PUBLIC UTILITIES COMMISSION AGENDA

City of Brainerd, Minnesota
City Hall, 501 Laurel Street, Council Chambers
Tuesday, November 25, 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

[IGNORE_INDENT]

1. **<u>Call To Order</u>**

2. **<u>Roll Call</u>**

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

3. **<u>Pledge of Allegiance</u>**

4. **<u>Approval Of Agenda - Voice Vote</u>**

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

   A. **Approval of Minutes**

   B. **Approval of Bills**

6. **<u>Presentation of Tower Award - Jeff Innes</u>**

7. **<u>Public Forum</u>**
   Time allocated for citizens to bring matters not on the agenda to the attention of the Commission - Time limits may be imposed

8. **<u>Commission Committee Reports</u>**

   A. **Personnel Committee**

   B. **Finance / Operations Committee**

      1. Approve 2026-2030 Capital and 2026 Operations Budgets

9. **<u>Unfinished Business</u>**
   (See attached separate memo regarding updates on unfinished business)

   A. **Unfinished Business Memorandum**

B. **Approve Updated language for the City Contribution Policy 2003-001**

C. **Approve Revised Solar Development Agreement related to Solar Array Installation on the Rotary Riverside Park Pavilion**

D. **Approve DRAFT Leaking Water Service Line Policy**

10. **New Business**

A. **Approve Statement of Work for Audit Services with CliftonLarsonAllen LLP**

B. **Approve Bolton and Menk's Proposal for CMAR Design and Construction Services related to the Water Backwash and Reclaim Facility Improvements**

C. **Approve Bolton and Menk's Proposal for Design and Construction Engineering Services related to Lead Service Line Replacements in coordination with the City of Brainerd's 2026 Reconstruction and Resurfacing Projects**

D. **Approve Widseth Proposal for Design and Bidding Professional Services related to the Main Lift Station Reconstruction Project**

11. **Staff Reports**
(Verbal: Any Updates since Packet)

A. **City Administrator Report**

B. **Council Liaison Report**

C. **HR Director Report**

D. **Public Utilities Director Report**

E. **Finance Manager Report**

F. **Operations Manager Report**

G. **Water/Wastewater Manager Report**

12. **Commission Member Reports**

13. **Adjourn**

Visit Brainerd Public Utilities website at www.bpu.org

MISSION

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

BRAINERD PUBLIC UTILITIES

8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401
Business Office: 218.829.8726 ■ ***Repair Service:*** 218.829.2193
www.bpu.org

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on October 28, 2025.

Commission President Angland called the meeting to order at 9:00 AM.

Commission Roll Call

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

Utility Staff Present

Finance Manager	Danny Loch
Operation Manager	Trent Hawkinson
Water/Wastewater Manager	Charlie Gammon
Business Office Supervisor	Jana Pernula
Recording Secretary	Becky Ridlon

Others in Attendance

City Council Liaison	Jeff Czeczok
HR Director	Kris Schubert
Public Works Director	Mike Habighorst
Bolton & Menk	Morgan Salo, PE
Widseth	Bill Westerberg, PE
Tanner Motors	Tony Banse
Winkelman Solar	David Winkelman
Rotary	Peter Nelson
Citizen	Brian Timmers
Citizen	Ken Heintzeman

Commissioner Angland opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

Commissioner Angland requested to move Finance Managers Report ahead of Item B. in unfinished business.

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

Approval of Consent Items

<u>Motion by Commissioner O'Day and seconded by Commissioner Higgins to approve the minutes from September 30th, 2025, regular monthly meeting, and current month's bills. There was a unanimous roll call vote in favor of the motion. Motion carried.</u>

Public Forum
None

Commission Committee Reports
<u>Personnel</u>
Matten said the committee met as a work group with members of City Council and staff to interview the Public Utilities Director.

<u>Finance/Operations Committee</u>
O'Day stated there was nothing to report.

Unfinished Business

<u>Memo</u> -*See board packet for updates.*
Discussion included: Loch updated the commission on a few items: BlockMetrix did respond and stated they would not be able to move forward with the terms and conditions as presented. Staff are working with City Attorney updating the language on getting the ClimaVision Weather Radar installed on the tower. Hydro-generation; BARR has provided estimates to staff related to increasing costs for new generation options and are awaiting additional information.

Angland noted that the strategic planning document accurately reflects Brainerd Public Utilities' current position and encouraged everyone to keep it in mind as they enter the new year and have a new director and to bring this to the forefront as we move into the next year.

<u>Finance Manager's Report</u> – *see board packet for report.*
Finance Manager Danny Loch presented.

Loch pointed out to Commission the impacts the utility is seeing with the Low-Income Home Energy Assistance Program (LIHEAP) and the delayed payment with the federal shut-down, which is also delaying funding being received by the utility. Loch noted that the utility is here for the customer and that customers cannot be shut off if they call, make a payment arrangement, and keep their arrangement.

Loch reminded the Commission that the capital and operating budget must be approved at the November 25, 2025, meeting and then presented to the City Council at their first meeting in December. Loch noted that the capital budget plan is on-going, however, staff have been encountering problems with getting accurate estimates from vendors and the capital plan has been slowed but still will be presented as required at the next meeting. Loch noted a correction in the data provided to Commission where the purchased power line was overstated and affected the bottom line for electric and combined bringing the estimates for 2025 from deficit net position to positive. Councilman Czeczok asked clarification on what is included in the purchased power line item and Loch informed that the purchased power line item includes all power: purchased power from AEP, the solar fields and hydro generation as hydro generation is an internal sale from hydro to electric. Commissioner Angland asked about major budget-to-actual trends for 2026. Loch noted required conservation spending of 1.5% of revenues, decreasing consumption in residential and commercial loads because of conservation efforts and new construction, and a stabilizing industrial load as we have not budgeted for any additional increases in those consumptions and revenues.

Angland also asked for a rate study update, and Loch reported that the study is underway with staff gathering necessary information and the consultant awaiting information from himself. Once the budget is complete and the new utility director begins, rate studies will be priority one.

<u>Direction request on Payment in Lieu of Tax/City Contribution – Tabled from Sept. Meeting</u>
Finance Manager Danny Loch presented the request from Council for a change to methodology from the mill rate per KwH to a percentage of revenues basis: 3% in 2026, 4% in 2027 and 5% in 2028.

<u>Motion by Commissioner O'Day and seconded by Commissioner Higgins to approve 3% contribution based on electric revenues for the year 2026 and wait for any other changes until BPU has the Rate Study completed. Motion Carried.</u>

Discussion included:
Higgins is seeking clarification on whether the PILOT is outlined in the charter, and Loch confirming that the contribution to the city is included in the charter referencing the Utility policy. Higgins indicated that with charter discussions that the City must consider that any increases to the contribution from the PILOT would be indicative of a rate increase on the City as a whole as the third largest user of power is the City, therefore increasing revenue in year one to have an increase expense in year two by charging ourselves does not make sense and that this needs to be dealt with in a charter change as a whole. City council agenda stated there is a charter commission meeting beginning of November to review changes for the charter and is in support of a 3% for one year.

Matten clarified that the 3% increase is included in the 2026 budget, which Loch confirmed. Matten added that higher PILOT rates would place additional pressure on electric rates for both businesses and residents. Matten noted concerns for budgeting as revenues can fluctuate with weather and other factors, that additional pilot contributions would strain infrastructure spending which could make budgeting more difficult. Matten noted additionally that within the packet and from the results presented from other communities there was caution noted and multiple options to consider with all options desiring to conserve energy.

O'Day is looking forward to seeing the outcome of the rate study to be able to make an informed decision and expects the cautions Matten noted to be answered in a rate of service study. Angland asked Loch what the timeframe is to get the rate study back, Loch did not have definitive dates but is thinking mid-2026.

Council Liaison Czeczok noted that the Charter Commission can add items to its agenda at the request of any of its three members, and that commission members may be contacted individually or through City Hall to request discussion of the PILOT-related issue. He expressed concern that the City Council is directing changes to the PILOT rate despite the charter and existing policy indicating that the Public

Utilities Commission sets the rates. He stated that the City Attorney's interpretation—allowing the Council to effectively set the rate—appears inconsistent with the policy language. Czeczok also characterized the proposed PILOT increases (3% in 2026, 4% in 2027, and 5% in 2028) as effectively shifting costs from the City's levy to utility customers, describing it as "robbing Peter to pay Paul." He emphasized that increased PILOT payments would ultimately raise electric rates and burden customers. He suggested the Public Utilities Commission formally request that the Charter Commission discuss and clarify the Commission's authority to set the PILOT rate.

Motion by Commissioner O'Day and seconded by Commissioner Matten to ask the charter commission to look at removing language about PILOT program and consider the PILOT be made an administration agreement. Discussion occurred.

Members discussed whether to forward issues related to the PILOT language and broader structural questions to the Charter Commission. Council Liaison Czeczok recommended that any request be made formally by motion so it could be placed on the Charter Commission's November 5th agenda.

During discussion, several members noted that the topic is larger than the PILOT issue alone. Some commissioners expressed interest in discussing whether water, wastewater, and related public works functions should be consolidated under a single entity rather than split between the City and the Utilities Commission. Concerns were raised about operational inefficiencies, lack of coordination on major capital projects, and longstanding conflicts between the City and the Commission.

It was noted that the Charter Commission may already be planning to discuss utility structure at the November 5th meeting. Members agreed to amend the motion to allow the Commission to request inclusion on the agenda for discussion of PILOT language and any other proposed charter changes affecting utility operations or governance.

Revised Motion by Commissioner O'Day and seconded by Commissioner Matten to ask the charter commission to look at removing language about PILOT program and consider the PILOT be made an administration agreement; also, to be able to speak to other proposed charter changes and to adjourn to the Charter Commission meeting on November 5, 2025. Motion carried.

Direction Requested on Donation of Paint of Main Lift Buildings

Finance Manager Loch, Water/Wastewater Manager Gammon presented the request. Staff explained that a Rotarian has offered to donate materials to repaint the Main Lift buildings near Rotary Park. Although long-term plans include potential replacement or removal of several structures, funding and construction are not expected until 2028–2030, and one central structure will remain in use. One contractor quote has been received and a second is still pending.

Commissioners discussed whether repainting is appropriate given future building changes. Clarifications were made that the project involves basic painting, not a mural. Some members supported maintaining the buildings in the interim, noting timelines may stretch beyond two to three years. Others raised concerns about approving the project without knowing total labor costs or the donor's timing preferences.

Given seasonal limitations and the lack of complete bid information, a motion was made and seconded to delay the decision until spring, with direction to follow up with the donor for more details.

Motion by Commissioner O'Day and seconded by Commissioner Higgins to delay donation request until spring of 2026, if available, and direct staff to clarify the donation information from the generous Rotarian. There was a unanimous vote in favor of the motion. Motion carried.

Approve Rotary Park Solar Contract
Finance Manager Loch reported that Attorney Langel requested the Commission's formal approval of the Rotary Park Solar Project agreement included in the packet. No Commission signatures are required, and the Park Board is scheduled to approve the agreement at its meeting later this evening. The final project cost to the utility is approximately $33,100, lower than the earlier July 2024 estimate of about $39,100.

A motion was made and seconded to approve the Rotary Park Solar contract. During discussion, Matten noted the project's community benefit and expressed appreciation for Attorney Langel's revisions to the agreement, while also noting a date correction needed in the contract.

Motion by Commissioner O'Day and seconded by Commissioner Higgins to approve Rotary Park Solar Contract with the date changes. There was a unanimous vote in favor of the motion. Motion carried.

New Business

Discuss Preliminary 2026 Budget-*See board packet for agenda request.*
Finance Manager Danny Loch presented the operating budget for 2026. Staff presented additional details on the 2026 Preliminary Operating Budget, noting that a corrected version of the document was distributed due to a $2.6 million adjustment in purchased power expenses for 2025. This correction changed the Electric Department's projected deficit into a combined utility surplus of approximately $1.96 million for 2025. The 2026 operating budget remains balanced across all divisions, with revenues of $39.7 million and expenses of $39.6 million.

The budget incorporates the January 1 rate adjustments approved earlier in the year and assumes stable consumption overall, with gradual long-term declines expected due to conservation efforts. Industrial load assumptions remain unchanged as usage has stabilized. Electric revenues are projected at $29.5 million with expenses of $29.8 million, leaving a preliminary deficit of roughly $246,000 when incorporating the hydro generation. Water is projected to show a surplus of $218,000, and Wastewater a surplus of $151,000, reflecting steady consumption and improved revenue recovery from recent rate increases.

Commissioners discussed long-term conservation impacts, system capacity, and future planning. Staff noted that declining consumption creates challenges for capital planning but also opportunities to evaluate desired capacity levels. Members also reviewed increases in consulting services tied to the upcoming electric cost-of-service study, and staff confirmed that credit card transaction fee passthroughs are expected to be in place before year-end.

Additional discussion highlighted the positive impact of the prior 20% water rate increase, which contributed significantly to the Water Department's improved financial position. Staff noted that payroll and benefits reflect increases from MN paid family and medical leave requirements, health insurance costs, administrative allocations, and budgeted vacancies.

Staff will continue refining the budget and will schedule a Finance & Operations Committee meeting in early November to prepare the final version for Commission approval at the November meeting.

Discuss EV Charging – Rate/Future Plan -*See board packet for agenda request.*
Operations Manager Hawkinson introduced a discussion on developing an EV charging rate and future plan. Hawkinson explained that staff have received a request to review whether the current commercial rate structure appropriately accounts for the unique load profile of EV fast chargers. EV charging is currently billed under standard commercial demand rates, which can make Level 3 (fast) charging stations difficult to operate economically because a single high-demand event sets the demand charge for the entire month. Staff noted that local EV saturation is increasing, though system impacts remain limited so far, and asked the Commission for directions on key considerations for designing a future EV policy or rate.

At the Commission's request, Tony Banse of Tanner Motors described his experience installing a manufacturer-required Level 3 charger. He reported strong seasonal demand from visitors but said demand charges made the first bill unexpectedly high, leading him to shut the charger off. He also noted delays in getting the charger operational, uncertainty about how to charge customers, and a desire for guidance to make the station financially viable.

Staff and commissioners discussed how demand charges work and why Level 3 chargers create sharp peak loads requiring larger transformer capacity. The conversation distinguished Level 1 and Level 2 residential chargers—seen as manageable through time-of-use/off-peak rates—from Level 3 commercial chargers, which are harder to align with off-peak usage. Staff estimated roughly six known residential chargers in the city, noting customers are not required to notify the utility, and affirmed the system could accommodate significant residential growth if charging is steered to off-peak hours.

Commissioners raised broader policy questions about metering, identifying EV charging load separately, infrastructure costs, and ensuring fair cost recovery. Staff stated that time-of-use rates appear to be the only practical near-term option for relief and suggested exploring a public-private partnership using Tanner Motors' existing charger as a potential community charging station. Staff will continue researching both residential and commercial EV rate options, collect data from existing residential installations, and bring recommendations back to the Commission through a future committee discussion.

Discuss Leaking Services Policy-*See board packet for agenda request.*
Operation Manager Trent Hawkinson presented.

Hawkinson stated that these leaking service lines are happening more frequently due to age of waterlines. BPU can determine where in the service line it is leaking by checking with the leak detect system. We are hoping through the Lead service change outs that this will help alleviate most of these issues on the customer service side. Commission asked staff to draw up a policy draft with timeframes notification timing and submit for review for November Commission meeting.

Staff Reports

City Council Liaison Report

Thanked staff for everything they do.

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

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

Hawkinson noted and highlighted some renewable energy numbers, finalization to the construction projects as well as the water tower clean out and disinfection and the installation of the mixer.

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

Gammon provided an operational update, noting recent completion of several wastewater projects including procurement and installation of new lift station pumps at Evergreen and completion of check valves and gates earlier in the month. He emphasized that many pumps and motors being replaced are vintage 1980s-era equipment, so upgrades improve efficiency and reduce costs, and that the department is monitoring peak demand impacts through metering like other commercial customers.

Commissioners asked about flow figures and Gammon clarified that total flows fluctuate seasonally with weather, like electric usage, and that leak reduction lowers required production. Gammon confirmed the Evergreen lift station work was planned and budgeted, and that some check valves and gates originally slated for next year were advanced this year, totaling about $87,000. He noted additional lift station and valve replacements are anticipated in the future but not in the current year's budget. He also reported biosolids storage is down to about 157,000 gallons and hauling will continue until winter conditions stop operations.

On emergency generator maintenance, Gammon said generators are tested monthly and standard procedures now include running generators during high-load pumping to avoid setting a costly monthly demand peak. Regarding a recent water tower communication failure caused by a cut copper line, he stated there is no redundant backup yet, but staff are working on a fiber/networking solution.

Commission Members – Report

Commissioner Matten wanted to congratulate HR Kris Schubert on her upcoming retirement and thanked staff for their detailed reports.

Adjournment

Motion by Commissioner Matten and seconded by Commissioner Higgins to adjourn to the Charter Commission meeting on 11/05/2025 there was a unanimous vote in favor of the motion. Motion carried at 10:49 AM.

____
Mike Angland, Commission President

____
Danny Loch, Finance Manager/Secretary

Board Packet Check Report

Brainerd Public Utilities, MN

By Check Number

Date Range: 10/24/2025 - 11/20/2025

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount (Payable)	Discount Amount	Payable Amount	Payment Amount	Number
Bank Code: AP2-BREMER BANK									
00504	AUTOMATIC SYSTEMS CO		10/29/2025	EFT		0.00		146,168.00	262
041187	Invoice	10/28/2025	PUR AUTOMATIC SYSTEM INVOICES		0.00		102,000.00		
042298	Invoice	10/28/2025	PUR AUTOMATIC SYSTEM INVOICES		0.00		12,000.00		
043258	Invoice	10/28/2025	PUR AUTOMATIC SYSTEM INVOICES		0.00		12,000.00		
043867	Invoice	10/28/2025	PUR AUTOMATIC SYSTEM INVOICES		0.00		20,168.00		
09536	U.S. BANK ST. PAUL - FEE DEPT		10/31/2025	EFT		0.00		600.00	263
7936839	Invoice	10/31/2025	MN Elec 2014A Admin Fee / Acct: 001810...		0.00		600.00		
00140	AEP ENERGY PARTNERS, INC.		11/20/2025	EFT		0.00		1,105,432.33	264
175-21590982	Invoice	11/19/2025	Invoice Period: 10/01/2025-10/31/2025		0.00		1,105,432.33		
07343	Gridiron Generation HoldCo, LLC		11/20/2025	EFT		0.00		55,375.38	265
INV-1256	Invoice	11/19/2025	Invoice Period: 10/01/2025-10/31/2025		0.00		55,375.38		
00133	AGC NETWORKS, LLC		10/24/2025	Regular		0.00		3,883.50	84507
9000028065	Invoice	10/24/2025	Avaya Maint: 10/01/25-09/30/2026		0.00		3,883.50		
00300	AMERICAN PUBLIC POWER ASSOCIATION		10/24/2025	Regular		0.00		12,566.41	84508
000216426	Invoice	10/24/2025	Utility Membership: 12/01/25-11/30/26		0.00		12,566.41		
00735	Best Oil, LLC		10/24/2025	Regular		0.00		607.36	84509
42353	Invoice	10/24/2025	PUR OCT BEST OIL INVOICES		0.00		607.36		
01805	CENTERPOINT ENERGY		10/24/2025	Regular		0.00		225.27	84510
8000014432-1-10..	Invoice	10/24/2025	MONTHLY GAS BILL - WTR PROD/WTR DIS...		0.00		225.27		
01837	CENTURYLINK		10/24/2025	Regular		0.00		490.16	84511
333931378-10/0...	Invoice	10/24/2025	MONTHLY PHONE BILL: 10/2025		0.00		490.16		
02820	DELL MARKETING L.P.		10/24/2025	Regular		0.00		137.53	84512
10841722892	Invoice	10/24/2025	VESA Mount Brackets		0.00		106.47		
10842681436	Invoice	10/24/2025	AC Adapter		0.00		31.06		
09192	Dycom Industries, Inc.		10/24/2025	Regular		0.00		7,500.00	84513
50004623	Invoice	10/24/2025	PUR TELCOM HOLTON AVE WATER		0.00		7,500.00		
03557	FRONTIER ENERGY, INC.		10/24/2025	Regular		0.00		13,729.04	84514
198679	Invoice	10/24/2025	CIP SERVICES - 09/01/25-09/30/25		0.00		13,729.04		
03699	GRAINGER		10/24/2025	Regular		0.00		46.25	84515
9665121183	Invoice	10/24/2025	PUR OCT GRAINGER INVOICES		0.00		24.82		
9666402202	Invoice	10/24/2025	PUR OCT GRAINGER INVOICES		0.00		18.94		
9667964226	Credit Memo	10/24/2025	Credit: Guide Bar		0.00		-24.82		
9670625723	Invoice	10/24/2025	PUR OCT GRAINGER INVOICES		0.00		27.31		
04050	HAWKINS INC.		10/24/2025	Regular		0.00		5,458.79	84516
7223388	Invoice	10/24/2025	PUR OCT HAWKINS INVOICES		0.00		5,448.79		
7225654	Invoice	10/24/2025	PUR OCT HAWKINS INVOICES		0.00		10.00		
09540	HD SUPPLY, INC.		10/24/2025	Regular		0.00		1,383.83	84517
INV00855909	Invoice	10/24/2025	PUR 2025 ADDITIONAL HACH SUPPLIES		0.00		1,383.83		
10006	In Control, Inc.		10/24/2025	Regular		0.00		149.00	84518
S-INV02804	Invoice	10/24/2025	PUR IN CONTROL INVOICE		0.00		149.00		
04555	INTEGRATED PROTECTION SYSTEMS, INC.		10/24/2025	Regular		0.00		16,913.82	84519
86670	Invoice	10/24/2025	Job # 37555: 4 Door Access Add		0.00		6,439.46		

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount (Payable)	Payable Amount	Discount Amount	Payment Amount	Number
86671	Invoice	10/24/2025	Job # 37552: 2 Access Door Adds		0.00	5,237.18			
86675	Invoice	10/24/2025	Job # 37551: 2 Door Access Add		0.00	5,237.18			
04580	IP NETWORKS, INC.		10/24/2025	Regular			0.00	2,520.00	84520
20258584	Invoice	10/24/2025	Fortinet Transceiver Modules		0.00	2,520.00			
06190	MINNESOTA MUNICIPAL UTILITIES ASSOCIATIO		10/24/2025	Regular			0.00	50.00	84521
67270	Invoice	10/24/2025	Pre-Employment Testing: J. Engebretson		0.00	50.00			
06268	Ryan Churchill		10/24/2025	Regular			0.00	640.00	84523
6685828	Invoice	10/24/2025	WEBSITE SUPPORT / TRAINING: 10/2025		0.00	640.00			
00340	Vestis Group, Inc.		10/24/2025	Regular			0.00	33.81	84524
2530461011	Invoice	10/24/2025	PUR OCT VESTIS INVOICE		0.00	33.81			
02025	CITY OF BRAINERD		10/28/2025	Regular			0.00	202,960.06	84525
09/2025-Mill Rate	Invoice	10/28/2025	MONTHLY TRANSFER: 09/2025		0.00	67,295.94			
09/30/2025-San/...	Invoice	10/28/2025	SANITARY & STORM SWR BILLING/COLLEC...		0.00	135,664.12			
08811	BNSF RAILWAY COMPANY		10/31/2025	Regular			0.00	2,232.36	84526
25010231	Invoice	10/31/2025	Contract # 40247331: 11/01/2025-10/31/...		0.00	2,232.36			
01153	BRAINERD ISD #181		10/31/2025	Regular			0.00	1,338.33	84527
10/27/2025-CIP ...	Invoice	10/31/2025	CIP Rebate:Appliances & HE Motors@ 311...		0.00	1,338.33			
07335	OFFICE SHOP		10/31/2025	Regular			0.00	420.89	84531
AR1982400	Invoice	10/31/2025	Copier Lease: 20079 / C130479-001		0.00	420.89			
08410	SCR-NORTHERN		10/31/2025	Regular			0.00	516.25	84533
W56439	Invoice	10/31/2025	Return Fan Troubleshooting: Service Cent...		0.00	516.25			
09948	WIDSETH SMITH NOLTING & ASSOC., INC		10/31/2025	Regular			0.00	500.00	84534
240116	Invoice	10/31/2025	IUP Application		0.00	500.00			
05348	Aaron Wiese		11/10/2025	Regular			0.00	115.80	84546
34955	Invoice	11/10/2025	PUR OCT LAMS INVOICES		0.00	115.80			
00105	ACE HARDWARE-BRAINERD		11/10/2025	Regular			0.00	88.18	84547
335980	Invoice	11/10/2025	PUR OCT ACE INVOICES 02		0.00	33.43			
336088	Invoice	11/10/2025	PUR OCT ACE INVOICES 02		0.00	36.53			
336124	Invoice	11/10/2025	PUR OCT ACE INVOICE		0.00	18.22			
00250	AMARIL UNIFORM COMPANY		11/10/2025	Regular			0.00	799.50	84548
IV286369	Invoice	11/10/2025	PUR OCT AMARIL INVOICES		0.00	799.50			
00315	AMERICAN STEEL INC		11/10/2025	Regular			0.00	283.40	84549
127952	Invoice	11/10/2025	PUR OCT AMERICAN STEEL INVOICES		0.00	243.00			
127985	Invoice	11/10/2025	PUR OCT AMERICAN STEEL INVOICES		0.00	40.40			
00735	Best Oil, LLC		11/10/2025	Regular			0.00	3,475.72	84550
42566	Invoice	11/10/2025	PUR OCT BEST OIL INVOICES		0.00	955.00			
42567	Invoice	11/10/2025	PUR OCT BEST OIL INVOICES		0.00	590.00			
42644	Invoice	11/10/2025	PUR OCT BEST OIL INVOICES		0.00	1,373.02			
42645	Invoice	11/10/2025	PUR OCT BEST OIL INVOICES		0.00	557.70			
00825	BORDER STATES ELECTRIC		11/10/2025	Regular			0.00	2,062.10	84551
931358331	Invoice	11/10/2025	PUR ARC FLASH AND LOW VOLTAGE GLOV...		0.00	94.68			
931358339	Invoice	11/10/2025	INV EH1040 SM BOLTS		0.00	564.00			
931358348	Invoice	11/10/2025	INV UNIVERSAL BOLT COVER		0.00	285.50			
931375027	Invoice	11/10/2025	PUR 43630 SCS SEMI CON SCORER		0.00	1,117.92			
03330	Calibrations and Controls, Inc.		11/10/2025	Regular			0.00	3,179.44	84552
INV-21689	Invoice	11/10/2025	PUR CALIBRATION & CONTROLS		0.00	895.00			
INV-21722	Invoice	11/10/2025	PUR CALIBRATION AND CONTROL INVOICE		0.00	2,284.44			
02790	DAKOTA SUPPLY GROUP		11/10/2025	Regular			0.00	484.78	84553

