for Cost of the Work as provided in Article 6; and
  - C. Payment of a CMAR Fee as set forth in Article 7 and in the Contract Amendment.
- 4.02 This Agreement establishes a CMAR Contingency Allowance for use in paying for unforeseen costs as set forth in Article 8.
- 4.03 The amounts for CMAR's compensation summarized in Paragraph 4.01 are subject to additions and deletions as provided in the Contract, up to limitations established in the Guaranteed Maximum Price (GMP) as provided in Article 11.

## **ARTICLE 5—CONSTRUCTION SUPPORT COSTS**

- 5.01 Construction Support Costs
  - A. Construction Support Costs (field overhead or "general conditions" costs) are those costs associated with and in support of construction that are not directly related to specific construction activities. Construction Support Costs are not compensable as Cost of the Work and must not be included by CMAR in proposed Work Authorizations submitted to the Owner for approval and issuance. Construction Support Costs include without limitation:
    - 1. CMAR project management costs, including project managers, superintendents, field engineering staff, and clerical support located at the Site;
    - 2. Management of Subcontractors and Suppliers;
    - 3. Management of delegated professional design services, if any;
    - 4. Costs associated with safety programs, including safety managers and safety representatives;
    - 5. Quality management not specifically designated to be covered in a Work Authorization;
    - 6. Costs associated with obtaining permits, or paying patent fees or royalties, if not specifically designated to be covered in a Work Authorization;
    - 7. Costs for permit inspections, and other inspections required by Laws and Regulations not specifically designated to be covered in a Work Authorization;
    - 8. Compliance with Laws and Regulations;
    - 9. Taxes, other than those specifically designated to be covered in a Work Authorization;
    - 10. Contract administration costs, including costs for:
      - a. Meetings, reporting, notifications, and other communications and coordination,
      - b. Document management,

- c. Submittals, record data, and other documentation,
  - d. Creating and maintaining Project schedules per Article 4 of the General Conditions,
  - e. Changes to the CMAR Contract per Article 11 of the General Conditions,
  - f. Applications for Payment per Article 15 of the General Conditions,
  - g. Maintenance of Record Documents, and
  - h. Other contract administration costs included in the Contract Documents;
- 11. Performance, payment, and warranty bonds, if any, provided to cover the construction of the entire Project;
  - 12. General insurance costs, excluding Builder's Risk or other coverage that applies specifically to Work and specifically designated to be covered in a Work Authorization, and Worker's Compensation Insurance which is to be included in payroll cost per Paragraph 6.02.A.1;
  - 13. Costs associated with CMAR temporary facilities and temporary infrastructure at the Site;
  - 14. The cost of purchasing, renting, or furnishing small tools and hand tools. These are defined as any tool or equipment whose current price, if purchased new at retail would be less than \$1,000;
  - 15. Costs for site maintenance, storage of materials, waste disposal, environmental controls, management of water, protection of site and adjacent property, cleaning during construction and final cleaning;
  - 16. Costs associated with startup and commissioning of the Work, including training of Owner's personnel, temporary operation of facilities by the CMAR; and performance acceptance testing, if any;
  - 17. Costs associated with substantial completion, partial utilization, and final completion; and
  - 18. Costs associated with general warranty, guarantees and correction of defective work during the Correction Period.
- B. The organization of the Work into Work Packages will not result in changes to the CMAR's compensation for Construction Support Costs.
- 5.02 Fixed Construction Support Costs
- A. Fixed Construction Support Costs are those costs which are not time sensitive and will not increase if the performance of the Work extends beyond the Construction Period designated for Substantial Completion of the Work described in Article 13. The amount for Fixed Construction Support Cost is shown in Amendment, Table 2–Basis of Compensation for Fixed Construction Support Costs.
- 5.03 Time-Sensitive Construction Support Costs
- A. Time-Sensitive Construction Support Costs are those costs which will increase if the performance of the Work extends beyond the Construction Period designated for Substantial Completion described in Article 13. The amount for Time-Sensitive Construction Support

Costs based on the Construction Period is shown in Amendment, Table 3—Basis of Compensation for Time-Sensitive Construction Support Costs.

- B. The Construction Support Costs Extended Rate is determined by dividing the Time-Sensitive Construction Support Costs by the projected number of days in the Construction Period. CMAR will be entitled to additional compensation for Time-Sensitive Construction Support Costs at the Construction Support Extended Rate shown in Amendment, Table 3—Basis of Compensation for Time-Sensitive Construction Support Cost if the extended time is associated with a compensable delay under the provisions of the General Conditions.

#### 5.04 Changes in Construction Support Costs

- A. Owner and CMAR acknowledge that the Construction Support Costs stipulated amounts set forth in this Agreement's Amendment, Table 1, lines 7, 8, and 9 (Construction Support Costs Contract Amounts) and the Construction Support Costs Extended Rate (determined as set forth in Paragraph 5.03.B) are approximations of actual costs intended to liquidate and stipulate CMAR's compensation for Construction Support Costs, encourage efficiency and cost control, and reduce Owner's and CMAR's administrative and accounting effort. The Construction Support Costs Contract Amounts and the Construction Support Costs Extended Rate will not be increased except in cases in which CMAR demonstrates:
  - 1. An excessive and unanticipated increase in Construction Support Costs resulting from scope changes in the Work or other causes directly attributable to Owner; and
  - 2. Such increase in costs has not otherwise been compensated in a Work Authorization, Contract Amendment, or Change Order.

#### 5.05 Compensation for Construction Support Costs

- A. Payments for Fixed Construction Support Costs will be made in equal monthly increments determined by dividing the Fixed Construction Support Costs Contract Amount by the projected number of months in the Construction Period. No payment will be made for Fixed Construction Support Costs in excess of the Fixed Construction Support Costs Contract Amount unless this Amount is adjusted in accordance with provisions in Paragraph 5.04.
- B. Payments for Time-Sensitive Construction Support Costs will be made in equal monthly increments determined by dividing the Time-Sensitive Construction Support Costs Contract Amount by the projected number of months in the Construction Period. No payment will be made for Time-Sensitive Construction Support Costs in excess of the Time-Sensitive Construction Support Contract Amount unless this Amount is adjusted in accordance with provisions in Paragraph 5.04.
- C. Payments will be made for Time-Sensitive Construction Support Costs associated with compensable delays under the provisions of the General Conditions at the Construction Support Costs Extended Rate as described in Paragraph 5.03.B.

### ARTICLE 6—COST OF THE WORK

#### 6.01 Purposes for Determination of Cost of the Work

- A. The term Cost of the Work is defined in the General Conditions, Article 1, as the sum of eligible costs incurred by CMAR for the performance of the Work, as allowed by the Cost of the Work provisions set forth in the Agreement; such provisions are set forth in this Article 6.

Cost of the Work is determined for each Work Authorization, subject to any limits described in this Article. The provisions of this Article are used for two distinct purposes:

1. To determine Cost of the Work for purposes of CMAR's base compensation for construction under this Contract; or
  2. When needed to determine the value of a Change Proposal, Change Order, Claim, set-off, or other adjustment to the Guaranteed Maximum Price. When the value of any such adjustment is determined based on Cost of the Work, CMAR is entitled only to those additional or incremental costs required because of the change in the Work or because of the event giving rise to the adjustment.
- B. For purposes of determining CMAR's base compensation, Cost of the Work applies only to Work that has been duly authorized in a Work Authorization.
- C. The Cost of the Work will include only those items identified in Paragraph 6.02.

#### 6.02 Cost of the Work

- A. Payroll Cost—Payroll costs for employees in the direct employ of CMAR performing Work described in Work Authorizations, and excluding those efforts covered in Construction Support costs per Paragraph 5.01. Payroll costs will be based on actual amounts paid as indicated on Certified Payroll reports. Payroll costs are to include salaries and wages plus the cost of fringe benefits, which include social security contributions, unemployment, excise, and payroll taxes, workers' compensation insurance, health and retirement benefits, sick leave, and vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturdays, Sundays, or legal holidays, will be included in the above to the extent authorized by Owner.
- B. Incorporated Equipment and Material Cost—Cost of all materials and equipment furnished or incorporated in the Work, including costs for transportation and storage prior to delivery to the site. Cost for proper storage at the Site is to be included in Construction Support Cost per Paragraph 5.01. Cost for equipment is to include Suppliers' services for submittals, factory and field testing and inspections, installation checks, start-up assistance, and training, if any. All cash discounts accrue to CMAR unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts will accrue to Owner. All trade discounts, rebates, and refunds and returns from sale of surplus materials and equipment will accrue to Owner, and CMAR shall make provisions so that they may be obtained.
- C. Consumable Equipment and Material Cost—Cost, including transportation and maintenance, of all materials, supplies, equipment, tools, and machinery at the Site, which are consumed in the performance of the Work, less market value of such items used but not consumed which remain the property of CMAR. In establishing costs for materials such as scaffolding, plating, or sheeting, consideration will be given to the actual or estimated life of the material for use on other projects; or rental rates may be established on the basis of purchase or salvage value of such items, whichever is less. CMAR will not be eligible for compensation for such items in an amount that exceeds the purchase cost of such items.
- D. Subcontractor Cost—Payments made by CMAR to Subcontractors for Work performed by Subcontractors. CMAR shall obtain competitive bids from subcontractors acceptable to Owner and CMAR and shall deliver such bids to Owner, which will then determine, with the advice of Owner's Advisor, which bids, if any, will be acceptable. If any subcontract provides

that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee will be determined in the same manner as CMAR's Cost of the Work and fee as provided in this Article 6.

- E. Construction Equipment Cost—Cost of providing construction equipment and machinery to construct the Work described in the Work Authorization.
1. Include all the costs for transporting, loading, unloading, assembly, dismantling, and removal of the equipment and machinery with Consumable Equipment and Material Cost per Paragraph 6.02.C.
  2. Construction equipment and machinery cost will be billed at rates approved by the Owner's Advisor as part of each Work Authorization.
    - a. All operating costs will include costs for fuel, maintenance, parts, and associated labor. Billing rates for equipment fueling and maintenance do not include payroll costs for equipment operators, which will be included in Payroll cost per Paragraph 6.02.A.
    - b. Costs for equipment and machinery owned by CMAR or a Subcontractor cannot exceed the rates shown for equipment in the EquipmentWatch Cost Recovery Rental Rate Blue Book, (<https://equipmentwatch.com/blue-book-cost-recovery>) An hourly rate will be computed by dividing the monthly rates by 176. These rates will include all operating costs per Paragraph 6.02.E.2.a.
    - c. Payment for rented equipment will be in accordance with rental agreements as to price, including any surcharge or special rates applicable to overtime use of the construction equipment or machinery, and all such costs will be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts must cease when the use thereof is no longer necessary for the Work.
    - d. No markup is allowed on equipment rented or leased from any company owned in total or in part by CMAR or a Subcontractor, or is owned by the same holding company or a company with a close legal affiliation to CMAR or Subcontractor, since markups are included in rental or lease rates.
    - e. Equipment used for site maintenance is to be included in Construction Support Costs. Equipment used for multiple Work Authorizations must be billed on the basis of time worked on each Work Authorization.
  3. With respect to Work that is the result of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Guaranteed Maximum Price (changed Work), included costs will be based on the time the equipment or machinery is in use on the changed Work and the costs of transportation, loading, unloading, assembly, dismantling, and removal when directly attributable to the changed Work. The cost of any such equipment or machinery, or parts thereof, must cease to accrue when the use thereof is no longer necessary for the changed Work.
- F. Supplemental Costs which consist of the following:
1. The proportion of necessary transportation, travel, and subsistence expenses of CMAR's employees incurred in the discharge of duties connected with the Work Authorization.

2. Costs of special consultants including engineers, architects, testing laboratories, and surveyors, employed or retained for services specifically related to the Work Authorization and expressly excluding costs incurred by consultants performing CMAR Services.
3. Sales, consumer, use, and other similar taxes related to the Work, and for which CMAR is liable, as imposed by Laws and Regulations.
4. Deposits lost for causes other than the negligence of CMAR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable.
5. Royalty payments and fees for permits, patents, and licenses directly related to a Work Authorization.
6. The cost of premiums for performance, payment, and warranty bonds obtained by CMAR as a requirement of a Work Authorization, in addition to the bonds purchased for the construction as a whole within the scope of Construction Support Costs per Paragraph 5.01.A.11. Final compensation for such premium costs will be based on reconciled costs at the conclusion of the Work.
7. Cost for any Subcontractor bonds that must be required to protect Owner's and CMAR's interests in the event of a Subcontractor default associated with a Work Authorization. Final compensation for such premium costs will be based on reconciled costs at the conclusion of the Work.
8. The cost of premiums for Builder's Risk insurance and other Work Authorization-specific insurance that CMAR is required by the Contract Documents to purchase and maintain, but not including costs of commercial general liability, automobile liability, and contractor's pollution liability insurance which are covered as Construction Support Costs per Article 5. The compensation for worker's compensation is included as part of payroll costs per Paragraph 6.01.A.1. Final compensation for such premium costs will be based on reconciled costs at the conclusion of the Work.

#### 6.03 Specific Exclusions from Cost of the Work

- A. The following items are not included in the Cost of the Work. This express itemization does not confer Cost of the Work or compensable status to otherwise ineligible items not listed here. Cost for any items not included in the Cost of the Work are to be included in the CMAR Fee unless specifically itemized at Construction Support Costs described in Article 5.
  1. Payroll costs and other compensation of CMAR's officers, executives, principals, general managers, project managers, superintendents, safety managers, safety representatives, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by CMAR, whether at the Site or in CMAR's principal or branch office for general administration of the Work. The payroll costs and other compensation excluded here are to be considered administrative costs covered by Construction Support Cost or the CMAR Fee.
  2. Expenses of CMAR's principal and branch offices.
  3. Any part of CMAR's capital expenses, including interest on CMAR's capital employed for the Work and charges against CMAR for delinquent payments.

4. Costs due to the negligence of CMAR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable.
5. Cost for the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property not paid from CMAR's Contingency per Article 8.
6. Expenses incurred in preparing and advancing Claims.
7. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraph 6.03.
8. Costs recovered or reimbursed under other Construction Support Cost or Cost of the Work provisions.

#### 6.04 Compensation for the Cost of the Work

- A. Compensation for the Cost of the Work is based on the amount earned for Work completed for each Work Authorization.

### ARTICLE 7—CONSTRUCTION MANAGER AT RISK FEE

#### 7.01 The CMAR Fee will be determined as follows:

- A. The CMAR Fee is a lump sum fee as shown in Amendment Table 1. This CMAR Fee is subject to increases or decreases for changes in the Work as provided in General Conditions Paragraph 11.01.

### ARTICLE 8—CMAR CONTINGENCY ALLOWANCE

#### 8.01 CMAR Contingency Allowance

- A. The CMAR Contingency Allowance funds, shown in Amendment Table 1—Estimated Guaranteed Maximum Price, are for the exclusive use of CMAR while executing the Work, to reimburse CMAR for costs due to unforeseen causes, unintentional errors, or events which cannot specifically be anticipated at the time Work Authorizations are issued.
- B. The CMAR Contingency Allowance funds may be used by CMAR for costs sustained by either CMAR itself or a Subcontractor, at CMAR's discretion. The CMAR contingency funds may not be used for costs which are reimbursable or recoverable under other provisions of the Contract.
- C. Without excluding other possible uses of the CMAR Contingency Allowance, the following uses are expressly acknowledged as eligible uses of the CMAR Contingency Allowance funds:
  1. Losses and damages, and related expenses, caused by damage to the Work, not compensated by insurance or otherwise, sustained by CMAR or a Subcontractor in connection with the performance of the Work;
  2. Corrective work, regardless of fault if non-conformance is unintended;
  3. Subcontractor defaults;
  4. Overruns in Construction Support Costs;
  5. Builder's Risk deductibles;

- 6. Verified excusable errors in estimates; or
- 7. Non-compensable overtime and other acceleration costs.
- D. CMAR shall replenish the CMAR Contingency Allowance by restoring money withdrawn with money recovered (1) from bonds and insurance coverage payments for such expenditures, and (2) from defaulting Subcontractors or Suppliers.
- E. The CMAR Contingency Allowance will not be used to fund Owner-directed changes in the Work. Such changes will be administered through the contractual procedures established for changes in the scope of the Work, including expenditures from the Owner's Contingency Allowance, if any, Work Authorizations as modified by Change Order, and Contract Amendments or other modifications that impact the Guaranteed Maximum Price.
- F. The CMAR Contingency Allowance will not be used to recover the cost of items that are compensable as a Cost of the Work.
- G. The CMAR Fee does not apply to expenditures from the CMAR Contingency Allowance. CMAR will not be entitled to any additional overhead, profit, or other markup on any CMAR Contingency Allowance expenditure.
- H. The designated CMAR Contingency Allowance, as duly replenished, is the maximum amount available to CMAR to recover eligible costs under this Article; Owner will not increase the CMAR Contingency Allowance or otherwise reimburse CMAR for eligible costs incurred in excess of the CMAR Contingency Allowance.
- I. CMAR will submit applications for reimbursement from the CMAR Contingency Allowance to Owner's Advisor, in a format acceptable to Owner's Advisor, together with appropriate documentation. Payments from the CMAR Contingency Allowance will be recorded in the Application for Payment.

## **ARTICLE 9—WORK AUTHORIZATIONS**

### **9.01 General Provisions Regarding Work Authorizations**

- A. Work Authorizations will be based on Work Packages prepared by Owner's Advisor and Engineer describing equipment and materials to be purchased for installation or Work to be performed in accordance with the approved Work Authorization.
- B. All Work to be provided by CMAR must be authorized by the issuance of a Work Authorization specifying or referencing the scope of Work to be conducted.
- C. Owner's Advisor will issue each Work Authorization using the Work Authorization form provided by the Owner's Advisor.
- D. The Work Authorization will indicate the compensation to which CMAR is entitled for providing the authorized Work.
- E. CMAR is not entitled to compensation for providing Work that Owner's Advisor has not authorized.

### **9.02 First Work Authorization**

- A. The first Work Authorization, authorizing the commencement of construction, will include, in addition to authorization for a specific Work Package, or multiple specific Work Packages,

the authorization of expenditures by CMAR for Contract-specific (1) performance and payment bond premiums (2) Builder's Risk premiums, if CMAR is required to purchase and maintain Builder's Risk insurance, and (3) premiums for other specific insurance policies required by the Contract.

## **ARTICLE 10—PROCUREMENT OF SUBCONTRACTORS; CMAR SELF-PERFORMANCE OF AUTHORIZED WORK**

### **10.01 Performance of the Authorized Work**

- A. CMAR will solicit and receive competitive bids on the Work included in each Work Authorization, including the purchase of materials and equipment. CMAR will prepare bid packages supporting the Work Authorization and make opportunities available to Subcontractors and Suppliers in a way that will increase competition and allow bids by trade contractors or specialty entities. CMAR may prepare bid packages for Work the CMAR may wish to self-perform, so long as doing so will not limit bidding by competing bidders (prospective subcontractors).
- B. CMAR must submit its bids in advance of receiving other bids, and in the same manner that other bids are to be submitted. Bids are to be opened in the presence of the Owner's Advisor.
- C. CMAR will award the subcontract for the Work under the Work Authorization to the responsible bidder submitting the lowest responsive bid for that portion of the Work for which bids are received. CMAR may self-perform Work when CMAR is the low bidder.
- D. CMAR shall meet requirements of Minnesota Statue 471.463 when soliciting competitive bids for contract work.

## **ARTICLE 11—GUARANTEED MAXIMUM PRICE**

- 11.01 Subject to the provisions of Article 4, CMAR guarantees that the maximum amount payable by Owner (Guaranteed Maximum Price, or GMP) for the sum of the amounts for Paragraphs 11.01.A through D that follow will be the binding GMP established by the process stated in Paragraphs 11.02 and 11.03.
  - A. Construction Support Cost Amount (Article 5);
  - B. Cost of the Work (Article 6);
  - C. CMAR Fee (Article 7); and
  - D. CMAR's Contingency Allowance Amount (Article 8).
- 11.02 The Estimated GMP indicated in Amendments—Estimated Guaranteed Maximum Price is a preliminary figure as of the Effective Date of the Contract. The GMP will be revised as the design is continued and completed.
- 11.03 A binding GMP will be established at any time agreeable to Owner and CMAR, but not later than the following:
  - A. If the Work is performed under Work Packages released and authorized concurrently for the complete Project, then the binding GMP will be established on the basis of Contract Documents that are 90% complete.

- B. If the Work will be authorized over time, as the design for individual Work Packages is completed, in a series of incremental Work Authorizations (fast tracking or similar design/construction process) then the binding GMP will be developed in a series of incremental changes as the design for each Work Package reaches 90% completion, culminating, when all Work Packages have been authorized, in a binding GMP for the Contract.

#### 11.04 Owner's Construction Budget

- A. Owner's Advisor will establish an updated Owner's Construction Budget (Budget) based on the CMAR's procurement strategy which identifies Work Packages used to construct the Work. Owner's Advisor, working with CMAR, will update this Budget with actual amounts for each line item as Work Authorization amounts identified in the updated Budget are determined.
- B. Owner's Advisor will revise the Budget to incorporate Change Orders or authorized allocation of contingency funds which change the funds available for Budget line items. When amounts for all Work Authorizations have been determined and the binding GMP is established for the Contract, the Budget must correlate to GMP line items, and the Budget must equal the GMP.
- C. CMAR will identify variances between the budgeted amount and actual amounts as Work Authorization amounts are determined.
  - 1. Positive variances are created when actual cost for a Work Authorization is less than the budgeted amount. Positive variances identify unused funds that can be used to offset negative variances.
  - 2. Negative variances are created when actual cost for a Work Authorization is more than the budgeted amount. Negative variances identify where additional funds are needed. Unused funds from positive variances can be used to offset these negative variances.
  - 3. Net variances for the Contract are used to determine the current status of the Owner's Construction Budget.
    - a. A net positive variance for the Contract represents a savings to the Owner. A final Contract Amendment will be issued at the completion of the Contract (Final Payment) to adjust the GMP to the actual amount of Contract costs.
    - b. A net negative variance for the Contract represents the amount for which the CMAR is at risk, and no additional compensation will be made to the CMAR.

#### 11.05 Options for Costs Exceeding the Owner's Budget

- A. The Guaranteed Maximum Price resulting from the tabulation of cost for self-performed CMAR Work, bids for Work by Subcontractors and Suppliers, Construction Support Costs, CMAR Contingency Allowances and CMAR Fee cannot exceed the Owner's Construction Budget. The Owner may exercise any of the following options at the sole discretion of the Owner if the proposed Guaranteed Maximum Price exceeds the Owner's Construction Budget:
  - 1. Approve an increase in the Owner's Construction Budget in writing.
  - 2. Authorize rebidding or renegotiation for some or all parts of the Project within a reasonable time without an increase in the Guaranteed Maximum Price.

3. Cooperate in the revision of the scope of the Project to reduce the actual cost of construction to the Owner's Construction Budget.
  4. Abandon the Project, in whole or in part, and terminate this Contract in accordance with applicable termination for convenience provisions.
- B. If Owner selects the option described in Paragraph 11.05.A.1, CMAR shall proceed with performance of the Work, and provide CMAR Services as described in these Contract Documents without additional compensation for Procurement Services. Other fees and expenses related to the Cost of Work will be adjusted in accordance with the revised Cost of Work.
  - C. If Owner selects the option described in Paragraph 11.05.A.2, Owner and CMAR shall proceed with rebidding or renegotiation of some or all parts of the Project. The OPT will work with CMAR to determine if rebidding or restructuring Work Packages is likely to lead to lower bid prices; if so determined, CMAR will rebid selected original Work Packages or restructured Work Packages identified as having the potential to reduce the overall cost of construction to the Owner's Construction Budget. CMAR will advise the OPT of the likely impact to the schedule resulting from rebidding Work Packages. CMAR will provide CMAR Services for rebidding these Work Packages without additional compensation.
  - D. If Owner selects the option described in Paragraph 11.05.A.3, CMAR shall assist the OPT in studies to revise the scope of the Project to bring the Project cost within the Owner's Construction Budget. CMAR will provide research and cost estimates to evaluate the potential cost savings of each proposed change in scope for Work Packages and advise the OPT of the likely impact to the schedule resulting from rebidding Work Packages and changes in Contract Times that will result from the changed Work Packages. CMAR will provide CMAR Services for consultation in modifying the Project scope and rebidding these Work Packages without additional compensation.
  - E. CMAR shall revise the project schedule to incorporate delays caused by actions taken to bring the Project within the Owner's Construction Budget.
- 11.06 Conversion of Cost of Work to a Lump Sum Amount
- A. If Owner and CMAR mutually agree, compensation for all Work on the Project, or for any Work Authorization, may be converted to a lump sum (stipulated amount). If compensation for all Work on the Project is converted to a lump sum amount, this lump sum amount will include costs for Construction Support Cost, Cost of the Work, the CMAR Fee, and all other costs associated with the Contract, all as if bid as a lump sum amount. CMAR will no longer have access to CMAR Contingency Allowance funds and bears all risk associated with delivering the Work for the lump sum amount.
  - B. If a Work Authorization is converted to a lump sum amount, this lump sum amount will include costs for Cost of the Work, the CMAR Fee, and all other costs associated with the Work Authorization, all as if bid as a lump sum amount; provided, however, that Construction Support Costs will continue to be compensated per Paragraph 5.05.
  - C. The following will continue to apply for conversions to lump sum covered in Paragraphs B and C:
    1. The Cost of the Work provisions in Article 6 will continue to apply to pricing certain Change Orders and other similar matters, as set forth in Paragraph 6.01.A.2.

2. Construction Support Costs Extended Rate provisions of Paragraph 5.04 will continue to apply for Change Orders.
3. Owner's Contingency will continue to be available per Article 12.

## **ARTICLE 12—OWNER'S CONTINGENCY ALLOWANCE**

### **12.01 Owner's Contingency Allowance**

- A. Owner's Contingency Allowance is used at the sole discretion of the Owner to cover unforeseen costs, Owner-directed changes in the scope of the Work, or any other unanticipated change in the Contract Price. These funds can only be accessed by the CMAR when and to the specific extent authorized by the Owner.
- B. The Owner's Contingency Allowance is to be included in the Contract Amount awarded but is not part of the CMAR's GMP.

## **ARTICLE 13—PAYMENT PROCEDURES**

### **13.01 Submittal and Processing of Payments**

- A. Billing and payment for CMAR Services are addressed in Article 3. The provisions in this Article 13 pertain to billing and payment for the Work.
- B. CMAR shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will indicate the amount of the CMAR Fee then payable. Applications for Payment will be processed by Owner's Advisor as provided in the General Conditions.

### **13.02 Progress Payments; Retainage**

- A. Owner shall make progress payments on the basis of CMAR's Applications for Payment as recommended by Owner's Advisor on or about the 25th day of each month during construction as provided in Article 13, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract.
- B. Progress payments on account of the Cost of the Work will be made for each Work Authorization.
  1. Prior to Substantial Completion, for each Work Authorization progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract.
    - a. 95 percent of the value of the Work completed, with the balance being retainage.
    - b. 95 percent of cost of materials and equipment not incorporated in the Work, with the balance being retainage.
  2. Upon completion of the Work under a Work Authorization, including completion of all punch list items, Owner shall pay an amount sufficient to increase total payments to CMAR to 98 percent of the Work completed, less such amounts set off by Owner pursuant to Paragraph 15.01.E of the General Conditions, and less 200 percent of

Owner's Advisor's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.

**13.03 Final Payment**

- A. Upon final completion and acceptance of the Work, Owner shall pay the remainder of the Contract Price in accordance with Article 15 of the General Conditions.

**13.04 Consent of Surety**

- A. Owner will not make final payment or return or release retainage at Substantial Completion or any other time, unless CMAR submits written consent of the surety to such payment, return, or release.

**13.05 Interest**

- A. All amounts not paid when due will bear interest at the rate of 3 percent per annum.

**ARTICLE 14—DOCUMENTATION AND AUDIT**

**14.01 Documentation**

- A. Whenever the Cost of the Work for any purpose is to be determined pursuant to this Contract, CMAR and pertinent Subcontractors will establish and maintain records of the costs in accordance with generally accepted accounting practices.
- B. CMAR will provide documentation of all Costs of the Work with the Application for Payment as directed by the Owner's Advisor.

**14.02 Audit**

- A. Subject to prior written notice, Owner will be afforded reasonable access, during normal business hours, to all CMAR's accounts, records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to the Cost of the Work and the CMAR Fee. CMAR shall preserve all such documents for a period of three years after the final payment by Owner. Subcontractors performing Work on a Cost of the Work basis will afford such access to Owner, and preserve such documents, to the same extent required of CMAR.

**ARTICLE 15—CONTRACT TIMES**

**15.01 Contract Times—Dates**

- A. The dates by which the Work will be substantially complete, and by which the Work will be completed and ready for final payment, will be set out in a Contract Amendment and comply with provisions of Article 15.

**15.02 Liquidated Damages**

- A. CMAR and Owner recognize that all time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the Contract Times, as duly modified. The parties also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by Owner if the Work is not completed on

time. Accordingly, instead of requiring any such proof, Owner and CMAR agree that as liquidated damages for delay, but not as a penalty:

1. Substantial Completion—CMAR shall pay Owner \$1,200 for each day that expires after the time, as duly adjusted pursuant to the Contract, specified above for Substantial Completion, until the Work is substantially complete.
2. Completion of Remaining Work—After Substantial Completion, if CMAR shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, as duly adjusted pursuant to the Contract, for completion and readiness for final payment, CMAR shall pay Owner \$600 for each day that expires after such time until the Work is completed and ready for final payment.
3. If Owner recovers liquidated damages for a delay in completion of the Project or a specified Milestone by CMAR, then such liquidated damages are Owner's sole and exclusive remedy for such delay, and Owner is precluded from recovering any other damages, whether actual, direct, excess, or consequential, for such delay, except for special damages, if any, specified in this Agreement.

#### 15.03 Special Damages

- A. CMAR shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of CMAR's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for construction management, engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 15.02 for Substantial Completion, as duly adjusted pursuant to the Contract, until the Work is substantially complete.
- B. After CMAR achieves Substantial Completion, if CMAR shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, CMAR shall reimburse Owner for the actual costs reasonably incurred by Owner for construction management, engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 15.02 for Work to be completed and ready for final payment, as duly adjusted pursuant to the Contract, until the Work is completed and ready for final payment.
- C. The special damages imposed in this Paragraph are supplemental to any liquidated damages for delayed completion established in this Agreement.

### ARTICLE 16—CONTRACT DOCUMENTS

#### 16.01 Contents

- A. The Contract Documents consist of all of the following:
  1. This Agreement.
  2. General Conditions.
  3. Supplementary Conditions.
  4. General Requirements (Division 01 of the Specifications.)
  5. Drawings and Specifications completed as of the Effective Date of the Contract.
  6. Exhibits to this Agreement (enumerated as follows):

- a. Exhibit A, Scope of CMAR's Services;
  - b. Amendment, Basis of Compensation; and
7. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
- a. Contract Amendments;
  - b. Executed Work Authorizations, including any exhibits identified as Drawings, Specifications, or other Contract Documents;
  - c. Work Authorization Modifications;
    - 1) Work Change Directives;
    - 2) Change Orders; and
    - 3) Field Orders.
  - d. Performance and Payment Bonds; and
  - e. Warranty Bonds, if any.
- B. There are no Contract Documents other than those listed above in this Article 16.
- C. The Contract Documents may only be amended, modified, or supplemented as provided in the Contract.

## **ARTICLE 17—REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS**

### **17.01 CMAR's Representations**

- A. To induce Owner to enter into this Contract, CMAR makes the following representations:
- 1. CMAR has examined and carefully studied the Contract Documents, including Addenda.
  - 2. CMAR has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
  - 3. CMAR is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
  - 4. CMAR has carefully studied the reports, if any, of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings, if any, of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings.
  - 5. CMAR has carefully studied the reports and drawings, if any, relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.
  - 6. CMAR has considered the information known to CMAR itself; information commonly known to contractors doing business in the locality of the Site; information and

observations obtained from visits to the Site; the Contract Documents; with respect to the effect of such information, observations, on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by CMAR; and (c) CMAR's safety precautions and programs.

7. Based on the information and observations referred to in the preceding paragraph, CMAR agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Guaranteed Maximum Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
8. CMAR is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
9. CMAR has given Owner's Advisor written notice of all conflicts, errors, ambiguities, or discrepancies that CMAR has discovered in the Contract Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Owner's Advisor is acceptable to CMAR.
10. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
11. CMAR's entry into this Contract constitutes an incontrovertible representation by CMAR that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

#### 17.02 CMAR's Certifications

- A. CMAR certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 17.02:
  1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the proposal process or in the Contract execution;
  2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the Proposal process or the execution of the Contract to the detriment of Owner, (b) to establish proposal Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
  3. "collusive practice" means a scheme or arrangement between two or more Proposers, with or without the knowledge of Owner, a purpose of which is to establish proposal prices at artificial, non-competitive levels; and
  4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the proposal process or affect the execution of the Contract.

IN WITNESS WHEREOF, Owner and CMAR have signed this Agreement.

This Agreement will be effective on **September 30, 2025**, which is the Effective Date of the Contract.

Owner:

Brainerd Public Utilities

*(typed or printed name of organization)*

By:

*(individual's signature)*

Date:

*(date signed)*

Name:

*(typed or printed)*

Title:

*(typed or printed)*

Attest:

*(individual's signature)*

Title:

*(typed or printed)*

Address for giving notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Designated Representative:

Name:

*(typed or printed)*

Title:

*(typed or printed)*

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone:

Email:

*(If [Type of Entity] is a corporation, attach evidence of authority to sign. If [Type of Entity] is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)*

CMAR:

Rice Lake Construction Group

*(typed or printed name of organization)*

By:

*(individual's signature)*

Date:

*(date signed)*

Name:

*(typed or printed)*

Title:

*(typed or printed)*

*(If [Type of Entity] is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)*

Attest:

*(individual's signature)*

Title:

*(typed or printed)*

Address for giving notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Designated Representative:

Name:

*(typed or printed)*

Title:

*(typed or printed)*

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone:

Email:

License No.:

*(where applicable)*

State:

\_\_\_\_\_

## **EXHIBIT A—SCOPE OF CMAR SERVICES**

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### **ARTICLE 1—BASIC PRECONSTRUCTION SERVICES**

- 1.01 Roles and responsibilities of the CMAR during the design phase will include, but are not limited to:
- A. Lead project planning and scheduling efforts in agreement with the project goals.
  - B. Provide recommendations on alternative approaches and/or methods to the project design that would promote project cost savings.
  - C. Provide recommendations on alternative materials to the project design that would promote project cost savings.
  - D. Develop and promote a process for issuing bid packages in agreement with the needs for construction sequencing and to meet the project schedule.
  - E. Participate in Project kick-off meeting. Be prepared to discuss CMAR's team and organizations structure, assignments for responsibilities and Teams CMAR's plan for implementation of Preconstruction Services.
  - F. Participate in periodic meetings with Owner, Owner's Advisor, and Engineer (collectively, Owner's Project Team or OPT) to review progress, coordinate efforts, and discuss planned activities for the next period. It is anticipated that these progress meetings will occur monthly.
  - G. Provide a project cost model and schedule for the design and construction phases.
  - H. Provide written comments advising on constructability and value engineering of the proposed design at 60% and 90% design completion.
  - I. Provide cost estimates at 60% and 90% design steps.
  - J. Provide written recommendations on bidding procedures in consideration of the proposed design at 60% and 90% design completion.
  - K. Provide information on availability of materials, lead times, and delivery schedules. Disclose potential issues with supply of materials.

### **ARTICLE 2—BASIC CONSTRUCTION SERVICES**

- 2.01 Bidding and Construction Phase
- A. The CMAR should anticipate multiple bid packages and develop a strategy for issuing multiple bid packages that facilitate the completion of those packages. The purpose is to utilize this bidding package strategy to gain the most advantageous issuing of document for the proposed work, minimize construction duration while allowing the bid packages to be completed efficiently and to allow for the competitive bidding of each bid package.
  - B. While ensuring full bid coverage of the entire scope of the project, the CMAR will divide the work into multiple bid packages that allow for smaller local contractors (Key Firms) to competitively bid the work. The CMAR is responsible for managing and coordinating these multiple bid packages and contractors throughout the construction phase.

- C. The CMAR will aggressively promote and generate interest of small, local and regional bidders (Key Firms) and shall develop a master list of vendors and subcontractors. The list should include vendors and subcontractors for all categories of work and be presented to the City for review and approval.
- D. The vendor list should include only pre-qualified companies that are professionally capable of managing and performing the desired work.
- E. The CMAR is to manage the overall bidding and procurement process including, but not limited to:
  - 1. Solicit interest from potential Key Firms in the local community,
  - 2. Develop and Issue an RFQ for determination of approved subcontractors who are allowed to bid on the bid packages.
  - 3. Evaluate, score and provide recommendations on the list of approved subcontractors from the RFQ.
  - 4. Assemble and publicly issue competitive work scopes,
  - 5. Conduct pre-bid meeting and issue meeting minutes to the Project Team.
  - 6. Receive RFI's and facilitate issuance of project Addendum,
  - 7. Publicly open and tabulate bids,
- F. In collaboration with the Engineer, evaluate, interview, qualify and perform other necessary due diligence on the apparent low bidders in for each work scope,
- G. Make recommendation for award of contracts to the City and,
- H. Issue Notice of Award, Notice to Proceed and prepare contracts as approved by the City, but held by the CMAR, for each work scope/trade contractor.
- I. The CMAR will provide a performance bond or payment bond for the complete construction of the project (i.e., a penal amount of 100% of the GMP) per the State of Minnesota.
- J. Upon assignment by the City after award to the contractor, the CMAR is the primary administrator of all assigned construction contracts. Administration of contracts will include:

## 2.02 Project Management

- A. The CMAR is to provide competent, experienced, full-time staff, including an experienced on-site construction field superintendent and project management team to proactively coordinate and manage the work, maintain the progress of the subcontractors, coordinate with an emphasis of ongoing activities and operations, and provide overall direction to the project during the construction phase.
- B. The Project Management team shall establish on-site organization and levels of authority to carry out the overall plans of the Project Team. The Project Management team shall demonstrate high levels of effective, proactive project leadership and shall support the City's staff throughout the duration of the project.
- C. The CMAR shall work cooperatively and constructively with members of the Project Team to foster positive relationships that support positive outcomes for the team members and the project.

Furthermore, assist the City with obtaining building permit and coordination of utility service connections/upgrades.

D. The CMAR will prepare and issue daily construction logs with a record of all on-site activities, weather conditions, progress of the work and issues that require resolution.

E. CMAR will be contractually obligated to not reassign key staff members to other projects without the City's prior written consent. The City will have approval rights of any and all new personnel assigned to this project.

## 2.03 Coordination Meetings

A. During construction, conduct weekly on-site job site meetings that include appropriate contractors and sub-contractors, City representatives, and A&E representatives to review open issues, scheduling of the work, outstanding RFI's and submittals and resolve pending or upcoming issues. CMAR to prepare a written agenda in advance of each meeting, maintain a list of action items with identification of responsible party and due dates for each of item and distribute written meeting minutes and action item lists within 3 business days of each meeting.

## 2.04 Schedule Management

A. The CMAR will prepare and maintain a Master Project Schedule using incorporating the activities of City, the Design Team and each Prime Contractor that indicate key milestone events, dates and responsibilities. CMAR is to provide regular monitoring of the actual progress versus the scheduled progress, identify any variances and prepare a recommended action plan along with an updated schedule to maintain the scheduled completion dates.

B. Throughout the construction process, the CMAR will determine the adequacy of the contractor's personnel and equipment in conjunction with the availability of materials and supplies to meet the schedule. Status reports will be provided to the City and the Project Team weekly in regular weekly coordination meetings in conjunction with preparing short-term (3 to 4 week look-ahead) schedules (on a weekly basis).

## 2.05 Project Reporting

A. CMAR to prepare a monthly status report that details the progress of the work with applicable job-site photos, schedule status and 4-week schedule outlook, budget status of each construction subcontract and City costs, and change order log.

## 2.06 Quality Management:

A. Quality management of contracts will include:

1. Coordination/constructability reviews of each bid package by the CMAR prior to issuing bid documents to contractors.
2. Complete and ensure construction of the work is in strict accordance with the quality requirements established by the contract documents.
3. Assemble and issue 3<sup>rd</sup> Party Materials Testing/Special Inspections bid packages to local vendors for direct contract to CMAR.
4. Coordinate CMAR's 3<sup>rd</sup> Party Materials Testing and Special Inspections work with the Key Firms.

5. Provide all 3<sup>rd</sup> Party Materials Testing and Special Inspections work to the City and A&E for review and approval.

#### 2.07 Project Closeout:

- A. Facilitate construction close-out procedures including assembling of punch lists, operations and maintenance manuals, record drawings, warranties/guarantees, Mechanical and Electrical system commissioning, start-up and testing, training, etc.
- A. Promote opportunities for DBE firms to participate in submitting offers for subcontracts. Provide potential Subcontractors and Suppliers with a copy of Owner's DBE policy with bid documents. Make a good faith effort to encourage DBE participation and make potential Subcontractors and Suppliers aware that participation is taken into consideration when awarding contracts.

#### 2.08 Start Up and Commissioning Program

- A. Provide CMAR's organizational structure for startup and commissioning. Identify the individuals from CMAR, Subcontractors and Suppliers actively involved in the process. Identify testing personnel required for startup, including independent testing agencies. Work with Owner's Advisor to develop a table of roles and responsibilities for CMAR team and the OPT.
- B. Develop a written start up and commissioning program consistent with the requirements of the Contract Documents. Write the plan in a way that will allow specific details to be added or information updated as equipment and materials are purchased and delivered.
- C. Identify all systems to be included in the startup plan, each item of equipment involved with each system and the interface between each item of equipment and other operating equipment. Identify how each equipment component fits into operations of the completed facility.
- D. Identify control systems associated with operating the system or facility, and how each is used to start-up, operate, and shut down its associated system. Identify prerequisite conditions for startup and testing for each system and facility. Identify conditions which would merit termination of startup or testing procedures.
- E. Compile a list of all documents required for startup, including Contract Documents, Shop Drawings, operations and maintenance manuals, verification of warranty information, lists of spare parts and their location, and contact information for manufacturer's representatives to be included in startup readiness testing /verification and performance testing.
- F. Identify testing required for factory witness testing, startup readiness verification, equipment and performance testing, and functional and performance testing.
- G. Provide a preliminary schedule for startup and commissioning plans which can be updated as more detailed information is available. Incorporate this schedule in the master schedule and construction schedule for the Project.

#### 2.09 Project Management

- A. Participate in Project Meetings

1. Participate in kick-off meeting for Procurement Services. Be prepared to discuss changes in CMAR's team and organization structure for Procurement Services, assignments of responsibilities, and CMAR's plan for implementation of Procurement Services.
  2. Participate in periodic meetings with the OPT to review progress, coordinate efforts, and discuss planned activities related to procurement. It is anticipated that these progress meetings will occur weekly at times when procurement activities for Work Packages are underway.
- B. Provide administration of Agreement for CMAR Procurement Services, including Applications for Payment, progress reporting, management of CMAR staff, schedule for services, and deliverables.