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
S105153959.001	Invoice	11/10/2025	INV 02-WS0265 12" REPAIR SLEEVE W/1" ...		0.00	484.78	
02974	EAST SIDE OIL COMPANIES		11/10/2025	Regular	0.00	45.00	84554
R120734	Invoice	11/10/2025	PUR OCT EAST SIDE OIL INVOICE		0.00	45.00	
04050	HAWKINS INC.		11/10/2025	Regular	0.00	19,770.13	84555
7234680	Invoice	11/10/2025	PUR OCT HAWKINS INVOICES		0.00	1,747.45	
7244155	Invoice	11/10/2025	PUR OCT HAWKINS INVOICES		0.00	12,573.89	
7244287	Invoice	11/10/2025	PUR OCT HAWKINS INVOICES		0.00	5,448.79	
04613	JACO ANALYTICAL, INC.		11/10/2025	Regular	0.00	21.00	84556
E5JV03	Invoice	11/10/2025	PUR OCT JACO INVOICES		0.00	21.00	
05080	KNIFE RIVER CORPORATION		11/10/2025	Regular	0.00	221.68	84557
1147331	Invoice	11/10/2025	PUR OCT KNIFE RIVER INVOICE		0.00	221.68	
05972	MID AMERICAN RESEARCH CHEMICAL CORP		11/10/2025	Regular	0.00	1,068.57	84558
0862006-IN	Invoice	11/10/2025	PUR OCT MARC INVOICES		0.00	1,068.57	
05976	MIDWEST MACHINERY CO.		11/10/2025	Regular	0.00	193.46	84559
10678735	Invoice	11/10/2025	PUR OCT MIDWEST MACHINERY INVOICE		0.00	193.46	
05975	Midwest Motor Supply Co. Inc.		11/10/2025	Regular	0.00	117.58	84560
103835999	Invoice	11/10/2025	PUR HARDWARE REFILL		0.00	117.58	
06266	MINNESOTA VALLEY TESTING LABS		11/10/2025	Regular	0.00	117.00	84561
1329959	Invoice	11/10/2025	PUR OCT MVTL INVOICES		0.00	117.00	
06431	MOMENTUM TRUCK GROUP		11/10/2025	Regular	0.00	1,223.97	84562
X500018576.01	Invoice	11/10/2025	PUR OCT MOMENTUM INVOICES		0.00	1,133.25	
X500018651.01	Invoice	11/10/2025	PUR OCT MOMENTUM INVOICES		0.00	90.72	
06790	NAPA AUTO PARTS BAXTER		11/10/2025	Regular	0.00	629.90	84563
821694	Credit Memo	11/10/2025	Bat - Core Deposit (Credit) - Orig Inv 8216...		0.00	-81.00	
848183	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	27.24	
850780	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	73.20	
852624	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	86.98	
854078	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	55.39	
854079	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	55.39	
854893	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	14.74	
854969	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	245.96	
855032	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	46.58	
855044	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	27.18	
855084	Invoice	11/10/2025	PUR OCT NAPA INVOICES		0.00	78.24	
10225	POMP'S TIRE SERVICE INC.		11/10/2025	Regular	0.00	1,377.11	84564
2300011675	Invoice	11/10/2025	PUR OCT POMP INVOICE		0.00	1,377.11	
07920	QUALITY FLOW SYSTEMS, INC.		11/10/2025	Regular	0.00	157,275.00	84565
49972	Invoice	11/10/2025	PUR WW QUALITY FLOW EVERGREEN LIFT		0.00	157,275.00	
08895	STUART C. IRBY CO		11/10/2025	Regular	0.00	606.63	84566
S014408797.001	Invoice	11/10/2025	PUR ABACUS OPTIC PROBE		0.00	606.63	
00340	Vestis Group, Inc.		11/10/2025	Regular	0.00	67.62	84567
2530463567	Invoice	11/10/2025	PUR OCT VESTIS INVOICE		0.00	33.81	
2530466072	Invoice	11/10/2025	PUR OCT VESTIS INVOICE		0.00	33.81	
09663	VIKING ELECTRIC SUPPLY, INC		11/10/2025	Regular	0.00	1,654.47	84568
S009675265.001	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	11.76	
S009675265.002	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	55.56	
S009676158.001	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	21.74	
S009685421.001	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	295.90	
S009685421.002	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	295.90	
S009700749.001	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	142.13	

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount (Payable)	Payable Amount	Discount Amount	Payment Amount	Number
S009700749.002	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	711.13			
S009711162.001	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	25.90			
S009712243.001	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	32.51			
S009712243.002	Invoice	11/10/2025	PUR OCT VIKING INVOICES		0.00	61.94			
09899	WESCO RECEIVABLES CORP		11/10/2025	Regular			0.00	331.40	84569
624030	Invoice	11/10/2025	PUR POLE SLINGS		0.00	331.40			
01204	WHITE CAP, LP		11/10/2025	Regular			0.00	810.08	84570
50033932421	Invoice	11/10/2025	PUR WATER COMPOSIT 36" RINGS		0.00	572.16			
50033938373	Invoice	11/10/2025	PUR OCT WHITECAP INVOICE		0.00	237.92			
09996	ZIEGLER INC.		11/10/2025	Regular			0.00	160.44	84571
IN002080922	Invoice	11/10/2025	PUR SEPT ZIEGLER INVOICE		0.00	160.44			
09997	Zoro		11/10/2025	Regular			0.00	145.65	84572
INV17528828	Invoice	11/10/2025	PUR OCT ZORO INVOICES		0.00	44.73			
INV17548066	Invoice	11/10/2025	PUR OCT ZORO INVOICES		0.00	31.92			
INV7509281	Invoice	11/10/2025	PUR OCT ZORO INVOICES		0.00	69.00			
00075	A W RESEARCH		11/19/2025	Regular			0.00	4,399.96	84623
75314	Invoice	11/19/2025	PUR OCT AW INVOICES		0.00	773.40			
75316	Invoice	11/19/2025	PUR OCT AW INVOICES		0.00	3,626.56			
05348	Aaron Wiese		11/19/2025	Regular			0.00	117.80	84624
34956	Invoice	11/19/2025	PUR NOV LAMS INVOICE		0.00	117.80			
00105	ACE HARDWARE-BRAINERD		11/19/2025	Regular			0.00	40.34	84625
336213	Invoice	11/19/2025	PUR NOV ACE INVOICES		0.00	30.74			
336366	Invoice	11/19/2025	PUR NOV ACE INVOICES		0.00	9.60			
00337	AMERICAN WELDING & GAS INC		11/19/2025	Regular			0.00	40.86	84626
0011227669	Invoice	11/19/2025	PUR OCT AMERICAN WELDING INVOICE		0.00	40.86			
00405	ANDERSON BROTHERS CONSTRUCTION		11/19/2025	Regular			0.00	40,585.61	84627
38302	Invoice	11/19/2025	PUR OCT ANDERSON BROS INVOICE		0.00	40,585.61			
00692	BATTERIES PLUS # 035		11/19/2025	Regular			0.00	49.98	84628
P86943793	Invoice	11/19/2025	PUR NOV BATTERIES PLUS INVOICE		0.00	49.98			
00735	Best Oil, LLC		11/19/2025	Regular			0.00	2,847.49	84629
13285	Invoice	11/19/2025	PUR NOV BEST OIL INVOICES		0.00	428.80			
13286	Invoice	11/19/2025	PUR NOV BEST OIL INVOICES		0.00	765.69			
42714	Invoice	11/19/2025	PUR NOV BEST OIL INVOICES		0.00	1,224.00			
42715	Invoice	11/19/2025	PUR NOV BEST OIL INVOICES		0.00	429.00			
00825	BORDER STATES ELECTRIC		11/19/2025	Regular			0.00	2,540.11	84630
931285987	Invoice	11/19/2025	INV ELEC OH PARTS		0.00	19.52			
931419506	Invoice	11/19/2025	PUR ELEC SPRING LOC		0.00	330.00			
931453254	Invoice	11/19/2025	INV EU1160		0.00	1,389.00			
931477576	Invoice	11/19/2025	PUR 4/0 TEST PROBE		0.00	801.59			
03115	ESCH CONSTRUCTION SUPPLY,INC.		11/19/2025	Regular			0.00	744.64	84631
INV94799	Invoice	11/19/2025	PUR ESCH EBOSS1612520 BLADE		0.00	744.64			
07691	FERGUSON ENTERPRISES INC #3326		11/19/2025	Regular			0.00	2,970.00	84632
0294992	Invoice	11/19/2025	PUR HYDRANT METERS		0.00	2,970.00			
03699	GRAINGER		11/19/2025	Regular			0.00	135.48	84633
9696911255	Invoice	11/19/2025	PUR NOV GRAINGER INVOICES		0.00	135.48			
04050	HAWKINS INC.		11/19/2025	Regular			0.00	10.00	84634
7256651	Invoice	11/19/2025	PUR NOV HAWKINS INVOICE		0.00	10.00			
04096	HENGEL READY MIX & CONST		11/19/2025	Regular			0.00	120.00	84635

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
251849	Invoice	11/19/2025	oct hengel invoices		0.00	60.00	
251917	Invoice	11/19/2025	oct hengel invoices		0.00	60.00	
09997	Zoro		11/19/2025	Regular	0.00	67.45	84636
INV17673148	Invoice	11/19/2025	PUR NOV ZORO INVOICE		0.00	67.45	
00670	BARR ENGINEERING CO		11/19/2025	Regular	0.00	19,716.50	84637
23181016.08-19	Invoice	11/19/2025	BPU Powerhouse Units 4 & 6 Upgrades		0.00	5,271.50	
23181016.09-7	Invoice	11/19/2025	Work Order #9: Support for Hydro Project		0.00	14,445.00	
00778	BLA Clean, LLC.		11/19/2025	Regular	0.00	2,476.00	84638
1452	Invoice	11/19/2025	Cleaning Services: October		0.00	2,476.00	
00820	BOLTON & MENK, INC.		11/19/2025	Regular	0.00	24,375.00	84639
0378052	Invoice	11/19/2025	WWTF Improvements: 2025 Facility Plan		0.00	18,433.00	
0378053	Invoice	11/19/2025	Water Treatment Improvements: Funding		0.00	2,565.00	
0378054	Invoice	11/19/2025	WTP Filter Backwash Reclaim: CMAR Mgmt		0.00	3,377.00	
01655	CANON FINANCIAL SERVICES, INC		11/19/2025	Regular	0.00	479.36	84640
41861633	Invoice	11/19/2025	Contract 0697377-004 Return Invoice: Re...		0.00	479.36	
01750	CDW GOVERNMENT		11/19/2025	Regular	0.00	58.00	84641
AG7EE5Z	Invoice	11/19/2025	Acrobat License: C. Fischer		0.00	58.00	
01805	CENTERPOINT ENERGY		11/19/2025	Regular	0.00	314.93	84642
800004432-1-10/...	Invoice	11/19/2025	MONTHLY GAS BILL - WTR PROD/WTR DIS...		0.00	314.93	
01837	CENTURYLINK		11/19/2025	Regular	0.00	490.16	84643
333931378-11/0...	Invoice	11/19/2025	MONTHLY PHONE BILL: 11/2025		0.00	490.16	
01890	CHARTER COMMUNICATIONS		11/19/2025	Regular	0.00	1,288.43	84644
175590201110125	Invoice	11/19/2025	TV SERVICE: 11/2025		0.00	39.43	
23748760111025	Invoice	11/19/2025	237487601: FIBER INTERNET		0.00	1,249.00	
02025	CITY OF BRAINERD		11/19/2025	Regular	0.00	3,606.89	84646
25-0006657	Invoice	11/19/2025	Gov't Jobs Subscription/ RRM-Spec. Svcs / ...		0.00	3,606.89	
03321	FIRST IMPRESSION PRINTING		11/19/2025	Regular	0.00	65.00	84647
95511	Invoice	11/19/2025	Business Cards: P. Sandy		0.00	65.00	
03684	GMP Consultants		11/19/2025	Regular	0.00	260.50	84648
25-372	Invoice	11/19/2025	Utilities Director Search: Travel Expenses		0.00	260.50	
00105	ACE HARDWARE-BRAINERD		11/20/2025	Regular	0.00	21.09	84649
336098	Invoice	11/20/2025	PUR NOV ACE INVOICES 02		0.00	9.61	
336448	Invoice	11/20/2025	PUR NOV ACE INVOICES 02		0.00	11.48	
10188	ALPENGLOW TECHNOLOGIES, LLC		11/20/2025	Regular	0.00	400.00	84650
12043	Invoice	11/20/2025	Monthly IT Billing: 11/2025		0.00	400.00	
00825	BORDER STATES ELECTRIC		11/20/2025	Regular	0.00	267.24	84651
931510796	Invoice	11/20/2025	INV ES0170		0.00	267.24	
02556	CORE & MAIN LP		11/20/2025	Regular	0.00	3,541.84	84652
Y062429	Invoice	11/20/2025	PUR HYDRANT REPAIR PARTS		0.00	3,541.84	
09192	Dycom Industries, Inc.		11/20/2025	Regular	0.00	21,422.00	84653
50006473	Invoice	11/20/2025	Boring: Oak & 28th Street		0.00	3,080.00	
50006478	Invoice	11/20/2025	Boring:Conservation Dr		0.00	8,640.00	
50006481	Invoice	11/20/2025	Boring: Circle Pines Apt		0.00	9,702.00	
03275	FASTENAL COMPANY		11/20/2025	Regular	0.00	9.80	84654
MNBAX276636	Invoice	11/20/2025	PUR NOV FASTENAL INVOICE		0.00	9.80	
03557	FRONTIER ENERGY, INC.		11/20/2025	Regular	0.00	9,342.10	84655

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
198848	Invoice	11/20/2025	CIP SERVICES: 10/2025		0.00	9,342.10	
03695	GOPHER STATE ONE-CALL		11/20/2025	Regular	0.00	276.75	84656
5100112	Invoice	11/20/2025	GSOC TICKETS: 10/2025		0.00	276.75	
04555	INTEGRATED PROTECTION SYSTEMS, INC.		11/20/2025	Regular	0.00	7,558.40	84657
86669	Invoice	11/20/2025	2 Door Access Add @ BPU Cold Storage Bl…		0.00	7,558.40	
05415	LANDIS-GYR TECHNOLOGY, INC/FKA CELLNET		11/20/2025	Regular	0.00	1,995.00	84658
90421149	Invoice	11/20/2025	MONTHLY ENDPOINT FEE: 10/2025		0.00	1,995.00	
05530	LEAGUE OF MN CITIES INS. TRUST WC		11/20/2025	Regular	0.00	63,618.00	84659
40001339-P&C-Q…	Invoice	11/20/2025	Prop/Casualty Insurance: Q4 2025		0.00	63,618.00	
05815	MARCO TECHNOLOGIES, LLC		11/20/2025	Regular	0.00	1,749.36	84660
INV14471763	Invoice	11/20/2025	BP56: Microsoft 365 Subscriptions		0.00	924.27	
INV14544974	Invoice	11/20/2025	BP56: Duo Tokens		0.00	825.09	
06190	MINNESOTA MUNICIPAL UTILITIES ASSOCIATIO		11/20/2025	Regular	0.00	2,487.50	84661
67214	Invoice	11/20/2025	Apprentice Training Program: N. Carvelli		0.00	2,487.50	
06247	MN DEPARTMENT OF LABOR & INDUSTRY		11/20/2025	Regular	0.00	245.00	84662
ABR036881X	Invoice	11/20/2025	0000151365: Pressure Vessel @ 1801 Mill…		0.00	100.00	
ALR0182200X	Invoice	11/20/2025	ELEVATOR: Annual Operator		0.00	145.00	
06556	MPOWER TECHNOLOGIES, INC.		11/20/2025	Regular	0.00	112.50	84663
6456	Invoice	11/20/2025	MPOWER SUPPORT SERVICES		0.00	112.50	
07335	OFFICE SHOP		11/20/2025	Regular	0.00	89.13	84665
1159198-0	Invoice	11/20/2025	Office Supplies: Notary Stamps		0.00	89.13	
07339	ONLINE INFORMATION SERVICES, INC.		11/20/2025	Regular	0.00	364.08	84666
1353803	Invoice	11/20/2025	ONLINE UTILITY EXCHANGE REPORT: 10/2…		0.00	364.08	
07642	PITNEY BOWES BANK INC. PURCHASE POWER		11/20/2025	Regular	0.00	75.00	84667
8000-9090-1100-…	Invoice	11/20/2025	8000-9090-1100-6348-QUARTERLY SUBSC…		0.00	75.00	
07665	PITNEY BOWES GLOBAL FINANCIAL SERV. LLC		11/20/2025	Regular	0.00	1,557.06	84668
3107484542	Invoice	11/20/2025	CONTRACT: 0040216585 -POSTAGE MACH…		0.00	1,557.06	
07917	QUALITY EQUIPMENT SALES & SERVICE, INC		11/20/2025	Regular	0.00	70.24	84669
P09485	Invoice	11/20/2025	PUR NOV QUALITY EQUIPMENT INVOICE		0.00	70.24	
10144	RAMSTAD TECHNOLOGIES, INC		11/20/2025	Regular	0.00	18,843.00	84670
2374	Invoice	11/20/2025	Fiber Splicing: 09/15/25-09/23/25		0.00	18,843.00	
00447	SAMUEL ARNZEN		11/20/2025	Regular	0.00	50.99	84671
11/13/2025-Safe…	Invoice	11/20/2025	Reimburse Safety Boots @ 50%		0.00	50.99	
08789	Spencer Fane LP		11/20/2025	Regular	0.00	572.00	84672
1461023	Invoice	11/20/2025	Large Power Agreements/General Repres…		0.00	572.00	
03686	Tel Gold LLC		11/20/2025	Regular	0.00	520.00	84673
251106777101	Invoice	11/20/2025	Answering Service: 10/2025		0.00	520.00	
00785	TROY J BLOCK		11/20/2025	Regular	0.00	140.00	84674
11/06/25-Safety …	Invoice	11/20/2025	Reimburse Safety Boots @ 50%		0.00	140.00	
00340	Vestis Group, Inc.		11/20/2025	Regular	0.00	70.85	84675
2530468605	Invoice	11/20/2025	PUR NOV VESTIS INVOICES		0.00	37.04	
2530471360	Invoice	11/20/2025	PUR NOV VESTIS INVOICES		0.00	33.81	
09663	VIKING ELECTRIC SUPPLY, INC		11/20/2025	Regular	0.00	33.42	84676
S009721466.001	Invoice	11/20/2025	PUR NOV VIKING INVOICES		0.00	33.42	
09728	WASTE PARTNERS		11/20/2025	Regular	0.00	1,610.45	84677

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount (Payable)	Payable Amount	Discount Amount	Payment Amount	Number
5AX01356	Invoice	11/20/2025	TRASH/RECYCLING SERVICE: ACCT#242053		0.00	1,610.45			
09948	WIDSETH SMITH NOLTING & ASSOC., INC		11/20/2025	Regular			0.00	5,160.50	84678
241573	Invoice	11/20/2025	Directional Drilling-River Crossing: Final Pa...		0.00	2,000.00			
241574	Invoice	11/20/2025	Prelim Design, Facility Plan, & Enviro Repo...		0.00	3,160.50			
00472	AT&T MOBILITY		10/24/2025	Bank Draft			0.00	373.38	DFT0001885
287260682523X...	Invoice	10/24/2025	AT & T MONTHLY BILL: 09/2025		0.00	373.38			
01655	CANON FINANCIAL SERVICES, INC		10/24/2025	Bank Draft			0.00	107.85	DFT0001886
42021750	Invoice	10/24/2025	Canon Invoice - Contract Charge: Bill Print...		0.00	107.85			
07640	PITNEY BOWES, INC.		10/24/2025	Bank Draft			0.00	3,500.00	DFT0001888
10/14/2025-Post...	Invoice	10/24/2025	POSTAGE REFILL		0.00	3,500.00			
07715	U.S. POSTAL SERVICE		10/24/2025	Bank Draft			0.00	4.04	DFT0001889
674631007	Invoice	10/24/2025	Additional Postage Due - Bulk Mail		0.00	4.04			
07715	U.S. POSTAL SERVICE		10/24/2025	Bank Draft			0.00	4.55	DFT0001890
675175370	Invoice	10/24/2025	Additional Postage Due - Bulk Mail		0.00	4.55			
09961	XCEL ENERGY		10/24/2025	Bank Draft			0.00	1,208.64	DFT0001891
947796211	Invoice	10/24/2025	Xcel Energy - Service Center/WWT		0.00	1,208.64			
06171	MN DEPT OF REVENUE		10/28/2025	Bank Draft			0.00	158,137.00	DFT0001893
09/2025-Sales Tax	Invoice	10/28/2025	SALES TAX DRAFT: 09/2025		0.00	158,137.00			
02455	CTC		10/28/2025	Bank Draft			0.00	1,849.48	DFT0001895
21670940	Invoice	10/28/2025	MONTHLY BILL: 10/12/25-11/11/25		0.00	1,849.48			
01191	BREMER BANK - CC		10/31/2025	Bank Draft			0.00	7,446.89	DFT0001896
09/30/2025 CC S...	Invoice	10/31/2025	CC Statement: 09/30/2025		0.00	7,446.89			
07715	U.S. POSTAL SERVICE		10/31/2025	Bank Draft			0.00	12.74	DFT0001898
675860441	Invoice	10/31/2025	Additional Postage Due - Bulk Mail		0.00	12.74			
09561	United Parcel Service, Inc		11/10/2025	Bank Draft			0.00	45.59	DFT0001907
0000E4015K435	Invoice	11/10/2025	PUR OCT UPS INVOICE		0.00	45.59			
09561	United Parcel Service, Inc		11/19/2025	Bank Draft			0.00	55.26	DFT0001913
0000E4015K455	Invoice	11/19/2025	PUR NOVE UPS INVOICE		0.00	55.26			
07715	U.S. POSTAL SERVICE		10/31/2025	Bank Draft			0.00	8.73	DFT0001915
676177227	Invoice	10/31/2025	Additional Postage Due - Bulk Mail		0.00	8.73			
07640	PITNEY BOWES, INC.		10/31/2025	Bank Draft			0.00	3,500.00	DFT0001916
10/31/2025-Post...	Invoice	10/31/2025	POSTAGE REFILL		0.00	3,500.00			
00472	AT&T MOBILITY		11/20/2025	Bank Draft			0.00	373.38	DFT0001926
287260682523X...	Invoice	11/20/2025	AT & T MONTHLY BILL: 11/05-12/04		0.00	373.38			
00472	AT&T MOBILITY		11/20/2025	Bank Draft			0.00	1,924.84	DFT0001927
287302792515X...	Invoice	11/20/2025	AT & T MONTHLY BILL: 09/26-10/25		0.00	1,924.84			
01655	CANON FINANCIAL SERVICES, INC		11/20/2025	Bank Draft			0.00	107.85	DFT0001928
42198404	Invoice	11/20/2025	Canon Invoice - Contract Charge: Billing P...		0.00	107.85			
01805	CENTERPOINT ENERGY		11/20/2025	Bank Draft			0.00	18.25	DFT0001929
11582840-2-11/1...	Invoice	11/20/2025	1602 E RIVER RD		0.00	18.25			
01805	CENTERPOINT ENERGY		11/20/2025	Bank Draft			0.00	33.59	DFT0001930
11595232-7-11/1...	Invoice	11/20/2025	50 JENNY STREET		0.00	33.59			
02002	CITY OF BAXTER		11/20/2025	Bank Draft			0.00	1,091.23	DFT0001931
007335-000-10/2...	Invoice	11/20/2025	STORMWATER - ACCT# 007335-000: 09/2...		0.00	1,091.23			
02455	CTC		11/20/2025	Bank Draft			0.00	1,835.16	DFT0001932

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount	Payment Amount	Number
21690896	Invoice	11/20/2025	MONTHLY BILL: 11/12/25-12/11/25		0.00	1,835.16	
02717	CULLIGAN		11/20/2025	Bank Draft	0.00	100.65	DFT0001933
150-01059575-2-...	Invoice	11/20/2025	150-01059575-2 Service Center		0.00	100.65	
02717	CULLIGAN		11/20/2025	Bank Draft	0.00	55.68	DFT0001934
150-10024107-7-...	Invoice	11/20/2025	150-10024107-7 Hydro		0.00	55.68	
03682	Global Payments Direct, Inc.		11/20/2025	Bank Draft	0.00	69,234.74	DFT0001937
11/01/2025-CC F...	Invoice	11/20/2025	CREDIT CARD FEES: 11/2025		0.00	69,234.74	
02825	MN DEPARTMENT OF COMMERCE		11/20/2025	Bank Draft	0.00	2,027.79	DFT0001939
0124G8CJRV	Invoice	11/20/2025	2025 Unclaimed Property Filing		0.00	2,027.79	
07715	U.S. POSTAL SERVICE		11/20/2025	Bank Draft	0.00	4.99	DFT0001940
676877809	Invoice	11/20/2025	Additional Postage Due - Bulk Mail		0.00	4.99	
07715	U.S. POSTAL SERVICE		11/20/2025	Bank Draft	0.00	4.73	DFT0001941
677456124	Invoice	11/20/2025	Additional Postage Due - Bulk Mail		0.00	4.73	
09925	WEX HEALTH, INC		11/20/2025	Bank Draft	0.00	23.00	DFT0001943
0002266064-IN	Invoice	11/20/2025	MONTHLY COBRA BILLING: 10/2025		0.00	23.00	

Bank Code AP2 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	168	104	0.00	720,632.06
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	28	28	0.00	253,090.03
EFT's	7	4	0.00	1,307,575.71
	203	**136**	**0.00**	**2,281,297.80**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	168	104	0.00	720,632.06
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	28	28	0.00	253,090.03
EFT's	7	4	0.00	1,307,575.71
	203	**136**	**0.00**	**2,281,297.80**

Fund Summary

Fund	Name	Period	Amount
9	POOLED CASH CONTROL	10/2025	597,223.96
9	POOLED CASH CONTROL	11/2025	1,684,073.84
			2,281,297.80

Public Utilities Commission
Agenda Request

MEETING DATE: November 25, 2025

TITLE OF ITEM: Approve 2026-2030 Capital and 2026 Operations Budgets

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 10

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

SUMMARY OF ISSUE:

The 2026 Brainerd Public Utilities Operating Budget and the 2026–2030 Capital Improvement Plan present a comprehensive and forward-looking financial strategy that supports the reliability, safety, and regulatory compliance of the electric, water, and wastewater utilities. The 2026 Operating Budget projects total revenues of $40.3 million and expenses of $40.1 million, resulting in a positive change in net position and reflecting stable operational performance across all divisions. This budget incorporates several cost drivers discussed in recent Commission meetings, including the wage and payroll impacts associated with Minnesota's Paid Family and Medical Leave program, increases in employee insurance premiums, funding for vacant and realigned positions, and the consulting studies approved for system planning, technology integration, and operational assessments.

Within the Electric Department, the 2026 Operating Budget maintains balanced financial performance while absorbing higher purchased-power costs and supporting expanded operational needs. The budget includes staffing adjustments to meet increased system complexity, funding for ongoing distribution system maintenance, and consulting support tied to engineering, reliability, and power supply planning. The Electric capital program continues its multi-year strategy of reinvesting in core distribution assets, substation upgrades, advanced system protection equipment, and hydro generation improvements, including preliminary work related to the Pit 6 generator replacement.