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# Public Utilities Commission

## Agenda Request

**MEETING DATE:** September 30, 2025

**TITLE OF ITEM:** Direction Requested on Donation of Paint of Main Lift Buildings

**ACTION REQUESTED:** Direction Requested

**ESTIMATED TIME (MIN):** 2

**SUBMITTED BY:** Danny Loch, Finance Manager,  
Charlie Gammon, Water/Wastewater Manager,  
Mike Habighorst, Public Works Director

**PRESENTER:** Danny Loch, Finance Manager, Charlie  
Gammon, Water/Wastewater Manager

**SUMMARY OF ISSUE:**

A local Rotarian has offered to donate paint for the Main Lift Building located near Rotary Park. This is a materials-only donation; no labor will be provided. Formal acceptance of donations requires City Council approval, and the Commission's recommendation is needed before proceeding.

The Main Lift Building is currently included on the Project Priority List for the Clean Water Revolving Fund. The building is awaiting scoring and funding results for full replacement. If funded, painting and other exterior improvements would be addressed as part of that project. Any painting undertaken now may therefore be temporary.

Commission direction is requested on whether staff should recommend City Council accept the Rotarian's donation of paint at this time, recognizing the potential overlap with future replacement funding.

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

**Recommended Actions for Commission Consideration:**

1. Recommend Acceptance of Donation: The Commission could accept the donation and determine labor costs subsequently.
2. Decline Donation: The Commission could decline a donation of paint for the Main Lift Building at this time, pending potential funding and replacement through the Clean Water Revolving Fund project.
3. Defer Decision: Commission could defer action on the donation request until results of the Clean Water Revolving Fund scoring and funding are known.

4. Pursue Labor Quote Before Recommendation: The Commission could direct staff to pursue a quote for professional painting labor for the Main Lift Building and defer recommending acceptance of the paint donation until that information is received.

**RECOMMENDED ACTION/MOTION:** Staff request direction from the Commission on how to proceed with the donation of paint request from local Rotarian.

**FINANCIAL IMPACT:** unknown



# Public Utilities Commission

## Agenda Request

**MEETING DATE:** September 30, 2025

**TITLE OF ITEM:** Direction on PILOT Contribution to the City

**ACTION REQUESTED:** Direction Requested

**ESTIMATED TIME (MIN):** 15 Minutes

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

**PRESENTER:** Danny Loch, Finance Manager, Nick Broyles, City Administrator, Jeff Czezok, Councilmember

**SUMMARY OF ISSUE:** City Council at the 9/15/2025 meeting asked Commission to consider changing the PILOT contribution policy from a mill rate to a percentage of revenue. In addition Council has asked that the percentages of the revenue for consideration be 3% in 2026, 4% in 2027 and 5% in 2028. The remaining summarized information was presented to Council on 9/15/2025 per a Council's request. In response to the Council's request, staff evaluated alternatives to the current Payment in Lieu of Taxes (PILOT) structure. At present, PILOT is calculated using a mill rate method, which has historically provided consistent revenues to the City. However, declining electrical consumption trends—driven by conservation requirements under Minnesota statutes—are expected to reduce the effectiveness of this approach over time.

The purpose of these PILOT payments are made by publicly owned utilities to their local governments in place of property taxes. Since municipal utilities are exempt from property taxation, these payments serve as a fair contribution toward funding essential city services such as police, fire protection, streets, and general government operations. PILOT ensures that the utility supports the community in which it operates, similar to how a private utility or business would contribute through property tax obligations. The largest and most widely accepted justification for PILOT payments continues to be this tax-equivalency model. Though this calculation has not been done, the City is anticipated to be receiving more benefit to-date from the tax equivalency basis calculation.

At the American Public Power Association (APPA) Business and Finance Conference held earlier in September, Utility Financial Solutions (UFS), the City's rate advisor, highlighted shifting concerns related to PILOT contributions. Utilities across the country are facing growing challenges and scrutiny of PILOT transfers, particularly where PILOT is heavily relied upon to fund general government operations. UFS emphasized that over-reliance on PILOT can place financial strain on utilities, especially as they plan for major infrastructure investments, meet conservation mandates, and maintain strong financial positions. This reinforces that while PILOT payments are important for supporting the City, they must be grounded in the defensible principle of property tax equivalency to maintain credibility and withstand outside challenges.

A shift to a percentage-of-revenue calculation has been suggested as a more sustainable model, aligning

PILOT payments with utility financial performance rather than volumetric consumption. This method would also provide predictability for both the city and the utility, ensuring payments adjust proportionally to changes in revenues.

| Year              | Revenues<br>(Estimated) | PILOT – Mill Rate<br>Method | PILOT – % of<br>Revenues | Variance from Previous<br>Year |
|-------------------|-------------------------|-----------------------------|--------------------------|--------------------------------|
| 2024<br>(Audited) | \$26,775,553            | \$768,245                   | —                        | —                              |
| 2025 (Est.)       | \$27,188,966            | \$750,950                   | —                        | -\$17,295                      |
| 2026 (Est.)       | \$26,800,000            | —                           | 3% = \$804,000           | +\$53,050                      |
| 2027 (Est.)       | \$27,336,000            | —                           | 4% = \$1,093,440         | +\$289,440                     |
| 2028 (Est.)       | \$27,882,720            | —                           | 5% = \$1,394,136         | +\$300,696                     |

*Assumes approximately 2% annual revenue growth after 2026.*

The Electric Department is entering a period of significant capital investment over the next three years. These primary investments include bucket truck replacements and the turbine project at the hydro generation facility and the increased costs of the replacement and maintenance of the distribution system and transformer costs. Staff note that while a percentage-of-revenue model creates stability for the City, higher PILOT obligations must be balanced against the utility's ability to fund major capital projects and maintain strong financial metrics.

At the most recent City Council budget presentation (the 2024 presentation), staff outlined rate adjustments of 1% to 3% annually over the next five years to address capital expenditures, prior to any consideration of changes to PILOT. If the Council adopts the proposed transition to a percentage-of-revenue PILOT, those projected increases would likely shift to approximately 2% to 4% annually. A comprehensive rate study would be required to confirm the actual impact and ensure that rates remain sufficient to cover both capital needs and the revised PILOT obligation.

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

Staff are seeking guidance on how the Commission would like to respond to Council's request for the change from mill rate to revenue based metrics. Key considerations for Commission discussion include:

- Balancing City revenue needs with the Utility's financial sustainability and capital plans
- Incorporating industry guidance that emphasizes the defensible tax-equivalency basis of PILOT
- Understanding potential impacts on utility rates, which may increase by 2% to 4% annually under the proposed PILOT change
- The need for a future rate study to verify impacts before finalizing any adjustments

An additional conversation item or data point is that the utility also pays for a share of the HR department and 10% of the administrator's salary as determined at the last budget cycle. For 2025 this

amount is estimated to be \$106,700. Arguments could be made then that this is or is not a PILOT contribution.

**RECOMMENDED ACTION/MOTION:**

Staff request guidance from the Commission on a response to City Council's request to adjust the contribution policy from a mill rate to percentage of revenues at 3% in 2026, 4% in 2027 and 5% in 2028.

**FINANCIAL IMPACT:** UNK



# City Council Agenda Request

**MEETING DATE:** September 2, 2025

**TITLE OF ITEM:** Direction on PILOT Contribution from Public Utilities

**AGENDA:** P&F Committee

**ACTION REQUESTED:** Discussion Item

**SUBMITTED BY:** Nick Broyles, City Administrator,  
Connie Hillman, Finance Director

**DEPARTMENT:** Finance

**PRESENTER:** Nick Broyles, City Administrator

**ESTIMATED TIME (MIN):** 10 Minutes

**SUMMARY OF ISSUE:** Council consensus from the 8/25/25 budget workshop, was for Staff to look into updating the PILOT contribution from the electric utility department. The current contribution policy is attached. Staff did a listserv of LMC members and attached to this agenda item are the responses received.

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

Below is a history of the PILOT contribution:

|               |           |
|---------------|-----------|
| 2025 thu June | \$375,475 |
| 2024          | 765,150   |
| 2023          | 783,245   |
| 2022          | 756,373   |
| 2021          | 761,150   |
| 2020          | 734,569   |
| 2019          | 757,394   |
| 2018          | 691,284   |
| 2017          | 672,823   |
| 2016          | 681,227   |
| 2015          | 596,543   |

The current 2026 budget has \$780,000 as the PILOT contribution. Per the 2024 audit, the electric revenue was \$26,775,553. 2025 the budgeted revenue for the electric department was \$30,470,400. The chart below gives various PILOT contributions based off of revenue for both actual 2024 and 2025 budgeted revenue:

|     | 2024<br>Actual | 2025<br>Budget |
|-----|----------------|----------------|
| 1%  | \$267,756      | \$304,704      |
| 3%  | 803,267        | 914,112        |
| 4%  | 1,071,022      | 1,218,816      |
| 5%  | 1,338,778      | 1,523,520      |
| 7%  | 1,874,292      | 2,132,928      |
| 10% | 2,677,560      | 3,047,040      |

**RECOMMENDED ACTION/MOTION:** Direction to staff on how to proceed with PILOT from the Public Utilities Department.

**FINANCIAL IMPACT:** UNK

## **BRAINERD PUBLIC UTILITIES POLICY 2003-01**

**Adopted March 25, 2003**

**Revision No. 1 – January 25, 2005**

**Revision No. 2 – November 24, 2009**

**Revision No. 3 – November 24, 2015**

**Revision No. 4 – August 28, 2018**

**Revision No. 5 – July 26, 2022**

### **CONTRIBUTION TO CITY POLICY**

Brainerd Public Utilities (BPU) will make regular financial contributions to the City of Brainerd (City). These contributions will be made on a monthly basis based on retail sales by the BPU Electric Department. Retail sales by the Electric Department are defined as energy sales expressed in kilowatt-hours (kWh) to BPU retail electric customers. Energy sales to BPU retail electric customers do not include sales to any City facilities or any energy usage by BPU departments. The monthly BPU contribution will be a cash contribution to the City equal to \$0.0045 per kWh based on energy sales to retail electric customers in the previous month. ~~The new contribution rate will be effective January 1<sup>st</sup> following the date of the most recent revision.~~

The monthly cash contribution to the City for medium and large industrial customers (crypto mining customers) will be equal to \$0.00025 per kWh. This rate will be reevaluated on December 31, 2023, by BPU Commission and City.

BPU will make no contribution to the City based on operations or sales by the BPU Water or Wastewater Departments. BPU will make no other contributions to the City (cash or services) other than the cash contribution based on retail electric sales.

BPU will bill the City for all utility services (electric, water and wastewater) at regular utility rates as set by the BPU Commission for applicable service to City facilities. The applicable rates for service to City facilities are subject to change as may be determined necessary by the BPU Commission.

**From:** [Steven Mielke via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 9:49:37 AM

---

The following message has been sent to you in response to your discussion message.

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Message From: Steven Mielke

Hello Nick,

It's been a while since I managed an electric utility (Janesville MN) but my reaction to your question caused me to want to respond.

First, the primary purpose of a municipal electric utility is to ensure that the utility is working efficiently and has a stable financial base. So making sure the operation is well funded, including a comprehensive capital replacement plan is adequately funded, needs to be in place.

If the municipal rates are lower than the adjacent for-profit utilities, that should be made known to the public and the elected officials. There is a way to quantify that benefit to rate payers.

Then, if the utility is set up well for the future, it would be possible for a financial consultant to calculate what taxes a for-profit utility would pay if they owned the same facilities the municipal operation. That could be the basis of calculating the PILOT amount.

I would not suggest a charter provision but instead a formal agreement between the municipal electric board (I'm assuminig you have an independent electric board) and the City Council. A charter amendment would be cumbersome to change if it becomes necessary to do so.

If there is a desire to have the municipal electric contribute more than the amount a for-profit utility would pay, perhaps an annual amount could be arranged through the annual budget process. It would be adviable to specify the additional amount toward city capital purchases so the city doe not become dependent on the utility for its regular operating budget.

I hope this is helpful. Good luck,

-----  
Steven Mielke  
Dakota County - Retired  
Lakeville, MN  
952.454.4404  
smielke@charter.net  
-----

-----  
Original Message:  
Sent: 08-26-2025  
From: Nick Broyles  
Subject: PILOT for City-Owned Electric Utility

Good morning all:

For those of you who have a city-owned electric utility, how do you determine what, if any, dollar amount the utility contributes to the city general fund each year? PILOT for example. Also, is this agreement codified in charter or is it simply enacted via a resolution?

Thanks, Nick

-----  
Nick Broyles  
City Administrator  
Brainerd  
Brainerd MN  
(218) 828-2307  
-----

**From:** [Michele McPherson](#)  
**To:** [Nick Broyles](#)  
**Cc:** [Keith Butcher](#)  
**Subject:** Re: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 8:10:07 AM  
**Attachments:** [image001.png](#)

---

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Nick –

As the utility is technically its own corporation, they get to set the amount of the PILOT. There are multiple utilities out there that have agreements – see the City of Marshall, theirs is pretty detailed in how the amount is calculated and what it is used for.

In Princeton, the General Manager has tied the PILOT to the amount of KW hours sold, so it is based on a mil rate. It is not in ordinance as it is not a requirement that the utility pay a PILOT.

Personally, I would not count on a PILOT payment as part of my General Fund budgeting since there is no requirement for a PILOT.

I have included our Public Utilities General Manager, Keith Butcher on my reply – feel free to reach out to him as I am sure that he would be happy to provide some input.

*Michele McPherson (M2)*

City Administrator



705 2<sup>nd</sup> Street North  
763/389-2040

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"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually

strive to do the deeds; who knows great enthusiasms, the great devotions, who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.”

Citizenship in a Republic – Theodore Roosevelt, Paris 1910

**From:** [Utility Supt](#)  
**To:** [Nick Broyles](#)  
**Cc:** [Kim Schroeder](#)  
**Subject:** Wadena Utilities PILOT  
**Date:** Wednesday, August 27, 2025 7:57:23 AM  
**Attachments:** [Transfer Calculation 2025 Budget.xls](#)

---

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Nick,

Kim forwarded me your email about our PILOT payment to the General Fund from the Electric Utility. It is 4.4 mills per Kwh sold per customer class with a minimum transfer of \$325,000.

I have attached the calculation spreadsheet for 2025. The reason it is not calculated on a calendar year is the calculation needs to be completed in time for the general fund budgets.

Thank you,

*David Evans*  
*Utilities Superintendent*  
*City of Wadena*  
**218-631-7712**

## TRANSFER TO THE GENERAL FUND CALCULATION

### FOR 2025 BUDGET YEAR

#### Kwh Sales by Month

| Billing Code         | July '23  | Aug. '23  | Sept. '23 | Oct. '23  | Nov. '23  | Dec. '23   | Jan. '24  | Feb. '24  | Mar. '24  | Apr. '24  | May '24   | June '24   | Totals     |
|----------------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| 10                   | 1,313,673 | 1,320,367 | 1,145,658 | 1,039,313 | 1,169,065 | 1,337,015  | 1,479,955 | 1,191,645 | 1,273,311 | 1,019,657 | 963,969   | 1,065,762  | 14,319,390 |
| 11                   | 52,880    | 50,856    | 42,853    | 102,147   | 208,208   | 238,420    | 325,207   | 230,592   | 228,295   | 127,147   | 57,116    | 39,792     | 1,703,513  |
| 12                   | 150,483   | 150,037   | 136,121   | 197,865   | 326,088   | 378,304    | 478,646   | 344,164   | 352,573   | 220,995   | 143,456   | 125,594    | 3,004,326  |
| 19                   | 26,996    | 23,221    | 19,206    | 15,070    | 20,557    | 22,098     | 26,801    | 19,054    | 18,643    | 12,161    | 15,877    | 18,975     | 238,659    |
| 20                   | 244,058   | 253,217   | 226,931   | 221,361   | 335,009   | 386,001    | 452,857   | 361,697   | 378,335   | 282,881   | 241,509   | 251,474    | 3,635,330  |
| 21                   | 22,736    | 20,326    | 34,362    | 81,695    | 133,946   | 149,487    | 202,627   | 146,193   | 144,268   | 92,224    | 29,240    | 15,300     | 1,072,404  |
| 23                   | 217,999   | 232,407   | 183,757   | 168,771   | 190,509   | 204,118    | 216,968   | 184,055   | 197,773   | 164,309   | 169,726   | 181,470    | 2,311,862  |
| 30                   | 3,086,423 | 3,127,203 | 2,939,025 | 2,750,080 | 3,007,721 | 3,203,801  | 3,565,060 | 3,027,548 | 3,211,472 | 2,760,698 | 2,803,703 | 2,882,900  | 36,365,634 |
| 31                   | 20,246    | 21,358    | 15,526    | 27,553    | 47,789    | 50,131     | 62,374    | 46,840    | 45,082    | 22,577    | 16,302    | 16,388     | 392,166    |
| <b>Monthly Total</b> | 5,135,494 | 5,198,992 | 4,743,439 | 4,603,855 | 5,438,892 | 5,969,375  | 6,810,495 | 5,551,788 | 5,849,752 | 4,702,649 | 4,440,898 | 4,597,655  | 63,043,284 |
|                      |           |           |           |           |           | 31,090,047 |           |           |           |           |           | 31,953,237 |            |

Total Kwh Sales **63,043,284**

Transfer mill rate **0.0044**

Annual Transfer Amount **\$ 277,390.45**

Monthly Transfer Amount **\$ 23,115.87**

Minimum Transfer Amount **\$ 325,000.00**

Monthly Transfer Amount **\$ 27,083.33**

**From:** [Sharon Hanson](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: PILOT from Utilities  
**Date:** Tuesday, August 26, 2025 10:51:56 AM  
**Attachments:** [image001.png](#)

---

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We have a formula that is reviewed every three years. I feel like the formula is really just backed into from the number the utility thinks it should be. But it is approximately 5% of electrical utility revenue which I think it is about the industry standard.

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
Date: 8/26/25 10:10 AM (GMT-06:00)  
To: Sharon Hanson <[Sharon.Hanson@ci.marshall.mn.us](mailto:Sharon.Hanson@ci.marshall.mn.us)>  
Subject: PILOT from Utilities

Sharon,

Does your utility contribute funds to the general fund every year? If yes, is it specified in charter, resolution, or some other form?

Regards

Nick



**Nick Broyles, MPA** | City Administrator  
City of Brainerd | 501 Laurel Street Brainerd MN 56401  
218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)

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**From:** [Calvin Portner via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 10:26:22 AM

---

The following message has been sent to you in response to your discussion message.

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Message From: Calvin Portner

Hi Nick,

Elk River has a policy of 4% of electric revenues from all accounts within the city limits.

I'd be interested in your answers from all the other cities. I don't know where this number originated, and if it is consistent with the revenue we'd get if their assets were on the tax rolls.

I hope all is going well in Brainerd!

-----  
Calvin Portner  
Administrator  
Elk River  
Elk River MN  
(763) 635-1001  
-----

-----  
Original Message:  
Sent: 08-26-2025  
From: Nick Broyles  
Subject: PILOT for City-Owned Electric Utility

Good morning all:

For those of you who have a city-owned electric utility, how do you determine what, if any, dollar amount the utility contributes to the city general fund each year? PILOT for example.

Also, is this agreement codified in charter or is it simply enacted via a resolution?

Thanks, Nick

-----  
Nick Broyles  
City Administrator  
Brainerd  
Brainerd MN  
(218) 828-2307  
-----

**From:** [Chris Dalton](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: [External]New Ulm Charter  
**Date:** Tuesday, August 26, 2025 9:38:46 AM  
**Attachments:** [image001.png](#)

---

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Nick,

They pay 5% of their revenue to the general fund. Let me know if you need additional information or any other questions.

Chris Dalton  
City Manager  
City of New Ulm  
507.233.2112

---

**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Sent:** Tuesday, August 26, 2025 8:13 AM  
**To:** Chris Dalton <[ChrisD@newulmmn.gov](mailto:ChrisD@newulmmn.gov)>  
**Subject:** RE: [External]New Ulm Charter

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Chris,

How much does your utility pay into your general fund every year?

Regards  
Nick



**Nick Broyles, MPA** | City Administrator  
City of Brainerd | 501 Laurel Street Brainerd MN 56401  
218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)

**From:** [Sydney Wiertzema via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 8:18:10 AM

---

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Message From: Sydney Wiertzema

Our transfer is \$250,000 each year. I believe it was per resolution years ago.

-----  
Sydney Wiertzema  
City Administrator  
Breckenridge  
Breckenridge MN  
(218) 643-1431  
-----

-----  
Original Message:  
Sent: 08-26-2025  
From: Nick Broyles  
Subject: PILOT for City-Owned Electric Utility

Good morning all:

For those of you who have a city-owned electric utility, how do you determine what, if any, dollar amount the utility contributes to the city general fund each year? PILOT for example. Also, is this agreement codified in charter or is it simply enacted via a resolution?

Thanks, Nick

-----  
Nick Broyles  
City Administrator  
Brainerd

Brainerd MN  
(218) 828-2307

---

**From:** [Blaine Hill via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: MCMA : PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 2:18:38 PM

---



## **MCMA**

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**Re: PILOT for City-Owned Electric Utility**

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**Blaine Hill**



Aug 26, 2025 2:19 PM

[Blaine Hill](#)

When I was in Breckenridge, I believe it was in the Charter as a % of profits leaving a % for expansion. However, I don't think that truly reflected all the factors that went into figuring rates, the utility environment and even the fact that the commission also oversaw water and sanitary sewer. I know some cities have natural gas too. I know some cities use the utility reserves for one time project contributions like a swimming pool. I'm the retired Morris City Manager and our liquor store does very well. We take a little bit, leave the rest in reserve. Same thing, maybe a one-time purchase. However, we are building a new one.

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-----  
Original Message:

Sent: 8/26/2025 2:58:00 PM

From: Jeffrey Weldon

Subject: RE: PILOT for City-Owned Electric Utility

Nick,

There is no magic formula for determining a PILOT, it's whatever the council wants

and the electric commission want to agree upon. If you want to tie it to something logical, you can look at all the tax exempt assets that make up the electrical infrastructure and apply the current tax rate on it as if it were a private investor-owned utility. Philosophically, electrical enterprise funds should provide a transfer to their owner just like all enterprise funds should whether it is water, sewer, liquor, golf, gas, or anything else. This PILOT transfer does not need to be codified in charter or code. Just a motion. It could even be part of the budget adoption resolution.

You are subscribed to "MCMA" as nbroyles@ci.brainerd.mn.us. To change your subscriptions, go to [My Subscriptions](#). To unsubscribe from this community discussion, go to [Unsubscribe](#).

**From:** [Mike Roth](#)  
**To:** [Nick Broyles](#)  
**Subject:** electric utility contributions  
**Date:** Tuesday, August 26, 2025 9:26:51 AM

---

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Hi Nick,

I hope all is well for you in Brainerd. Our municipal electric utility pays a franchise fee, which is codified as \$40,000 plus 1% of gross fees for electric services. We have discussed increasing the amount for a few years, and I think we will actually do it this year. One source I found useful was talking to rating agencies about what their expectations are for the electric utility. When they evaluate the utility, they note the percentage being paid to the general fund. Up to a certain amount (maybe around 5%) it has no effect on the rating they would provide to the utility.

What is your current practice?

Mike

--

Mike Roth  
City Administrator  
City of Grand Marais  
(218) 387-1848



**From:** [Clinton Rogers](#)  
**To:** [Nick Broyles](#)  
**Subject:** Re: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 9:02:44 AM  
**Attachments:** [image001.png](#)

---

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Nick, our City Code has the following language in our City Code under “Municipal Utility Fee”

(E) *Fees.* Each municipal utility shall pay to the general fund a fee of 5% of its gross revenues, including costs for wholesale power distributed through the systems owned and operated by the Public Utilities Commission, for the use of the public rights-of-way and easements. The fee shall be payable monthly. (2002 Code, § 34.01) (Ord. 241, passed 11-24-1997)



**Clinton M Rogers**  
City Administrator  
City of Janesville, MN

**Phone** 507-234-5110  
**Mobile** 507-340-3320  
**Web** [www.janesvillemn.gov](http://www.janesvillemn.gov)  
**Email** [clintonr@janesvillemn.gov](mailto:clintonr@janesvillemn.gov)  
PO Box O  
101 N Mott Street  
Janesville, MN 56048

**From:** [Matt Jaunich](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: Utility PILOT  
**Date:** Tuesday, August 26, 2025 8:51:07 AM  
**Attachments:** [image001.png](#)  
[PILOT resolution - Revised Final.doc](#)

---

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Nick,

Attached is the resolution the City did back in 2018 with Hutch Utilities that laid out the framework for how our current PILOT works. This year's payment is set to be at \$1,942,628.

The floor aspect of the agreement is good. I've grown frustrated with the ceiling portion as we are now entering year 4 or 5 of no PILOT increase because they haven't seen an increase in their total operating revenue. However, their fund balance has nearly doubled during that time. Something we are going to be looking at moving forward. With that said, Hutch Utilities has also invested in two major projects within the City over the last 5 years. First, they paid for the City's street light conversion to LEDs. That was about a \$1.4 million investment. They also paid for the replacement of our baseball field lights to LED at a cost of around \$350,000.

Let me know if you have any other questions.

Matt

---

**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Sent:** Tuesday, August 26, 2025 8:14 AM  
**To:** Matt Jaunich <[MJaunich@hutchinsonmn.gov](mailto:MJaunich@hutchinsonmn.gov)>  
**Subject:** Utility PILOT

This message originated from an external source. Please inspect the email and sender address before clicking any links or attachments.

Matt,

How much does your utility pay into your general fund every year?

Regards

Nick

## **RESOLUTION NO. 14853**

### **A RESOLUTION DEFINING THE HUTCHINSON UTILITIES COMMISSION'S ANNUAL CONTRIBUTION TO THE CITY OF HUTCHINSON IN LIEU OF TAXES**

**WHEREAS**, the Hutchinson City Charter and the Hutchinson Utilities Commission By-laws contain provisions for the transfer of surplus utility funds of the Hutchinson Utilities Commission to the City in lieu of the payment of taxes; and

**WHEREAS**, in December of 2006 both the Hutchinson City Council (City) and the Hutchinson Utilities Commission (HUC) passed resolutions (13100) which set the annual contribution by HUC at 2.75% of the total operating revenue as determined by the second preceding year's financial audit of the Hutchinson Utilities Commission in lieu of the payment of taxes; and

**WHEREAS**, HUC also makes additional annual payments to the City for Street Lighting and the Energy Tree Program bringing the combined total transfer to approximately 3.22%; and

**WHEREAS**, such transfers are common between municipal utilities and their cities and typically average around 4.5% in the West North Center United State region according to APPA's latest study; and

**WHEREAS**, the PILOT formula has not been adjusted since the 2006 resolutions were adopted; and

**WHEREAS**, the City and the HUC have determined that it is in the best interest of both entities to update the PILOT payment and formula used.

**NOW, THEREFORE, BE IT RESOLVED** by and between the City Council of the City of Hutchinson and the Hutchinson Utilities Commission, that the contribution from the HUC to the City in lieu of taxes shall be an amount equal to 4.50% of the total operating revenue of the HUC as determined by the most recent years' completed financial audit of the HUC. The arrangement between the City and the HUC shall be as follows:

- The contribution of 4.50% shall be phased in over three (3) years and will include a floor and cap.
- 2018's payment shall be collectively at 3.25% of each division's total operating revenue of the HUC as determined by the 2016 financial audit of the HUC.
- 2019's payment shall be collectively at 4.00% of each division's total operating revenue of the HUC as determined by the 2017 financial audit of the HUC
- 2020's payment shall be collectively at 4.50% of each division's total operating revenue of the HUC as determined by the 2018 financial audit of the HUC
- For years 2021 and beyond, the payment shall be collectively at 4.50% of each division's total operating revenue of the HUC as determined by the most recent year's completed financial audit of the HUC.
- Future PILOT payments shall include a floor and a ceiling. The floor will be no less than the previous year's payment of each division and a ceiling that does not extend beyond a 2% increase of each divisions operating revenue from the previous year's payment.

- The contribution in lieu of taxes shall be paid to the City each year in four quarterly installments.
- The City and HUC will review the formula every three years, or sooner, if conditions warrant.

**FURTHERMORE, BE IT RESOLVED** that the City and HUC recognize that a Cost of Service Study, along with APPA and Minnesota City Surveys may affect rates in future years and will be taken into consideration when looking at future PILOT payments.

**FURTHERMORE, BE IT RESOLVED** that in keeping in harmony with the Hutchinson City Charter the City and HUC agree to look at additional one-time transfers in the future, as conditions and opportunities warrant.

**FURTHERMORE, BE IT RESOLVED** that the Street Lighting and Energy Tree Program payments from the HUC to the City be phased out as well. The phasing will include 100% payment in 2018, 50% payment in 2019, and 0% payment in 2020 and beyond.

**FURTHERMORE, BE IT RESOLVED** that this arrangement shall stay in place until a new resolution is negotiated between the City and the HUC.

**FURTHERMORE, BE IT RESOLVED** that the Hutchinson Utilities Commission unanimously approved the above detailed resolution and arrangement on January 31, 2018.

ADOPTED BY THE HUTCHINSON CITY COUNCIL THIS 13<sup>TH</sup> DAY OF FEBRUARY, 2018

---

**GARY T. FORCIER, MAYOR**

**ATTEST:**

---

**MATTHEW JAUNICH, CITY ADMINISTRATOR**



**Nick Broyles, MPA** | City Administrator

City of Brainerd | 501 Laurel Street Brainerd MN 56401

218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)

**From:** [Jeffrey Weldon via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: MCMA : PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 1:58:20 PM

---



## MCMA

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**Re: PILOT for City-Owned Electric Utility**

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via Email](#)



Aug 26, 2025 1:58 PM

[Jeffrey Weldon](#)

Nick,

There is no magic formula for determining a PILOT, it's whatever the council wants and the electric commission want to agree upon. If you want to tie it to something logical, you can look at all the tax exempt assets that make up the electrical infrastructure and apply the current tax rate on it as if it were a private investor-owned utility. Philosophically, electrical enterprise funds should provide a transfer to their owner just like all enterprise funds should whether it is water, sewer, liquor, golf, gas, or anything else. This PILOT transfer does not need to be codified in charter or code. Just a motion. It could even be part of the budget adoption resolution.

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-----  
Original Message:

Sent: 8/26/2025 9:05:00 AM

From: Nick Broyles

Subject: PILOT for City-Owned Electric Utility

Good morning all:

For those of you who have a city-owned electric utility, how do you determine what, if any, dollar amount the utility contributes to the city general fund each year? PILOT

for example. Also, is this agreement codified in charter or is it simply enacted via a resolution?

Thanks, Nick

-----  
Nick Broyles  
City Administrator  
Brainerd  
Brainerd MN  
(218) 828-2307  
-----

You are subscribed to "MCMA" as nbroyles@ci.brainerd.mn.us. To change your subscriptions, go to [My Subscriptions](#). To unsubscribe from this community discussion, go to [Unsubscribe](#).

**From:** [Daniel Loch](#)  
**To:** [Toni Gage](#); [Nick Broyles](#)  
**Subject:** Fw: Electric/Water/Wastewater Treatment Rates  
**Date:** Tuesday, September 2, 2025 7:56:21 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[3 Year Summary Rate Changes - Jeff.xlsx](#)

---

\*\*\* **Warning:** External sender, use extreme caution with attachments and links \*\*\*

Hi Nick/Toni,

Here is the email with the attachment.

Regards,

Danny

Daniel Loch, CPA  
Finance Manager  
[218-825-3213](#) | Direct  
[218-838-3184](#) | Mobile  
[218-829-8726](#) | Office  
[8027 Highland Scenic Rd | Brainerd, MN 56401](#)  
[BPU.org](#)  
[Electricity](#) | [Water](#) | [Wastewater](#)

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**From:** Daniel Loch <dloch@bpu.org>  
**Sent:** Friday, August 29, 2025 9:14 PM  
**To:** Nick Broyles <nbroyles@ci.brainerd.mn.us>  
**Subject:** RE: Electric/Water/Wastewater Treatment Rates

Nick,

Please see the attached Excel summary. Recent rate adjustments across our utility divisions and their impact on revenues and expenditures are summarized below.

Over the past three years, each division has implemented rate adjustments at different times and in

different ways.

For Water, adjustments were made on September 1, 2022, with an **8.22%** increase to commodity charges only; on December 1, 2023, with a **12.0%** increase to the base charge and a **3.8%** increase to the commodity charge; and on December 1, 2024, with a **20.0%** increase across all fees. No adjustment is scheduled for 2025 following the significant 2024 increase.

For Wastewater, adjustments were made on September 1, 2022, with a **9.8%** increase to commodity charges; on December 1, 2023, with a **6.4%** increase to the base charge and a **9.0%** increase to the commodity charge; and on June 1, 2025, with a **9.9%** increase to the base charge and a **10.9%** increase to the commodity charge.

For Electric, there was no change in 2022. Adjustments were made on September 1, 2023, with a **5.33%** increase to the base charge and an **8.85%** increase to the commodity charge; on September 1, 2024, with a **3.75%** increase to base charges and a **1.22%** increase to commodity charges; and on June 1, 2025, with a **6.42%** increase to base charges and a **4.57%** increase to commodity charges.

While these adjustments have helped revenues keep pace with rising operational expenditures, they have not consistently met budgeted targets for building reserves to support capital expenditures.

For Water, 2024 results exceeded expectations and produced the first positive change in net position in three years. However, through June 2025 there is again a negative change in net position of **\$244,024**. Water has long been subsidized by other divisions, and while progress has been made to correct this, challenges remain. Rising infrastructure costs are of greatest concern as the utility has been required to issue debt year over year to complete water projects in conjunction with street projects.

For Wastewater, the change in net position continues to grow and exceed budget expectations through 2025. Revenues are covering expenditures. However, as the wastewater treatment facility plan continues, infrastructure needs are emerging where reserves are not sufficient to maintain and replace aging infrastructure.

For Electric, the net position remained positive and stable through 2022 and 2023 but decreased significantly in 2024 and is now negative in 2025. Revenues are covering operating expenditures but are not sufficient to meet projected reserve targets. Most rate classes underperformed in 2024 and 2025. This shortfall reduces the ability to fund capital improvements and address aging infrastructure primarily at the hydro facility.

Since 2017, there has been a growing need for the utility to issue debt to cover critical infrastructure needs. This reflects the gap between revenues that cover daily operations and the longer-term funding necessary to invest in and modernize utility systems. Debt issuance has become a more significant part of our capital funding strategy.

In summary, revenues across all divisions are covering operational costs, as seen in the positive net position in 2024. However, these trends are not continuing in 2025. Two divisions—Water and Electric—are showing negative changes in net position year-to-date, which indicates that current rate levels are not sufficient to build reserves for capital expenditures. Balancing affordability for customers with long-term sustainability of our utility systems remains a critical challenge. Noting this, Commission approved rate increases in April of 2025 that began in June and increase every 6 months for the next two years to aid in building reserves again. As noted in my managers' report in July we have noted that our budget process for 2026 will be the time to evaluate the utility's growing need to monitor costs.

Respectfully,

Danny Loch

**Daniel Loch, CPA**

Finance Manager

218-825-3213 | Direct

218-838-3184 | Mobile

218-829-8726 | Office



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**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Sent:** Friday, August 29, 2025 3:55 PM  
**To:** Jeff Czczok <[jzczok@ci.brainerd.mn.us](mailto:jzczok@ci.brainerd.mn.us)>  
**Cc:** Daniel Loch <[dloch@bpu.org](mailto:dloch@bpu.org)>  
**Subject:** FW: Electric/Water/Wastewater Treatment Rates

Jeff,

Danny has provided the below information. It is not all inclusive yet as Danny's time has been divided. He is filling in gaps due to Kelly Dean's retirement. He is still working on collecting some of the electrical data and should have it by the middle of next week.

Regards

Nick



**Nick Broyles, MPA** | City Administrator

City of Brainerd | 501 Laurel Street Brainerd MN 56401

218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)

**From:** Daniel Loch <[dloch@bpu.org](mailto:dloch@bpu.org)>  
**Sent:** Friday, August 29, 2025 3:30 PM  
**To:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Subject:** RE: Electric/Water/Wastewater Treatment Rates

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Hi Nick,

I do have some of the information at hand.

The utility has increased their rates each of the past three years in different capacities, i.e. base charge and commodity.

Water incurred adjustments 9/1/2022, 12/1/2023, and 12/1/2024.

Wastewater incurred adjustments: 9/1/2022, 12/1/2023 and 6/1/2025.

Electric did not incur an adjustment in 2022, but had adjustments 9/1/2023, 9/1/2024 and 6/1/2025.

Water and wastewater's 9/1/2022 adjustment was a commodity only change of 8% and 10% respectively.

The 12/1/2023 adjustments for water and wastewater included both base and commodity charges. Water had a 12% change for base and 4% change for commodity (per 1,000 gallons sold). Wastewater saw a 12/1/2023 increase of 6% for the base charge and 9% for commodity (per 1,000 gallons treated).

As of 12/1/2024 Water had a 20% increase across all fees and no adjustment in 2025 following this significant adjustment.

Wastewater and Electric saw varying degrees of adjustments across all rate classes. Wastewater had a 10% base fee and 11% commodity change as of 6/1/2025.

I am still quantifying the electrical changes as I am working through a billing error as we transition Kelly out for her retirement. I will have those quantified and calculated by Tuesday morning. Rough estimated changes in rates for electric across 2023 and 2024 were 4-9% across the rate classes in each year.

Regards,

Danny

**Daniel Loch, CPA**  
Finance Manager  
218-825-3213 | Direct  
218-838-3184 | Mobile  
218-829-8726 | Office



8027 Highland Scenic Rd | Brainerd, MN 56401

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**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Sent:** Wednesday, August 27, 2025 3:01 PM  
**To:** Jeff Czczok <[jzczczok@ci.brainerd.mn.us](mailto:jzczczok@ci.brainerd.mn.us)>  
**Cc:** Connie Hillman <[chillman@ci.brainerd.mn.us](mailto:chillman@ci.brainerd.mn.us)>; Daniel Loch <[dloch@bpu.org](mailto:dloch@bpu.org)>  
**Subject:** Re: Electric/Water/Wastewater Treatment Rates

Jeff,

Yes. I should have an answer to you by Friday.

Regards

Nick

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**From:** Jeff Czczok <[jzczczok@ci.brainerd.mn.us](mailto:jzczczok@ci.brainerd.mn.us)>  
**Sent:** Wednesday, August 27, 2025 1:53:34 PM  
**To:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Cc:** Connie Hillman <[chillman@ci.brainerd.mn.us](mailto:chillman@ci.brainerd.mn.us)>; Danny Loch BPU <[dloch@bpu.org](mailto:dloch@bpu.org)>  
**Subject:** Electric/Water/Wastewater Treatment Rates

Hi Nick,

Could I please get a record of the number of times the PUC has increased the three utility rates in the last three years.

How much of each increase on average based on the different categories and when were the rate increases implemented.

And, did the revenues generated from each of the rate increases cover the budgeted expenses.

Please let me know if you've any questions.

Thanks much, Jeff

| <b>Water</b>                    | <b>2022</b>  | <b>2023</b>  | <b>2024</b> |
|---------------------------------|--------------|--------------|-------------|
| Water Base Charge % Change      | 0.00%        | 12.00%       | 20.00%      |
| Water Commodity Charge % Change | 8.22%        | 3.80%        | 20.00%      |
| Effective Date                  | 9/1/2022     | 12/1/2023    | 12/1/2024   |
| Water Change in Net Position    | \$ (273,000) | \$ (710,000) | \$ 68,000   |

| <b>WasteWater Treatment</b>       | <b>2022</b>  | <b>2023</b> | <b>2024</b>  |
|-----------------------------------|--------------|-------------|--------------|
| WW Base Charge                    | 0.00%        | 6.40%       | 0.00%        |
| WW Commodity Charge               | 9.80%        | 9.00%       | 0.00%        |
| Effective Date                    | 9/1/2022     | 12/1/2023   | 12/1/2024    |
| Wastewater Change in Net Position | \$ (266,937) | \$ 937,703  | \$ 1,655,361 |

| <b>Electric</b>                    | <b>2022</b>  | <b>2023</b>  | <b>2024</b> |
|------------------------------------|--------------|--------------|-------------|
| Electric Average on Base Charges   | 0.00%        | 5.33%        | 3.75%       |
| Electric Average Increase Kwh Sold | 0.00%        | 8.85%        | 1.22%       |
| Effective Date                     | 9/1/2022     | 9/1/2023     | 9/1/2024    |
| Electric Change in Net Position    | \$ 1,356,145 | \$ 1,351,047 | \$ 401,035  |

**2025**

0.00%

0.00%

6/1/2025

\$ (244,024)

**2025**

9.90%

10.90%

6/1/2025

\$ 466,887

**2025**

6.42

4.57

6/1/2025

\$ (306,544)

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**June 28, 2022**

Commission Angland asked for an update on the Crow Wing County Landfill Leachate agreement. Supervisor Gammon discussed Leachate agreement for a potential trade of disposal of biosolids as a future option.

### Discussion of Minnesota Power's analysis of transmission line

Operations Supervisor Hawkinson discussed thermal layering of conductors and how the Riverton line may be looking at an upgrade to raise the structures, to help keep that at a safe level and allow more room for growth. On a hot day, the temperature in conjunction with load can be up to 300 degrees. Without line upgrade, summer load would be limited to 77-80 MW and winter load limited to 107-112 MW.

### Front Street Café bill adjustment request

BPU staff received a request from commercial customer, Front Street Café, after a water line break that occurred in the basement to waive the wastewater treatment and collection charges in the amount of \$195.49. Staff recommendation is to grant the request.

**Motion by Commissioner Johnson and seconded by Commissioner Angland to approve the request to waive wastewater treatment and collection charges in the amount of \$195.49 for Front Street Café. Commissioner Wussow voted nay with Commissioners Johnson, Angland, Matten and O'Day voting aye. Motion carried.**

Commissioners Wussow and Matten requested that all action items within staff reports are noted on the main agenda for future meetings. Commissioner Wussow noted that he was in favor of the above request but voted no due to the fact it was not identified on the main agenda as an action item.

### Summary of Contributions to City of Brainerd

Finance Director Wicklund provided a breakdown of contribution to the City of Brainerd. Wicklund noted that since it wasn't identified as an action item on the current agenda that it will be discussed next month.

Wicklund also noted that he will be planning on communicating his future retirement plans to the Commission.

### HR Director's Report

- Not available

Next Board meeting is scheduled for July 26, 2022.

### Superintendent's Report

#### Water Department

- Projects
  - Water storage tank project: First formed wall was poured, however, Magney is having issues with the concrete forms contracting in the sun and sticking to the concrete when the form is removed. The manufacturer is working on a solution. So far, no movement on the bonding bill for the backwash tank project, and unsure if there will be a special legislative session.
  - Maintenance: Crews flushing hydrants and working on gate valve and standpipe maintenance. Additionally, last night they worked on a water service line repair.