For the Water Department, the 2026 Operating Budget reflects ongoing financial improvement, supported by steady consumption, updated rates, and improved revenue recovery. Included in the budget are staffing needs, chemical and treatment-related cost increases, technology modernization, and consulting work connected to long-term plant planning and the reclamation/backwash project. The Water capital plan remains robust, driven by substantial treatment and production upgrades, SCADA improvements, well rehabilitation, and large coordinated city street and watermain projects. The plan also incorporates continued work on the Lead Service Line Replacement Program and preliminary investments associated with future water plant development.

The Wastewater Department Operating Budget maintains a stable financial position while preparing for significant facility investments. Operational funding supports process optimization, chemical needs, lab and monitoring equipment, and staffing for treatment and lift-station operations. The budget includes the wage and insurance impacts noted above as well as consulting and engineering support tied to major plant expansion work. The Wastewater capital program is anchored by the multi-year wastewater treatment plant expansion required to meet regulatory standards and long-term capacity needs, along with ongoing lift-station rehabilitation, HVAC upgrades, grit handling and headworks improvements, and essential SCADA and controls modernization.

Collectively, the 2026 Operating Budget and the 2026–2030 Capital Improvement Plan provide a coordinated roadmap for sustaining essential utility services, managing cost pressures, addressing regulatory requirements, and reinvesting in critical infrastructure. This financial plan positions Brainerd Public Utilities to meet future community needs while maintaining responsible and stable utility operations.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

RECOMMENDED ACTION/MOTION: Staff recommend that the Commission approve the enclosed 2026 Operating Budget and 2026–2030 Capital Improvement Plan, and that these budgets be formally submitted to the City Council for action at its first meeting in December, as required by the City Charter.

FINANCIAL IMPACT:

BRAINERD PUBLIC UTILITIES

BRAINERD PUBLIC UTILITIES OPERATING BUDGET FOR THE YEAR ENDED DECEMBER 31, 2026 AND CAPITAL IMPROVEMENT BUDGET FOR THE YEARS 2026 THROUGH 2030

BRAINERD PUBLIC UTILITIES
TABLE OF CONTENTS
OPERATING AND CAPITAL BUDGETS

Capital Improvement Budget

2026 - 2030

Brainerd Public Utilities
Electric Distribution and Hydro Generation Department
Capital Improvement Budget
For the Years 2025 Through 2029

	Project Description	2026	2027	2028	2029	2030
Electric Distribution						
Distribution System Improvements						
26-1-001	OH Improvements	$ 125,000	$ 240,000	$ 255,000	$ 270,000	$ 285,000
26-1-002	UG Improvements	115,000	255,000	265,000	280,000	295,000
26-1-003	Directional Drilling Charges	65,000	70,000	75,000	80,000	85,000
26-1-004	Distribution Transformers	400,000	400,000	400,000	400,000	200,000
26-1-005	New Extensions/Expansions	100,000	100,000	100,000	100,000	100,000
26-1-006	Distribution Protection (VFI, MVI, Viper)	265,000	270,000	280,000	290,000	300,000
26-1-007	Metering	105,000	110,000	115,000	120,000	125,000
25-1-008	Buffalo Hills Rebuild	250,000	-	-	-	-
25-1-009	EagleView Rebuild	-	-	-	-	-
Substation Improvements						
26-1-010	Main Substation	210,000	215,000	220,000	125,000	125,000
25-1-011	Downtown Substation	-	-	-	-	2,500,000
Lighting System Improvements						
26-1-112	City Street Projects	90,000	90,000	90,000	90,000	90,000
Tools and Equipment						
26-1-013	High Voltage Tools	30,000	30,000	35,000	35,000	40,000
26-1-014	Safety Tools	40,000	45,000	50,000	55,000	60,000
26-1-015	Test Equipment	30,000	35,000	40,000	45,000	50,000
Vehicles/Trailers						
25-1-017	Bucket Truck	-	-	-	350,000	-
26-1-019	Backyard Lineman	150,000	-	-	-	-
Administration						
26-1-301	Computer System Improvements	103,000	60,000	60,000	60,000	60,000
26-1-302	Service Center Improvements	50,000	50,000	50,000	50,000	50,000
	Total Electric Distribution	2,128,000	1,970,000	2,035,000	2,350,000	4,365,000
Hydro Generation						
PowerhHouse Building and Flow Control						
26-4-001	Upgrade of Bascule Gate Hydraulics	-	200,000	-	-	-
26-4-002	Exterior Painting of Powerhouse	-	50,000	-	-	-
27-4-001	Upgrade of Slide Gates	-	-	300,000	-	-
26-4-102	Roof Replacement	350,000	-	-	-	-
26-4-303	System Impact Assessment Study	-	-	-	-	350,000
27-4-003	Embankment Work	-	150,000	-	-	-
26-4-005	Subsidance Work	150,000	-	-	-	-
Generation Equipment						
26-4-103	SCADA System Improvements	-	-	50,000	-	-
23-4-001	Design and Replacement of Generator - Pit 6	-	-	4,850,000	4,850,000	-
26-4-101	Replacement Parts of Older Turbines	50,000	-	50,000	-	-
25-4-104	Generation Govenors	150,000	150,000	-	-	-
	Total Hydro Generation	700,000	550,000	5,250,000	4,850,000	350,000
	Contingencies 5%	141,400	126,000	364,250	360,000	235,750
	Total Electric Department	2,969,400	2,646,000	7,649,250	7,560,000	4,950,750
	Less: Projects Funded with Bonds/Grants	-	-	4,850,000	4,850,000	-
	Less: Projects Funded Fund Balance/Carryover	250,000	-	-	-	-
	Net Projects Funded through Operations	2,719,400	2,646,000	2,799,250	2,710,000	4,950,750

Brainerd Public Utilities
Water Department
Capital Improvement Budget
For the Years 2025 Through 2029

	Project Description	2026	2027	2028	2029	2030
Water Department						
Water Production and Treatment						
25-2-002	Filter Bed Improvements	125,000	-	-	137,500	-
25-2-007	Well House Improvements	35,000	-	35,000	-	40,000
25-2-010	Reclamation/Backwash Construction Project	2,825,000	2,825,000	-	-	-
26-2-001	Well Rehab	$ 60,000	$ 60,000	$ 65,000	$ 65,000	$ 65,000
26-2-002	Pump House Roof	32,000	35,000	30,000	-	-
26-2-003	SCADA System Improvements	20,000	20,000	15,000	-	-
26-2-004	Chemical Addition Room Equipment/Improvements	20,000	5,000	5,000	5,000	28,000
26-2-005	Security System	25,000	30,000	32,000	32,000	-
26-2-006	Dehumidifier - Plant/Well	7,500	7,500	7,500	7,500	7,500
26-2-007	Water Plant Roof	-	-	-	100,000	-
26-2-008	HVAC Improvements/dehumidifer	5,000	-	5,000	-	-
26-2-009	High service Pump	140,000	154,000	-	-	-
26-2-010	New Plant Provision	175,000	-	-	3,800,000	4,000,000
26-2-011	Well House Automation and Controls	60,000	50,000	-	-	-
26-2-012	Parking Lot Improvements	25,000	-	-	-	-
26-2-013	Creation Well #9	60,000	-	5,000,000	-	-
26-2-014	Flow Meters	-	16,200	-	-	-
26-2-015	Lab Equipment - Analyzers	-	-	-	5,000	-
Water Distribution System						
26-2-101	Gates/Valves/Hydrants	55,000	57,500	60,000	62,500	65,000
26-2-103	SCADA System Improvements	25,000	25,000	30,000	30,000	35,000
26-2-102	Meters	20,000	20,000	25,000	25,000	30,000
26-2-104	New Services Improvements	140,000	140,000	140,000	140,000	145,000
26-2-105	Lum and Riverside Booster Station Improvements	20,000	20,000	20,000	20,000	25,000
26-2-106	Pump House Booster Rebuilt/Riverside upgrade	150,000	150,000	-	-	-
26-2-107	Dehumidifiers - Booster Stations	7,500	7,500	-	-	-
26-2-108	Distribution Tower Maintenance	25,000	25,000	25,000	25,000	-
26-2-109	Service Truck	-	80,000	-	-	-
26-2-110	Service Truck	-	-	-	80,000	-
26-2-111	Robert's Property Line realignment	-	-	250,000	-	-
	City Watermain Projects					
25-2-021	Highway 210/Washington Street	3,250,000	-	-	-	-
25-2-002	Southeast Brainerd Reconstruction	1,200,000	1,200,000	900,000	-	-
25-2-023	Northeast Brainerd Reconstruction	-	801,000	900,000	800,000	-
25-2-024	Oak Street Reconstruction	-	-	-	1,500,000	-
26-2-201	2030 Street Projects	-	-	-	-	1,850,000
26-2-130	Lead Service Replacements	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Administration						
26-2-301	Computer System Improvements	35,000	40,000	40,000	45,000	45,000
26-2-302	Service Center Improvements	25,000	25,000	25,000	30,000	30,000
	Total Water Before Contingencies	11,067,000	8,293,700	10,109,500	9,409,500	8,865,500
	Contingencies 5%	553,350	414,685	505,475	470,475	443,275
	Total Water Department	$ 11,620,350	$ 8,708,385	$ 10,614,975	$ 9,879,975	$ 9,308,775
	Less: Projects Funded with Bonds	8,525,000	6,076,000	8,050,000	7,350,000	7,100,000
	Less: Projects Funded with Grants	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
	Less: Projects Carried forward	310,000	-	-	-	-
	Net Projects Funded through Operations	1,535,350	1,382,385	1,314,975	1,279,975	958,775

Brainerd Public Utilities
Wastewater Treatment Department
Capital Improvement Budget
For the Years 2025 through 2029

	Project Description	2026	2027	2028	2029	2030
Wastewater Treatment Department						
Wastewater Treatment						
25-3-001	Control Building HVAC Upgrade	$ 150,000	$ -	$ -	$ -	$ -
25-3-006	Plant Expansion/ Upgrades	12,000,000	12,000,000	-	-	-
25-3-008	GBT Control Panel	150,000	-	-	-	-
25-3-010	Headwork Grit Classifier	110,000	-	-	-	-
25-3-011	Screen Improvements Headworks	25,000	-	-	-	-
26-3-001	Lab Equipment	10,000	12,000	12,000	14,000	14,000
26-3-002	Roofs	$ 32,500	$ 35,000	$ 37,500	$ 40,000	$ 42,500
26-3-003	Sampling Devices/system Flow Meters	15,000	15,000	20,000	20,000	25,000
26-3-004	PLC Upgrades	60,000	65,000	65,000	70,000	70,000
26-3-005	UV Bulbs	40,000	15,000	45,000	20,000	50,000
26-3-006	SBR Blower Bearings	-	-	30,000	-	-
26-3-007	SBR Parts	35,000	35,000	35,000	35,000	40,000
26-3-008	Digester Cover Upgrade/Flare Regulator	-	35,000	-	-	35,000
26-3-009	Feed Pumps/Digester Feed/Parts	10,000	-	10,000	-	10,000
26-3-010	Hydry Dehumidifiers	-	-	10,000	-	-
Lift Station Improvements						
Main Lift Pumping Station						
25-3-018	Generator Replacement	250,000	-	-	-	-
25-3-020	Hydry Dehumidifiers	10,000	-	-	-	-
26-3-101	VFD's	40,000	42,000	45,000	45,000	47,500
26-3-102	Roof	-	15,000	-	-	-
26-3-103	Submersible Pumps	110,000	120,000	130,000	-	-
26-3-104	Motor Control Pump Station	-	60,000	-	-	-
26-3-105	Rake Parts	15,000	17,500	17,500	20,000	20,000
26-3-106	Main Lift Heat/Air Exchanger	175,000	-	-	-	-
26-3-107	Main Lift Replacement	494,000	7,000,000	-	-	-
Evergreen Lift Station						
25-3-024	Door	20,000	-	-	-	-
25-3-025	Hydry Dehumidifier	5,000	-	-	-	-
26-3-202	Roof	-	-	14,500	-	-
26-3-205	Rake Parts	7,500	9,500	9,500	-	-
Other Lift Stations						
25-3-027	SW 6th Security Fence/yard improvement	27,100	-	-	-	-
25-3-029	Force Main Mapping	32,000	-	-	-	-
26-3-401	Pump Replacements/VFD	140,000	150,000	150,000	155,000	155,000
26-3-403	SCADA System Improvements	45,000	45,000	50,000	50,000	55,000
26-3-404	Tyrol Grinder Replacment	-	-	53,200	-	-
Vehicles and Trailers						
25-3-038	Vac-Tron Truck	-	275,000	275,000	-	-
Administration						
26-3-301	Computer System Improvements	95,000	40,000	40,000	45,000	45,000
26-3-302	Service Center Improvements	25,000	25,000	25,000	30,000	30,000
	Total Wastewater Treatment Before Contingencies	14,128,100	20,011,000	1,074,200	544,000	639,000
	Contingencies 5%	706,405	1,000,550	53,710	27,200	31,950
	Total Wastewater Treatment Department	14,834,505	21,011,550	1,127,910	571,200	670,950
	Less: Projects Funded with Bonds	12,000,000	19,000,000	-	-	-
	Less: Projects Funded with Fund Balance/Carryover	779,100	275,000	-	-	-
	Net Projects Funded through Operations	$ 2,055,405	$ 1,736,550	$ 1,127,910	$ 571,200	$ 670,950

2030 Operating Budget

Brainerd Public Utilities
Summary of 2026 Operating Budget
Combined All Departments

	Actual 2022	Actual 2023	Actual 2024	2025 Projected Actual	2025 Budget	2025 Favorable (Unfavorable) Variance	2026 Budget
Utility Revenue							
Residential	$ 9,561,816	$ 9,920,264	$ 9,510,829	$ 10,367,755	$ 10,352,500	$ 15,255	$ 10,735,000
Commercial	18,174,299	20,417,355	24,868,445	26,061,559	27,637,600	(1,576,041)	26,919,150
Total Utility Revenue	27,736,115	30,337,619	34,379,274	36,429,313	37,990,100	(1,560,787)	37,654,150
Other Revenue							
Local Option Sales Tax Proceeds - Brainerd	1,539,391	1,453,667	1,430,028	1,893,340	1,472,400	420,940	1,472,400
Local Option Sales Tax Proceeds - Baxter	401,500	423,641	454,476	348,693	422,400	(73,707)	422,400
Interest Revenue Investments	(671,411)	395,522	568,540	498,693	119,200	379,493	119,200
Interest Revenue - Notes Receivable	117,505	121,159	104,659	78,700	-	78,700	-
Federal Grant Revenue - Build America Bond	77,558	70,570	91,095	90,000	62,400	27,600	75,000
Other Revenue	1,347,042	697,323	1,227,017	1,090,049	665,000	425,049	577,300
Total Other Revenue	2,811,585	3,161,882	3,875,815	3,999,476	2,741,400	1,258,076	2,666,300
Total Revenue	30,547,700	33,499,501	38,255,089	40,428,789	40,731,500	(302,711)	40,320,450
Expenses							
Purchased Power	12,256,210	13,781,295	18,705,358	19,755,763	19,960,000	204,237	20,000,000
Salaries and Wages	4,593,642	4,700,500	4,347,145	5,259,965	5,930,980	671,015	5,981,400
Operations and Maintenance	2,942,926	3,322,378	3,206,338	3,203,564	3,558,360	355,251	4,105,310
Employee Benefits	2,000,112	1,877,788	1,409,398	1,646,149	1,963,000	316,851	1,807,172
Other Charges	968,871	1,284,681	1,498,737	1,669,767	1,481,970	(187,797)	1,016,120
Depreciation	5,267,883	5,249,244	5,378,596	5,379,235	5,254,500	(124,735)	5,516,550
Interest Expense - Bonds	946,648	827,164	819,515	768,664	822,800	54,136	787,800
Cash Transfers to City	756,373	783,245	765,150	785,972	816,000	30,028	862,500
Total Expenses	29,732,665	31,826,295	36,130,237	38,469,079	39,787,610	1,318,986	40,076,852
Change in Net Position	$ 815,035	$ 1,673,206	$ 2,124,852	$ 1,959,710	$ 943,890	$ 1,016,275	$ 243,598

Brainerd Public Utilities
2026 Operating Budget
Electric Department

	Actual 2022	Actual 2023	Actual 2024	2025 Projected Actual	2025 Budget	2025 Variance Positive (Negative)	2026 Budget
Electric Department							
Revenue							
Utility Revenue							
Residential	$ 6,591,857	$ 6,832,295	$ 6,342,943	$ 6,779,293	$ 6,960,000	$ (180,707)	$ 7,050,000
Commercial	10,128,886	10,583,243	10,019,998	10,587,992	10,620,000	(32,008)	10,800,000
Large Commercial	3,218,293	2,677,238	2,359,672	2,047,675	2,748,000	(700,325)	2,500,000
Industrial	506,772	2,749,837	7,706,570	8,430,012	9,000,000	(569,988)	8,400,000
City of Brainerd	349,837	361,491	346,350	359,455	362,400	(2,945)	362,250
BPU	760,117	820,176	751,384	747,351	780,000	(32,649)	770,000
Total Utility Revenue	21,555,762	24,024,280	27,526,917	28,951,777	30,470,400	(1,518,623)	29,882,250
Other Revenues							
Late Payment Penalties	111,151	136,974	142,490	171,961	102,000	69,961	130,000
Permits and Fees	36,849	47,298	32,625	35,400	30,000	5,400	30,000
Bad Debt Recoveries	5,329	2,596	805	387	6,000	(5,613)	2,500
Interest Revenue	(235,020)	89,702	137,805	29,475	9,600	19,875	9,600
Rental Revenue	74,718	1,300	54,675	5,649	12,000	(6,351)	8,000
Gain (Loss) on Sale of Capital Assets	33,954	8,584	20,496	4,840	1,200	3,640	1,200
Refunds and Reimbursements	11,385	9,113	29,014	484,265	3,600	480,665	3,600
Bond Premium	60,589	14,233	12,092	10,472	13,200	(2,728)	13,200
AMP	(1,359)	(2,057)	7,147	(13,805)	-	(13,805)	-
Sale of Renewable Energy Credits	482,463	-	-	-	-	-	-
Other Non-Operating Revenue	118,476	225,309	307,812	122,003	176,800	(54,797)	100,000
Total Other Revenue	698,535	533,052	744,961	850,647	354,400	496,247	298,100
Total Revenue	22,254,297	24,557,332	28,271,878	29,802,424	30,824,800	(1,022,376)	30,180,350
Expenses							
Purchased Power	12,256,210	13,781,295	18,705,358	19,755,763	19,960,000	204,237	20,000,000
Generation and Distribution							
Salaries and Wages							
Regular Wages	1,293,592	1,353,790	1,051,348	1,670,175	2,258,800	588,625	2,579,300
Overtime Wages	196,274	184,354	217,128	204,633	-	(204,633)	-
Double Overtime Wages	58,346	35,038	44,651	46,268	-	(46,268)	-
Vacation Pay	163,362	147,489	174,430	151,905	-	(151,905)	-
Sick Pay	45,644	56,231	94,379	39,227	-	(39,227)	-
Services to the City	74,861	69,947	56,576	57,405	-	(57,405)	-
	1,832,079	1,846,849	1,638,512	2,169,613	2,258,800	89,187	2,579,300
Operations and Maintenance							
Communications	4,630	2,228	2,245	848	3,700	2,852	3,700
Utilities	12,815	12,820	8,479	10,595	13,200	2,605	13,200
Small Tools and Supplies	66,767	66,921	57,783	52,516	63,600	11,084	63,600
Personal Protection Equipment	22,780	24,804	43,158	22,183	38,000	15,817	38,000
Motor Fuels	65,220	66,905	52,953	46,904	63,600	16,696	65,400
Maintenance and Repair							
Equipment	108,083	77,587	61,867	208,253	148,800	(59,453)	123,000
Buildings	26,810	9,920	10,786	31,040	33,200	2,160	23,200
Other	127,119	71,364	124,473	15	124,100	124,085	124,100
Street Lights	28,231	35,434	49,071	59,577	57,600	(1,977)	60,000
Maintenance Agreements	310	-	1,058	1,456	1,000	(456)	1,000
Cleaning and Waste Removal	16,014	4,738	8,530	3,951	5,400	1,449	9,200
Testing and Monitoring	9,211	9,388	7,893	3,997	8,000	4,003	9,500
IT System Expesnes	-	165	4,993	308	5,000	4,692	5,000
Other Commodities	25,266	-	15,000	16,115	-	(16,115)	15,000
Consulting Services	2,846	10,320	-	-	81,600	81,600	131,600
Other Services	14,352	15,297	8,160	8,869	10,400	1,531	14,400
	530,454	407,891	456,449	466,627	657,200	190,573	699,900
Employee Benefits							
Employee Benefits	$ -	$ -	$ -	$ 6,615	$ 1,200	$ (5,415)	$ -
Pension	132,957	133,195	130,974	138,765	141,600	2,835	193,448
Health Insurance	297,416	267,825	278,111	228,651	249,600	20,949	257,128
Payroll Taxes	135,021	129,978	130,125	135,719	144,000	8,281	207,504
	565,394	530,998	539,210	509,749	536,400	26,651	658,080
Other Charges							
Licenses and Permits	38,511	4,898	14,402	19,900	21,800	1,900	21,800
Travel and Conferences	36,059	65,631	38,017	31,200	51,600	20,400	51,600
Miscellaneous	400	26,834	1,800	4,020	1,200	(2,820)	1,200
	74,970	97,363	54,219	55,120	74,600	19,480	74,600
Depreciation and Amortization	2,092,585	2,095,599	2,182,330	2,182,800	2,041,800	(141,000)	2,227,000
Total Generation and Distribution	5,095,482	4,978,700	4,870,720	5,383,909	5,568,800	184,891	6,238,880

Brainerd Public Utilities
2026 Operating Budget
Electric Department (Continued)

	Actual 2022	Actual 2023	Actual 2024	2025 Projected Actual	2025 Budget	2025 Variance Positive (Negative)	2026 Budget
Administration							
Salaries and Wages							
Regular Wages	634,642	603,446	572,304	619,600	1,122,300	502,700	1,009,700
Overtime Wages	20,447	12,876	14,729	10,545	-	(10,545)	-
Vacation Pay	73,656	77,698	78,273	71,571	-	(71,571)	-
Sick Pay	49,247	60,028	69,145	52,964	-	(52,964)	-
Board Member Salaries	6,586	6,270	6,376	5,501	7,300	1,799	16,200
	784,578	760,318	740,827	760,181	1,129,600	369,419	1,025,900
Operations and Maintenance							
Communications	58,384	68,293	93,595	103,105	84,600	(18,505)	103,400
Utilities	36,345	40,153	28,407	42,885	43,200	315	43,200
Small Tools and Supplies	13	68	749	-	1,200	1,200	1,200
Personal Protection Equipment	60	92	92	-	-	-	-
Motor Fuels	6,246	-	137	-	-	-	-
Maintenance and Repair							
Equipment	5,414	8,158	14,660	9,083	13,900	4,817	13,900
Buildings	12,179	4,626	4,772	8,192	9,800	1,608	9,800
Other	66	-	-	-	-	-	-
Maintenance Agreements	115,351	160,414	172,857	188,553	158,400	(30,153)	170,500
IT System Services	33,254	28,371	26,368	10,428	31,600	21,172	31,600
Consulting Services	133,843	194,630	237,522	195,412	250,500	55,088	250,500
Human Resource Services	55,920	46,554	50,399	65,301	60,480	(4,821)	60,480
Office Supplies	11,624	10,521	11,329	5,309	12,000	6,691	12,000
Other Services	45,828	25,822	38,594	12,324	28,000	15,676	39,600
	514,527	587,702	679,481	640,593	693,680	53,087	736,180
Employee Benefits							
Employee Benefits	23,143	29,323	25,176	96,488	35,800	(60,688)	27,200
Pension	312,185	216,905	(60,069)	52,253	122,400	70,147	76,943
Health Insurance	192,987	212,291	211,720	208,125	296,000	87,875	199,382
Payroll Taxes	54,977	56,151	51,901	50,075	66,000	15,925	82,535
	583,292	514,670	228,728	406,941	520,200	113,259	386,060
Other Charges							
General and Worker Comp. Insurance	170,377	232,445	233,165	300,949	267,800	(33,149)	267,800
Dues and Subscriptions	65,445	108,577	101,880	126,936	109,200	(17,736)	109,200
Licenses and Permits	41,289	8,553	20,332	10,196	12,000	1,804	12,000
Travel and Conferences	12,325	19,415	13,737	8,745	32,200	23,455	32,200
Miscellaneous	268	550	-	-	-	-	-
Bank Charges	4,671	-	567	4	-	(4)	-
Credit Card Transaction Fees	206,031	247,898	432,677	501,492	350,000	(151,492)	50,000
Interest Expense - Other	14,921	34,624	29,099	20,900	15,600	(5,300)	30,000
Interest Expense - Bonds	211,773	183,426	153,260	126,416	156,800	30,384	119,200
Cash Transfers to City	756,373	783,245	765,150	785,972	816,000	30,028	862,500
Amortization of Deferred Charges	-	34,966	34,966	34,965	37,200	2,235	37,200
Bad Debts	13,883	-	21,354	(5,928)	18,000	23,928	18,000
	1,497,356	1,653,699	1,806,187	1,910,648	1,814,800	(95,848)	1,538,100
Depreciation	167,899	153,160	173,611	174,000	136,900	(37,100)	181,100
Total Administration	3,547,652	3,669,549	3,628,834	3,892,364	4,295,180	402,816	3,867,340
Total Expenses	20,899,344	22,429,544	27,204,912	29,032,036	29,823,980	791,944	30,106,220
Change in Net Position	$ 1,354,953	$ 2,127,788	$ 1,066,966	$ 770,388	$ 1,000,820	$ (230,432)	$ 74,130