## BRAINERD PUBLIC UTILITIES COMMISSION MEETING

July 26, 2022

confirmed that other communities do own land for this purpose and then can potentially lease it out. This allows them control of the land application process. There are a few that have moved away from that but only because they changed their biosolids technology but still were able to get their land investment cost back. His overall recommendation was that if purchasing land for application is feasible to do that which only helps make the application process easier. With regards to odor in the storage facility, the reduced liquid also puts off less of an odor as well.

This proposed new NPDES permit is open for public comment as of June 22, 2022, for 60 days and will be closing in the middle of August.

### Old Business

- None

### New Business

Pay request No. 8 received from Magney Construction

Pay request in the amount of \$244,483.19 was received for the water tank storage project.

**Motion by Commissioner Wussow and seconded by Commissioner Matten to approve pay request No. 8 to Magney Construction in the amount of \$244,483.19. There was a unanimous roll call vote in favor of the motion. Motion carried.**

### Revision of Contribution to City Policy

The policy change addresses and adds a rate related to the medium and large industrial customers (Crypto mining customers) and will be paid at the rate of \$0.00025 per kWh and then reevaluated on December 31, 2023, by the BPU Commission and City. City Administrator Bergman confirmed that the City Council had already approved this revision.

**Motion by Commissioner Angland and seconded by Commissioner Wussow to approve the revised Contribution to City Policy. There was a unanimous vote in favor of the motion. Motion carried.**

### City Administrator Report

City Administrator Bergman reported on the following:

- Sale of Industrial Park Lot
  - VCV Digital had 180 days to do their due diligence to allow the Economic Development Authority (EDA) to close on the property; this deadline is up on August 30<sup>th</sup>. City Administrator Bergman has communicated with VCV Digital last week and they have confirmed intent to meet the August 30<sup>th</sup> deadline but will then be on the September EDA meeting agenda rather than August.
- Staffing Changes:
  - City Councilman, Dave Pritschet, resigned and council appointed Jamie Bieser to fill the vacant seat through the remainder of 2022 with that seat being on the 2022 election.
  - City Engineer and Public Works Director: Jessie Dehn will be starting on Monday, August 1<sup>st</sup>.
  - Gary Thompson, Streets Department, announced his retirement. His last day will be October 15<sup>th</sup>. City Administrator Bergman noted that he will be leaving with a lot of industry knowledge and was appreciative of his long notice.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**  
**August 28, 2018**

**Other Commissioners' Reports**

None

**City Administrator Report**

None

**Secretary's Report**

*July 31, 2018 Summary of Utility Operations*

| <i>(Amounts in Thousands)</i>  | Seven Month Period Ended July 31, |           |          |          |            |          |
|--------------------------------|-----------------------------------|-----------|----------|----------|------------|----------|
|                                | Electric                          |           | Water    |          | Wastewater |          |
|                                | 2018                              | 2017      | 2018     | 2017     | 2018       | 2017     |
| Operating Revenue              | \$ 12,471                         | \$ 11,070 | \$ 1,481 | \$ 1,374 | \$ 1,608   | \$ 1,496 |
| Operating Expenses             |                                   |           |          |          |            |          |
| Purchased Power                | 6,609                             | 7,025     | -        | -        | -          | -        |
| Depreciation                   | 1,054                             | 974       | 542      | 398      | 858        | 820      |
| Other Operating Expenses       | 2,417                             | 2,165     | 1,026    | 989      | 1,310      | 1,155    |
| Total Operating Expenses       | 10,080                            | 10,164    | 1,568    | 1,387    | 2,168      | 1,975    |
| Operating Income (Loss)        | 2,391                             | 906       | (87)     | (13)     | (560)      | (479)    |
| Nonoperating Revenue (Expense) | (131)                             | (124)     | 97       | 135      | 432        | 495      |
| Transfers to City              | (406)                             | (390)     | -        | -        | -          | -        |
| Capital Contributions          | -                                 | -         | -        | -        | -          | -        |
| Net Change in Net Assets       | \$ 1,854                          | \$ 392    | \$ 10    | \$ 122   | \$ (128)   | \$ 16    |
| Meters in Service              | 8,027                             | 8,006     | 4,866    | 4,811    | 4,699      | 4,653    |

*Review of Other July 2018 Financial Information*

Wicklund reviewed the June financials noting the Minnesota Power true-up credit.

*City of Brainerd Contribution Rate*

Wicklund noted that the current City of Brainerd contribution rate is 4 mils and it has been this rate since January 1, 2015. Staff recommendation is to increase the contribution rate to 4.5 mils effective January 1, 2019. The reason for the change is due to increased utility costs for the City for the past three years which has resulted in the net benefit to the City decreasing from approximately \$245,300 in 2016 to \$157,600 in 2018.

***Motion by Commissioner O'Day and seconded by Commissioner Matten to increase the City of Brainerd contribution mil rate effective January 1, 2019 to 4.5 mils. There was a unanimous roll call vote in favor of the motion. Motion carried.***

## **BRainerd PUBLIC UTILITIES COMMISSION MEETING**

### **November 24, 2015**

#### **IS THE CUSTOMER'S RESPONSIBILITY TO PROVIDE A NEW CERTIFICATE EVERY 30 DAYS. FAILURE TO RENEW THE CERTIFICATE ENTITLES BPU TO START DISCONNECTION PROCEDURES.**

- The customer cannot use their illness as a way not to pay their utility bill. The customer will be required to make a payment arrangement to pay their past due bill and keep the current charges paid.

#### **DECEASED CUSTOMERS**

When BPU discovers that a BPU customer is deceased, the utility service(s) will be disconnected 30 days after finding out of the death, if BPU is not notified by the executor of the estate; or if another person moves into the deceased's residence and does not transfer the utility bill into his/her name.

#### **DISCONNECTION OF SERVICE WITHOUT NOTICE**

BPU may disconnect service to any customer without further notice for the following reasons:

- In the event of unauthorized use, theft of power, and/or tampering (see Policy 2003-4) with BPU's equipment.
- In the event that a condition has been determined to be hazardous to the customer or other customers of BPU, BPU's equipment, or to the general public.
- When a customer is in violation of municipal, state, or national electric codes.
- When a customer has not complied with the requirements for application for service.

#### **TAMPERING WITH ELECTRIC METER**

Stealing electricity is dangerous and against the law. Tampering with any electric facility, including the meter box and its seals is dangerous. Anyone who breaks the seal and tampers with the meter exposes him/herself to the risk of electrocution. Per BPU Policy No. 2003-4 BPU will administer a zero tolerance program for unauthorized use of utility meters. BPU has the authority to bring civil or criminal action per MN Statute 325E.026.

#### **Status Update of Power Supply Discussions with Minnesota Power and Alternate Power Provider**

Mike Kumm Public Power Energy Services, LLC, updated the Commission on the current negotiations with Minnesota Power (MP) and the alternative provider. Received information regarding power costs for 2023 and beyond and the numbers look favorable.

**Motion by Commissioner Wroolie and seconded by Commissioner Matten to authorize drafting a power contract with alternate power provider pending review by BPU legal counsel. There was a unanimous roll call vote in favor of the motion. Motion carried.**

#### **BPU Policy 2003-01-Contribution to City Policy**

Wicklund proposed revising BPU Policy 2003-01, Contribution to City Policy, changing the cash contribution rate from \$0.0035 to \$0.0040 per kWh. The last revision was in 2009.

**Motion by Commissioner Wroolie and seconded by Commissioner Samuelson to approve BPU Policy 2003-01 revision as proposed. There was a unanimous roll call vote in favor of the motion. Motion carried.**

#### **BRainerd PUBLIC UTILITIES POLICY 2003-01**

Adopted March 25, 2003

Revision No. 1 – January 25, 2005

Revision No. 2 – November 24, 2009

Revision No. 3 – November 24, 2015

#### **CONTRIBUTION TO CITY POLICY**

Brainerd Public Utilities (BPU) will make regular financial contributions to the City of Brainerd (City). These contributions will be made on a monthly basis based on retail sales by the BPU Electric Department. Retail sales by the Electric Department are defined as energy sales expressed in kilowatt-hours (kWh) to BPU retail electric

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

### **November 24, 2015**

customers. Energy sales to BPU retail electric customers do not include sales to any City facilities or any energy usage by BPU departments. The monthly BPU contribution will be a cash contribution to the City equal to \$0.0040 per kWh based on energy sales to retail electric customers in the previous month.

BPU will make no contribution to the City based on operations or sales by the BPU Water or Wastewater Departments. BPU will make no other contributions to the City (cash or services) other than the cash contribution based on retail electric sales.

BPU will bill the City for all utility services (electric, water and wastewater) at regular utility rates as set by the BPU Commission for applicable service to City facilities. The applicable rates for service to City facilities are subject to change as may be determined necessary by the BPU Commission.

#### *Airport Utilities Extension Project and Related Debt Service*

Wicklund discussed the debt service for the Airport utilities extension project. BPU will issue the debt as 70% of the project is Utility related.

#### *13021 Eagle Drive*

Closed on the property at 13021 Eagle Drive and staff have been cleaning up the property mowing and removing trees.

Council President Scheeler updated the Commission on discussions with Crow Wing County and the City of Baxter regarding annexation of property near Menard's. The Cities of Brainerd and Baxter surround the 3 parcels. Scheeler said that maybe BPU's Service Center property should be annexed into Brainerd at the same time.

### **Superintendent's Report**

Superintendent Magnuson reported on the following:

#### **Water Department**

- *Leaks/Breaks/Complaints* - none to report
- *Filtration Plant* – none
- *Projects*
  - Hydrant flushing – Fall flushing of hydrants is complete
  - Hydrant drain down – 12 hydrants are drained down before freeze-up

#### **Wastewater Treatment Department**

- WWTF/Projects
  - Jet Motive pumps shirring problem fins are wearing down manufacturing defect-staff noticed a hertz indication of issue starting and have requested MPCA requirement of running 3 cells change to 2 cells.
  - Sludge was applied to non-approved field in error. MPCA was notified and all appropriate soil and water tests have been completed.

#### **Electrical Department**

- *Outages/Interruptions/Complaints* – No major outages to report
- *Projects*
  - Northeast Brainerd – Work continues
  - Brainerd Industrial Center (BIC) new service updated
  - Tree trimming
  - New employees are working out well

#### **Hydro Department**

- *Projects* –
  - Replace wood decking with bar grating safer surface
  - Drive way paving next Spring to coordinate with BIC



# Public Utilities Commission

## Agenda Request

**MEETING DATE:** September 30, 2025

**TITLE OF ITEM:** Review/Recommend Approval of Revised Billing Representative Job Description

**ACTION REQUESTED:** Approve/Deny Motion

**ESTIMATED TIME (MIN):** 2 Minutes

**SUBMITTED BY:** Danny Loch, Finance Manager, Kris Schubert, Human Resources Director

**PRESENTER:** Danny Loch, Finance Manager, Kris Schubert, Human Resources Director

**SUMMARY OF ISSUE:** Billing Representative Kelly Dean retired effective August 29th. After reviewing and considering our organizational structure and needs, Staff recommends backfilling the Billing Representative position with a few changes to the Job Description. Attached is the updated job description as well as a redlined version depicting the changes for the Commission review. Staff is requesting that the Commission recommend approval of the revised job description to the City Council. Staff also recommends that an internal-only job posting process be utilized.

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

**RECOMMENDED ACTION/MOTION:** Motion to recommend to the City Council the approval of the revised Billing Representative Job Description as presented; further, that to conduct an internal-only job posting process.

**FINANCIAL IMPACT:** n/a



## Billing Representative

Department: Public Utilities

FLSA Status: Non-Exempt

### General Definition of Work

The Billing Representative job classification is a union position under the general supervision of the Business Office Supervisor. This role is responsible for performing a range of duties related to the accurate and timely billing of customer utility accounts, including electric, water, and wastewater services. In addition to billing responsibilities, the position provides support across various business office functions such as customer service, data entry, records management, and front-desk operations.

### Qualification Requirements

*To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skills, and/or abilities required. The omission of specific statements of duties does not exclude employee from the position if the work is similar, related, or a logical assignment to the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.*

### Essential Functions

- Oversees all necessary procedures and functions to generate regular and final billings for all utility customers, including billing customer deposits.
- Responsible for the proper creation and maintenance of customer accounts including the resolution of associated problems.
- Generates utility bills ensuring all charges are billed accurately,
- Assists with the preparation and mailing of billing statements to customers.
- Evaluates customer accounts with irregular consumptions and makes adjustments when necessary.
- Assists customers with billing issues, complaints, service concerns, and responds to outside agencies related to the same.
- Updates meter log and AMR/RF command center including changing out meters on customer accounts.
- Runs and checks for accuracy, monthly and yearly reports for billing, including seasonal accounts, sprinkling sewer credits, and electric heat tax exemptions.
- Prepares, distributes, and maintains a variety of billing and customer reports, documents, and correspondence for utility customers, utility staff, realtors, and other outside agencies.
- Assists with ACH bank drafts and credit cards and monthly processing of ACH payments, and NSF Charge backs.
- Performs other duties as apparent or assigned.

## Billing Representative

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### Knowledge, Skills and Abilities

- Working knowledge of BPU's policies and procedures, including safety practices and procedures.
- Demonstrates organizational and time management skills, with the ability to handle multiple interruptions and adjustment of priorities throughout the day without compromising accuracy or efficiency.
- Logical thinker with ability to solve practical problems, applying common sense to interpret and independently carry out detailed instructions in various forms and an aptitude for math to provide the ability to compile, review, and tabulate financial data.
- Outstanding communication and interpersonal skills and be able to work with customers to answer questions and provide service in a professional manner. Must be able to deal with complaints, difficult situations, and angry individuals. Possesses the ability to effectively gather and present information as well as respond to questions and resolve complaints from the general public, all departments, government officials, and public agencies in a courteous manner; and preserving confidentiality of account and credit information relating to customer accounts.
- Require knowledge and understanding of BPU accounting and billing systems and practices related to customer accounts.
- Proficient in the use of PC's and relevant software packages; knowledge of basic office equipment, as well as accounting and clerical procedures; accurately managing files and records; possess ability to create spreadsheets, compose correspondence, manage databases and create presentations, reports and documents.

### Education, Experience and Special Requirements

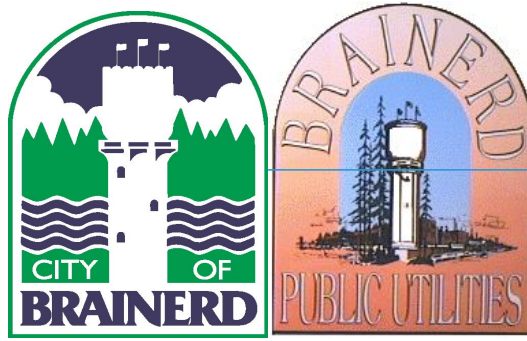
- High school diploma or GED
- Completion of office practices and/or general accounting courses, and/or equivalent combination of related education and experience.
- One or more years of utility related experience.
- Valid MN driver's license

### Physical Requirements

This work requires the occasional exertion of up to 25 pounds of force; work regularly requires speaking and hearing, using hand to finger, handle or feel and repetitive motions, frequently requires sitting and occasionally requires standing, walking, reaching with hands and arms, pushing or pulling and lifting; work has standard vision requirements; vocal communication is required for expressing or exchanging ideas by means of the spoken word; hearing is required to perceive information at normal spoken word levels; work requires preparing and analyzing written or computer data, operating machines, operating motor vehicles or equipment and observing general surroundings and activities; work is generally in a moderately noisy location (e.g. business office, light traffic). Employee is not required to work in adverse weather conditions.

***This job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer, as the needs of the employer and requirements of the job change.***

**Last Revised: September 24, 2025**



## Billing Representative

Department: ~~Public Utilities~~~~Brainerd Public Utilities (BPU)~~~~Business Office~~  
 FLSA Status: Non-Exempt

### General Definition of Work

The Billing Representative job classification is a union position under the general supervision of the ~~Business Office~~~~Accounting~~ Supervisor. ~~This role is responsible for performing a range of duties related to the accurate and timely billing of customer utility accounts, including electric, water, and wastewater services. In addition to billing responsibilities, the position provides support across various business office functions such as customer service, data entry, records management, and front-desk operations. who oversees a variety of accounting, office support, and/or administrative duties relating to the billing of customer utility accounts for electric, water, and wastewater. Performs other duties as apparent or assigned.~~

### Qualification Requirements

*To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skills, and/or abilities required. The omission of specific statements of duties does not exclude employee from the position if the work is similar, related, or a logical assignment to the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.*

### Essential Functions

- Oversees all necessary procedures and functions to generate regular and final billings for all utility customers, including billing customer deposits. ~~mailing of all bills~~
- ~~Responsible for the proper creation and maintenance of customer accounts including the resolution of associated problems.~~
- ~~Generates utility bills ensuring all charges are billed accurately.~~
- ~~Assists with the preparation and mailing of billing statements to customers.~~
- ~~Accountable for properly setting up and maintain customer accounts to ensure accounts are billed correctly.~~
- ~~Ensures correctness of billings and resolution of associated problems of customer accounts, by sending meter reader to verify information and resolve discrepancies for readings and potential leaks. Notifies customers if there is an issue with their meter(s).~~
- Evaluates customer accounts with irregular consumptions and ~~gives an~~ makes adjustments ~~when~~ if necessary.

- Assists customers with billing issues, complaints, ~~and~~ service concerns, and responds to outside agencies related to the same.
- Updates meter log and AMR/RF command center including changing out meters on customer accounts.
- Runs and checks for accuracy, monthly and yearly reports for billing, including seasonal accounts, sprinkling sewer credits, and electric heat tax exemptions.
- Prepares, distributes, and maintains a variety of billing and customer reports, documents, and correspondence for utility customers, utility staff, realtors, and other outside agencies.
- Assists with ACH bank drafts and credit cards and monthly processing of ACH payments, and NSF Charge backs.
- Performs ~~routine office~~ other tasks ~~duties~~ as apparent or assigned.

## Billing Representative

Page 2

### Knowledge, Skills and Abilities

- Working knowledge of BPU's policies and procedures, including safety practices and procedures.
- Demonstrates organizational and time management skills, with the ability to handle multiple interruptions and adjustment of priorities throughout the day without compromising accuracy or efficiency.
- Logical thinker with ability to solve practical problems, applying common sense to interpret and independently carry out detailed instructions in various forms and an aptitude for math to provide the ability to compile, review, and tabulate financial data.
- Outstanding communication and interpersonal skills and be able to work with customers to answer questions and provide service in a professional manner. Must be able to deal with complaints, difficult situations, and angry individuals. Possesses the ability to effectively gather and present information as well as respond to questions and resolve complaints from the general public, all departments, government officials, and public agencies in a courteous manner; and preserving confidentiality of account and credit information relating to customer accounts.
- Require knowledge and understanding of BPU accounting and billing systems and practices related to customer accounts.
- Proficient in the use of PC's and relevant software packages; knowledge of basic office equipment, as well as accounting and clerical procedures; accurately managing files and records; possess ability to create spreadsheets, compose correspondence, manage databases and create presentations, reports and documents.

### Education, Experience and Special Requirements

- High school diploma or GED
- Completion of office practices and/or general accounting courses, and/or equivalent combination of related education and experience.
- One or more years of utility related experience.
- Valid MN driver's license

### Physical Requirements

This work requires the occasional exertion of up to 25 pounds of force; work regularly requires speaking and hearing, using hand to finger, handle or feel and repetitive motions, frequently requires sitting and occasionally requires standing, walking, reaching with hands and arms, pushing or pulling and lifting; work has standard vision requirements; vocal communication is required for expressing or exchanging

ideas by means of the spoken word; hearing is required to perceive information at normal spoken word levels; work requires preparing and analyzing written or computer data, operating machines, operating motor vehicles or equipment and observing general surroundings and activities; work is generally in a moderately noisy location (e.g. business office, light traffic). Employee Is not required to work in adverse weather conditions.

***This job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer, as the needs of the employer and requirements of the job change.***

**Last Revised: September 24, 2025~~January 1, 2018~~**

## MEMORANDUM

TO: Mayor Badeaux and City Councilmembers  
FROM: Nick Broyles, City Administrator  
DATE: 15 September 2025  
SUBJ: City Administrator Report

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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 18 August 2025.

### **Community Engagement**

20 Aug: Had another meeting with stakeholders re: services for the homeless population  
20 Aug: Charter Commission convened to discuss potential changes they want to recommend to Council. Next meeting is 17 Sep.  
21 Aug: Ongoing discussions with Finance re: 2026 budget  
21 Aug: Jaycees Park Re-Grand Opening.  
22 Aug: Began discussions with school district re: a job shadow for one of their students for fall semester  
22 Aug: Met with public utilities managers to discuss staffing requirements/expectations  
25 Aug: Met with County Administrator Erickson to discuss the airport levy  
25 Aug: Coordinating with the LMC for a Brainerd visit  
25 Aug: Met to discuss the way ahead for Wright/10<sup>th</sup> road project  
25 Aug: Conducted budget workshop with City Council  
28 Aug: Attended Joint Wastewater Management Board meeting at public utilities  
29 Aug: Met with Council and PUC leaders to discuss employee award nominations  
2 Sep: Continued conversations regarding Wright/10<sup>th</sup> Street  
2 Sep: Met with CWC and elected officials from both bodies to discuss airport issues  
4 Sep: EDA quarterly meeting and consultant meeting  
4 Sep: Discussion with YMCA and Hermantown re: YMCA project proposal  
4 Sep: Attended Airport Commission meeting  
8 Sep: Job shadow begins for Brainerd high school student  
8 Sep: Participated in the YMCA Board meeting  
11 Sep: Meeting with Blockmetrix to discuss current status  
12 Sep: Participated in several public utility filter reclaim CMAR services interviews  
12 Sep: Continued preparation for both LCCMR and Bonding visits coming soon  
15 Sep: Airport discussion with legal re: potential ordinance changes

### **Legislative Events & Charter Commission**

We are preparing for a couple legislative visits. First, the LCCMR Commission at Lyman P. White on 16 Sep, and second, the Capital Investment Committee (Bonding Bill) at CLC on 23 Sep. Working with Representative Heintzeman, Mayor Badeaux, and President O'Day on sorting out the details. We want to highlight trail connectivity between Brainerd and Cuyuna and our three bonding priorities of wastewater treatment and the pedestrian bridge.