Brainerd Public Utilities
2026 Operating Budget
Water Department

	Actual 2022	Actual 2023	Actual 2024	2025 Projected Actual	2025 Budget	2025 Variance Positive (Negative)	2026 Budget
Water Department							
Revenue							
Utility Revenue							
Residential	$ 1,564,247	$ 1,649,491	$ 1,612,865	$ 1,974,489	$ 1,826,500	$ 147,989	$ 1,935,000
Commercial	1,506,912	1,397,676	1,668,074	1,819,061	1,929,600	(110,539)	2,000,000
City of Brainerd	124,465	138,721	126,042	154,120	149,300	4,820	150,000
BPU	87,587	105,950	94,482	142,851	111,700	31,151	113,300
Total Utility Revenue	3,283,211	3,291,838	3,501,463	4,090,521	4,017,100	73,421	4,198,300
Other Revenues							
Late Payment Penalties	20,861	25,270	27,920	35,729	20,400	15,329	20,400
Permits and Fees	2,400	6,238	3,200	5,267	4,000	1,267	4,000
Local Option Sales Tax Proceeds - Baxter	323,758	348,693	366,513	348,693	349,200	(507)	349,200
Bad Debt Recoveries	297	1,149	3,798	5,541	1,800	3,741	1,800
Interest Revenue	(24,837)	34,116	32,008	11,155	9,600	1,555	9,600
Bond Premium	302,366	147,834	129,815	122,441	147,600	(25,159)	147,600
PERA Aid Revenue	-	-	19,035	-	-	-	-
Gain (Loss) on Sale Capital Assets	11,157	-	831	-	-	-	-
Refunds and Reimbursements	(59)	(251)	129	-	-	-	-
Rental Revenue	590	-	880	267	-	267	-
Water Assessments	-	-	6,817	3,961	-	3,961	-
Other Revenue	-	28,210	250,754	25,865	59,400	(33,535)	28,000
Total Other Revenue	636,533	591,259	841,700	558,920	592,000	(33,080)	560,600
Total Revenue	3,919,744	3,883,097	4,343,163	4,649,441	4,609,100	40,341	4,758,900
Expenses							
Production							
Salaries and Wages							
Regular Wages	310,003	385,482	279,839	318,381	517,600	199,219	431,200
Overtime Wages	33,035	19,410	29,099	37,460	-	(37,460)	-
Double Overtime Wages	11,237	23,028	19,910	11,561	-	(11,561)	-
Vacation Pay	24,180	27,585	39,359	24,209	-	(24,209)	-
Sick Pay	31,763	12,167	44,381	13,355	-	(13,355)	-
	410,218	467,672	412,588	404,967	517,600	112,633	431,200
Operations and Maintenance							
Communications	2,554	2,514	3,067	1,819	3,800	1,981	3,800
Utilities	114,201	116,447	104,750	105,660	121,200	15,540	121,200
Small Tools and Supplies	16,951	31,589	756	3,828	19,200	15,372	10,500
Personal Protection Equipment	-	-	2,127	15,063	2,000	(13,063)	2,000
Maintenance and Repairs							
Equipment	18,412	59,359	34,199	17,205	26,400	9,195	47,800
Buildings	855	3,568	733	9,480	1,200	(8,280)	1,200
Other	-	-	-	-	-	-	-
Cleaning and Waste Removal	-	-	-	133	-	(133)	-
Testing and Monitoring	7,953	9,075	10,127	8,337	9,600	1,263	9,600
Chemicals	-	-	75,009	109,183	66,000	(43,183)	138,500
Printing and Publishing	1,000	-	-	-	-	-	-
Consulting Services	-	-	35,061	10,591	-	(10,591)	90,000
Other Commodities	100,679	112,130	32,853	991	28,800	27,809	30,000
Office Supplies	1,236	508	-	-	1,200	1,200	1,200
	263,841	335,190	298,682	282,289	279,400	(2,889)	455,800
Employee Benefits							
Employee Benefits	-	452	-	2,521	-	(2,521)	-
Pension	30,213	34,269	32,507	28,477	40,800	12,323	32,340
Health Insurance	88,804	103,482	80,019	71,356	94,800	23,444	87,076
Payroll Taxes	27,490	32,320	31,079	26,605	40,800	14,195	34,690
	146,507	170,523	143,605	128,960	176,400	47,440	154,106
Other Charges							
Licenses and Taxes	-	591	566	1,867	720	(1,147)	720
Depreciation	278,444	182,021	209,280	208,800	267,600	58,800	225,000
Total Production	1,099,010	1,155,997	1,064,721	1,026,883	1,241,720	214,837	1,266,826

	Actual			2025		2025 Variance	
	2022	2023	2024	Projected Actual	Budget	Positive (Negative)	2026 Budget
Water Department (Continued)							
Expenses (Continued)							
Distribution							
Salaries and Wages							
Regular Wages	433,748	452,727	439,857	538,161	591,700	53,539	558,000
Overtime Wages	36,469	51,470	50,197	45,335	-	(45,335)	-
Double Overtime Wages	1,164	4,895	3,745	4,320	-	(4,320)	-
Vacation Pay	42,791	53,107	54,438	61,593	-	(61,593)	-
Sick Pay	25,182	12,798	16,038	26,723	-	(26,723)	-
	539,354	574,997	564,275	676,132	591,700	(84,432)	558,000
Operations and Maintenance							
Communications	1,057	3,848	451	912	2,400	1,488	2,400
Utilities	75,982	74,017	65,507	69,281	64,400	(4,881)	64,400
Small Tools and Supplies	16,841	21,657	27,311	8,205	21,600	13,395	21,600
Personal Protection Equipment	5,490	6,756	2,691	11,787	4,800	(6,987)	4,800
Motor Fuels	24,285	20,241	17,381	15,641	19,200	3,559	19,200
Maintenance and Repair							
Equipment	52,277	18,508	41,851	17,435	36,000	18,565	36,000
Buildings	8,547	4,127	4,236	8,279	4,800	(3,479)	4,800
Other	45,800	76,125	30,648	37,380	36,400	(980)	36,400
Maintenance Agreements	-	-	529	728	-	(728)	-
Cleaning and Waste Removal	2,560	2,213	1,766	2,015	2,400	385	2,400
Testing and Monitoring	-	142	-	1,364	-	(1,364)	-
Printing and Publishing	-	-	-	-	-	-	-
Consulting Services	42,230	119,019	81,400	-	78,000	78,000	78,000
Other Commodities	13,035	7,732	8,419	5,083	7,200	2,117	7,200
Office Supplies	-	323	31	193	600	407	600
IT System Expenses	-	65	-	-	-	-	-
Other Services	743	12,317	658	1,275	1,200	(75)	1,200
	288,847	367,090	282,879	179,577	279,000	99,423	279,000
Employee Benefits							
Employee Benefits	$ -	$ -	$ 163	$ 451	$ -	$ (451)	$ -
Pension	40,690	40,868	41,971	46,327	45,600	(727)	41,850
Health Insurance	89,100	84,531	68,434	72,764	108,000	35,236	40,823
Payroll Taxes	40,258	40,104	41,911	45,253	45,600	347	44,891
	170,048	165,503	152,479	164,795	199,200	34,405	127,564
Other Charges							
Dues and Subscriptions	300	775	1,000	1,380	1,200	(180)	1,200
Licenses and Taxes	576	6,544	13,214	15,264	15,000	(264)	15,000
Travel and Conferences	14,854	16,998	3,593	10,455	9,400	(1,055)	9,400
Miscellaneous	-	-	-	25	-	(25)	-
	15,730	24,317	17,807	27,124	25,600	(1,524)	25,600
Depreciation	828,581	1,024,685	1,063,851	1,064,400	1,032,900	(31,500)	1,075,000
Total Distribution	1,842,560	2,156,592	2,081,291	2,112,028	2,128,400	16,372	2,065,164
Administration							
Salaries and Wages							
Regular Wages	230,256	217,003	202,975	209,329	424,200	214,871	391,500
Overtime Wages	7,228	4,255	4,920	3,643	-	(3,643)	-
Doubletime Wages	12	179	101	151	-	(151)	-
Vacation Pay	26,824	28,359	28,021	26,043	-	(26,043)	-
Sick Pay	17,307	20,605	24,453	18,617	-	(18,617)	-
Board Member Salaries	2,195	2,090	2,125	1,833	4,190	2,357	5,400
	283,822	272,491	262,595	259,616	428,390	168,774	396,900

Brainerd Public Utilities
2026 Operating Budget
Water Department (Continued)

	Actual 2022	Actual 2023	Actual 2024	2025 Projected Actual	2025 Budget	2025 Variance Positive (Negative)	2026 Budget
Water Department (Continued)							
Expenses (Continued)							
Administration (Continued)							
Operations and Maintenance							
Communications	20,012	22,178	29,810	33,641	26,600	(7,041)	26,600
Utilities	14,161	15,143	9,893	15,565	15,600	35	15,600
Small Tools and Supplies	13	57	250	-	-	-	-
Personal Protection Equipment	185	31	31	-	-	-	-
Maintenance and Repair							
Equipment	7,438	3,282	6,350	3,375	3,600	225	3,600
Buildings	10,998	4,084	4,551	7,749	4,800	(2,949)	4,800
Maintenance Agreements	32,030	43,943	33,131	75,940	39,600	(36,340)	39,600
IT System Services	11,766	11,722	8,450	3,185	9,600	6,415	9,600
Cleaning and Waste Removal	733	1,072	804	640	1,200	560	1,200
Printing and Publishing	13,604	5,760	12,952	1,872	10,000	8,128	10,000
Consulting Services	78,559	149,970	121,302	51,055	86,400	35,345	200,000
Human Resource Services	11,990	15,518	16,800	21,331	22,500	1,169	22,500
Other Commodities	888	723	446	305	600	295	600
Office Supplies	3,812	4,114	3,699	1,873	3,400	1,527	3,400
Other Services	1,143	1,103	2,679	951	2,900	1,949	2,900
	207,332	278,700	251,148	217,483	226,800	9,317	340,400
Employee Benefits							
Employee Benefits	160	3,702	6,132	-	7,200	7,200	7,200
Pension	105,153	73,251	(18,843)	18,001	48,000	29,999	29,768
Health Insurance	71,479	72,608	81,618	80,300	88,800	8,500	76,749
Payroll Taxes	19,059	19,577	19,177	17,169	22,800	5,631	31,931
	195,851	169,138	88,084	115,471	166,800	51,329	145,648
Other Charges							
Insurance and Bonds	46,779	68,642	68,602	74,785	68,400	(6,385)	68,400
Dues and Subscriptions	7,523	6,875	9,637	10,219	8,400	(1,819)	8,400
Licenses and Taxes	9,430	4,330	6,416	2,413	6,100	3,687	6,100
Travel and Conferences	1,595	7,865	3,271	2,460	10,400	7,940	10,400
Miscellaneous	500	310	310	-	600	600	600
Bank Charges	2,158	380	386	1,517	-	(1,517)	-
Credit Card Transaction Fees	72,482	82,633	144,226	167,164	136,500	(30,664)	27,500
Interest - Other	903	5,885	2,330	537	2,400	1,863	2,400
Interest - Bonds	355,400	306,058	307,394	331,837	302,400	(29,437)	305,000
Bond Issuance Costs	-	22,113	-	-	-	-	-
Bad Debts	1,498	-	2,088	(201)	2,400	2,601	2,400
	498,268	505,091	544,660	590,732	537,600	(53,132)	431,200
Depreciation/Amortization							
Depreciation	60,274	49,570	54,873	55,200	49,600	(5,600)	58,250
Amortization	5,008	-	5,634	5,635	6,000	365	6,000
	65,282	49,570	60,507	60,835	55,600	(5,235)	64,250
Total Administration	1,250,555	1,274,990	1,206,994	1,244,136	1,415,190	171,054	1,378,398
Total Expenses	4,192,125	4,587,579	4,353,006	4,383,047	4,785,310	402,263	4,710,388
Change in Net Position	$ (272,381)	$ (704,482)	$ (9,843)	$ 266,394	$ (176,210)	$ 442,604	$ 48,512

Brainerd Public Utilities
2025 Operating Budget
Wastewater Department

	Actual 2022	Actual 2023	Actual 2024	2025 Projected Actual	2025 Budget	2025 Variance Positive (Negative)	2026 Budget
Wastewater Department							
Revenue							
Utility Revenue							
Residential	$ 1,405,712	$ 1,438,478	$ 1,555,021	$ 1,613,972	$ 1,566,000	$ 47,972	$ 1,750,000
Commercial	736,018	823,926	993,023	956,911	1,123,000	(166,089)	985,000
City of Baxter	745,875	745,875	788,995	800,000	800,000	-	825,000
City of Brainerd	8,852	12,561	13,169	15,461	13,000	2,461	13,000
BPU	685	661	686	671	600	71	600
Total Utility Revenue	2,897,142	3,021,501	3,350,894	3,387,015	3,502,600	(115,585)	3,573,600
Other Revenues							
Late Payment Penalties	27,385	31,270	37,771	41,924	27,600	14,324	27,600
Local Option Sales Tax Proceeds - Brainerd	1,539,391	1,453,667	1,430,028	1,893,340	1,472,400	420,940	1,472,400
Local Option Sales Tax Proceeds - Baxter	77,742	74,948	87,963	-	73,200	(73,200)	73,200
Bad Debt Recoveries	972	1,645	-	-	-	-	-
Interest Revenue - Investments	(411,554)	271,704	398,727	458,064	100,000	358,064	100,000
PERA Aid Revenue	-	-	19,035	-	-	-	-
Refunds and Reimbursements	44	(2,898)	442	4,303	-	4,303	-
Interest Revenue - Notes Receivable	117,505	121,159	104,659	78,700	-	78,700	-
Federal Grant Revenue - Build America Bond	77,558	70,570	91,095	90,000	62,400	27,600	75,000
Bond Premium	40,407	8,766	13,736	14,157	8,400	5,757	8,400
Other Revenue	7,657	6,740	48,594	9,421	51,000	(41,579)	51,000
Total Other Revenue	1,477,107	2,037,571	2,232,050	2,589,909	1,795,000	794,909	1,807,600
Total Revenue	4,374,249	5,059,072	5,582,944	5,976,924	5,297,600	679,324	5,381,200
Expenses							
Treatment							
Salaries and Wages							
Regular Wages	268,850	334,045	294,501	472,732	456,800	(15,932)	500,400
Overtime Wages	69,325	55,283	52,830	58,797	-	(58,797)	-
Doubletime Wages	13,948	15,553	16,382	18,811	-	(18,811)	-
Vacation Pay	26,633	20,913	25,191	28,469	-	(28,469)	-
Sick Pay	5,296	2,527	3,582	10,287	-	(10,287)	-
	384,052	428,321	392,486	589,096	456,800	(132,296)	500,400
Operations and Maintenance							
Communications	-	4,538	258	524	5,400	4,876	1,250
Utilities	540,953	602,058	551,506	580,916	604,800	23,884	615,000
Small Tools and Supplies	13,704	27,700	10,701	5,585	21,600	16,015	21,600
Personal Protection Equipment	1,769	6,742	2,446	2,325	3,600	1,275	3,600
Motor Fuels	19,979	20,399	17,087	20,023	28,200	8,177	21,000
Maintenance and Repair							
Equipment	97,222	134,868	86,769	65,987	104,400	38,413	104,400
Buildings	10,828	39,245	8,786	121,801	30,000	(91,801)	45,900
Other	-	25	-	-	-	-	-
Annual Maintenance Agreements	-	-	716	1,467	-	(1,467)	-
Cleaning and Waste Removal	5,521	5,142	4,920	5,044	4,800	(244)	4,800
Testing and Monitoring	69,784	84,526	65,430	70,508	81,600	11,092	81,600
Consulting Services	2,535	8,148	4,447	157,012	69,500	(87,512)	69,500
Chemicals	-	-	122,017	92,897	65,000	(27,897)	212,000
Other Commodities	54,836	75,164	28,717	4,739	31,000	26,261	17,500
Office Supplies	2,533	793	-	-	2,400	2,400	2,400
Other Services	313	963	372	911	1,200	289	1,200
	819,977	1,010,311	904,172	1,129,739	1,053,500	(76,239)	1,201,750
Employee Benefits							
Employee Benefits	-	-	190	2,107	-	(2,107)	-
Pension	27,878	30,899	30,578	38,084	34,800	(3,284)	37,530
Health Insurance	65,814	67,093	82,927	86,116	89,200	3,084	86,375
Payroll Taxes	27,613	29,901	30,011	36,933	32,400	(4,533)	40,258
	121,305	127,893	143,706	163,240	156,400	(6,840)	164,163
Other Charges							
Licenses and Permits	29,840	8,152	9,096	7,117	21,600	14,483	12,500
Dues and Subscriptions	-	233	840	1,807	600	(1,207)	600
Travel and Conferences	15,940	20,138	3,702	8,519	18,000	9,481	18,000
Miscellaneous	-	1,000	1,000	-	-	-	-
	45,780	29,523	14,638	17,443	40,200	22,757	31,100
Depreciation	1,516,353	1,430,502	1,430,400	1,430,400	1,416,000	(14,400)	1,440,500
Total Treatment	2,887,467	3,026,550	2,885,402	3,329,917	3,122,900	(207,017)	3,337,913

Brainerd Public Utilities
2026 Operating Budet
Wastewater Department (Continued)

	Actual 2022	Actual 2023	Actual 2024	2025 Projected Actual	2025 Budget	2025 Variance Positive (Negative)	2026 Budget
Wastewater Depart. (Continued)							
Expenses							
Lift Stations							
Salaries and Wages							
Regular Wages	57,023	69,344	70,187	121,844	167,300	45,456	142,600
Overtime Wages	16,031	8,903	10,265	12,975	-	(12,975)	-
Doubletime Wages	3,618	3,165	2,601	2,925	-	(2,925)	-
Vacation Pay	10,644	6,131	6,755	7,483	-	(7,483)	-
Sick Pay	8,414	1,570	1,253	2,769	-	(2,769)	-
	95,730	89,113	91,061	147,996	167,300	19,304	142,600
Operations and Maintenance							
Communications	2,849	2,918	2,352	2,004	3,600	1,596	3,600
Utilities	119,334	128,242	123,445	121,215	129,600	8,385	129,600
Small Tools and Supplies	124	122	2,864	1,533	3,400	1,867	3,400
Motor Fuels	6,246	-	71	95	6,000	5,905	6,000
Maintenance and Repair							
Equipment	24,111	34,739	6,227	4,055	28,800	24,745	28,800
Buildings	9,865	-	6,096	2,005	4,800	2,795	4,800
Maintenance Agreements	-	-	-	231	-	(231)	-
Cleaning and Waste Removal	10,605	12,805	10,276	9,044	10,800	1,756	10,800
Consulting Services	-	10,821	9,090	-	3,600	3,600	3,600
Other Commodities	335	-	1,073	1,647	1,200	-	1,200
Other Charges	-	-	127	8	-	-	-
Miscellaneous	-	557	-	-	-	-	-
	173,469	190,204	161,621	141,836	191,800	50,419	191,800
Employee Benefits							
Employee Benefits	$ -	$ -	$ -	411	$ -	$ (411)	$ -
Pension	6,545	7,328	7,316	9,239	10,800	1,561	10,695
Health Insurance	16,350	18,350	24,006	30,852	31,200	348	26,213
Payroll Taxes	6,244	7,047	7,147	8,951	10,800	1,849	11,472
	29,139	32,725	38,469	49,452	52,800	3,348	48,380
Other Charges							
Licenses and Permits	30	360	50	67	-	(67)	-
Travel and Conferences	1,884	3,135	-	169	2,400	2,231	2,400
	1,914	3,495	50	236	2,400	2,164	2,400
Depreciation	276,774	275,806	216,138	216,000	268,800	52,800	268,800
Total Lift Stations	577,026	591,343	507,339	555,520	683,100	128,035	653,980
Administration							
Salaries and Wages							
Regular Wages	216,851	210,129	189,676	205,229	376,600	171,371	341,700
Overtime Wages	4,197	2,052	2,730	2,405	-	(2,405)	-
Doubletime Wages	12	144	93	149	-	(149)	-
Vacation Pay	24,436	26,285	26,574	24,403	-	(24,403)	-
Sick Pay	16,087	20,039	23,331	17,895	-	(17,895)	-
Board Member Salaries	2,195	2,090	2,125	1,833	4,190	2,357	5,400
	263,778	260,739	244,529	251,915	380,790	128,875	347,100
Operations and Maintenance							
Communications	19,997	21,792	29,584	31,525	31,600	75	31,600
Utilities	9,957	11,443	8,121	12,529	12,000	(529)	12,000
Small Tools and Supplies	-	7	229	-	-	-	-
Maintenance and Repair							
Equipment	255	2,765	4,562	3,392	2,400	(992)	2,400
Buildings	-	-	-	188	-	(188)	-
Maintenance Agreements	32,512	53,583	50,996	40,989	55,000	14,011	50,000
IT System Services	21,378	8,552	8,804	3,168	10,900	7,732	10,900
Cleaning and Waste Removal	-	86	-	-	-	-	-
Printing and Publishing	12,759	5,345	10,562	1,872	5,000	3,128	5,000
Consulting Services	29,781	20,131	33,636	25,449	30,000	4,551	60,000
Other Commodities	47	309	59	192	-	(192)	-
Human Resource Services	11,990	15,518	16,800	20,024	22,580	2,556	22,580
Office Supplies	4,175	4,729	4,061	2,717	4,800	2,083	4,800
Other Services	1,169	1,027	721	720	1,200	480	1,200
	144,020	145,287	168,135	142,767	175,480	32,713	200,480

Brainerd Public Utilities
2026 Operating Budet
Wastewater Department (Continued)

	Actual 2022	Actual 2023	Actual 2024	2025 Projected Actual	2025 Budget	2025 Variance Positive (Negative)	2026 Budget
Wastewater Depart. (Continued)							
Administration (Continued)							
Expenses (Continued)							
Employee Benefits							
Employee Benefits	-	2,767	2,773	41	1,200	1,159	1,200
Pension	104,122	72,289	(19,937)	17,267	48,000	30,733	26,033
Health Insurance	66,679	72,616	74,940	73,741	82,800	9,059	68,014
Payroll Taxes	17,775	18,666	17,341	16,492	22,800	6,308	27,924
	188,576	166,338	75,117	107,541	154,800	47,259	123,171
Other Charges							
General and Worker Comp. Insurance	61,312	79,240	94,601	109,448	85,700	(23,748)	125,000
Dues and Subscriptions	11,607	26,760	29,951	22,640	27,900	5,260	27,900
Licenses and Permits	2,096	1,615	3,634	1,997	2,200	203	2,200
Travel and Conferences	1,466	6,778	2,734	3,615	11,200	7,585	11,200
Bank Charges	1,493	-	6	95	-	(95)	-
Credit Card Transaction Fees	72,482	82,633	144,225	167,164	125,250	(41,914)	23,200
Interest Expense - Other	903	1,185	2,330	537	600	63	600
Interest Expense Bonds	379,475	337,680	358,861	310,411	363,600	53,189	363,600
Bond Issuance Costs	-	36,588	-	-	-	-	-
Amortization of Deferred Charges	5,008	5,634	5,634	5,635	6,000	365	6,000
Bad Debts	2,032	2,898	3,299	(308)	2,400	2,708	3,000
	537,874	581,011	645,275	621,233	624,850	3,617	562,700
Depreciation	41,965	37,901	42,479	42,000	34,900	(7,100)	34,900
Total Administration	1,176,213	1,191,276	1,175,535	1,165,456	1,370,820	205,364	1,268,351
Total Expenses	4,640,706	4,809,169	4,568,276	5,050,893	5,176,820	126,381	5,260,244
Change in Net Position	$ (266,457)	$ 249,903	$ 1,014,668	$ 926,031	$ 120,780	$ 805,705	$ 120,956

Brainerd Public Utilities
BPU Commission Unfinished Business
November 25, 2025

A. <u>ClimaVision (June 2024)</u>
The project continues to move forward. Both the attorney review process and the structural analyses have been completed, including considerations related to bringing the tower back online and installing a mixer. Final easement language is still being refined with Attorney Langel, and staff are working through the remaining items to prepare the project for installation.

Utilities Director Sandy will be brought up to speed on this project, and a meeting will be scheduled with City Attorney Langel to determine the steps necessary to bring this project to completion.

B. <u>Hydro Generation (1/31/23)</u>
Procurement of a new generator remains in progress. After learning that previously identified models are no longer in production, staff and Barr Engineering are evaluating feasible alternative generation options, including the associated civil work and installation costs. While formal estimates have not yet been received, early indications suggest the project cost may increase from the original $750,000 estimate to approximately $1.0–$1.2 million. The anticipated lead time for the preferred generator option is expected to exceed one year.

Staff are coordinating with Marty Siefert on updates to the project's funding bill, and a tentative site visit by state Senators and Representatives is scheduled for November 25. To move the project forward, staff will be reaching out directly to vendors to obtain updated estimates and determine the appropriate bidding requirements.

C. <u>Rewrite of Brainerd City Code Section 705 – Water System (6/27/23)</u>
The revision of Section 705 has begun and is currently underway. This effort was identified at the July Commission meeting and has been progressing since then. Community Development Director Kramvik has received updated changes from all staff, incorporated them into the City Code format, and the draft is now undergoing final internal review before being forwarded for legal review. With the onboarding of Paul Sandy as the new Public Utilities Director, additional time will be needed for him to fully review the material to ensure a thorough and informed assessment before the draft is submitted to the City Attorney for final review and formatting.

D. <u>Development of Plan to be Carbon Free by 2040 (10/31/23)</u>
BPU remains subject to Minnesota's Renewable Energy Standard (RES), which requires utilities to generate or procure electricity from eligible renewable resources—solar, wind, hydroelectric, or biomass—equivalent to at least 25% of total retail electric sales by 2025 and 55% by 2035. In addition, the RES requires utilities to generate or procure 100% carbon-free electricity by 2040.

The amendments to the American Electric Power (AEP) purchase agreement continue to support BPU's compliance. The updated AEP contract has been finalized and approved, with contract pricing secured as of January 28, 2025.

Staff continue evaluating additional pathways and resource options to meet the upcoming RES and carbon-free requirements, including future procurement needs and potential local generation opportunities. Further updates will be provided as options are refined and cost impacts are better defined.
A developer reached out to us about a potential project and requested a confidentiality agreement. We are considering drafts so that BPU can evaluate project-specific information.

E. Lead Service Line (LSL) Inventory Assessment (9/26/23)

Work continues on mapping the public water system and identifying materials used in water service lines. All known data has been submitted to the Minnesota Department of Health (MDH) as required. Efforts to identify unknown service lines—particularly those at properties where staff were not granted access—remain ongoing.

Notices were mailed to customers with galvanized or unknown service lines on October 15, 2024, following a coordination and informational meeting with BPU and City department heads. Staff also met with the Public Facilities Authority (PFA) and MDH on December 18, 2024, to discuss funding options, with further updates provided during the MRWA Conference on March 5, 2025.

The State of Minnesota has since provided funding to Bolton & Menk to research unknown service lines and contact affected customers. That outreach phase is now complete, and Bolton & Menk are finalizing the project summary and updating state database information for staff review. Additional updates will be posted on the BPU website as they become available.

On November 7, 2025, BPU staff received communication from MDH regarding required notices to property owners with galvanized service lines or unknown materials. Staff are currently preparing this mailing, which must be completed within 30 days of the notification. A certification form will then be submitted to MDH in accordance with state requirements.

Brainerd has been placed on the 2026 Intended Use Plan for Lead Service Line Replacement in the amount of $2,625,000. This is a 100% reimbursement program, resulting in no cost to the utility or property owners with known lead or galvanized service lines.

BPU staff held a coordination meeting on November 18 with City staff and Bolton & Menk to discuss the 2026 construction projects and how lead service line replacement will be incorporated into overall project development. The City had planned to complete the 2026 reconstruction project in-house and has already contracted WSB for the 2026 resurfacing project. Both projects include known galvanized service lines within the project limits, as well as a small number of lead service lines within the Highway 210 reconstruction area.

Following discussion, City and BPU staff agreed to shift responsibility for preparing the 2026 reconstruction project plans to Bolton & Menk. This adjustment will allow City Engineering staff to focus on remaining 2025 project work carried over into 2026 and on the Highway 210 Reconstruction Project.

Bolton & Menk were directed to prepare two engineering proposals related to lead service line replacement. The proposal included on this agenda covers lead service line replacements within the limits of the City's 2026 reconstruction project, 2026 resurfacing project, and the Highway 210 Reconstruction Project.

The second proposal, which will be presented at the next Commission meeting, will address Phase 1 lead service line replacements in the NE neighborhood. This work will bring the total project cost—including engineering and construction—to the full $2,625,000 allocation. Concurrently, the City will receive a proposal from Bolton & Menk for engineering and construction services for the SE Brainerd Reconstruction Project. Using the same consultant for both the reconstruction work and the lead service line replacement program will ensure seamless coordination and supports the updated 2026 work plan.

F. Strategic Planning (04/24/2025)

Former Director Evans initiated and presented a strategic planning session and supporting documentation. Since the onboarding of Director Sandy, integration discussions with the City have resumed and will continue through the remainder of 2025 as the Charter Commission and City Council consider potential Charter changes. Because these changes may directly impact strategic planning, the planning process was paused during these integration discussions to ensure that all City departments can ultimately be aligned under one comprehensive plan. This pause remains in effect. Once integration discussions conclude and there is a clear understanding of how the Utility and the City will function operationally, strategic planning activities will resume under the guidance of the Public Utilities Director and the City Administrator.

G. Main Lift Station Painting

Staff have followed up with the Rotarian who previously expressed interest in donating paint for utility facilities. Messages were sent requesting confirmation of the donation details, including color availability, quantity, and timing. As of the date of this memo, staff have not yet received a response.

We will provide an update to the Commission once we hear back or if additional outreach becomes necessary.

H. EV Charging Policy

Staff have begun researching EV charging policies from comparable utilities; however, the approaches and requirements vary significantly and do not align with one another. Additional research is underway to better understand best practices, rate structures, and regulatory considerations before bringing forward a recommended policy. Staff will also be suggesting the inclusion of an EV-specific rate as part of the upcoming electric cost-of-service and rate study.

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 Design and Selection
7. Crypto Mining Activity

Public Utilities Commission
Agenda Request

MEETING DATE: November 25, 2025

TITLE OF ITEM: Approve Updated language for the City Contribution Policy 2003-001

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 4

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Danny Loch, Finance Manager

SUMMARY OF ISSUE:

City Council requested that BPU evaluate and update its PILOT methodology, specifically proposing a phased contribution based on a percentage of electric revenues: 3% in 2026, 4% in 2027, and 5% in 2028. In response, the Commission discussed the request and noted that implementing a 3% contribution in 2026 is reasonable; however, any increases beyond that should be evaluated after the completion of the upcoming electric cost-of-service and rate study. The Commission emphasized the importance of aligning any future percentage changes with financial modeling, rate impacts, and long-term utility planning.

These discussions reaffirmed the need for a clear, transparent, and predictable contribution methodology that supports the City's budget expectations while maintaining BPU's financial stability and ratepayer equity.

Based on the direction provided by the Commission, staff have prepared draft PILOT language reflecting a 3% contribution beginning in 2026, with further adjustments to be reviewed after completion of the rate study. This approach captures both the City Council's request and the Commission's position regarding financial due diligence.

The draft language is attached for review. Pending Commission approval, staff will forward the recommended methodology to the City Council for consideration.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

RECOMMENDED ACTION/MOTION: Staff recommend approving the attached amendment to the Contribution policy 2003-001.

FINANCIAL IMPACT:

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

Revision No. 6 – November 25, 2025

CONTRIBUTION TO CITY POLICY

Brainerd Public Utilities (BPU) will make regular financial contributions to the City of Brainerd (City). These contributions will be made monthly 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 3.0% of revenues 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.

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

Revision No. 6 – November 25, 2025

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~~monthly 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~~3.0% of revenues based on energy sales to retail electric customers in the previous month.

~~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.

Public Utilities Commission
Agenda Request

MEETING DATE: November 25, 2025

TITLE OF ITEM: Approve Revised Solar Development Agreement related to Solar Array Installation on the Rotary Riverside Park Pavilion

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 10 Minutes

SUBMITTED BY: Paul Sandy, Public Utilities Director **PRESENTER:** Paul Sandy, Public Utilities Director

SUMMARY OF ISSUE: The solar development agreement between the City of Brainerd and the Rotary Club of Brainerd was previously approved by the BPU Commission, the Park Board, and the City Council. However, when the fully executed agreement was presented to the Rotary Club, concerns were raised regarding the provisions in Article 11 of the original document, specifically:

Section 11.2: After the warranty period ends, the Rotary Club of Brainerd would be responsible for replacing any damaged or inoperative solar panels and lighting, as well as for the full decommissioning of the solar panels and lighting.
Section 11.3: This article would survive termination of the agreement.

Following discussions among staff—including Public Works Director Habighorst, Operations Manager Hawkinson, City Administrator Broyles, and City Attorney Langel—staff have prepared and provided redlined revisions to the agreement. These revisions, which are acceptable to the Rotary Club of Brainerd, remove Sections 11.2 and 11.3 in their entirety.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: BPU is the sole financial contributor to this project with respect to the capital expenses associated with installing the solar array, aside from a one-time $10,000 contribution from the Rotary Club of Brainerd. Because BPU is the only entity providing significant capital funding and will be the sole recipient of the tax incentives associated with the array, it is understood that BPU is the owner of the asset. As the asset owner, BPU should assume responsibility for replacing any inoperative or damaged solar panels and for the eventual long-term decommissioning of the project.

The revised solar development agreement—provided in both redlined and clean versions—removes the provisions in Article 11 that assigned these responsibilities to the Rotary Club of Brainerd and appropriately returns those responsibilities to BPU. In addition to those changes, in order for BPU to maintain eligibility for the Federal Tax Credits that come along with this project, BPU needs to provide a down payment for the project prior to December 31st, 2025. This down payment is anticipated to come from Article 10.1 within the agreement. In order for BPU to receive the Federal Tax Credits, the project completion date has been adjusted to June 30th, 2026. The other small change to the agreement was to ensure the current chair of the Rotary Board, Michelle Francis, is listed as the signatory for the Rotary

Club.

The original intent of the project was to provide electrical service to the pavilion at Rotary Park. BPU has already invested time and capital in extending the interconnect infrastructure to the future solar array site to support this purpose. Should the Commission decide not to accept the revised terms of the solar development agreement, the underlying intent of the project remains feasible. The electrical service extension already completed by BPU is sufficient to serve the pavilion with or without the installation of a solar array at this location.

RECOMMENDED ACTION/MOTION: Staff recommends approval of the revised Solar Development Agreement as presented.

FINANCIAL IMPACT: BPU financial consideration is $33,900 for capital expenditures pursuant to the agreement. Future maintenance, replacement, and decommissioning costs of the project are unknown.

SOLAR DEVELOPMENT AGREEMENT

THIS SOLAR DEVELOPMENT CONTRACT ("Contract") dated as of November ___**, 2025** by and between the City of **Brainerd** ("Owner"), Wolf Track Energy, LLC, a Minnesota Limited Liability Company ("Solar Developer"), and The Rotary Club of Brainerd, a Minnesota ______________________.

Owner and Solar Developer, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. Work.

Solar Developer will perform the solar project management, finance and construction services identified in Exhibit "A" ("Work") in accordance with the Contract Documents, as identified in Article 5 of this Contract on property located within **Rotary Riverside Park, Brainerd, Minnesota (46.341414, -94.214079)** as identified in Exhibit "C" ("Property").

Article 2. Contract Time.

The Work will be completed on or before **June 30th, 2026** ("Completion Date"), subject to modifications in approved Change Orders. Solar Developer's estimated progress schedule identifying the various stages of the Work and the corresponding payments to be made to the Solar Developer is identified in Exhibit "B" ("Payment Schedule").

Article 3. Contract Price.

Owner will pay to Solar Developer an amount equal to **$33,900.00** ("Contract Price") for completion of the Work, see Exhibit "B."

Article 4. Change Orders.

Any increase or decrease in the Contract Price, change in the Work or change in the Contract Time must be set forth in a change order signed by Owner and Solar Developer ("Change Order").

Article 5. Contract Documents.

The Contract Documents which comprise the entire Contract between Owner and Solar Developer concerning the Work consist of this Contract, Exhibit "A," Exhibit "B," the blue prints, shop drawings, plans and specifications for the Work ("Plans"), an itemized description of each segment of the Work that sets the timetable for completing the Work, and the corresponding payments for the Work ("Work" and "Payment Schedule") and any Change Orders.
Concurrent with execution of this Agreement, Solar Developer shall provide Owner with a payment bond in an amount equal to the Contract Price, with the stipulation that the amount of the bond shall automatically change consistent with approved Change Orders.

Article 6. Payment Procedures

6.1 **Progress Payments**. Solar Developer will submit to Owner a request for payment in a format agreed to by Owner and Solar Developer ("Request for Disbursement") which will cover completed and inspected work consistent with Exhibit "B." All payment requests will include lien waivers from subcontractors for the amount of their work included in the payment request.

Within ten calendar days after a Request for Disbursement is presented, Owner will notify Solar Developer if Owner has any concerns about the Request for Disbursement that Owner believes should be resolved before Owner pays the amounts specified in the Request for Disbursement, and, in this event, Owner and Solar Developer will promptly meet to address such concerns. Owner will pay Solar Developer ninety percent (90%) of the full amount covered by the Request for Disbursement within ten calendar days from the day it was presented while retaining ten percent (10%) thereof ("Holdback") to be paid simultaneously with the final payment. Payment may be withheld for: (1) failure to perform the Work in accordance with the Contract Documents; (2) defective Work that is not corrected; or (3) failure of the Solar Developer to pay Subcontractors or to pay for labor, materials or equipment when due.

6.2 **Final Payment**. Final payment of the balance of the Contract Price including the Holdback will be made in accordance with Exhibit "B" and the following procedures:

a. When Solar Developer considers the Work substantially complete, Solar Developer will notify Owner in writing. Within a reasonable time thereafter, Owner and Solar Developer will inspect the Work. Promptly after such inspection, Owner will deliver to Solar Developer a written punch list of the items that must be completed in order for the Work to reach final completion ("Final Completion"). Alternatively, Owner will deliver to Solar Developer a written statement that Final Completion has been reached because no punch list items remain to be completed.

b. If Owner delivers a written punch list to Solar Developer, then Solar Developer will deliver to Owner a written notice that the Work is finally complete when Solar Developer believes that the punch list items have been completed. Then Owner and Solar Developer will promptly inspect the punch list items. Promptly after such inspection, Owner will deliver to Solar Developer either (i) a written statement that Final Completion has been reached or (ii) another written punch list of the items that still must be completed in order for the Work to reach Final Completion in which event the punch list procedure described above will be repeated until all punch list items have been completed.

c. When Final Completion has been reached and after Solar Developer has delivered to Owner all maintenance and operating instructions, schedules, guarantees, certificates of inspection, marked-up record documents and other documents, Solar Developer may make application for final payment following the procedure for progress payments. The final Request for Disbursement will be accompanied by all documentation called for in the Contract Documents, together with complete and legally effective releases or lien waivers (satisfactory to Owner) in connection with the Work.

Article 7. Interest.

Payments due and unpaid to Solar Developer that are 30 days or more overdue will incur a 5% late fee.

Article 8. Solar Developer's Representation.

In order to induce Owner to enter into this Contract, Solar Developer makes the following representation:

Solar Developer has familiarized itself with the nature and extent of the Contract Documents, Work site, locality, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.

Article 9. Solar Developer's Responsibilities.

9.1. **Performance**. Solar Developer will perform the Work in accordance with the Contract Documents. Solar Developer will be solely responsible for the means, methods, techniques, sequences and procedures of construction.

9.2. **Personnel**. Solar Developer will provide competent, suitable personnel to perform construction services as required by the Contract Documents. Solar Developer will at all times maintain good discipline and order at the Property.

9.3. **Furnished Items**. Solar Developer will furnish and be fully responsible for all materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water sanitary facilities, temporary facilities and all other facilities and incidentals necessary for the furnishing, performance, start-up and completion of the Work, except as specified in the Contract Documents.

9.4. **Materials**. All materials and equipment will be of good quality and new, except as otherwise provided in the Contract Documents. All materials and equipment will be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the instructions of the applicable supplier.

9.5. **Subcontractors**. Solar Developer will be fully responsible to Owner for all acts and omissions of its subcontractors, suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Solar Developer just as Solar Developer is responsible for Solar Developer's own acts and omissions. Nothing in the Contract Documents will create any contractual relationship between Owner and any such subcontractors, supplier or other person or organization, nor will it create any obligation on the part of Owner to pay any such subcontractors, supplier or other person or organization except as may otherwise be required by laws and regulations.

9.6. **Permits; Inspections**. Solar Developer will obtain and will pay for all construction permits and licenses unless otherwise agreed to by the Owner in writing. Solar Developer will pay all governmental charges and inspection fees necessary for the Work and arrange for all such inspections to occur if required. Solar Developer will give all notices and comply with all laws and regulations applicable to furnishing and performance of the Work.

9.7. **Taxes**. Solar Developer will pay all sales, consumer, use and other similar taxes required to be paid by Solar Developer in accordance with the laws and regulations of the place of the Work which are applicable during the performance of the Work.

9.8. **Use of Premises**. Solar Developer will confine construction equipment, the storage of materials and equipment and the operations of workers to the Property and will not unreasonably encumber the Property with materials or equipment. Solar Developer will be fully responsible for any damage to the Property or areas contiguous thereto resulting from the performance of the Work. During the progress of the Work, Solar Developer will keep the Property free from accumulations of waste materials, rubbish and other debris resulting from the Work. At the completion of the Work, Solar Developer will remove all waste materials, rubbish and debris from and about the Property as well as all tools, appliances, construction equipment and machinery, and surplus materials, and will leave the Property clean and ready for occupancy by Owner.

9.9. **Record Documents**. Solar Developer will maintain in a safe place at the Property one record copy of all drawings, specifications, addenda, written amendments, Change Orders, and the like in good order and annotated to show all changes made during construction which will be delivered to Owner.

9.10. **Safety**. Solar Developer will be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Solar Developer will comply with all applicable laws and regulations relating to the safety of persons or property.

9.11. **Continuing the Work**. Solar Developer will carry on the Work and adhere to the progress schedule during all disputes or disagreements with Owner.

9.12. **Damage to the Work**. Solar Developer will repair or replace, at Solar Developer's sole expense, every portion of the Work that is damaged or destroyed prior to Final Completion and caused in whole or in part by the acts or omissions of Solar Developer. Notwithstanding the foregoing, Owner will bear the cost of such repair or replacement if the sole cause of the damage or destruction of the Work was Owner's negligence.

9.13. **Warranty**. Solar Developer warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. If within ten years after the date of Final Completion or such longer period of time as may be prescribed by laws or regulations or by the terms of any specific provision or applicable special guarantee in the Contract Documents, any Work is found to be defective, Solar Developer will promptly, without cost to Owner and in accordance with Owner's written instructions, promptly either correct such defective Work, or if it has been rejected by Owner, remove it from the Property and replace it with non-defective Work. If Solar Developer does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or the rejected Work removed and replaced, and all direct, indirect and consequential costs of such removal and replacement (including but not limited to fees and charges of engineers, architects, attorneys and other professionals) will be paid by Solar Developer.

9.14. **Indemnity and Hold Harmless**. Solar Developer will indemnify and hold harmless Owner against all loss, liability, cost expense, damage and economic detriment of any kind whatsoever that arises out of or results from performance of the Work but only to the extent caused in whole or in part by the acts or omissions of the Solar Developer.

9.15. **Related Work at Property**. Owner may perform other work at the Property which is not part of the Work by Owner's own forces or let other direct contracts therefore. Solar Developer will afford Owner's own forces and each other Solar Developer who is a party to such a direct contract proper and safe access to the Property and a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such work. Solar Developer will do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work. Solar Developer will not endanger any work of others by cutting, excavating or otherwise altering their work and will only cut or alter their work with the written consent of Owner and the others whose work will be affected.

Article 10. City of Brainerd's Responsibilities.

10.1 Brainerd Public Utilities will pay Solar Developer $11,028.00 upon scheduling of the solar installation date.

10.2 Brainerd Public Utilities will pay Solar Developer $12,872.00 upon completion of installation.

Article 11. Rotary Club's Responsibilities.

11.1 Rotary Club of Brainerd will pay Solar Developer $10,000.00 upon signing of the solar agreement.

Article 12. Insurance.

12.1.1 **Solar Developer's Insurance**. Solar Developer will purchase and maintain the following insurance policies: (i) public liability insurance with limits of liability equal to at least $300,000 per occurrence; (ii) workers' compensation insurance as required by applicable state law; (iii) automobile liability insurance as required by applicable state law and (iv) "all risk" builder's risk insurance in an amount equal to or greater than the Contract Price. Insurance under subparts (i) and (iv) shall list Owner has an additional insured.

12.2 **Owner's Insurance**. Owner will be responsible for purchasing and maintaining Owner's liability insurance and other reasonably appropriate insurance.

Article 13. Termination.

13.1 Termination by Owner. If the Solar Developer breaches any of its obligations under this Agreement, then Owner may give Solar Developer written notification identifying such breach. If Solar Developer has not cured such breach within seven (7) calendar days from its receipt of Owner's written notification or if such breach cannot be cured within such seven (7) day period, then if Solar Developer either does not begin cure within such seven (7) day period or fails to diligently prosecute cure to completion, Owner may terminate this Contract and take possession of the Work. Alternatively, instead of terminating the Contract, Owner may cure the breach and deduct the cost thereof from amounts otherwise owed to the Solar Developer.

13.2 Termination by Solar Developer. If the Owner breaches any of its obligations under this Agreement, then Solar Developer may give Owner written notification identifying such breach. If Owner has not cured such breach within seven (7) calendar days from its receipt of Solar Developer's written notification, or if such breach cannot be cured within such seven (7) day period, then if Owner either does not begin cure within such seven (7) day period or fails to diligently prosecute cure to completion, Solar Developer may terminate this Contract.

Article 14. Miscellaneous.

14.1 Assignment of any rights or interests under this Contract will not be binding on any party to this Contract without the written consent of such party. Payments due under this Contract may not be assigned.

14.2 Owner and Solar Developer each binds itself, its partners, successors, assigns and legal representatives, to the other party hereto, its partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

14.3 This Contract and all issues, disputes and matters arising out of it will be governed by and construed in accordance with the law of the State of Minnesota, exclusive of that body of law governing conflicts of laws. Any claims arising out of this contract shall be brought in State District Court within Crow Wing County, State of Minnesota.

14.4 Notwithstanding anything contained in this Agreement to the contrary, neither Party will be deemed liable or to be in default for any delay or failure in performance under this Agreement deemed to result, directly or indirectly, from acts of God, acts of civil or military authority, acts of public enemy, war, or any like cause beyond its reasonable control unless such delay or failure in performance is expressly addressed elsewhere in this Agreement.

14.5 Owner hereby grant permission to Solar Developer to use its photographs or videos and other media relating to the work being performed on the Property taken or produced for Solar Developer's marketing purposes including but not limited to website publications, social media channels, case study materials, print materials, or any other print and digital materials for Solar Developer .

Owner understands and agrees that Solar Developer owns all rights and publications to the aforementioned marketing materials and may use, edit, reproduce, and distribute these materials for any and all marketing purposes.

Owner hereby releases Solar Developer and its employees from any and all actions, claims, and causes of action that arise from or are in any way connected to such use of the marketing materials. Solar Developer will not use your nonpublic personal information including your personal property address and financial information.

Article 13. Contingencies

13.1. Ground Mount Solar Array. In the event Solar Developer discovers bedrock within 6.5 feet (78 inches) of the surface, Solar Developer will notify Owner of the discovery of bedrock and the ensuing change in installation procedure and price.

13.2. Contract Price does not include any upgrades required by the local utility company that are not specifically outlined in Exhibit A.
IN WITNESS WHEREOF, Owner and Solar Developer have signed this Contract.

This Contract will be effective on _______**, 2025.**

BY: ________________________________	**BY:** ________________________________
NAME: __ Dave Badeaux, Mayor____________________	**NAME:** Nicholas Broyles, City Administrator____________________________
TITLE: _City of Brainerd___________	**TITLE: _City of Brainerd _________**
DATE: ______________________________	**DATE:** ______________________________
BY: ________________________________	**BY:** ________________________________
NAME: __Simon Eddy___________________	**NAME: __Michelle Francis___________**
TITLE: _Wolf Track Energy_____________	**TITLE: _Rotary Club of Brainerd_________**
DATE: ______________________________	**DATE:** ______________________________

EXHIBIT A
CONSTRUCTION SERVICES

The project scope includes the installation of a **9.7 kW-DC, 7.6 kW-AC** rated **roof-mounted** solar photovoltaic system at the Property.

This includes all equipment, labor, and construction materials needed to complete this project. Photovoltaic system shall consist of:

(20) VSUN 485W Solar Modules

(20) Enphase IQ8HC Microinverters

(1) Flush Mounted racking, metal exposed fastener roofing attachments

(1) Cell based Enphase monitoring, 5 year cell plan included

(1) 75’ trench and wire run to point of interconnection

(1) All Electrical Labor

(1) Permitting

(1) Interconnection Application

System shall be supported by Premium Grade aluminum mounting system, and other balance of system (BOS) components, including but not limited to Solar Performance Meter Box (if required), AC disconnect, and electrical hardware (circuit breakers, wire, conduit, junction boxes, etc.).

All equipment will be installed as required by applicable codes, the local utility company, and Homeowner’s Association guidelines (if applicable). During daylight hours this photovoltaic system (solar electric) will provide electricity in parallel with the local utility service provider. Or to Batteries in a Stand-Alone system.

At completion of work remove all waste, debris, rubbish, tools, equipment, machinery and surplus materials.

Solar Developer shall not be responsible for landscaping improvement services as part of this contract.

EXHIBIT B
PAYMENT SCHEDULE

Purchaser shall pay Solar Developer for the materials and labor to be performed under this agreement in an amount of: **$33,900.00**

Contractor shall invoice for, and purchaser shall make, payments under this contract in accordance with the following schedule:

$10,000 is due upon signing of this agreement;
(to be paid by the Rotary Club of Brainerd, used for purchase of materials)

$11,028.00 is due upon scheduling of solar installation date;
(to be paid by Brainerd Public Utilities)

$12,872.00 is due upon completion of Solar Modules installation (roof or ground mount) and all connecting circuitry. Dissemination of appropriate documents, warranties, approved final inspection.
(to be paid by Brainerd Public Utilities)

Payment shall be made to the order of Wolf Track Energy, in one of four ways: (1) check, (2) credit card (2.9% fee applies), (3) cashier's check, (4) ACH bank transfer.

EXHIBIT C

ROTARY PARK - SITE PLAN

SOLAR DEVELOPMENT AGREEMENT

THIS SOLAR DEVELOPMENT CONTRACT ("Contract") dated as of September ___, **2025** by and between the City of **Brainerd** ("Owner"), Wolf Track Energy, LLC, a Minnesota Limited Liability Company ("Solar Developer"), and The Rotary Club of Brainerd, a Minnesota ______________________.

Owner and Solar Developer, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. Work.

Solar Developer will perform the solar project management, finance and construction services identified in Exhibit "A" ("Work") in accordance with the Contract Documents, as identified in Article 5 of this Contract on property located within **Rotary Riverside Park, Brainerd, Minnesota (46.341414, -94.214079)** as identified in Exhibit "C" ("Property").

Article 2. Contract Time.

The Work will be completed on or before **June 30th~~September 30th~~, 2026~~5~~** ("Completion Date"), subject to modifications in approved Change Orders. Solar Developer's estimated progress schedule identifying the various stages of the Work and the corresponding payments to be made to the Solar Developer is identified in Exhibit "B" ("Payment Schedule").

Article 3. Contract Price.

Owner will pay to Solar Developer an amount equal to **$33,900.00** ("Contract Price") for completion of the Work, see Exhibit "B."

Article 4. Change Orders.

Any increase or decrease in the Contract Price, change in the Work or change in the Contract Time must be set forth in a change order signed by Owner and Solar Developer ("Change Order").

Article 5. Contract Documents.

The Contract Documents which comprise the entire Contract between Owner and Solar Developer concerning the Work consist of this Contract, Exhibit "A," Exhibit "B," the blue prints, shop drawings, plans and specifications for the Work ("Plans"), an itemized description of each segment of the Work that sets the timetable for completing the Work, and the corresponding payments for the Work ("Work" and "Payment Schedule") and any Change Orders.
Concurrent with execution of this Agreement, Solar Developer shall provide Owner with a payment bond in an amount equal to the Contract Price, with the stipulation that the amount of the bond shall automatically change consistent with approved Change Orders.

Article 6. Payment Procedures

6.1 **Progress Payments**. Solar Developer will submit to Owner a request for payment in a format agreed to by Owner and Solar Developer ("Request for Disbursement") which will cover completed and inspected work consistent with Exhibit "B." All payment requests will include lien waivers from subcontractors for the amount of their work included in the payment request.

Within ten calendar days after a Request for Disbursement is presented, Owner will notify Solar Developer if Owner has any concerns about the Request for Disbursement that Owner believes should be resolved before Owner pays the amounts specified in the Request for Disbursement, and, in this event, Owner and Solar Developer will promptly meet to address such concerns. Owner will pay Solar Developer ninety percent (90%) of the full amount covered by the Request for Disbursement within ten calendar days from the day it was presented while retaining ten percent (10%) thereof ("Holdback") to be paid simultaneously with the final payment. Payment may be withheld for: (1) failure to perform the Work in accordance with the Contract Documents; (2) defective Work that is not corrected; or (3) failure of the Solar Developer to pay Subcontractors or to pay for labor, materials or equipment when due.

6.2 **Final Payment**. Final payment of the balance of the Contract Price including the Holdback will be made in accordance with Exhibit "B" and the following procedures:

a. When Solar Developer considers the Work substantially complete, Solar Developer will notify Owner in writing. Within a reasonable time thereafter, Owner and Solar Developer will inspect the Work. Promptly after such inspection, Owner will deliver to Solar Developer a written punch list of the items that must be completed in order for the Work to reach final completion ("Final Completion"). Alternatively, Owner will deliver to Solar Developer a written statement that Final Completion has been reached because no punch list items remain to be completed.

b. If Owner delivers a written punch list to Solar Developer, then Solar Developer will deliver to Owner a written notice that the Work is finally complete when Solar Developer believes that the punch list items have been completed. Then Owner and Solar Developer will promptly inspect the punch list items. Promptly after such inspection, Owner will deliver to Solar Developer either (i) a written statement that Final Completion has been reached or (ii) another written punch list of the items that still must be completed in order for the Work to reach Final Completion in which event the punch list procedure described above will be repeated until all punch list items have been completed.

c. When Final Completion has been reached and after Solar Developer has delivered to Owner all maintenance and operating instructions, schedules, guarantees, certificates of inspection, marked-up record documents and other documents, Solar Developer may make application for final payment following the procedure for progress payments. The final Request for Disbursement will be accompanied by all documentation called for in the Contract Documents, together with complete and legally effective releases or lien waivers (satisfactory to Owner) in connection with the Work.

Article 7. Interest.

Payments due and unpaid to Solar Developer that are 30 days or more overdue will incur a 5% late fee.