Charter Commission met on 20 Aug and asked staff for some recommended language for potential charter changes. They also asked for another meeting within 30 days. Another Commission meeting has been scheduled for 17 Sep. Legal has provided draft language and staff will be reviewing and commenting prior to the 17 Sep meeting.

### **Finance**

Final preparations for 2026 budget continue. The City Council needs to set the 2026 preliminary levy for the City and HRA by 30 Sep, so if it is not set on 15 Sep, a special meeting will need to be called before the end of the month.

### **Community Development**

- Prepared preliminary draft of new shoreland regulations and met with the local DNR hydrologist on 8 Sep to review proposed language.
- Completed revisions to the orderly annexation agreement as recommended by the City Attorney on 5 Sep and sent document to the city attorney for final review.
- Sent the Building Official's fire damage report for 319 N 9<sup>th</sup> Street to the City Attorney to begin condemnation process on 9 Sep.
- The EDA board directed staff to begin working with current EDA consultants on scope of services for 2026. Contracts will be reviewed at the 4 Dec EDA meeting.
- Community Development is coordinating a multi-department fee schedule review that will be considered by City Council in November.

### **Human Resources**

- The Interest Arbitration hearing with the Teamsters Union representing the Police Lieutenant and Sergeants occurred on 31 Jul. Post-hearing briefs were submitted to the arbitrator on 29 Aug. Arbitrator Finkelstein submitted his award on 3 Sep. To finalize the 2025-2027 contract, the City Council will (on 15 Sep) consider ratifying Arbitrator Finkelstein's award and the tentative agreement summary previously reached with the bargaining unit.
- A second negotiation session was held with the new Brainerd Public Utilities Managers and Supervisors Association Union on 31 Jul. Staff, and the city attorney are reviewing a draft collective bargaining agreement.
- 2026 health insurance RFPs were due to North Risk Partners on 9 Sep. A recommendation is expected to be presented to Council at its 6 Oct meeting.

### **Public Works/Utilities/Parks/Transit**

#### **Recreation**

- 4 Oct: 18th Annual Great Pumpkin Festival from 1-4p at Memorial Park. Events will include games, activities, karate demos, face painting, and contests. Supporters include Boys-n-Berries, Community Liaison, Northway Academy, Salvation Army, The Painted Turtle Face Painting, Girl Scouts Lakes & Pines, University of Minnesota Extension Master Gardeners, Super One, Community Action, Brainerd Lakes Area Women of Today, Team Ascension, and American National Bank.
- Pickleball, softball, and kickball leagues

Parks – winterizing all parks, working on Mills Field, Gregory fountain prep and blow down, weeding and mulching at Lyman P. White

Office Staff – working on fee schedules, project list, customer service log, special events tracker, weekly maintenance schedule for parks, and agreements for YMCA community education

### Engineering

- Construction at the new roundabout at the intersection of Business 371 and Willow Street continues forward as planned. Construction should continue until October but until then please be mindful about travelling around the area as the surrounding area is residential streets.
- Our other two large reconstruction projects are in full swing. Both Wright Street and Beech Street are moving forward with underground utility replacement. Both projects will also be continuing until October.
- The Safe Routes to School project on H Street next to Lowell Elementary is complete.
- School is back in session. Be mindful of kids walking and biking to school while the weather is still nice and watch for stopped buses. There are likely students getting on or off so do not pass buses when their lights are flashing.

### Transit

- New customer focused – Rider First software. 15% of our riders are using our new software app. Check out the City of Brainerd website Transit department for more information or call dispatch at 218-825-7433
- Ridership, on-time performance, customer satisfaction, and all-around efficiency have improved with the new software. This has provided dispatchers with more time for customer care.

### **Fire**

August was the Brainerd Fire Department's busiest August on record. The department is significantly ahead of last year's call volume year to date.

11 Sep: 9/11 Memorial Stair Climb

13 Sep: Paid On-Call testing - we have received 32 applications for the open positions

9 Oct: BFD open house from 5-7p

### **Technology**

New technology staff are settling in well and learning the ropes. Public Utilities hardware inventory substantially complete, software inventory to follow, planning and budgeting for 2026. Preparing to replace most computers at the BLRA and Public Utilities before Oct 14 end-of-life for Windows10. Also preparing to replace all city computers early in 2026 as part of the regular replacement schedule. All computer replacements will come with various additional security implementations. Significant progress is being made with GIS applications for sewer crew and others.

### **Suspense Tracker**

| Subject                          | Due Date   | Department     | Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Date Completed | % Complete | Status      |
|----------------------------------|------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------|-------------|
| Transit Consultant Review        | 9/23/2025  | Public Works   | 3rd party BlueSky has an extreme amount of Non-Performance Issues causing staff to have State conduct a Consultant Review.<br>Presentation at the September 23rd TAC meeting.                                                                                                                                                                                                                                                                                                                                                                                                                     |                |            | Not Started |
| Improved Signage Ordinance       | 10/6/2025  | Community Dev  | Reviewed Example Ordinances and Selected New Proposed Language (complete)<br>Planning Commission Reviewed Draft Ordinance on 6/18 and Directed Staff to Research Sign Lighting Standards<br>Planning Commission to Review Final Draft on 7/16<br>Planning Commission asked staff for additional lighting research - 7/16<br><br>Planning Commission will review additional lighting standards - 8/20<br>Planning Commission directed staff to hold a public hearing on - 9/17                                                                                                                     |                | 50%        | In Progress |
| Hiring Public Utilities Director | 9/30/2025  | Administration | Council and Public Utilities Commission conducted a workshop regarding roles and responsibilities.<br>City Council approved the job description changes on 8/18 and directed staff to move forward with hiring using GMP guarantee. The job posting went live on the GMP website on 9/4/25. First review of applicants will occur on October 12th. Applicants were encouraged to apply as soon as possible as rolling interviews will occur.<br>In addition, the Charter Commission met on 8/20 to address language concerns. The next Charter Commission meeting will be held on September 17th. |                | 50%        | In Progress |
| Improvement 23-12 Beech          | 10/20/2025 | Public Works   | Construction<br>Declare Costs/Set PH for Assessments 2ND MEETING SEPTEMBER<br>Assessment PH 2ND MEETING OCTOBER<br>Assessment Finalized 2ND MEETING OCTOBER<br>Payment of Assessment DECEMBER 1ST TO COUNTY                                                                                                                                                                                                                                                                                                                                                                                       |                | 50%        | In Progress |
| Improvement 17-12 Wright         | 10/20/2025 | Public Works   | Construction<br>Declare Costs/Set PH for Assessments 2ND MEETING SEPTEMBER<br>Assessment PH 2ND MEETING OCTOBER<br>Assessment Finalized 2ND MEETING OCTOBER<br>Payment of Assessment DECEMBER 1ST TO COUNTY                                                                                                                                                                                                                                                                                                                                                                                       |                | 50%        | In Progress |
| Improvement 23-14 Hawkins        | 10/20/2025 | Public Works   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                | 50%        | In Progress |

|                                      |            |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |             |
|--------------------------------------|------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------|
| Improvement 23-16 S Brd<br>Resurface | 10/20/2025 | Public Works   | Construction<br>Declare Costs/Set PH for Assessments 2ND MEETING SEPTEMBER<br>Assessment PH 2ND MEETING OCTOBER<br>Assessment Finalized 2ND MEETING OCTOBER<br>Payment of Assessment DECEMBER 1ST TO COUNTY                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 50% | In Progress |
| BlockMetrix- Site Control            | 12/31/2025 | Community Dev  | Purchase and Development Agreement- needs to be executed by BM<br>Power Agreement- needs to be executed by BM<br>Building Permits- have been applied for<br>EDA will direct staff on next steps regarding the PDA at the June 5th meeting<br>EDA took no action at the June 5th meeting<br>Power Agreement is currently being reviewed by staff and will be reviewed by the PUC on 6/24<br>Power Agreement has been forwarded to Blockmetrix for review 7/2<br>Staff set up a virtual meeting with Blockmetrix on 7/30 - Blockmetrix did not attend - stated that an issue came up<br><br>Staff virtually met with Blockmetrix - 8/15 - Staff have not received a response | 50% | In Progress |
| 2026 Budget                          | 12/31/2025 | Administration | The preliminary levy needs to be set by September 30th                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40% | In Progress |
| Shoreland Ordinance                  | 12/31/2025 | Community Dev  | DNR E-mailed Staff Indicating the City must update its Shoreland Ordinance<br>Staff have Begun Researching Other Municipalities' Shoreland Ordinances<br><br>Staff is complete with the draft shoreland ordinance and forwarded the document to the DNR for preliminary review<br>DNR to provide comments to staff by 8/29<br>Planning Commission to review preliminary language on 9/17                                                                                                                                                                                                                                                                                   | 25% | In Progress |
| Sale of Industrial Properties        |            | Community Dev  | River Birch Investments submitted a letter of intent to purchase three industrial park lots at \$1 per acre - 6/5<br><br>EDA was in favor of the project and directed staff to begin negotiations on a purchase and development agreement<br>City Council directed staff to begin negotiations on a purchase and development agreement and were generally in favor of the project 6/16<br>City Council passed ordinance to allow clinics in the industrial district - 7/21<br>EDA reviewed language and provided direction for a purchase and development                                                                                                                  | 10% | In Progress |

|                                    |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |             |
|------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------|
| Airport Resolution                 | Administration   | Staff continues work on resolution.<br>Interim Airport Director has been hired.<br>The Airport has been conducting meetings in July & August regarding budget.<br>7/28/25 Crow Wing County will be removing the City of Brainerd properties from the County portion of the Airport levy given that the City levies equal to or more than the County for the Airport in 2026.<br>8/5/2025 The City responded to the County's letter regarding the airport                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 25% | In Progress |
| Codification                       | Administration   | Initial talks have taken place.<br>Need to develop a schedule.<br>Staff is working to do this internally.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0%  | Not Started |
| 805 Laurel                         | HRA              | Developer is working on financing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10% | Waiting     |
| Riverside Drive Orderly Annexation | Community Dev    | Staff is coordinating with the Crow Wing County<br>City Council directed staff to resolve connection charge issues and the Rural Service District prior to moving forward with annexation (Complete)<br>Ordinance 1581 is set to eliminate future use of Rural Service District-adopted 6/2 (Complete)<br>Public Works Department – Discuss Connection Charges set at 6/2 meeting (complete)<br>Staff to seek direction from City Council regarding the Annexation of Riverside Drive on 7/7<br>Staff are working on an interdepartmental review and will complete review by 8/1<br>Draft joint resolution will be reviewed by the City Attorney prior to meeting with Crow Wing County staff<br>Staff is currently making changes as directed by the City Attorney – Staff will forward amended document to City Attorney for final review<br>City Attorney and City Engineer are discussing final edits – 9/9 | 50% | In Progress |
| Pedestrian Bridge                  | Public Works     | Staff is pursuing funding opportunities including State Bonding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 25% | Waiting     |
| Wastewater Reclamation             | Public Utilities | Staff is pursuing funding opportunities including State Bonding<br>Awarded \$5 million in Congressional Spending.<br>Project bids were rejected and approved at commission and council meetings.<br>Bolton and<br>Menk are suggesting we pursue construction manager at risk to oversee the project and create a maximum price.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 25% | Waiting     |

|                            |          |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |               |
|----------------------------|----------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------|
| Hydrodam                   |          | Public Utilities | <p>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. Funding through legislative sessions has stalled at this time, but has now been picked up in both the house and senate from Marty Seifert, additional discussion to occur related to the F&amp;H Contract (05/20/2025).</p> | 25%      | Waiting       |
| Fire Station #1 Renovation | 8/1/2026 | Fire             | <p>On 4/22/25 met with Widseth and sub-contractors to review scope of work and cost estimates.</p> <p>On 4/28/25 met with Widseth. Walk throughs with Nor-son and Hytec to review scope of work and cost estimates.</p> <p>5/9/25 Widseth is going to start working on the DNR permit process.</p> <p>5/12/25 Widseth onsite shooting grades for bluff setback confirmations.</p> <p>5/19/25 On site</p> <p>6/16/25 Meeting with Widseth, Kramvik, and Dehn in reference to CUP and variance needed for project. Verifying we can do the project on the current site if funded.</p> <p>7/16/2025 Planning Commission approved CUP and variance needed for the proposed renovation.</p> <p>8/4/2025 City Council approved CUP and variance for proposed renovation.</p>                                                               | 10%      | In Progress   |
| Complete in 2025           |          |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |               |
| Country Manor              |          | Community Dev    | <p>Development Agreement (executed)</p> <p>Tax Abatement Agreement (executed)</p> <p>Cost Share Agreement CWC (executed)</p> <p>Conduit Debt PH 3/17 (Complete)</p> <p>Conduit Debt Agreement 3/17 (executed)</p> <p>Will Issue Letter 5/12 (executed)</p> <p>Issue Conduit Debt (5/28)</p> <p>Groundbreaking Ceremony (6/10)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 6/2/2025 | 100% Complete |

|                                                                                            |           |               |                                                                                                                                                                                                                                                                                                                                                                             |           |      |          |
|--------------------------------------------------------------------------------------------|-----------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|----------|
| Rural Service District Ordinance                                                           | 6/2/2025  | Community Dev | Review of Draft Ordinance (Complete)<br>1st Reading (Complete)<br>Letters mailed to designated property owners 5/12<br>2nd Reading & Public Hearing 6/2                                                                                                                                                                                                                     | 6/9/2025  | 100% | Complete |
| Ordinance to Amend Off-Street Parking – Allowing Unimproved Surfaces in General Industrial | 6/16/2025 | Community Dev | Planning Commission Reviewed Draft Ordinance (complete)<br>Planning Commission Reviews Ordinance and Holds Public Hearing 5/21<br>Planning Commission Recommended Ordinance 5/21<br>First Reading 6/2<br>Final Reading 6/16                                                                                                                                                 | 6/13/2025 | 100% | Complete |
| Ordinance to Amend Screening Requirements – Outdoor Sales                                  | 6/16/2025 | Community Dev | Planning Commission Review Draft Ordinance (complete)<br>Planning Commission Reviews Ordinance and Holds Public Hearing 5/21<br>Planning Commission Recommended Ordinance 5/21<br>First Reading 6/2<br>Final Reading 6/16                                                                                                                                                   | 6/13/2025 | 100% | Complete |
| Code Enforcement Ordinance                                                                 | 7/7/2025  | Community Dev | Review Draft Ordinance 5/19<br>First Reading of Proposed Ordinance 6/2<br>Final Reading and public hearing 7/7                                                                                                                                                                                                                                                              | 7/2/2025  | 100% | Complete |
| Office Business in the GI District                                                         | 7/21/2025 | Community Dev | Developer submitted letter of intent to purchase three City owned industrial lots for a medical clinic – 6/5<br><br>EDA recommended that Office Business should be an allowed use in the GI District – 6/5<br><br>Planning Commission will consider request and conduct public hearing on 6/18<br>First Reading 7/7<br>Final reading and consideration by City Council 7/21 | 7/17/2025 | 100% | Complete |
| Corner Lot Fence Requirements                                                              | 7/21/2025 | Community Dev | City Council Directed Planning Commission to Review Proposed Regulations for Corner Lot Fences 5/19<br>Planning Commission Reviewed Proposed Ordinance Language and Directed Staff to Hold a Public Hearing 6/18 at Planning<br>Planning Commission Recommended Approval 6/18<br>First Reading 7/7<br>Final reading and City Council consideration 7/21                     | 7/24/2025 | 100% | Complete |
| SRTS Lowell                                                                                | 10/1/2025 | Public Works  | Construction                                                                                                                                                                                                                                                                                                                                                                | 8/19/2025 | 100% | Complete |
| Amended Allowed Use Table – Zoning Code                                                    | 8/4/2025  | Community Dev | Initial Planning Commission Review of Revised Allowed Use Table 5/21<br>Planning Commission Review and Direct Changes 6/18<br>Planning Commission Public Hearing 7/16<br>City Council First Reading – 8/4                                                                                                                                                                   | 8/19/2025 | 100% | Complete |

|                                          |            |                 |                                                                                                                                                                                                                                                                                                                                                    |           |      |          |
|------------------------------------------|------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|----------|
| St. Francis Development Agreement        | 8/4/2025   | Community Dev   | Staff drafted a development agreement and e-mail the agreement for St. Francis to review - 7/1<br>St. Francis reviewed the development agreement and sent a revised version - 7/11<br>Staff met with City Attorney to discuss revisions - 7/14<br>City Attorney approved revisions - 7/29                                                          | 8/19/2025 | 100% | Complete |
| Arbitration Hearing with Teamsters Union | 10/1/2025  | Human Resources | The Arbitration Hearing with the Teamsters (Police Lieutenant and Sergeants) Union took place on July 31st. (Update will be available)<br>The results of the arbitration will be ratified on 9/15.                                                                                                                                                 | 9/10/2025 | 100% | Complete |
| M Street Outfall                         | 10/20/2025 | Public Works    | Award Bids (8/4)<br>Construction                                                                                                                                                                                                                                                                                                                   | 9/11/2025 | 100% | Complete |
| 614 Front Street Building - Fire Damage  |            | Community Dev   | Fire occurred at 614 Front Street - 6/4<br>City Council waived fire escrow - 7/7<br>Property owner submitted structural plans - 7/29<br>Building permit submittal requires details on connection points - Building Official working with Structural Engineer to provide details - 7/30<br>Building permit issued for structural improvements - 8/4 | 9/11/2025 | 100% | Complete |

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

September 30, 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 Water Service Worker position was posted internally through September 11th with one application received. The applicant was offered the position consistent with policy.
- Billing Representative Kelly Dean retired last month. Staff reviewed organizational needs and will be recommending some changes to the Billing Representative job description. Those changes will be presented to the City Council for approval as well as authorization to begin the backfilling process on October 6th. We wish Kelly a happy and healthy retirement!

## Union Negotiations:

The City provided the USW (Hydro) Union the updated 2025-2027 contract documents. We are awaiting the Union's signatures before backpay can be finalized.

The City Attorney prepped a draft Collective Bargaining Agreement that has been provided to the Brainerd Public Utilities Managers and Supervisor Association Union for review. Following the Union's review and approval, the Collective Bargaining Agreement will be provided to the Council for their consideration.

## Public Utilities Director Update:

Staff updated the Public Utilities Director job description, and it presented to Council at the August 18<sup>th</sup> meeting. Council approved the updated job description and authorized Staff and GMP Consultants to begin the hiring process. The position has been posted. At the September 29<sup>th</sup> Special Council meeting, Staff will be requesting that the Council establish the Work Group so the interview phase can start. Commissioner Angland requested that both he and Commissioner Matten serve as the Public Utilities Commission representatives as they are the Commission's Personnel Committee members.

## Benefits:

The City Council approved an RFP process for our 2026 Health Insurance at its August 4<sup>th</sup> meeting. Our Health Insurance Broker from North Risk Partners collected RFP's through September 9th. The Employee Insurance Committee met on September 25<sup>th</sup> to review the results. The Committee recommended accepting the revised quote from the Better Health Collective with a 3% increase. This recommendation will be submitted to the City Council for approval at its October 6th meeting.

Staff worked with our Ancillary Benefits Broker and several carrier changes will be made for our 2026 benefits. The rates/changes were competitive and will also ensure our 2027 rate for administering our Paid Family Medical Leave private plan as a reduced premium amount.

## Wellness Committee:

Our annual Employee Appreciation Event will be held on October 2<sup>nd</sup> at the Public Works facility. All City Buildings will close beginning at 11:30 am for two hours for staff to attend the event. We hope to see everyone there!



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## **Brainerd Public Utilities Finance Managers Report September 2025**

### 2026 Budget Process

The 2026 budget process is beginning. If there are known projects or items that need to be included in the upcoming budget, please provide that information as soon as it becomes available. The plan was to have a preliminary budget at the September meeting, however challenges with the billing representative position and timing with the bonding bill presentations lead to challenges. Staff have begun meetings, and a preliminary budget will be presented at the October meeting. Additional conversations were also being discussed at Council related to PILOT contributions which could have significant impacts on the budget process and are presented for discussion at the meeting.

### 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, this 2025 information is being prepared in conjunction with the 2026 budget information.

### Continued Projects

On-going discussions have been happening with attorney Langel related to the ClimaVision Lease, BlockMetrix agreement, and Rotary Solar Project. The Rotary solar project contract has been reviewed by the legal team and has been determined that it no longer requires Commission approval but requires Council approval and that is in process. This project was presented to Rotary and there was an issue related to final signatures and may be re-presented to Commission later.

### Computer/I.T. Integration

The efforts for continued I.T. integration are on-going. The I.T. department has completed their inventory and are assessing the purchasing needs of the computer roll out, this was initially scheduled for a 2026 roll out but with the windows 11 migration needing to occur prior to November. The computers have been received, and the department is quickly getting ready for the roll out. The estimated cost of this roll out is approximately \$90,000 in unbudgeted expenditure in the current fiscal year, the final invoice and purchases were under \$56,000. The cost savings were due to standardization of the equipment.