Article 8. Solar Developer's Representation.

In order to induce Owner to enter into this Contract, Solar Developer makes the following representation:

Solar Developer has familiarized itself with the nature and extent of the Contract Documents, Work site, locality, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.

Article 9. Solar Developer's Responsibilities.

9.1. **Performance**. Solar Developer will perform the Work in accordance with the Contract Documents. Solar Developer will be solely responsible for the means, methods, techniques, sequences and procedures of construction.

9.2. **Personnel**. Solar Developer will provide competent, suitable personnel to perform construction services as required by the Contract Documents. Solar Developer will at all times maintain good discipline and order at the Property.

9.3. **Furnished Items**. Solar Developer will furnish and be fully responsible for all materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water sanitary facilities, temporary facilities and all other facilities and incidentals necessary for the furnishing, performance, start-up and completion of the Work, except as specified in the Contract Documents.

9.4. **Materials**. All materials and equipment will be of good quality and new, except as otherwise provided in the Contract Documents. All materials and equipment will be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the instructions of the applicable supplier.

9.5. **Subcontractors**. Solar Developer will be fully responsible to Owner for all acts and omissions of its subcontractors, suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Solar Developer just as Solar Developer is responsible for Solar Developer's own acts and omissions. Nothing in the Contract Documents will create any contractual relationship between Owner and any such subcontractors, supplier or other person or organization, nor will it create any obligation on the part of Owner to pay any such subcontractors, supplier or other person or organization except as may otherwise be required by laws and regulations.

9.6. **Permits; Inspections**. Solar Developer will obtain and will pay for all construction permits and licenses unless otherwise agreed to by the Owner in writing. Solar Developer will pay all governmental charges and inspection fees necessary for the Work and arrange for all such inspections to occur if required. Solar Developer will give all notices and comply with all laws and regulations applicable to furnishing and performance of the Work.

9.7. **Taxes**. Solar Developer will pay all sales, consumer, use and other similar taxes required to be paid by Solar Developer in accordance with the laws and regulations of the place of the Work which are applicable during the performance of the Work.

9.8. **Use of Premises**. Solar Developer will confine construction equipment, the storage of materials and equipment and the operations of workers to the Property and will not unreasonably encumber the Property with materials or equipment. Solar Developer will be fully responsible for any damage to the Property or areas contiguous thereto resulting from the performance of the Work. During the progress of the Work, Solar Developer will keep the Property free from accumulations of waste materials, rubbish and other debris resulting from the Work. At the completion of the Work, Solar Developer will remove all waste materials, rubbish and debris from and about the Property as well as all tools, appliances, construction equipment and machinery, and surplus materials, and will leave the Property clean and ready for occupancy by Owner.

9.9. **Record Documents**. Solar Developer will maintain in a safe place at the Property one record copy of all drawings, specifications, addenda, written amendments, Change Orders, and the like in good order and annotated to show all changes made during construction which will be delivered to Owner.

9.10. **Safety**. Solar Developer will be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Solar Developer will comply with all applicable laws and regulations relating to the safety of persons or property.

9.11. **Continuing the Work**. Solar Developer will carry on the Work and adhere to the progress schedule during all disputes or disagreements with Owner.

9.12. **Damage to the Work**. Solar Developer will repair or replace, at Solar Developer's sole expense, every portion of the Work that is damaged or destroyed prior to Final Completion and caused in whole or in part by the acts or omissions of Solar Developer. Notwithstanding the foregoing, Owner will bear the cost of such repair or replacement if the sole cause of the damage or destruction of the Work was Owner's negligence.

9.13. **Warranty**. Solar Developer warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. If within ten years after the date of Final Completion or such longer period of time as may be prescribed by laws or regulations or by the terms of any specific provision or applicable special guarantee in the Contract Documents, any Work is found to be defective, Solar Developer will promptly, without cost to Owner and in accordance with Owner's written instructions, promptly either correct such defective Work, or if it has been rejected by Owner, remove it from the Property and replace it with non-defective Work. If Solar Developer does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or the rejected Work removed and replaced, and all direct, indirect and consequential costs of such removal and replacement (including but not limited to fees and charges of engineers, architects, attorneys and other professionals) will be paid by Solar Developer.

9.14. **Indemnity and Hold Harmless**. Solar Developer will indemnify and hold harmless Owner against all loss, liability, cost expense, damage and economic detriment of any kind whatsoever that arises out of or results from performance of the Work but only to the extent caused in whole or in part by the acts or omissions of the Solar Developer.

9.15. **Related Work at Property**. Owner may perform other work at the Property which is not part of the Work by Owner's own forces or let other direct contracts therefore. Solar Developer will afford Owner's own forces and each other Solar Developer who is a party to such a direct contract proper and safe access to the Property and a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such work. Solar Developer will do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work. Solar Developer will not endanger any work of others by cutting, excavating or otherwise altering their work and will only cut or alter their work with the written consent of Owner and the others whose work will be affected.

Article 10. City of Brainerd's Responsibilities.

10.1 Brainerd Public Utilities will pay Solar Developer $11,028.00 upon scheduling of the solar installation date.
10.2 Brainerd Public Utilities will pay Solar Developer $12,872.00 upon completion of installation.

Article 11. Rotary Club's Responsibilities.

11.1 Rotary Club of Brainerd will pay Solar Developer $10,000.00 upon signing of the solar agreement.
~~**11.2** After the warranty has ended, Rotary Club of Brainerd will replace any damaged, inoperative solar panels and lightings; and is also responsible for the decommission of solar panels and lighting.~~
~~11.3 This Article shall survive termination of this Agreement.~~

Article 12. Insurance.

12.1.1 Solar Developer's Insurance. Solar Developer will purchase and maintain the following insurance policies: (i) public liability insurance with limits of liability equal to at least $300,000 per occurrence; (ii) workers' compensation insurance as required by applicable state law; (iii) automobile liability insurance as required by applicable state law and (iv) "all risk" builder's risk insurance in an amount equal to or greater than the Contract Price. Insurance under subparts (i) and (iv) shall list Owner has an additional insured.

12.2 **Owner's Insurance**. Owner will be responsible for purchasing and maintaining Owner's liability insurance and other reasonably appropriate insurance.

Article 13. Termination.

13.1 Termination by Owner. If the Solar Developer breaches any of its obligations under this Agreement, then Owner may give Solar Developer written notification identifying such breach. If Solar Developer has not cured such breach within seven (7) calendar days from its receipt of Owner's written notification or if such breach cannot be cured within such seven (7) day period, then if Solar Developer either does not begin cure within such seven (7) day period or fails to diligently prosecute cure to completion, Owner may terminate this Contract and take possession of the Work. Alternatively, instead of terminating the Contract, Owner may cure the breach and deduct the cost thereof from amounts otherwise owed to the Solar Developer.

13.2 Termination by Solar Developer. If the Owner breaches any of its obligations under this Agreement, then Solar Developer may give Owner written notification identifying such breach. If Owner has not cured such breach within seven (7) calendar days from its receipt of Solar Developer's written notification, or if such breach cannot be cured within such seven (7) day period, then if Owner either does not begin cure within such seven (7) day period or fails to diligently prosecute cure to completion, Solar Developer may terminate this Contract.

Article 14. Miscellaneous.

14.1 Assignment of any rights or interests under this Contract will not be binding on any party to this Contract without the written consent of such party. Payments due under this Contract may not be assigned.

14.2 Owner and Solar Developer each binds itself, its partners, successors, assigns and legal representatives, to the other party hereto, its partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

14.3 This Contract and all issues, disputes and matters arising out of it will be governed by and construed in accordance with the law of the State of Minnesota, exclusive of that body of law governing conflicts of laws. Any claims arising out of this contract shall be brought in State District Court within Crow Wing County, State of Minnesota.

14.4 Notwithstanding anything contained in this Agreement to the contrary, neither Party will be deemed liable or to be in default for any delay or failure in performance under this

Agreement deemed to result, directly or indirectly, from acts of God, acts of civil or military authority, acts of public enemy, war, or any like cause beyond its reasonable control unless such delay or failure in performance is expressly addressed elsewhere in this Agreement.

14.5 Owner hereby grant permission to Solar Developer to use its photographs or videos and other media relating to the work being performed on the Property taken or produced for Solar Developer's marketing purposes including but not limited to website publications, social media channels, case study materials, print materials, or any other print and digital materials for Solar Developer .

Owner understands and agrees that Solar Developer owns all rights and publications to the aforementioned marketing materials and may use, edit, reproduce, and distribute these materials for any and all marketing purposes.

Owner hereby releases Solar Developer and its employees from any and all actions, claims, and causes of action that arise from or are in any way connected to such use of the marketing materials. Solar Developer will not use your nonpublic personal information including your personal property address and financial information.

Article 13. Contingencies

13.1. Ground Mount Solar Array. In the event Solar Developer discovers bedrock within 6.5 feet (78 inches) of the surface, Solar Developer will notify Owner of the discovery of bedrock and the ensuing change in installation procedure and price.

13.2. Contract Price does not include any upgrades required by the local utility company that are not specifically outlined in Exhibit A.
IN WITNESS WHEREOF, Owner and Solar Developer have signed this Contract.

This Contract will be effective on _______**, 2025.**

BY: ______________________	**BY:** ______________________
NAME: __ Dave Badeaux, Mayor____________	**NAME:** Nicholas Broyles, City Administrator____________
TITLE: _City of Brainerd__________	**TITLE: _City of Brainerd** _________
DATE: ______________________	**DATE:** ______________________
BY: ______________________	**BY:** ______________________
NAME: __Simon Eddy__________	**NAME:** __**Michelle Francis**~~**Brian Andrews**~~ ____________
TITLE: _Wolf Track Energy__________	**TITLE: _Rotary Club of Brainerd**_________
DATE: ______________________	**DATE:** ______________________

EXHIBIT A
CONSTRUCTION SERVICES

The project scope includes the installation of a **9.7 kW-DC, 7.6 kW-AC** rated **roof-mounted** solar photovoltaic system at the Property.

This includes all equipment, labor, and construction materials needed to complete this project. Photovoltaic system shall consist of:

(20) VSUN 485W Solar Modules

(20) Enphase IQ8HC Microinverters

(1) Flush Mounted racking, metal exposed fastener roofing attachments

(1) Cell based Enphase monitoring, 5 year cell plan included

(1) 75’ trench and wire run to point of interconnection

(1) All Electrical Labor

(1) Permitting

(1) Interconnection Application

System shall be supported by Premium Grade aluminum mounting system, and other balance of system (BOS) components, including but not limited to Solar Performance Meter Box (if required), AC disconnect, and electrical hardware (circuit breakers, wire, conduit, junction boxes, etc.).

All equipment will be installed as required by applicable codes, the local utility company, and Homeowner’s Association guidelines (if applicable). During daylight hours this photovoltaic system (solar electric) will provide electricity in parallel with the local utility service provider. Or to Batteries in a Stand-Alone system.

At completion of work remove all waste, debris, rubbish, tools, equipment, machinery and surplus materials.

Solar Developer shall not be responsible for landscaping improvement services as part of this contract.

EXHIBIT B
PAYMENT SCHEDULE

Purchaser shall pay Solar Developer for the materials and labor to be performed under this agreement in an amount of: **$33,900.00**

Contractor shall invoice for, and purchaser shall make, payments under this contract in accordance with the following schedule:

$10,000 is due upon signing of this agreement;
(to be paid by the Rotary Club of Brainerd, used for purchase of materials)

$11,028.00 is due upon scheduling of solar installation date;
(to be paid by Brainerd Public Utilities)

$12,872.00 is due upon completion of Solar Modules installation (roof or ground mount) and all connecting circuitry. Dissemination of appropriate documents, warranties, approved final inspection.
(to be paid by Brainerd Public Utilities)

Payment shall be made to the order of Wolf Track Energy, in one of four ways: (1) check, (2) credit card (2.9% fee applies), (3) cashier's check, (4) ACH bank transfer.

EXHIBIT C

ROTARY PARK - SITE PLAN

Public Utilities Commission
Agenda Request

MEETING DATE: November 25, 2025

TITLE OF ITEM: Approve DRAFT Leaking Water Service Line Policy

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 10 Minutes

SUBMITTED BY: Paul Sandy, Public Utilities Director **PRESENTER:** Paul Sandy, Public Utilities Director

SUMMARY OF ISSUE: In accordance with previous Commission action, staff have prepared a draft Leaking Water Service Policy for Commission review and comment.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: BPU staff currently lack a comprehensive, standardized policy that clearly outlines the full set of procedures associated with leaks on private water service lines. At present, there is no consolidated guidance describing how leaks should be identified in the field, the appropriate methods and timelines for providing notification to property owners, the specific steps customers must take to develop repair plans, or the required timelines for completing those repairs. Additionally, staff do not have written direction regarding the conditions under which a winter reprieve may be granted, what payment or financing options can be made available to customers facing repair costs, or how to consistently implement other essential operational practices related to private service line leaks. This absence of a unified policy has resulted in inconsistencies in communication, expectations, and enforcement, and has highlighted the need for a more transparent and standardized process both for staff and for the rate-paying public.

The draft policy included in the agenda packet is intended to address these gaps by establishing a clear, written framework for each of these components. It provides detailed procedures for leak identification, customer notification requirements, planning and repair timelines, winter reprieve conditions, financing and assessment options, and enforcement measures. Staff are presenting this draft to the Commission for review and are seeking comments, recommendations, or changes to the policy. The goal is to ensure the policy is well-understood, operationally practical, and reflective of the Commission's expectations for consistent service delivery and customer communication.

It should also be noted that staff have identified a broader organizational need to update, standardize, and formalize all BPU policies. As part of the 2026 work plan, staff intend to conduct a comprehensive review of all current BPU policies—both existing and draft—evaluating their clarity, consistency, relevance, and alignment with current practices and regulations. Updated policies will be rewritten in a standardized format that includes consistent section headings, logos, terminology, definitions, and procedural guidance. These new written standards will help provide clearer expectations for staff, promote consistent decision-making, and improve transparency for Commissioners and ratepayers.

The full policy standardization initiative is expected to continue throughout 2026. Revised policies will be presented to the Commission in organized groups as they are completed, allowing for timely review, discussion, and formal approval. Staff anticipate completing the entire standardization process by the end of 2026, resulting in a complete set of updated, well-structured, and easily understood policies that will support effective utility operations for years to come.

RECOMMENDED ACTION/MOTION: Staff recommends approval of the Leaking Water Service Line Policy as presented.

FINANCIAL IMPACT: None

Leaking Residential Water Service Line Policy

1. Purpose and Scope

The purpose of this policy is to establish clear standards for the identification, notification, repair, and enforcement related to leaking water service lines on customer-owned property. This policy defines ownership responsibilities, repair timelines, winter reprieve conditions, financing and assessment options, and consequences for non-compliance.

This policy applies to all properties served by the utility and governs all leaks occurring on the customer-owned portion of a water service line.

2. Definitions

Water Service Line: The pipe connecting a property to the public water main, consisting of both utility-owned and customer-owned sections.
Curb Stop/Curb Box: The shutoff valve located at or near the property line separating utility-owned and customer-owned infrastructure.
Minimal Leak: A leak that does not create hazardous conditions, does not pose a risk to public health and safety, does not pose a risk to infrastructure, and does not result in significant or escalating water loss as determined by the utility.
Customer: The property owner or responsible account holder receiving water service.
Licensed Contractor: A plumber or utility contractor licensed and approved by the City to work on water service lines.

3. Ownership Responsibilities

a. Utility Responsibility

The utility is responsible for:

- All water system infrastructure up to and including the curb stop (curb box).
- The water meter and all associated meter equipment (endpoints, reading devices, hardware).
- Maintaining access to utility-owned equipment when on customer property.

b. Customer Responsibility

The customer is responsible for:

- The water service line from the curb stop to the home, building, or internal plumbing.
- Ensuring safe and unobstructed access to utility-owned equipment located on or inside the property.
- Hiring a licensed contractor to complete repairs on customer-owned service lines.

- All costs associated with repairing leaks on customer-owned infrastructure.

4. **Leak Identification and Notification Requirements**

When a leak is discovered on the customer-owned portion of the service line, the utility will provide notification using one or more of the following methods:

- **Written letter** mailed to the property owner
- **Phone call** to the account holder or property owner
- **Text message** to the phone number on file
- **Door hanger** placed at the service address

   a. **Contents of Notification**
   Each notification will include:
      - Description and location of the suspected or confirmed leak
      - Explanation of ownership responsibility
      - Required customer actions
      - Deadlines for planning and completing repairs
      - Available financing and assessment options
      - Instructions for contacting the utility with questions
      - Statement of potential enforcement actions for non-compliance

   b. **Escalated Notification Requirements**
   If no response is received:
      - Second notice will be issued after 5 days.
      - Final notice will be issued after the 10-day planning period expires.
      - Notices may also be issued to absentee owners through certified mail.

   Failure to respond to notifications will be treated as non-compliance (see Section 8).

5. **Repair Timeline Requirements**
   a. **Ten-Day Planning Period**
   Within **10 days** of receiving initial notice, the customer must:
      - Contact a licensed contractor to evaluate and schedule needed repairs, and
      - Provide the utility with a written repair plan including estimated repair dates.

   b. **Twenty Day Repair Period**
   Repairs must be completed within 20 days after the customer submits the repair plan.

- The utility may grant an extension for documented contractor availability issues, weather constraints, or unforeseen site conditions.
- Extensions must be requested before the 20-day repair period expires.

c. **Immediate Repair Requirement**
If the leak worsens, becomes hazardous or a threat to public health and safety, or results in excessive water loss, the utility may declare that immediate repair is required.

- Failure to complete immediate repair may result in same-day water service disconnection, regardless of season or weather conditions.

6. **Winter Reprieve Period**

From **November 15 through April 15**, the utility may grant a temporary reprieve from required repairs **only if the leak is determined to be minimal**.

A leak is **not eligible** for reprieve if it:

- Creates slippery, icy, or otherwise hazardous conditions
- Poses a threat to public health and safety
- Poses a threat to public or private infrastructure
- Causes significant or increasing water loss
- Results in property damage

If at any point during the reprieve the leak worsens, the reprieve is revoked and immediate repair may be required.

The reprieve **does not** eliminate the customer's obligation to repair the leak once the reprieve period ends.

7. **Financing and Assessment Options**

The utility offers tax assessment financing to assist customers with repair costs for qualifying water service line leaks.

a. **Eligibility and Terms**

- Only work completed by **licensed contractors** qualifies.
- Assessment paperwork **must be completed and approved before work begins**.
- Upon approval, the utility will pay the contractor directly.
- The repair cost will be added to the customer's property tax bill and repaid over an approved term at a specified interest rate.

- The utility will provide estimated project costs, financing terms, and annual payment estimates upon request.

8. **Enforcement and Non-Compliance**
   Failure to comply with any requirement of this policy—including failure to plan repairs, schedule repairs, complete repairs, or respond to notifications—will result in enforcement actions including:
   a. **Water Service Disconnection**
      The utility may disconnect water service immediately when:
      - The customer fails to comply with required timelines
      - The leak poses a threat to public health or safety
      - The leak results in excessive water loss
      - The customer refuses to schedule or complete repairs
   b. **Utility Performed Repairs**
      - The utility may arrange for the repair to be completed by a licensed contractor.
      - The full cost of the repair, plus administrative fees, will be assessed to the property.
      - Water service will not be restored until:
         - The leak is fully repaired; and
         - All charges, assessments, penalties, and fees are paid in full.
9. **Appeals**
   Customers may request an administrative review of timelines, enforcement actions, or eligibility for a winter reprieve.

   Appeals must be submitted in writing within 7 days of receiving notice of the disputed decision.

   Appeals do not delay required repairs unless specifically authorized in writing by the utility.

10. **Effective Date**
    This policy becomes effective on: ***//____***

Public Utilities Commission
Agenda Request

MEETING DATE: November 25, 2025

TITLE OF ITEM: Approve Statement of Work for Audit Services with CliftonLarsonAllen LLP

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 2

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Danny Loch, Finance Manager

SUMMARY OF ISSUE:

Staff have received the auditors' Statement of Work for the upcoming annual financial audit. The proposed engagement reflects a 4% increase over the prior year's audit cost, which is consistent with industry-wide increases in professional service fees.

The scope of work remains unchanged and includes the full financial statement audit of the Electric, Water, and Wastewater Utilities, and required Minnesota Legal Compliance testing. The auditors will continue to provide assistance with GASB updates, and preparation of audit report materials for the Commission.

Audit fieldwork is scheduled for the first week of March, which is one week earlier than last year. Staff will begin preparing year-end schedules and supporting documentation to ensure a smooth and timely audit process.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: City Council has indicated there may be a desire to pursue requests for proposals during 2026 for future audits.

RECOMMENDED ACTION/MOTION: Staff recommend approving the attached statement of work for audit services.

FINANCIAL IMPACT: $30,750

CliftonLarsonAllen LLP
https://www.claconnect.com

September 8, 2025

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated November 20, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Brainerd Public Utilities ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2025.

Mary Reedy, CPA, CGFM is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the business-type activities, which collectively comprise the basic financial statements of Brainerd Public Utilities, and the related notes to the financial statements as of and for the year ended December 31, 2025.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.
- Preparation of GASB 87/96 tool, if necessary

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

As part of our audit, we will also perform the procedures and provide the report required by the Minnesota Legal Compliance Audit Guide for Political Subdivisions.

It is our understanding that our auditors' report will be included in your annual report which is comprised of the financial statements and that your annual report will be issued June 30, 2026. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the entity and its environment, including the system of internal control, relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

• Management override of internal controls

• Improper revenue recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standard*s. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

> CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of CLA and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory bodies pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of CLA's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to those regulators. The regulators may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by a regulator. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees
Our professional fee is $30,750.00. We will also bill for expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

Unexpected circumstances
We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards
Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement
We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

Response:
This letter correctly sets forth the understanding of Brainerd Public Utilities.

CLA

CLA

SIGN: Mary Reedy

Mary Reedy, Principal

DATE: November 12, 2025

Client

Brainerd Public Utilities

SIGN:

Finance Manager

DATE:

Brainerd Public Utilities

SIGN:

Board Member

DATE:

Public Utilities Commission
Agenda Request

MEETING DATE: November 25, 2025

TITLE OF ITEM: Approve Bolton and Menk's Proposal for CMAR Design and Construction Services related to the Water Backwash and Reclaim Facility Improvements

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 10 Minutes

SUBMITTED BY: Paul Sandy, Public Utilities Director **PRESENTER:** Paul Sandy, Public Utilities Director

SUMMARY OF ISSUE: Attached to this request is a memorandum prepared by Morgan Salo from Bolton and Menk along with a proposal for professional services for CMAR design and construction services related to the water backwash and reclaim facility improvements.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: BPU staff have been coordinating closely with Bolton & Menk regarding the scope of services for the Backwash/Reclamation Project. In early 2024, the BPU Commission entered into an agreement with Bolton & Menk to provide design and bidding phase services for the project. Brainerd Public Utilities subsequently received a direct legislative appropriation of $5,000,000 to support project design and construction. Throughout 2024, BPU staff and Bolton & Menk advanced the project through design development, including preparation of detailed plans and specifications. On November 21, 2024, BPU received bids for the project; however, all bids came in significantly above the available budget, with Rice Lake Construction Group submitting the lowest bid at $10,336,450. The BPU Commission rejected all bids and elected to transition the project to a Construction Manager at Risk (CMAR) delivery method.

In July 2025, Bolton & Menk issued a Request for Proposals (RFP) for CMAR services to qualified construction firms. Three proposals were received from Rice Lake Construction Group, Magney Construction, and Journey Construction. Following a competitive evaluation and scoring process, the BPU Commission selected Rice Lake Construction Group to serve as the CMAR for the project.

A critical next step in the CMAR process is to engage professional consulting services to work collaboratively with the CMAR in evaluating the design, performing value engineering, refining project scope, and helping to align the project with the available budget and intended performance goals.

Construction Manager at Risk (CMAR) is a project delivery method in which a construction manager is hired early in the design process to provide preconstruction services—such as cost estimating, constructability reviews, scheduling input, and value engineering—and then serves as the general contractor during construction. Under the CMAR model, the construction manager commits to delivering the project within a Guaranteed Maximum Price (GMP), assuming the financial risk for cost overruns beyond that amount unless caused by owner-directed changes. This approach fosters collaboration between the owner, designer, and construction manager, improves cost and schedule control, and helps identify and resolve potential construction issues before they impact the project.

Given Bolton & Menk's extensive familiarity with the Backwash/Reclamation Project—having served as the design engineer throughout the original design phase and bidding process—BPU staff requested a proposal from Bolton & Menk to provide CMAR coordination and design services, as well as construction-phase services.

The attached memorandum, prepared at the request of BPU staff, outlines in detail the proposed scope of work and anticipated design modifications associated with transitioning the project to the CMAR delivery method. The design-related portion of the proposal is intended to update and revise the existing plans and specifications by re-drafting a substantial portion of the project sheets. These updates will incorporate design adjustments identified through cost-model reviews, value engineering efforts, and constructability evaluations to ensure the project aligns with both operational objectives and available budget.

Under the proposal, the estimated cost for CMAR coordination services is $27,400. Additional design services—including plan revisions, re-drafting, and structural redesign—are estimated at $159,900. The remainder of the proposal consists of construction engineering and administration services, estimated at $263,400. In total, Bolton & Menk's proposed fee amounts to $450,700.

With the potential development of a new water treatment plant in the coming years, the design approach for this project is focused on implementing only the necessary improvements required to maintain efficient and reliable operations at the existing facility. The intent is to ensure that the new backwash/reclaim infrastructure constructed under this project can be seamlessly incorporated into a future water treatment plant, thereby protecting the long-term value of the investment. Throughout this process, BPU staff, Bolton & Menk, and the CMAR will work collaboratively to perform value engineering, refine the design, and deliver a project that meets the operational needs of the Utility while staying within the funding constraints of the State of Minnesota's SPAP grant.

RECOMMENDED ACTION/MOTION: Staff recommends approval of the Bolton and Menk Proposal for CMAR Design and Construction Services related to the Water Backwash and Reclaim Facility Improvements in the amount of $450,700.

FINANCIAL IMPACT: The current capital budget includes $5,650,000 for the Backwash/Reclaim Project. The original agreement with Bolton & Menk for design and bidding services totaled $390,494. When combined with the proposed additional engineering services and the CMAR contract already approved, the total projected cost for engineering and CMAR services is approximately $850,000. Based on these commitments and to remain within the existing capital budget, the available construction budget for the project is therefore estimated at approximately $4,800,000.

7656 Design Road
Suite 200
Baxter, MN 56425

Phone: (218) 825-0684
Bolton-Menk.com

Real People. Real Solutions.

VIA EMAIL

November 4, 2025

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

RE: Water Backwash and Reclaim Facility Improvements
Engineering Scope and Fee for CMAR Design and Construction Services
Brainerd Public Utilities - WTP

Danny,

Brainerd Public Utilities has selected Rice Lake Construction Group to operate as the Utility's Construction Manager At-Risk (CMAR) contractor for the backwash and reclaim system improvement project. We have prepared the following scope and fee for design and construction administration as we work together with the utility and construction manager. Throughout this project, Bolton & Menk, Brainerd Public Utilities, and Rice Lake Construction Group will continue to collaborate on, cost models, updating current layouts, and design of various technical components to meet the city's overall budget. This project was bid in November 2024, but the bids were rejected due to cost constraints. We will utilize the current set of plans to value engineer the facility to meet all goals, objectives, and budgets of the utility. We have already started this process with Rice Lake and are anticipating a first cost model by the end of 2025.

October 2025 – June 2026	Design Phase (based on existing design plans) and Develop Guaranteed Maximum Price (GMP)
December 2025	First Cost Model (tentative)
February 2026	Second Cost Model (tentative)
March 2026	Final Cost Model and Approve Guaranteed Maximum Price (GMP) by Commission and authorize bidding process.
April 2026	Statement of Qualifications issued to trade partners for bidding. Send plans to MDH for review and approval.
April - June 2026	Bidding Phase with trade partners. Receive bid packages and authorize construction phase
June 2026 – September 2028	Construction Services to begin with construction

While we proceed with the CMAR process, the scope of work below can be broken up into two phases to make sure the utility goals and schedule are met through the CMAR process from design through final completion of construction. The first phase includes value engineering and design while the second phase includes construction engineering services.

I. Phase 1 Scope of Work – CMAR Coordination and Design

The scope of this phase includes drafting, design of the reclaim tank, pumps, piping, site grading, and other major processes from the original design. The project design scope includes:

A. Task 1: CMAR coordination

- Coordinate with CMAR contractor for design and scope of work for the WTP improvements.
- Coordinate components for cost models to review with the city and utility (review 3 cost models and 3 meeting with the utility to discuss)
  - First cost model review
  - Second cost model review
  - Final Cost model Review
- Final GMP and Plan Review (conducted in 1 meeting with Utility)
- Attend Commission Meeting for authorization of the GMP
- Coordinate with CMAR for data collection, design information, necessary information for site and building layouts.
- Review electrical requirements and meet with utility to review recent electrical improvements.

B. Task 2: Facility Design/Re-Design

- Detailed layout and design of reclaim and backwash tank, pumps, piping, and necessary process equipment to backwash the filters and reclaim filter backwash waste to be re-treated or sent to the sanitary sewer.
- Review of the existing reservoirs for structural components for a backwashing system.
- Detailed design of the air-break manhole to meet MDH, MPCA, and all plumbing requirements.
- Full structural design and review of structural requirements for reclaim tank foundation and modify structural drawings with updated design information.
- Architectural design of occupied spaces including code analysis/review of new construction. This proposal does not include code review of existing structures or buildings.
- Process treatment and process piping layout and design in the existing WTP for backwashing and piping modifications.
- Electrical design for the backwash and reclaim system and SCADA communications coordination with utilities control integrator.

- Electrical design in the existing treatment facility for electrical actuated valves and PLC control upgrades.
- Mechanical and plumbing design with submittal to City of Brainerd building department for approval (fee paid by Utility)
- Site design and revised site grading
- AutoCAD REVIT-based design of all major items described above (3D format).
- Project management, review meetings and modifications with Brainerd Public Utilities staff as well as periodic updates to Commission as requested (up to 5 meeting updates).
- Modifications and preparation of final plans and specifications for contract documents.
- Bidding Services including:
  - Prepare final bidding plans and specifications for advertisement.
  - Prepare CMAR work authorization and final contract documents.
  - Coordinate bidding phase with selected CMAR and review SOQ documents from trade partners.
  - Review bid packages from all trade partners and provide recommendations for proceeding with authorized work.
- Coordinate with the Minnesota Department of Health for amendment of the plan and spec approval letter prior to starting construction.
- Attend one Commission meeting for authorization of construction phase services and award of bid packages.

II. Phase 2 Scope of Work - Construction Phase Services

For the construction phase services, we have identified the following major tasks.

A. Task 1 - Project Management and Construction Administration

- Prepare the contract documents and review the contractors executed portion of the agreement and forward to the utility for final execution.
- Schedule and conduct a preconstruction meeting.
- Schedule and conduct construction progress meetings during the duration of the project.
- Review monthly pay applications for submission to the Utility for payment.
- Respond to contractor questions and requests for information.
- Coordinate material testing services for soils and concrete quality control testing by a certified materials testing company. The utility is responsible for furnishing costs of the materials testing services separately from the scope of services provided by the Consultant.

- Coordination with the Minnesota Department of Health for construction requirements in accordance with the approved plans and specifications. This includes communications and notifications required for construction progress and initiation of operation, submittal of record drawings, inspections, and closeout documentation after construction is complete.

B. Task 2 - Onsite Construction Services and Coordination

We will provide Resident Project Representation (RPR) services during construction of the Project. RPR services consist of critical point inspection and observation of the work of the contractor, coordination of testing services and documentation of the work progress.

We will respond to Contractor questions regarding the interpretation and clarification of the contract documents, including issuance of field orders, work change directives, change orders, and proposal requests for any changes to the contract documents.

We will provide critical point inspections for reclaim/backwash tank installation, process piping, yard/site piping, foundation construction building construction, plumbing and electrical installation, site grading, construction staking, completion list and final inspection. Daily inspection reports will be completed. RPR involvement is estimated to be 20 – 35 hours per week on average over the specified construction timelines. Actual weekly time will vary depending on the Contractor’s schedule and type of work being performed.

C. Task 3 - Shop Drawings

Bolton & Menk will review and provide comments on all shop drawings and material reports furnished by the contractor for general conformance with the plans and technical specifications.

D. Task 4 - Project Closeout

This task consists of the final project documents, including final inspection with Owner, final pay requests, IC134s, PFA requirements, and consent of surety from the contractor. A final certificate of substantial completion will be provided to the city for review and acceptance. Additional final O&M manuals will be obtained from the contractor and equipment suppliers. Bolton & Menk will prepare final record drawings from contractor’s documentation and provide an electronic copy and one hard copy to the utility. All construction phase documents will be compiled to the utility in electronic and hard-copy format.

E. Task 5 - Operations and Start-Up Assistance

After substantial completion of the project, we will provide onsite start-up assistance to City staff for the operation of the new facility. This task will include reviewing equipment operation manuals with utility staff and water quality testing to review the performance of the equipment.

III. FEES

A. Phase 1 – Design/CMAR Coordination

Based on the scope of work to assist with design of the facility in collaboration with the utility and CMAR contractor, we have calculated our **hourly not-to-exceed fee of $187,300**. These fees would be billed hourly and shall not exceed the amount above. This fee represents approximately 920 hours of engineering and staff time to assist the community with this important project.

B. Phase 2 - Estimated Construction Fee

We propose to complete the above construction phase services once a project work authorization is completed by the utility for the final project scope for a **total estimated fee of $263,400** to be billed hourly and would not be exceeded without approval from Brainerd Public Utilities. This fee represents approximately 5% of the estimated construction cost of $5 million for the capital improvements. This fee represents approximately 1,600 hours to facilitate construction of the water treatment facility improvements.

Project Management and Construction Administration	$52,150
Onsite Construction Services and Coordination	$147,200
Shop Drawings	$20,200
Project Closeout and Punchlist	$28,350
Start-up and Operational Assistance	$2,000
Survey and As-Built Documents	$13,500
Estimated Construction Phase Services (Hourly)	**$263,400**

We appreciate the opportunity to continue to work with you and your staff on this project. If you need any additional information or have any questions on the above, please do not hesitate to contact me.

Sincerely,

Bolton & Menk, Inc.

Morgan Salo, P.E.
Principal Environmental Engineer

Paul Saffert, P.E.
Senior Principal Environmental Engineer

Client: Brainerd Public Utilities Project: Water Treatment Facility Improvements		Bolton & Menk, Inc.													
Task No.	**Work Task Description**	**Principal-in-Charge**	**Project Manager**	**Project Engineer**	**Env. Drafter**	**Civil designer**	**Water Design Engineer**	**BMI Architect**	**Structural Engineer**	**Mechanical Engineer**	**Electrical Engineer**	**Clerical**	**Env. Technician**	**Total Hours**	**Total Cost**
1.0	Phase 1 Task 1 - CMAR coordination	6	22	45	10	0	53	0	0	0	10	0	0	146	$27,442
2.0	Phsae 1 Task 2 - Facility Design	10	38	107	90	30	52	70	110	65	180	22	0	774	$159,887
3.0	Phase 2 - Construction Administration (Estimated Hourly Fee)	25	95	322	0	0	0	25	30	30	40	0	1011	1578	$263,415
	Total Hours	41	155	474	100	30	105	95	140	95	230	22	1011	2498	
	Average Hourly Rate	$269.00	$204.00	$195.00	$185.00	$155.00	$155.00	$165.00	$230.00	$230.00	$250.00	$110.00	$145.00	$0.00	
	Subtotal	$11,029	$31,620	$92,430	$18,500	$4,650	$16,275	$15,675	$32,200	$21,850	$57,500	$2,420	$146,595		
	Total Fee														**$450,744**

Client: Brainerd Public Utilities Project: Water Treatment Facility Improvements		Bolton & Menk, Inc.													
Task No.	Work Task Description	Principal-in-Charge	Project Manager	Project Engineer	Env. Drafter	Civil designer	Water Design Engineer	BMI Architect	Structural Engineer	Mechanical Engineer	Electrical Engineer	Clerical	Env. Technician	Totals	Costs
1.0	**Phase 1 Task 1 - CMAR coordination**														
1.1	Coordinate with CMAR for Design and Scoping of Improvements	2	4	8	10		10							34	$6,314.00
1.2	Review Cost Model 1 (Includes 1 meeting)		2	5			5							12	$2,158.00
1.3	Review Cost Model 2 (includes 1 meeting)		2	5			5							12	$2,158.00
1.4	Final Cost model Review and GMP review (includes 1 meeting)	2	4	5			5							16	$3,104.00
1.5	Final GMP and Plan Review (includes 1 meeting)	2	4	8			8							22	$4,154.00
1.6	Attend Commission meeting for authorization of GMP		2	4										6	$1,188.00
1.7	Coordinate with CMAR for design info and building layouts		2	5			20							27	$4,483.00
1.8	Review electrical requirements with utility		2	5							10			17	$3,883.00
	Subtotal Hours - Task 1	6	22	45	10	0	53	0	0	0	10	0	0	**146**	$27,442.00
2.0	**Phsae 1 Task 2 - Facility Design**														
2.1	Process design and specifications	4	8	20	80		40							152	$27,608.00
2.2	Civil Site design		4	10		30	2							46	$7,726.00
2.3	Stuctural design			2					110					112	$25,690.00
2.4	Architectural design			2				70						72	$11,940.00
2.5	Mechanical and Plumbing design			2						65				67	$15,340.00
2.6	Electrical and Controls design			2							180			182	$45,390.00
2.7	Final Plans and Specs	2	5	10	10		10							37	$6,908.00
2.8	Project Management and Review meetings (5 in-person meetings)	2	10	30										42	$8,428.00
2.9	Bidding Phase Services for CMAR contracts	2	5	15								20		42	$6,683.00
2.10	Award Construction Phase services (1 meeting with Commission)		4	8										12	$2,376.00
2.11	MDH Correspondence and Approval		2	6								2		10	$1,798.00
	Subtotal Hours - Task 2	10	38	107	90	30	52	70	110	65	180	22	0	**774**	$159,887.00
3.0	**Phase 2 - Construction Administration (Estimated Hourly Fee)**														
3.1	Preconstruction meeting		2	6									6	14	$2,448.00
3.2	Project Management and Construction Administration	20	50	175										245	$49,705.00
3.3	Onsite Construction Observation		10	75									900	985	$147,165.00
3.4	Shop Drawing Review		5	10				10	10	10	15		50	110	$20,220.00
3.5	Survey and Final As-Builts		5	8				5	10	10	15		15	68	$13,930.00
3.6	Project closeout	5	15	40				5	5	5	5			80	$16,580.00
3.7	Punchlist		4	4				5	5	5	5		40	68	$11,771.00
3.8	Operations Assistance		4	4										8	$1,596.00
	Subtotal Hours - Task 3	25	95	322	0	0	0	25	30	30	40	0	1011	**1578**	$263,415.00
	Total Hours	**41**	**155**	**474**	**100**	**30**	**105**	**95**	**140**	**95**	**230**	**22**	**1011**	**2498**	
	Average Hourly Rate	**$269.00**	**$204.00**	**$195.00**	**$185.00**	**$155.00**	**$155.00**	**$165.00**	**$230.00**	**$230.00**	**$250.00**	**$110.00**	**$145.00**		
	Subtotal	**$11,029.00**	**$31,620.00**	**$92,430.00**	**$18,500.00**	**$4,650.00**	**$16,275.00**	**$15,675.00**	**$32,200.00**	**$21,850.00**	**$57,500.00**	**$2,420.00**	**$146,595.00**		
	Total Fee														**$450,744.00**

BOLTON & MENK
Real People. Real Solutions.

7656 Design Road
Suite 200
Baxter, MN 56425

Phone: (218) 825-0684
Bolton-Menk.com

Date: November 19, 2025

To: Paul Sandy, P.E. Brainerd Public Utilities

From: Morgan Salo, P.E., Bolton & Menk
Paul Saffert, P.E., Bolton & Menk

Subject: Brainerd Public Utilities Reclaim Tank

Background

A reclaim tank was previously designed and bid. The project is transitioning to collaborative Construction Manager At-Risk (CMAR) in an effort to improve constructability, operational reliability, long-term performance, and meet capital cost expectations. These changes result in additional design effort beyond the original design fee.We anticipate changes to nearly every plan sheet associated with the previous design project.The purpose of this memorandum is to outline how engineering effort is associated with the anticipated changes.

Summary of Existing Plans and Utilization with CMAR design

- The existing bidding plans and specifications were prepared and ready for bidding in November 2024. After the original bids were rejected, the utility elected to use the CMAR process to work to meet capital budget goals and timelines as well as to capitalize on the $5 million SPAP grant received by the utility. To ensure a seamless transition into the CMAR design process, we are utilizing the current design as the basis to start working on the modifications to the plans to value-engineer the project to meet budget goals.
- Theproject intent is to modify the current plans by re-drafting a majority of the sheets to update design items and re-design structures based on the review of cost models and value engineering metrics used to meet all operational goals of the project for a specific capital budget.
- It is our understanding that the following areas in the plans and associated sheets will need to be re-worked/modified for the CMAR project:

- **Civil Design Sheets (2.00 series)**
    - Revise the site piping and utility layout in the 2-series sheets. The original drawings had indicated preferred routes for the backwash piping and the reclaim piping. With the CMAR recommendations for design, these pipes will be re-routed along a different corridor and will require new civil site piping sheets to design the route. This will include a review of potential conflicts for the new routing. The piping in question includes the large backwash piping. Re-designing the pipe route for a large 30+" pipe requires a significant effort. A majority of the original sheets will not be utilized except for the background information. We will completely re-do the division 2 sheets to account for the piping changes.
    - With the changes to the piping routes and tank layout, the grading and erosion control sheets will need to be re-done to ensure all environmental regulations are accounted for and all of the potential pollution concerns are mitigated.
- **Structural Design Sheets (3.00 series)**
    - Revise tank size and location in the division 3-series sheets. Overall, the tank location will not change significantly but the style and structural design of the tank will need to be modified. This will require a new structural design to engineer the tank and re-size the tank. The structural effort required is based on the desire to re-size the tank per the CMAR's recommendation to reduce capital cost. This will change the tank loading design which in-turn affects the quantity of the rebar and quantity of concrete needed in the tank.
- **Architectural Design Sheets (4.00 series)**
    - Revise the architectural sheets. The architectural sheets are highly dependent on the layout of the buildings in the plan set. By changing the structural and process sheets, the architectural sheets will need to be modified and re-designed to meet required code and to match the drawing set to avoid conflicts. A new code review is required with new building layouts which will require additional architect review time with a new layout.
    - The CMAR's recommendation is to modify the building size and location to meet capital cost goals.

- **Process Design Sheets (5.00 series)**
    - Revise the backwashing system. In the original design, the backwash pumps were integral with the reclaim tank building. Per the CMAR's recommendation moving the backwash pumps and associated equipment to a new building attached to the clearwell will reduce the cost of the project. This will require a completely new building design and evaluation of the structural components of the existing clearwell to ensure a new building can be built next to the tank. This also includes a new design of the pumping and piping set-up to provide backwash water to the facility.
    - Once the backwash piping is connected to the facility, there are no changes to the original plan sheets and those are being utilized as originally designed. Therefore, we did not include any scope in our proposal for re-drafting the plan sheets showing the valving and piping modifications inside the facility.
    - Because of the hydraulic limitations of the current WTP set-up, by changing the piping routes we are going to be required to re-design the hydraulics for pumping and gravity flow systems between the reclaim tank and the WTP. This includes both the backwash pumps and the reclaim pumps.
    - The existing design of the air-break manhole will not change and those sheets will be utilized in the CMAR design. The changes to this sheet will be reflected in the site plan for location and piping to the manhole.
- **Plumbing/HVAC sheets (6.00 series)**
    - The plumbing sheets require minimal changes and will involve removal of complete mechanical systems. The room modification to the reclaim pump room will require HVAC modifications for the chemical feed systems but reduce the scope for plumbing requirements.
- **Electrical and Controls sheets (7.00 and 8.00 series)**
    - The electrical design will change with moving of electrical gear from the reclaim room to a newly recommended backwash pump building next to the clearwell. Our electrical engineer will need to ensure all code requirements are met and the electrical system is adequately sized to distribute the electrical load required for the equipment.

    - A significant effort in the original design was laying out the electrical needs and programming for a fully automated backwashing system. With a re-design effort, these systems can most likely be utilized with the CMAR design. However, by making the CMAR's recommended changes to the pumping system and electrical system to reduce capital cost, we are required to modify the electrical and control sheets to ensure the final design will work with the existing system.

- The changes necessary to the plan set are required to achieve MDH approval for the project and to ensure all necessary building permits are achieved.

- With revising the plan sheets to update the design, this will also ensure we have accurate construction plans for the contractor to build from and ensure we have accurate as-builts from the project for the utility.

Summary of Additional Costs

- **Phase 1 – CMAR Coordination and Design:**
  Work required to coordinate with the CMAR to facilitate final design parameters. This includes reviewing cost models (not in original design), review data and models with the CMAR and utility, and work collaboratively with the CMAR and utility on cost and project development. This cost includes additional meetings with the CMAR and utility.
  Estimated Additional Design Cost: $27,400

- **Engineering Design:**
  In order to modify the existing drawings and develop new bidding documents, we have time required to re-draft structures, piping, equipment, electrical components, and site plans to meet the new goals for the project. This will involve moving tank structures, re-design of structural components, modification of piping and pump sizing, and re-drafting of site plans for moving tanks and piping.

  Original Bid amount: $10+ million
  Desired Construction Cost: $4.5 million (need to cut over $5 million to meet budget)
  Estimated Additional Design Cost to value engineer project to meet desired capital cost: $159,900

Impacts

- **Schedule:** Minimal impact; design revisions will be completed within the current design phase timeline by June 2026 to meet the utilizes schedule goals.

- **Budget:** Total additional design cost estimated at $187,300. The $5 million dollar grant received by the utility is intended to be utilized to pay for the engineering of the project. There are no budget impacts with the CMAR process on receiving the $5 million SPAP grant.
- Our proposed budget is an hourly not-to-exceed fee. The number represents the hours and cost for the identified scope. This ensures fee stability associated with the project scope.

Next Steps

- Authorize design fee and proceed with design through June 2026.
- Work with CMAR to update cost models.
- Develop bidding packages for trade partners (Spring 2026).

Public Utilities Commission
Agenda Request

MEETING DATE: November 25, 2025

TITLE OF ITEM: Approve Bolton and Menk's Proposal for Design and Construction Engineering Services related to Lead Service Line Replacements in coordination with the City of Brainerd's 2026 Reconstruction and Resurfacing Projects

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 10 Minutes

SUBMITTED BY: Paul Sandy, Public Utilities Director **PRESENTER:** Paul Sandy, Public Utilities Director

SUMMARY OF ISSUE: Attached to this request is a proposal for professional design and construction engineering services from Bolton and Menk for a lead service line replacement project in coordination with the City's capital infrastructure projects for 2026 including the 2026 Street Reconstruction Project, the 2026 Street Resurfacing Project, and the Highway 210 Reconstruction Project.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: City staff have been coordinating with Bolton & Menk regarding lead service line replacement projects in conjunction with the City's planned 2026 infrastructure projects. As part of this coordination, staff requested Bolton & Menk to provide consultant engineering service contracts for the following:

1. Lead service line replacements directly tied to the City's 2026 street improvement program.

2. Lead service line replacements in NE Brainerd to utilize funding available through the Public Facilities Authority (PFA) Intended Use Plan (IUP).

3. Engineering and construction services for the City's 2026 Street Reconstruction Project in SE Brainerd.

Originally, the 2026 Street Reconstruction Project in SE Brainerd was planned to be completed in-house by City Engineering staff. However, given the administrative complexity of lead service line replacements, staff determined that engaging Bolton & Menk for design and construction observation services for both the street reconstruction and associated lead service line replacements is the most efficient approach for project coordination. The City Council will review a professional services proposal from Bolton & Menk for the 2026 Street Reconstruction Project at their December meeting.

At next month's Commission meeting, staff will present an additional proposal from Bolton & Menk for engineering services to initiate Phase 1 of lead service line replacements in NE Brainerd. Brainerd Public Utilities is allocated $2,625,000 in PFA IUP funding for lead service line replacements in 2026, covering both design and construction expenses. The City's 2026 street projects will not fully utilize these funds, so a separate NE Brainerd lead service line project is proposed to ensure full use of available funding.

Looking ahead, ongoing coordination with the City's Street and Sewer Capital Improvement Plan (CIP) will be necessary to align lead service line replacements with associated street projects. Due to the administrative demands of lead service line replacement projects, it is anticipated that most future projects will be handled by consultants to manage the workload effectively.

Bolton & Menk's proposal includes design and construction services to replace 46 galvanized water service lines in conjunction with the City's planned 2026 street projects. Project plans and specifications must be submitted by March 31, 2026, to meet PFA certification requirements. Significant time and effort are included in the proposal for property owner correspondence, rights-of-entry acquisition, and coordination during design and construction. Additional tasks covered include the bidding and construction phases, with associated service estimates.

The proposed fee from Bolton & Menk is a not-to-exceed amount of $152,620, which equates to approximately $3,300 per service line. All expenditures for lead service line replacement projects are fully reimbursable through the LSLR program, with no costs to the utility or ratepayers.

RECOMMENDED ACTION/MOTION: Staff recommends approval of the Bolton and Menk proposal in the total fee, not-to-exceed amount of $152,620 for the 2026 Lead Service Line Replacement Project in coordination with the City of Brainerd's 2026 Reconstruction and Resurfacing Projects.

FINANCIAL IMPACT: $152,620 of engineering and construction professional services fee. The total amount of engineering is reimbursable through the grant through the LSLR program.

BOLTON & MENK
Real People. Real Solutions.

7656 Design Road
Suite 200
Baxter, MN 56425

Phone: (218) 825-0684
Bolton-Menk.com

VIA EMAIL

November 20, 2025

Paul Sandy, PE – Public Utilities Director
Brainerd Public Utilities (BPU)
P.O. Box 373
Brainerd, MN 56401
psandy@bpu.org

RE: 2026 Lead Service Line Replacement – City Reconstruction Project Areas
Engineering Proposal
Brainerd Public Utilities

Dear Paul,

The lead service line replacement funding is a new program offered through the Minnesota Public Facilities Authority (PFA), to help provide financial assistance for replacement of identified lead and galvanized services on both the private and public side. While funds exist, the program offers 100% grant for the replacement of the private side of the water service, and a 0% loan which will turn into a grant for the replacement of the public side of the water service. Residents within the community cannot receive this funding individually. This program is only offered through projects administered by a Public Water System.

BPU included three project areas on their request for placement on the 2026 PFA Intended Use Plan (IUP). The draft IUP was released on November 14, 2025 and BPU has been awarded $2,625,000 of funding towards Lead Service Line Replacements (LSLR). The areas identified for LSLR are along TH 210, in Northeast Brainerd (north of Washington Street between Gillis Avenue and Mill Avenue), and the 2026 City of Brainerd Southeast Reconstruction Project and 2026 Resurfacing Projects. With placement on the IUP, it is required to submit plans and specs for certification to the MN Department of Health (MDH) by March 31, 2026 to utilize PFA funding.

BPU has requested a proposal to complete design plans, specifications, coordination with property owners, bidding services, and construction services to complete LSLR within the 2026 City of Brainerd Southeast Reconstruction Project and 2026 Resurfacing Projects where galvanized water service lines have been identified. The project area for this proposal consists of:

- 17th, 18th, and 19th Street SE between Oak Street and Laurel Street, Maple Street and Norwood Street between 17th Street SE and 19th Street SE
- Pine Street from 13th Street SE to Walnut Street, and Graydon Avenue from Woodcrest Road to Birchridge Drive.

Based on the Lead Service Line Inventory there are 46 galvanized or unknown water services to replace in this project area.

The project will include final identification and listing of property addresses as well as construction plans, estimated quantities, and project specifications for the work site locations. Following MDH certification, the project will be advertised for bid and contracts will be awarded and executed. The

plans and specifications will be developed with the understanding that service line replacement will be completed only if the property owner is willing to grant a right-of-entry agreement prior to working on any private property.
Bolton and Menk agrees to provide professional services required for design and administration of this project. It is our understanding that property owners will not be assessed as part of this project due to available grant funds. Below is a breakdown of the various tasks that are needed to complete this project.

Task 1: Design & Preparation of Plans & Specifications

Upon authorization to prepare plans and specifications for the Project, Bolton and Menk Inc. will perform the following:

1. Research utility records and plans as necessary to obtain information for detailed design and preparation of construction documents. We request all GIS data available for sanitary sewer, watermain and water services, storm sewer, and electrical is provided.
2. Meet on an as needed basis with BPU and City Staff to discuss and coordinate construction schedules, utility conflicts, property owner issues and other project concerns.
3. Hold one public information meeting inviting property owners to provide details of the funding program, discuss a right of entry agreement, and gain information specific to individual service replacements.
4. Perform final design and prepare plans and specifications for the Project, including a complete breakdown of quantities of construction and estimated cost of construction. Construction methods will vary for each service replacement. As a result, as built quantities will change based on the most economical solution determined during construction. The cost estimate will be based upon public construction cost information. Since Bolton and Menk has no control over the cost of labor, materials, competitive bidding process, and other factors affecting the cost of construction, all cost estimates shall be for general information and no warranty or guarantee as to the accuracy of construction estimates is made. BPU agrees that costs for project financing shall be based upon actual, competitive bid prices with reasonable contingencies.
5. Assist with the preparation of any permit applications such as MPCA stormwater/erosion control and Minnesota Department of Health, required for the Project.
6. Provide bid documents comprising of construction plans, construction specifications and construction contracts in accordance with the requirements of the BPU, City of Brainerd, MDH, and PFA.
7. Assist with necessary submittals to MN PFA and MDH to comply with funding requirements.