### American Public Power Association Business and Finance Conference

Thank you for allowing me to attend the American Public Power Association Business and Finance Conference in Raleigh, NC, which provided insights into utility financial management, rate strategies, debt and capital planning, and emerging regulatory requirements. Sessions highlighted best practices for sustainable financial planning, operational efficiency, and use of technology in utility finance. Networking with peer utilities offered practical perspectives on challenges and solutions in public power operations. The knowledge gained will support Brainerd Public Utilities in rate studies, capital project prioritization, and financial decision-making.

### House Capital Investment Committee

Approximately 25 members of the Minnesota House of Representatives attended the City's presentation for the 2026 bonding bill requests: the Water Treatment Plant improvements, Pedestrian Bridge Crossing of 210 and Cuyuna Lakes State Trail Extension. Mayor Badeaux, Councilman Yeager and myself presented the projects to the Committee and look forward to any partnership with the State. At the end of the presentation staff received positive feedback.

**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  | 1,094,000  | 1,242,000  | 1,213,000  | 825,000    |         |          |          | 9,534,000  |
| Blended AEP Cost             | \$ 0.06472 | \$ 0.07869 | \$ 0.08077 | \$ 0.08472 | \$ 0.08864 | \$ 0.09010 | \$ 0.08977 | \$ 0.08937 | \$ 0.08937 |         |          |          | \$ 0.0840  |
| Calculated Benefit           | 66,079.12  | 72,158.73  | 80,931.54  | 82,008.96  | 110,977.28 | 98,569.40  | 111,494.34 | 108,405.81 | 73,730.25  | -       | -        | -        | 804,355.43 |

**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  |
| 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 |

Brainerd Public Utilities  
Operations Managers Updates  
September 30, 2025

Electric Department:

Staff have completed all of the electrical conduit for the new roundabout on Willow and So 6<sup>th</sup>. Coordination will continue for Poles and Conductor as the project matures.

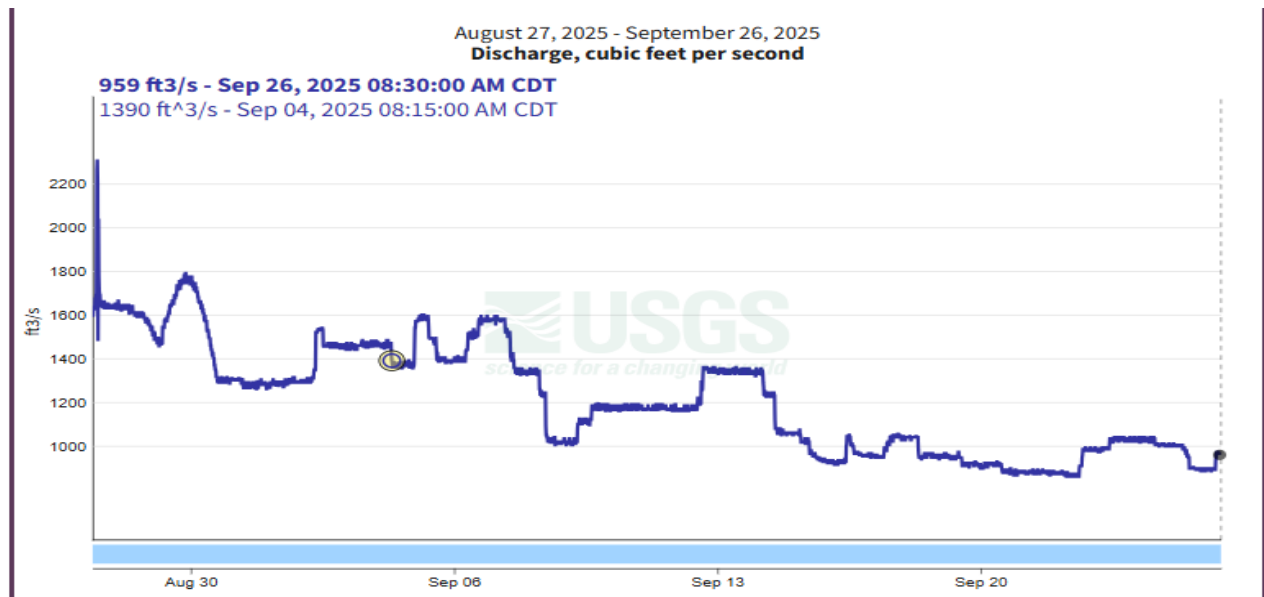
Electric facility relocation plans have been completed and are currently under review by the MnDOT project team in preparation for the upcoming Highway 210 reconstruction. The relocation work is scheduled to take place within the next few months.

Water Distribution:

The 6" HDPE (High-Density Polyethylene) water main crossing on Oak Street has been completed. This pipe is part of the Beach Street reconstruction project and will serve as the water source during the next phase of the work.

Staff have been coordinating water main flushing, pressure testing, and disinfection procedures with the contractor for the Beach Street, Willow Street, Wright Street, and Country Manor projects.

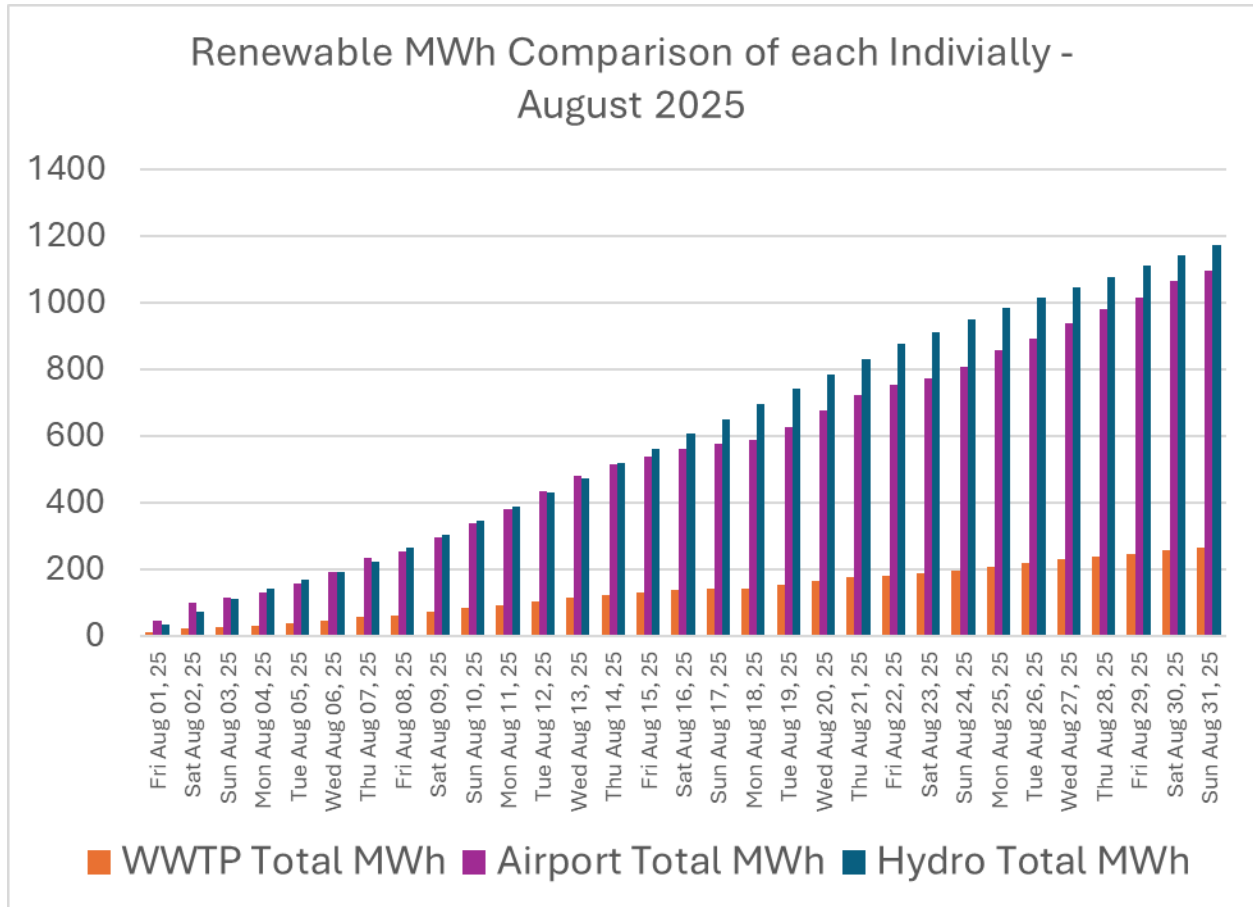
Hydro Department:



Peak flows in August reached 5,140 cubic feet per second (cfs), but by the end of September, they've dropped to just above 900 cfs. If flows reach 900 cfs, we will implement low-flow protocols in accordance with USGS and Minnesota DNR guidelines.

## Renewable Comparison – August 2025

Below are a couple of graphs showing BPU Renewables production for August 2025



### Current Month

Hydro producing the most with 1174.25 MWh or approximately 19% of Typical Residential Meters

WWTP Solar produced 267.75 MWh or approximately 4% of Typical Residential Meters

Airport Solar produced 1097.25 MWh or approximately 18% of Typical Residential Meters

### Last Month

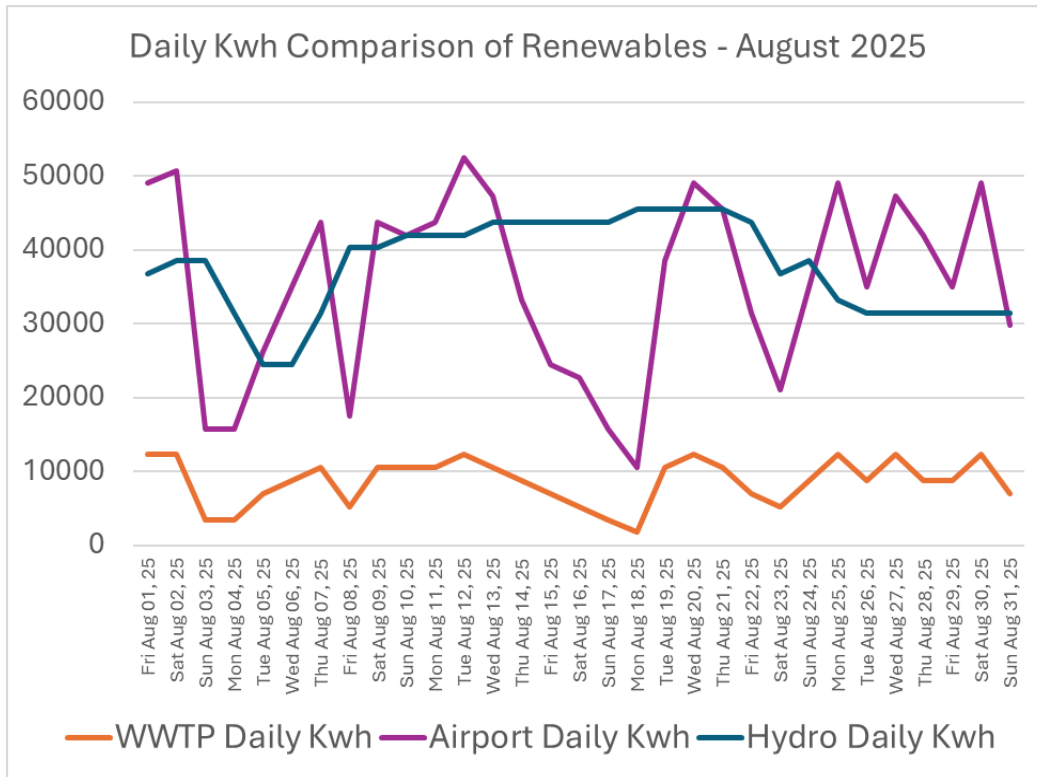
Airport Solar producing the most with 1228.5 MWh (↓ 131.25 MWh this month)

WWTP Solar produced 304.5 MWh (↓ 36.75 MWh this month)

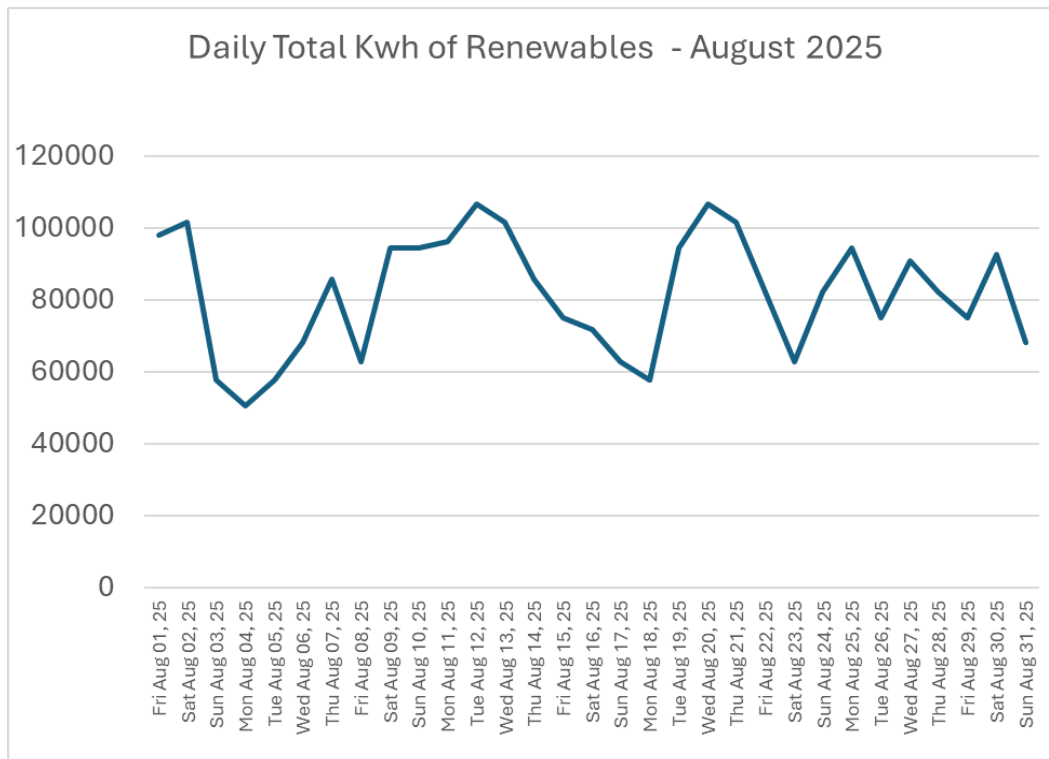
Hydro produced 1202.25 MWh (↓ 28 MWh this month)

Airport Solar Capacity – 5.7 MW WWTP Solar Capacity – 1.372 MW Hydro Capacity – 3.1 MW

### Daily Kwh Comparisons of Renewables – August 2025



### Daily Total Kwh of Renewables – August 2025



### Current Month

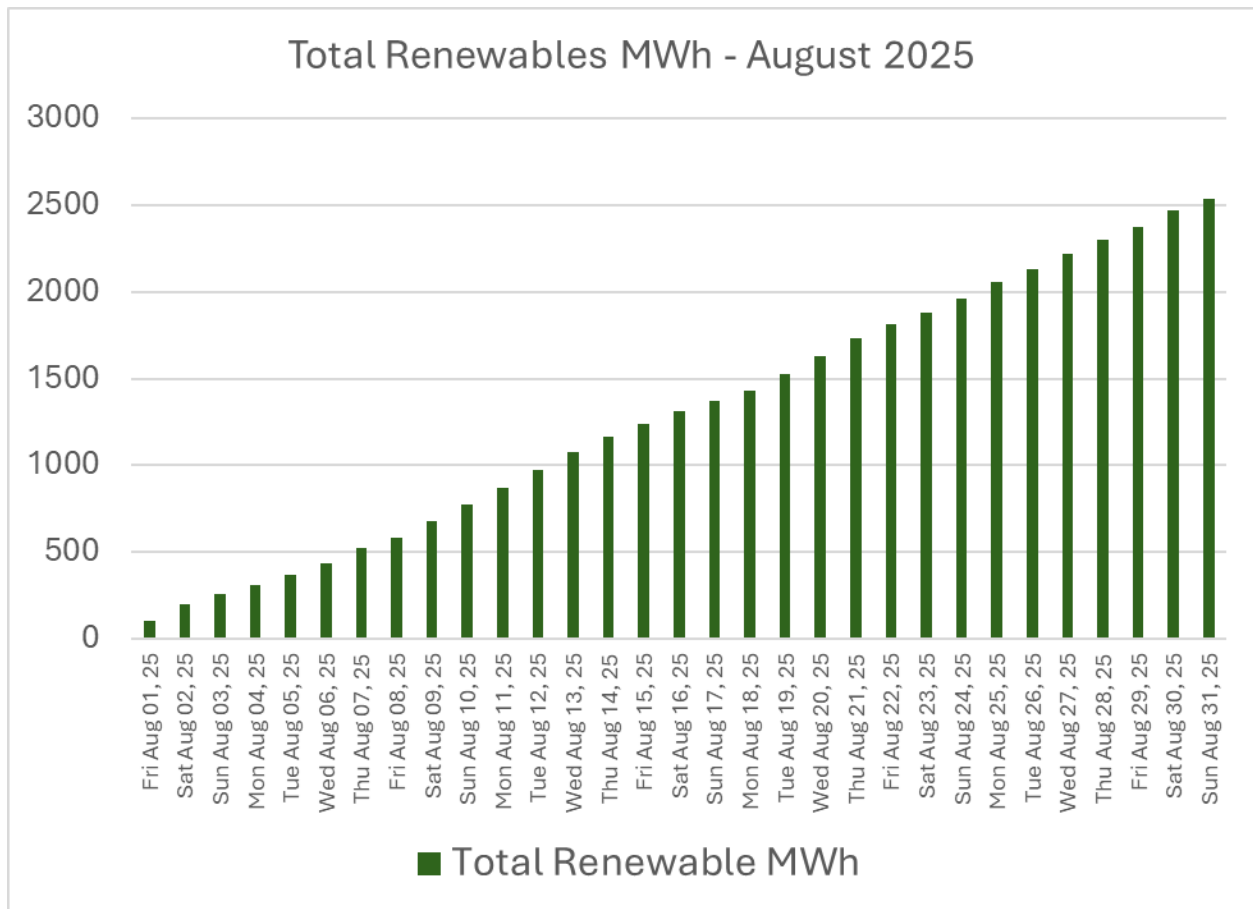
Together BPU Renewables produced 2539.25 MWh or approximately 41.2% of Typical Residential Meters in August 2025

### Last Month

Together BPU Renewables produced 2735.25 MWh (↓ 196 MWh this month) or approximately 44.4% (↓ 3.2% this month) of Typical Residential

Residential meter Kwh use was based on approximately 800-1000 Kwh per meter

BPU had 6974 Residential meters in August 2025



### Outages Sept 2025

| Date                   | Meters | Time               | Location   |                 | Cause            |
|------------------------|--------|--------------------|------------|-----------------|------------------|
| Water interruptions    |        |                    |            |                 |                  |
| 09/15/2025             | 1      |                    | 700 Block  | 5th St S        | Service line     |
|                        |        |                    |            |                 |                  |
|                        |        |                    |            |                 |                  |
|                        |        |                    |            |                 |                  |
| Electric Interruptions |        |                    |            |                 |                  |
| 09/02/2025             | 293    | 114 Minutes        | 400 Block  | Washington St W | storm            |
| 09/02/2025             | 54     | 59 Minutes         | 400 Block  | Tyrol Hills     | storm            |
|                        |        |                    |            |                 |                  |
| 09/04/2025             | 18     | 33 minuts          | 900 Block  | 11th Ave        | squirrel         |
| 09/04/2025             | 1      | 18 minutes         | 1000 Block | Q St            | St Dept cut tree |
| 09/12/2025             | 5      | 3 hours 39 minutes | 100 Block  | Laurel          | Sink hole        |
| 09/13/2025             | 5      | 1 hour 4 minutes   | 600 Block  | James           | equipment        |
|                        |        |                    |            |                 |                  |
|                        |        |                    |            |                 |                  |
|                        |        |                    |            |                 |                  |



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## **Brainerd Public Utilities Water/Wastewater Manager's Report September 2025**

### **Collection System Lift Stations**

Continuous operations and 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. Lift Station operations and maintenance was \$15,301.81 which includes weekends for the two stations that utilize pretreatment equipment. Lift Station Improvements was \$858.40.

### **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 emergency systems. Replaced the 15-yr old influent samplers for Combined, Brainerd and Baxter with updated ISCO 5800 Samplers at \$9,900 each. The old samplers no longer have replacement parts and would not stay in calibration to accurately deliver a 100 ml sample and a required temperature range of below 6 degrees Celsius contained in the requirements of the discharge permit.

### **Land Application of Biosolids Program**

Working on the Minnesota Biosolids Pre – and Polyfluoroalkyl Substances (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. Staff will continue applying biosolids in October for CY 2026 after program participants have harvested the crops. Currently there are 675,000 gallons in storage.

### **Wastewater Lab Testing and Compliance**

Sent August 2025 Electronic Daily Monitoring Report to Minnesota Pollution Control Agency (MPCA). 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. (SIU and CIU)

### **Public Water System (PWS) Drinking Water Testing and Compliance**

Completed the 30 sites for Lead and Copper testing program from the Minnesota Department of Health. Waiting for results. Collected 15 Coliform samples throughout the distribution system to comply with MDH coliform testing requirements. Received no calls from residential concerning drinking water in August 2025.

### **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**

Water/Wastewater operators attended MMUA Safety Training.

### **August 2025 Water Pumping Statistics**

Water pumped to the North distribution system was 41,799,00 gallons for an average of 1,348,000 gallons. Water pumped to the South distribution system was 8,598,000 gallons for an average of 277,000 gallons. Chemical usage averages for the month: 3.29 gallons of fluoride per day, 6.93 gallons of caustic soda per day, 10.22 gallons of orthophosphate per day, and 22.6 pounds of chlorine per day. Went through 22 filter backwash events totaling 134 hours, \$5,470.26 labor costs for Backwash while using an average of 228,000 gallons for each event.

### **Filtration Plant**

August 2025 daily testing averaged 1.21 milligrams per liter of iron in the unfiltered raw water and an average of 0.01 milligrams per liter of iron in the filtered finished water, the treatment plant is achieving an average of 98.9% removal of iron. Minimum standard for filtered finished water is 0.3 milligrams per liter of iron which would be 75% removal based on the unfiltered raw water concentration. August 2025 daily testing averaged 0.5 milligrams per liter of manganese in the unfiltered raw water and an average of 0.009 milligrams per liter of manganese in the filtered finished water which indicates 97.9% removal of manganese. Minimum standard for filtered finished water is 0.050 milligrams per liter of manganese which would be 90% removal based on the unfiltered raw water concentration.

### **Generators**

Test ran Lum Park (Airport extension) water booster/Lift station, Riverside water extension booster, and Water plant.

### **After Hours Callouts**

On Tuesday August 26, 2025, at 0:43 AM, water production staff responded to a Low system Pressure alarm.

On Tuesday September 2, 2025, at 05:35 AM, water production staff responded to a High Service Pump fail to start alarm which occurred due to an incoming grid power outage.

### **Distribution System Fire Hydrants**

Water Production staff are currently working through the fire hydrant cleaning and re-painting project as time allows.

### **Chart Summary for Wastewater treatment**

August 2025-2024 Total influent flow comparisons

2025 Combined Total flow was 57,475,000 gallons which is down 5,920,000 gallons from the previous year.

2025 Brainerd Total Flow was 36,481,000 gallons which is down 6,142,000 gallons from the previous year.

2025 Baxter Total Flow was 20,994,000 gallons which is up 222,000 gallons from the previous year.

### **August 2025 Influent Daily Average Flows**

2025 Combined Flow was 1,854,032 gallons

2025 Brainerd Flow was 1,176,806 gallons

2025 Baxter Flow was 677,226 gallons

### **Chart Summary for Water Production**

August 2025-2024 North distribution Total flow was 41,799,000 gallons which is down 15,102,000 gallons from the previous year.

August 2025-2024 South distribution Total flow was 8,598,000 gallons which is up 1,553,000 gallons from the previous year.

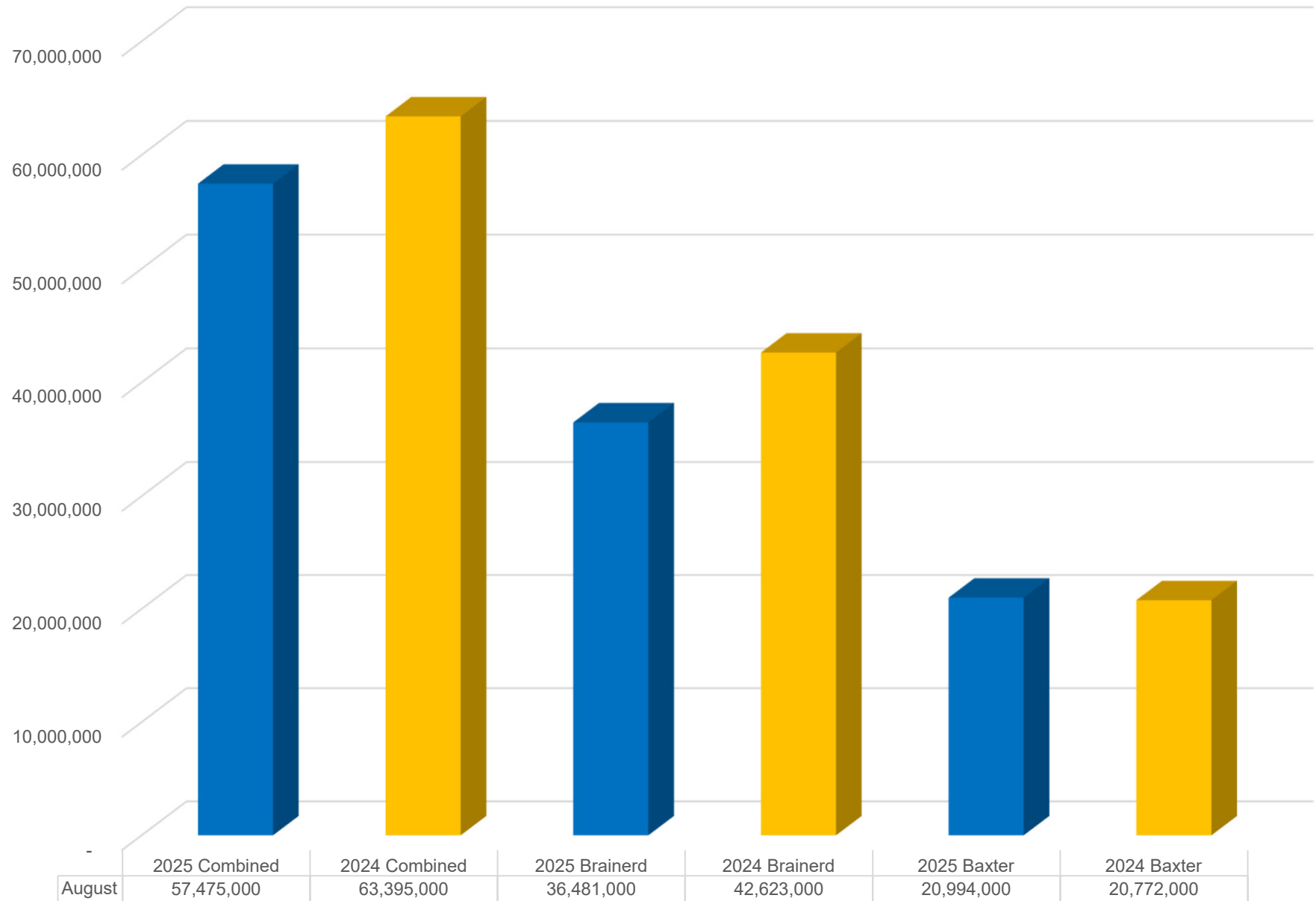
August 2025-2024 Baxter's Total flow was 0 gallons which is down 16,673,000 gallons from the previous year.

### **August 2025 Daily Average Water North and South Distribution**

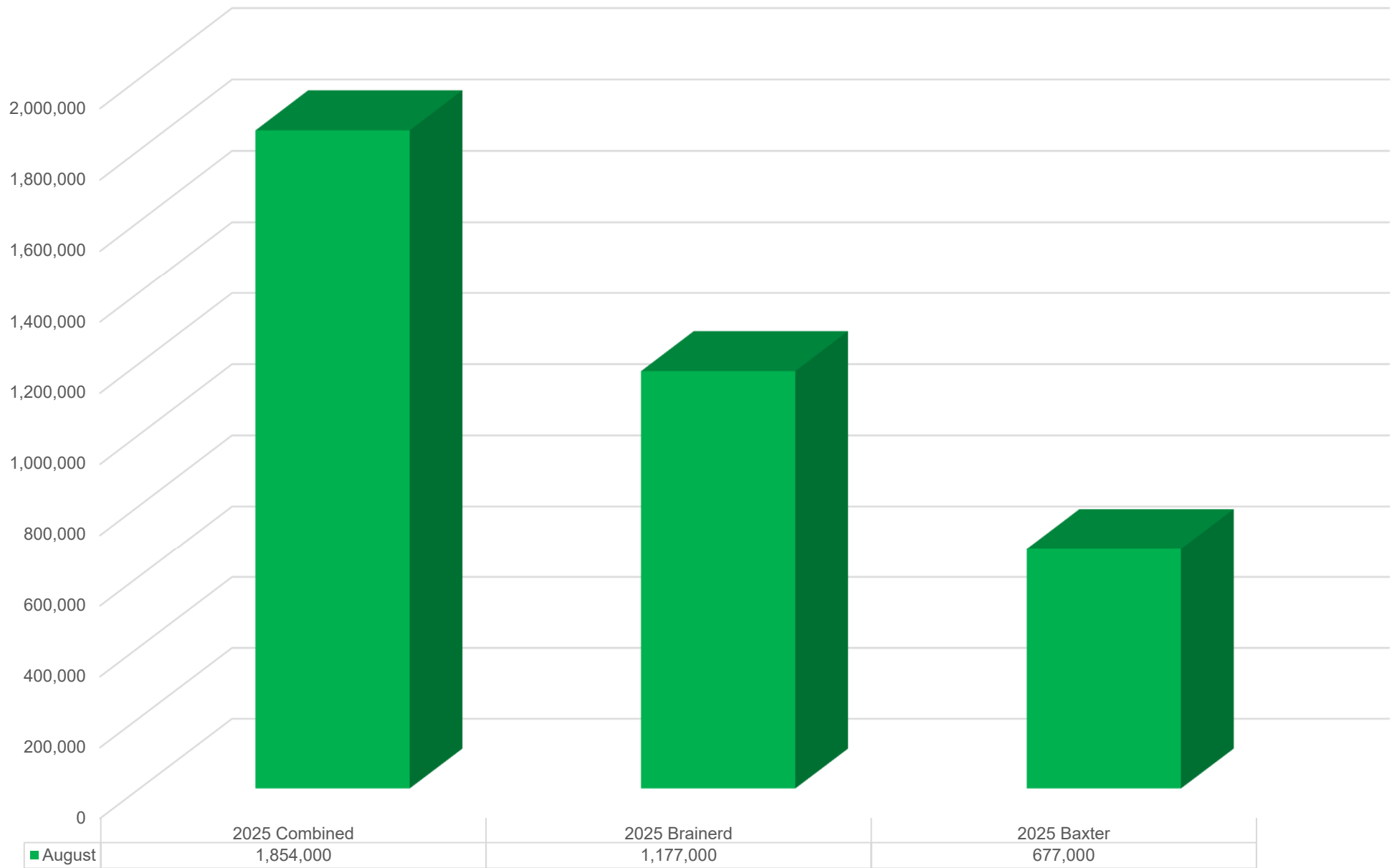
2025 North distribution average was 1,348,355 gallons

2025 South distribution average was 277,355 gallons

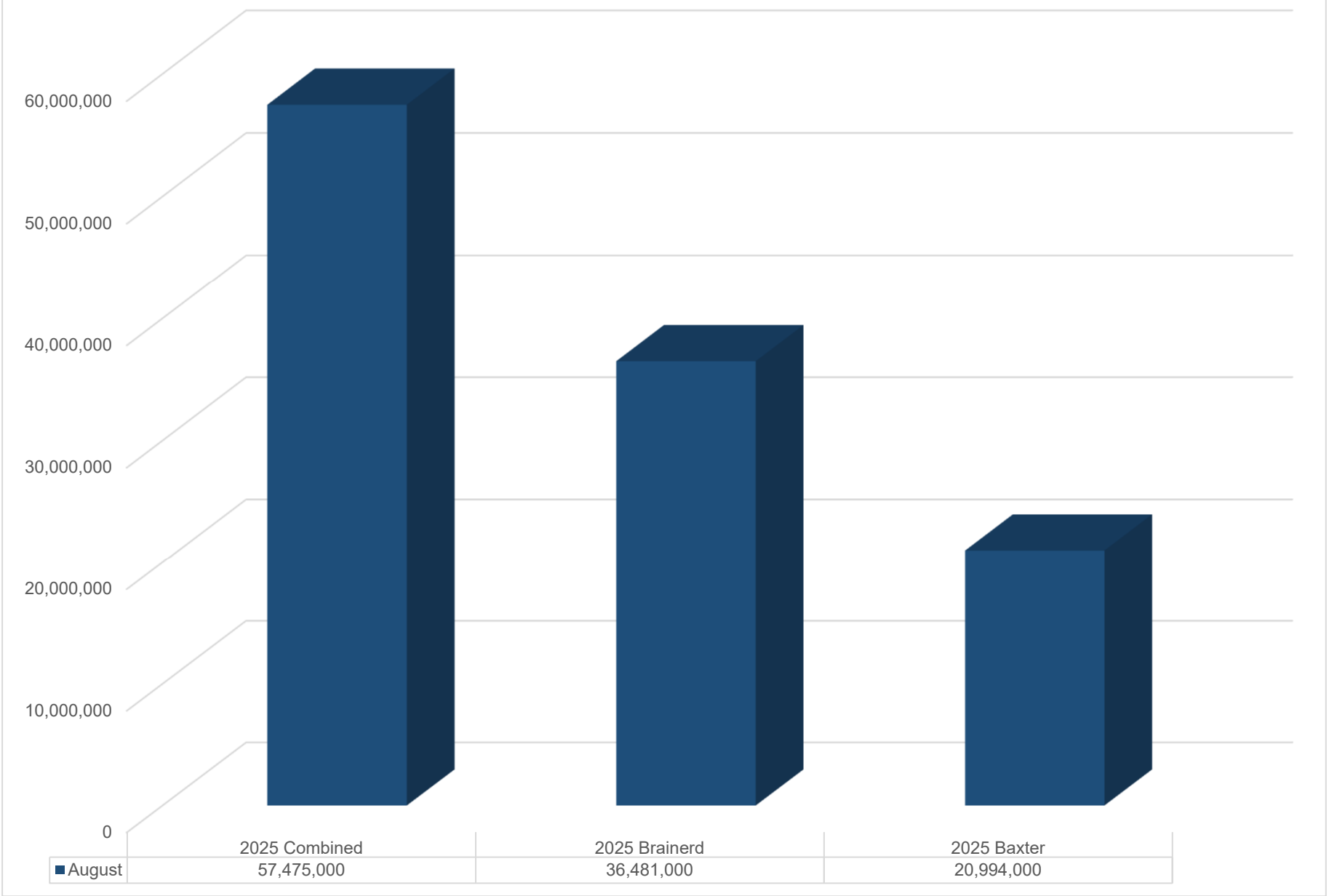
# August 2025 - 2024 Wastewater Influent Flow Comparisons



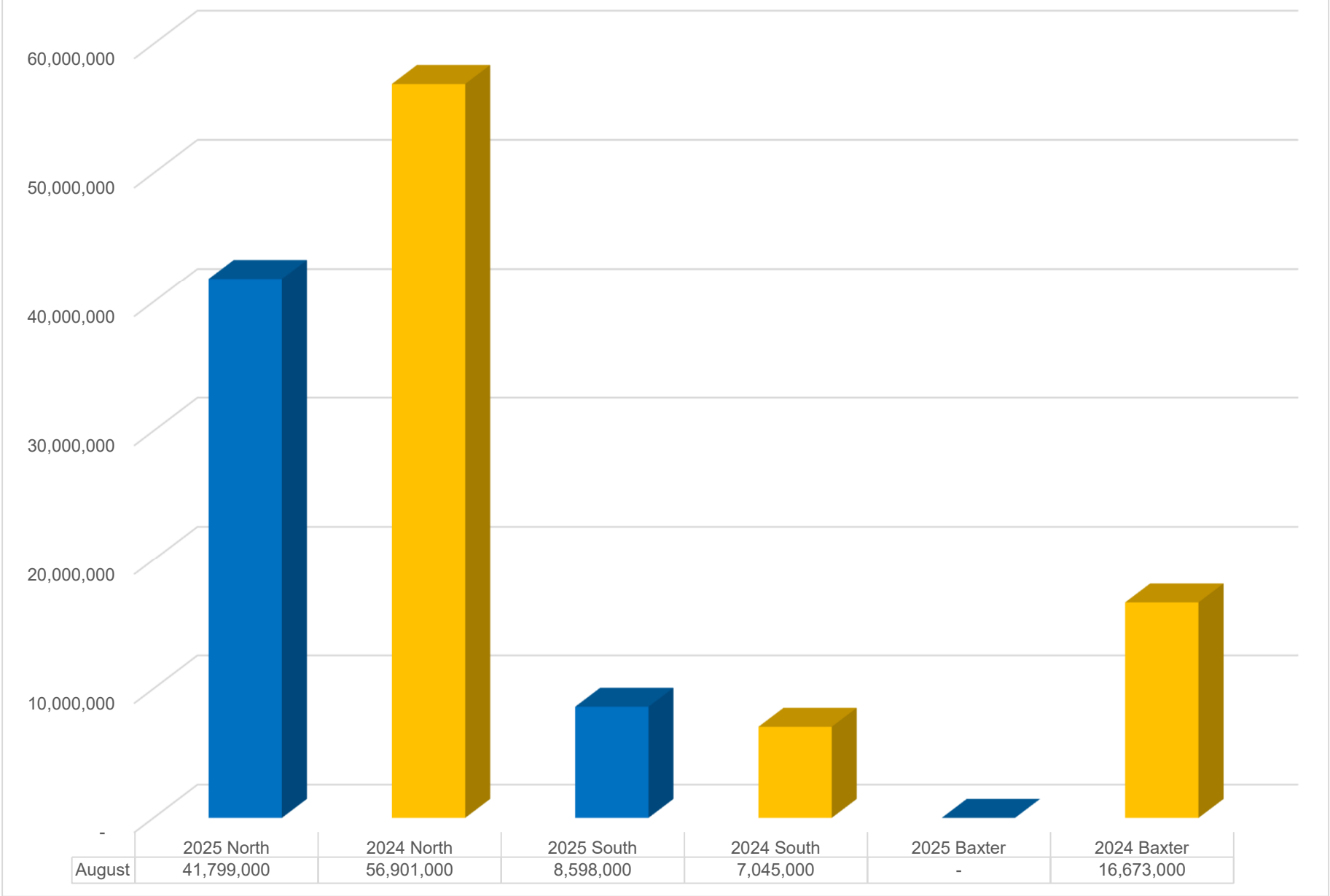
August 2025 Wastewater Influent Daily Average Flows



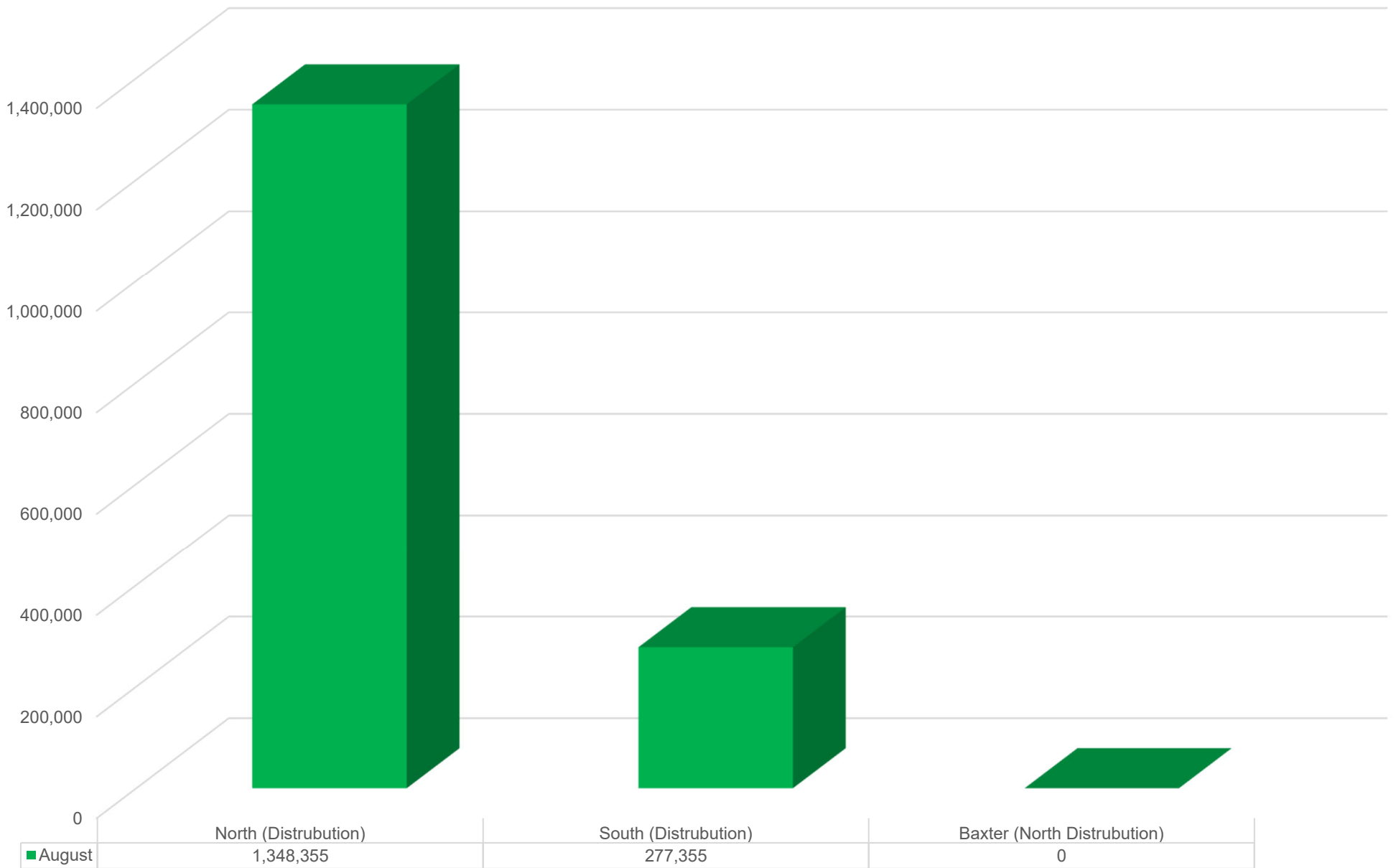
August 2025 Wastewater Influent Total Flows



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



August 2025 Daily Average North and South Distribution



August 2025 Total North and South Distribution