Task 2: Right of Entry Acquisitions

Right of Entry agreements will be required from all residents on the project. Bolton and Menk will perform the following related to right of entry acquisition needed to replace existing lead services from the property line to the meter inside the home:

1. Work with the City Attorney to obtain a generic agreement form for all residents to approve and sign.

2. Meet with individual residents on the project along with BPU staff, to go over the agreement form, determine best method of replacement, and gather existing condition information inside the home.

Task 3: Bidding Phase

Bolton and Menk will perform the following related to the bidding phase:

1. Answer questions from contractors interested in bidding on the project.
2. Attend pre-bid meeting
3. Attend the public bid letting, analyze bids received by BPU for completeness and accuracy and note any omissions and discrepancies.
4. Compile a bid summary of the results of the bids and write a letter to BPU recommending award of the construction contract to the apparent low bidder.
5. Prepare project contracts after award of contract.
6. Assist with PFA financing application.

Task 4: Construction Phase

Bolton and Menk will perform the following related to the construction phase:

1. Schedule and lead preconstruction meeting with BPU staff, City of Brainerd Staff, and contractor. Prepare and distribute meeting minutes.
2. Review shop drawing submittals and confirm materials meet Buy America Build America requirements.
3. Field document and record the water services that are replaced.
4. Coordinate with project contractors on 2026 Southeast Reconstruction Project and 2026 Resurfacing Project.
5. Prepare contractor progress pay applications.
6. Review certified payroll reports for compliance with PFA requirements.
7. Review all funding documentation from the contractors once the work is completed.
8. Assist BPU in submitting for reimbursement through PFA.

Fees

Based on our understanding of the project and experience utilizing the grant dollars available, we have provided our estimated fees below to provide the professional services outlined above. We propose providing our estimated fee for the work elements described in this proposal on an actual hourly basis.

TASK	DESCRIPTION	Estimated Fee
1	Design & Preparation of Plans & Specifications	$45,640
2	Right of Entry Agreements	$21,630
3	Bidding Phase	$5,550
4	Construction Services	$79,800
	Total:	**$152,620**

Schedule

Schedule for performance of services will be as follows:

December 2025	Authorization of Plans & Specifications
March 2026	Submit Plans & Specifications to PFA for Certification
April 2026	Authorize Advertisement for Bids
May 2026	Award Construction Contract
June 2026	Finalize Loan Application
July 2026 – October 2026	Construction

Thank you for the opportunity to work with you on this project. Please feel free to contact me anytime with questions. You can reach me at 218-821-5242 or by email at bryan.drown@bolton-menk.com.

Sincerely,

Bolton & Menk, Inc.

Bryan G. Drown

Bryan G. Drown, P.E.
Municipal Project Manager

Cc: Jessie Dehn, PE – Brainerd City Engineer

Public Utilities Commission
Agenda Request

MEETING DATE: November 25, 2025

TITLE OF ITEM: Approve Widseth Proposal for Design and Bidding Professional Services related to the Main Lift Station Reconstruction Project

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 10 Minutes

SUBMITTED BY: Paul Sandy, Public Utilities Director **PRESENTER:** Paul Sandy, Public Utilities Director

SUMMARY OF ISSUE: Attached to this request, you will find a proposal for professional services from Widseth related to the Main Lift Station Reconstruction Project.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: The Main Lift Station Reconstruction Project is currently listed on the 2026 Minnesota Pollution Control Agency (MPCA) Project Priority List (PPL) with a total score of 44 points, placing it within the fundable range for the Clean Water Revolving Fund (CWRF). This status allows Brainerd Public Utilities to apply for inclusion on the Minnesota Public Facilities Authority (MnPFA) Intended Use Plan (IUP). Placement on the IUP qualifies the Utility to receive low-interest financing through the PFA, with loan rates typically several percentage points below what the City would obtain through standard market-based debt issuance, resulting in significant long-term cost savings.

To remain on schedule for Intended Use Plan (IUP) placement, the project must proceed into design development, including preparation of detailed plans and specifications, so that submittal to the MPCA can occur by June 2026. This timeline allows for MPCA review and certification, followed by submission of a project financing application to the Public Facilities Authority (PFA). The goal is to secure placement on the 2027 IUP, with construction anticipated to begin in 2027.

Widseth has teamed with HRGreen on the project to provide professional design and bidding services for the project. The proposed project includes design and bidding assistance services for the Brainerd Public Utilities Main Lift Station Reconstruction Project, as outlined in Alternative 3 of the Wastewater Facility Plan currently under MPCA review. The scope of work involves demolition of the existing cold storage garage, construction of a new main lift station building, installation of submersible pumps with dual wet wells and associated piping and equipment, new gravity sewer and force main connections, installation of an emergency generator and odor control system, and site restoration. Once the new lift station is operational, the existing lift station will be partially demolished and converted into a flow equalization chamber. The new facility will be constructed within the floodway with access above the 100-year flood elevation. Adjustments to the scope may be required pending final MPCA review of the Facility Plan.

Widseth has proposed a not-to-exceed fee of $494,000 for design and bidding phase services. The current estimated project cost, as listed in the Project Priority List (PPL), is $7,000,000 for design and construction. The proposed design and bidding fee represents 13.55% of the estimated construction cost. Staff have reviewed the work plan, scope, and associated fee and find the proposal to be consistent with the Facility Plan, aligned with current project cost estimates, and within industry standards for a project of this size and complexity.

RECOMMENDED ACTION/MOTION: Staff recommends approval of the Proposal for Design and Bidding Professional Services related to the Main Lift Station Reconstruction Project in the fee, not-to-exceed amount of $494,000 pursuant to the attached proposal for professional services.

FINANCIAL IMPACT: $494,000 is included in the 2026 budget for these professional services related to this project.

WiDSETH

October 23, 2025

Brainerd/Baxter
7804 Industrial Park Road
Baxter MN 56425

218.829.5117
Baxter@Widseth.com
Widseth.com

Mr. Charlie Gammon
Brainerd Public Utilities
501 Laurel Street
Baxter, MN 56425

RE: Proposal for Professional Services – Design/Bidding
Brainerd Public Utilities Main Lift Station Reconstruction Project

Dear Mr. Gammon -

Widseth and HR Green are pleased to present this proposal for design and bidding assistance services for the Brainerd Public Utilities (BPU) Main Lift Station Reconstruction Project which consists of Alternative 3 of the Wastewater Facility Plan submitted to the MPCA. Alternative 3 includes the following project scope:

- Demolish existing Cold Storage Garage
- Construct New Main Lift Station Building
- Provide submersible main lift pumps with dual wet wells, piping, valves, metering loop, and process equipment
- Provide gravity sewer connection from the pretreatment building to new dual wet wells
- Provide new force main connection to existing force main (hot tap)
- Provide new emergency generator and transfer switch
- Provide odor control
- After New Main Lift Station Building is operational, demolish existing Main Lift Station above the first floor and remove dry pit area valving, pipes, and pumps to re-purpose this facility into a flow equalization chamber
- Provide maintenance access to new main lift station
- Site restoration

The new structure will be located within the floodway. Access will be located above the 100-year base flood elevation. The Minnesota Pollution Control Agency (MPCA) is currently reviewing the Facility Plan. If the MPCA final review of the Facility Plan results in significant changes to the recommended Alternative 3 project scope, we will provide an amended proposal to conform with their review.

The following is our proposed scope of services:

Project Management

- Prepare project work plan to complete the project including schedule of deliverables and meetings
- Providing monthly updates to BPU and the team on the status of the project
- Provide internal quality assurance and quality control reviews ahead of deliverables
- Review PFA funding requirements and deliverables for approval
- Prepare agenda for four (4) meetings with BPU
- Prepare and distribute meeting minutes

Kickoff Meeting

- In person meeting with BPU Staff
- Review scope of services and schedule
- Identify milestone dates
- Review staff expectations and ideas

Preliminary Design Phase

- Summarize desired improvements and assumptions to be resolved
- Determine if wetland delineation is necessary
  - Review existing site conditions, records, maps, and surveys as required by the 1987 USACE Wetland Delineation Manual wetland to determine if wetland delineation is necessary
  - Prepare Wetland field delineations and survey wetland boundaries
  - Prepare wetland delineation report showing location of delineated wetlands, field data sheets, information required by regulatory agencies to address wetland concerns
  - Widseth will meet with LGU onsite to receive verbal approval of the delineations
- Determine permits to be acquired
- Prepare opinion of probable construction cost
- In Person/Virtual Progress Meeting
- Review of 30% plans and other information showing desired improvements
- Review schedule and scope of work
- Receive direction from BPU to move forward

90% Progress Design Phase

- In-Person Progress Meeting
- Review 90% design set and technical specifications with BPU
- Discuss design progress and recommendations for improvements
- Review schedule and scope of work and deliverable expectations
- Prepare opinion of probable construction cost
- BPU provide direction to move forward

Final Design Phase

- Complete Final Plans with equipment and material selections determined in prior design phases
- Prepare project manual with BPU special provisions, labor compliance requirements, American Iron and Steel or Build America Buy America requirements, permit requirements, and Clean Water Revolving Fund and PFA requirements
- Prepare opinion of probable construction cost
- Attend meeting with BPU Staff to review final design documents and project cost estimate. Finalize any alternates and bidding requirements that should be shown on the bid form that will affect the award of the project.
- Finalize drawings and specifications

Bidding Phase

- Receive authorization from BPU to advertise project for bidding
- Publish project documents in the official newspaper and on Quest CDN for public bidding
- Address bidder questions and issue addenda as needed.

- Attend Pre Bid Meeting
- Attend bid opening or facilitate VBid
- Review bids and contractor qualifications.
- Provide recommendation letter to BPU for project award with any alternate consideration as needed.

Additional Services

- Complete and submit wetland replacement plan and applications to agencies

Please find attached proposal from Braun Intertec for two (2) soil borings in the footprint of the proposed new wet well structure. We recommend that BPU retain Braun Intertec directly for geotechnical borings, report, and laboratory testing for $10,678. They also have a fee of $3,640 for a Pre-Demolition Hazardous building materials inspection for the cold storage garage and the levels above the first floor of the existing main pump station as needed.

The total fee we recommend being budgeted for the effort described in this scope of services will be billed on an hourly not to exceed basis for $494,000.00 at the rates provided in the fee schedules that are in effect at the time of the work and at-cost for subconsultants which is included in this estimate. The 2025 Widseth Fee Schedule and General Provisions of Professional Services Agreement are attached and are part of this agreement along with Subconsultant fee schedule. The following table shows the proposed fees for the design and bidding of the Brainerd Public Utilities Main Lift Station:

Summary	**Fees**	
Civil	$	100,000
Survey	$	10,000
Processing and Electrical	$	200,000
Environmental	$	10,000
Structural	$	55,000
Mechancial	$	49,000
Architectual	$	61,000
Funding	$	8,000
Reimburseables	$	1,000
Total	**$**	**494,000**

If you wish to have the Widseth Team complete the design and bidding of the Brainerd Public Utilities Main Lift Station outlined above, please sign below, and return a copy to our office.

Sincerely,

WIDSETH

William K. Westerberg, PE
Civil Engineer

Attachments: General Provisions of Professional Services Agreement
2025 Widseth Fee Schedule

Proposed by Widseth Smith Nolting & Assoc., Inc.

Timothy T. Ramerth, President Widseth Smith Nolting & Associates Inc.	David S. Reese, Vice President Widseth Smith Nolting & Associates Inc.

Accepted by Brainerd Public Utilities

Charlie Gammon	Date

MEMORANDUM

TO: Mayor Badeaux and City Councilmembers
FROM: Nick Broyles, City Administrator
DATE: 17 November 2025
SUBJ: City Administrator Report

In addition to routine administrative matters and in preparation of topics and business action items on the Council's work sessions and meeting agendas, the following is a summary of tasks and activities the City Administrator's office has been working on since the last report of 20 October 2025.

Community Engagement

21 Oct: Met with CGMC consultant for our annual meeting
22 Oct: Met with Mr. Bolling re: his easement concern
22 Oct: HRA board meeting
23 Oct: Meet and greet with new CWC attorney
23 Oct: Discussed funding RFP timelines with arboretum executive director
24-29 Oct: Annual ICMA conference
30 Oct: Discussed orderly annexation with CWC
31 Oct: Met w/Widseth consultant re: MDE library grant
3 Nov: Participated in some parks discussions and topics around downtown snow removal
3 Nov: Met w/contractor re: Brainerd Oaks development
4 Nov: Annual open enrollment meeting w/staff
5 Nov: Visited with Fire Chief to touch base with his department
5 Nov: Participated in a rating conversation with Moodys
5 Nov: Lunch to discuss city development
5 Nov: Charter Commission meeting
6 Nov: Had a discussion w/YMCA to discuss utilities
6 Nov: Met w/Mike H. about development ideas
6 Nov: YMCA annual campaign kick-off meeting
7 Nov: Regular meeting with the mayor
10 Nov: Participating in ongoing charter discussion meetings
13 Nov: Met w/Severson-Porter to discuss misdemeanor prosecution contract
13 Nov: Finalizing animal control contract
13 Nov: Facilities discussion with new CWC facilities manager
14 Nov: Meeting w/CWC to discuss airport appropriations

Charter Update

The Charter Commission met on 5 Nov and directed staff to come back with a draft charter by the end of the year. Staff has begun, and will continue to meet regularly, to develop a draft. The next anticipated Charter Commission meeting will likely be on 17 Dec 25, but it is yet to be scheduled. Staff will be drafting a charter that will be governance focused and doctrinal in nature. We are going to attempt to stay away from operational and organizational structure issues. More to follow…

Finance

Final preparations for 2026 budget continue. The preliminary levy has been set, and staff is working to meet the target levy. All of the renewal for January 1st licenses have been sent out, and staff is busy processing the returned applications.

Human Resources

- 2026 Open Enrollment: an informational meeting was held on 4 Nov to help educate employees regarding 2026 benefit changes. The deadline to make 2026 benefit elections is 14 Nov.
- Public Utilities Director: Paul Sandy was hired as our Public Utilities Director and his first day of employment was 4 Nov.
- Employee Policy Manual: on 17 Nov, the City Council approved the updated Employee Policy Manual (EPM) with changes needed due to employment law changes from the 2025 legislative session. All employees have received a copy of the updated document. Acknowledgement forms for both the EPM and the new Paid Leave Notice are due to HR by 14 Nov.
- Paid Leave Private Plan: staff submitted our Paid Leave Equivalent Plan and required $500 fee to the State for approval. Payroll, Finance and HR staff are continuing to learn about MetLife's new processes for claims as well as reporting/payment requirements as the new PFL benefit and payroll deductions start on 1 Jan 26.
- Grievance: a police officer filed a grievance regarding his initial step placement on the 2025 wage grid. Mediation is scheduled for 15 Dec.
- Hiring: processes are underway for several positions including Police Officer, Paid on-call Firefighters, Police Records Management Tech, HR Assistant, CSOs, and our winter temporary positions.

Public Works/Utilities/Parks/Transit

Road Projects – Wright/10th Street

Scope: watermain, sewer & storm, curb/gutter and asphalt

- Wright Street: Underground complete and first lift is paved. Final lift in 2026.
- 10th Street: Suspended until 2026

Road Projects – Beech/Oakridge

Scope: watermain, sewer & storm, curb/gutter, sidewalk and asphalt

- Underground complete and first lift is paved. Final lift in 2026.

Road Projects – 371/Willow Roundabout

- Complete

Road Projects – Hawkins/Ronald/Joseph Resurfacing

Hawkins

- Final pavement complete. 4 new fire hydrants, bad/damage curb replaced, and turf areas hydroseeded.

Ronald and Joseph

- Suspended until 2026

Recreation

Pond Hockey registration has started, season begins Jan. 8th

- We need volunteer coaches

Parks & Streets: preparing for winter

Fire
The Fire Department hosted our annual chili cookoff and contest on 12 Nov. The event was sponsored by our wellness committee. I want to highlight our CO/Smoke alarm program. Captain Rosier began the program several years ago and this year we conducted 67 Smoke and Carbon Monoxide (CO) alarm awareness visits and replaced 20 smoke alarms that were expired or where they did not have an alarm. The department replaced or provided 52 CO Alarms and found several homes that did not have smoke or CO alarms. The oldest alarm found was from 1975 and should have been replaced at least 5 times in those 50 years. All CO alarms were through a program with the State Fire Marshals Division, and the smoke alarms were provided through donations to the BFD.

The department completed a second round of interviews for paid on-call firefighters and have a total of 4 conditional job offers out with an anticipated start date of 1 Jan 26.

Technology
Public Utilities hardware inventory substantially complete, and a software inventory will follow. Computers have been replaced in the Public Utilities Department, and we are working on the same for the Airport. All city computers will be replaced 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	Department	Notes	Date Completed	% Complete	Status
Improvement 23-12 Beech	Public Works	Construction- 1st lift was completed for winter		50%	In Progress
Improvement 17-12 Wright	Public Works	Construction- 1st lift was completed for the winter.		50%	In Progress
BlockMetrix- Site Control	Community Dev	Staff set up a virtual meeting with Blockmetrix on 7/30 – Blockmetrix did not attend – stated that an issue came up Staff virtually met with Blockmetrix – 8/15 – Staff have not received a response Staff will virtually meet with Blockmetrix on 9/11 BPU Commission directed staff to not except the edits from Blockmetrix regarding the power agreement Staff is waiting on a response from Blockmetrix BPU Commission considered redlined changes from Blockmetrix at the October meeting and recommended no changes Blockmetrix stated without the redlined changes the project was not viable		50%	In Progress
Airport Resolution	Administration	Staff continues work on resolution. Interim Airport Director has been hired. The Airport has been conducting meetings in July & August regarding budget. 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. 8/5/2025 The City responded to the County's letter regarding the airport levies. 10/1/2025 The Airport released it's application process for hiring an Airport Manager		25%	In Progress
805 Laurel	HRA	Developer is working on financing		10%	Waiting

Riverside Drive Orderly Annexation	Community Dev	Draft joint resolution will be reviewed by the City Attorney prior to meeting with Crow Wing County staff Staff is currently making changes as directed by the City Attorney – Staff will forward amended document to City Attorney for final review City Attorney and City Engineer are discussing final edits – 9/9 City has completed the final document for the proposed orderly annexation agreement- 10/13 City staff met with the County on 10/30 to discuss the agreement Staff is researching legal descriptions and preparing the public notice	60%	In Progress
2026 Budget	Administration	Preliminary Levy set on September 29th: $7,666,013 (8% increase)	40%	In Progress
Pedestrian Bridge	Public Works	Staff is pursuing funding opportunities including State Bonding	25%	Waiting
Codification	Administration	Initial talks have taken place. Need to develop a schedule. Staff is working to do this internally.	0%	Not Started
Wastewater Reclamation	Public Utilities	Staff is pursuing funding opportunities including State Bonding Awarded $5 million in Congressional Spending. Project bids were rejected at the November commission and December council meeting. Bolton and Menk are suggesting we pursue construction manager at risk (CMAR) to oversee the project and create a maximum price. The process for CMAR has been initiated in the May and June Commission meetings and Bolton & Menk has prepared draft requests for staff to begin reviewing and the review process has begun. In addition, the request for proposals has been advertised and will be open through September 4, 2025.	25%	Waiting

Hydrodam	Public Utilities	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. The most recent option considered is a stream diver generator installed vertically in the pit or in the tail race. No estimates have been provided at this time as Barr continues to estimate the additional costs.		25%	Waiting
Shoreland Ordinance	Community Dev	Planning Commission to review preliminary language on 9/17 Planning Commission reviewed language at the 10/15 meeting and directed staff to work with the DNR on four outstanding items. Planning Commission is planning on holding a public hearing at the December meeting		75%	In Progress
Sale of Industrial Properties	Community Dev	Developer's legal team is reviewing the preliminary purchase and development agreement		25%	In Progress
COMPLETE IN 2025					
Country Manor	Community Dev	Development Agreement (executed) Tax Abatement Agreement (executed) Cost Share Agreement CWC (executed) Conduit Debt PH 3/17 (Complete) Conduit Debt Agreement 3/17 (executed) Will Issue Letter 5/12 (executed) Issue Conduit Debt (5/28) Groundbreaking Ceremony (6/10)	6/2/2025	100%	Complete

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

Amended Allowed Use Table - Zoning Code	Community Dev	Initial Planning Commission Review of Revised Allowed Use Table 5/21 Planning Commission Review and Direct Changes 6/18 Planning Commission Public Hearing 7/16 City Council First Reading – 8/9	8/19/2025	100%	Complete
St. Francis Development Agreement	Community Dev	Staff drafted a development agreement and e-mail the agreement for St. Francis to review – 7/1 St. Francis reviewed the development agreement and sent a revised version – 7/11 Staff met with City Attorney to discuss revisions – 7/14 City Attorney approved revisions – 7/29 City Council review on – 8/4	8/19/2025	100%	Complete
Arbitration Hearing with Teamsters Union	Human Resources	The Arbitration Hearing with the Teamsters (Police Lieutenant and Sergeants) Union took place on July 31st. (Update will be available) The results of the arbitration will be ratified on 9/15.	9/10/2025	100%	Complete
614 Front Street Building - Fire Damage	Community Dev	Fire occurred at 614 Front Street – 6/4 City Council waived fire escrow – 7/7 Property owner submitted structural plans – 7/29 Building permit submittal requires details on connection points – Building Official working with Structural Engineer to provide details – 7/30 Building permit issued for structural improvements – 8/4 Structural improvements and roof repair is complete Front Street Café reopened	9/11/2025	100%	Complete
John Stram, 921 SE 19th Street	Public Works	The owner, John Stram received a grant to install a well on his property.	9/17/2025	100%	Complete

8th & Maple Parking Lot	Public Works	First Lutheran Church is the primary owner of the parking lot at 8th & Maple along with The Office Shop and Anderson Cleaners. There is an 'L' shaped City Alley through the lot from Maple South to the middle of the block which then turns West to 7th in the middle of the block. The 3 abutting property owners are looking at resurfacing. What is the protocol to get the City to participate financially? The 2nd Question is that due to the high quantity of semi-truck traffic at the SE corner of the Office Shop bldg. we possibly will want to beef up this portion of the lot which crosses the Southern portion of the City's N/S alley. Will the City participate in what possibly could be an additional expense?	9/24/2025	100%	Complete
Transit Consultant Review	Public Works	3rd party BlueSky has an extreme amount of Non-Performance Issues causing staff to have State conduct a Consultant Review. Presentation at the September 23rd TAC meeting	9/29/2025	100%	Complete
Improved Signage Ordinance	Community Dev	Reviewed Example Ordinances and Selected New Proposed Language (complete) Planning Commission Reviewed Draft Ordinance on 6/18 and Directed Staff to Research Sign Lighting Standards Planning Commission to Review Final Draft on 7/16 Planning Commission asked staff for additional lighting research – 7/16 Planning Commission will review additional lighting standards – 8/20 Planning Commission directed staff to hold a public hearing on - 9/17	9/29/2025	100%	Complete
Dennis Bollig, 1001 Anabec Street: Stormwater Retention Pond	Public Works	Staff has met with Mr. Bollig. An update will be given at the 12/1 Council meeting as Mr. Bollig is out of town until then	9/29/2025	100%	Complete
Improvement 23-16 S Brd Resurface	Public Works	Construction Declare Costs/Set PH for Assessments 2ND MEETING SEPTEMBER Assessment PH 1ST MEETING OCTOBER Assessment Finalized 1ST MEETING OCTOBER Payment of Assessment DECEMBER 1ST TO COUNTY	10/7/2025	100%	Complete

Hiring Public Utilities Director	Administration	Council and Public Utilities Commission conducted a workshop regarding roles and responsibilities. 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.	10/31/2025	100%	Complete
M Street Outfall	Public Works	Construction	11/13/2025	100%	Complete

HR Director's Report to the Public Utilities Commission

November 25, 2025

Personnel:

- Three Public Utilities Department employees were off work intermittently this past month with two of them for a work-related medical issue.
- At its November 17th meeting, the City Council approved the promotion of Laura Jewell to the Billing Representative position effective November 4th. Following Laura's promotion, Staff reviewed Department needs and realizing that both the Cashier/Postal Specialist and Business Office Support Specialist positions primarily perform customer service duties, we combined the positions and will be backfilling with a Business Office Support Specialist position. The position has been posted and we are accepting applications through December 9th at 4:30PM.
- Chris Gratke, who worked for the Public Utilities Department the past two summers as our Business Office Intern, will be assisting us for a couple days a week from December 18th – January 6th during his holiday break from college.

Benefits:

Our 2026 Open Enrollment election period ended on November 14th and all employees have elected their 2026 benefits. Our payroll ladies are working feverishly to administratively process all of the benefit changes so employees will see those adjustments on January 1st including the addition of the new MN Paid Family and Medical Leave premiums. We would also like to thank all our employees for completing this process in a timely manner!

Paid Family & Medical Leave:

The new MN Paid Family & Medical Leave law will take effect on January 1, 2026. We submitted our private MetLife Paid Family & Medical Leave plan to the State by the November 15th deadline and we are awaiting final approval. As a refresher, the Council decided to utilize this private plan instead of the State of MN plan at a reduced premium rate for both the employer and employee. MetLife hosted a webinar on November 19th, so our staff could learn more about the MetLife claims process and the Employer portal to complete our administrative functions. There is lots to learn with many changes anticipated for 2026.

Wellness Committee:

The Wellness Committee hosted our annual Chili Cookoff on November 12th from 11:30 am - 1:30 pm at the Fire Department. We had six cooks who made seven chilies. All were fantastic and received at least one vote for the best. The contest was close with 1st and 2nd being decided by just 1 vote. The winner of the 2025 Chili Cookoff was Shawn Middagh with *A Chicken Hawk's Delight*! Congratulations Shawn!

BRAINERD PUBLIC UTILITIES
8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401
Business Office: 218.829.8726 ■ *Repair Service:* 218.829.2193
www.bpu.org

Brainerd Public Utilities
Utilities Director Report
November 2025

Onboarding and First Month
My onboarding process as Public Utilities Director has been fast-paced and highly productive. Over my first month at Brainerd Public Utilities, I have met with staff across all divisions, participated in coordination meetings with City departments, and engaged in ongoing project discussions that span both utility and broader municipal operations. These interactions have provided a comprehensive understanding of current initiatives and priorities, and I have felt fully supported and integrated into the larger City team. I look forward to continuing this collaborative work as we advance key projects and align efforts across departments.

Minnesota Rural Water Association (MRWA) Training – Financing Your Community Projects
Finance Manager Loch and I attended training in St. Cloud hosted by the Minnesota Rural Water Association focused on financing community infrastructure projects. The training provided a comprehensive overview of the Clean Water Revolving Fund (CWRF), Drinking Water Revolving Fund (DWRF), Project Priority List (PPL), Intended Use Plan (IUP), Lead Service Line Replacement (LSLR) initiatives, and additional MRWA funding programs that communities can leverage to assemble complete and competitive funding packages. Presenters from the Minnesota Pollution Control Agency (MPCA), Minnesota Department of Health (MDH), Public Facilities Authority (PFA), and MDH's Lead Service Line program shared detailed guidance on program requirements, application processes, and strategies for aligning projects with state and federal priorities. Panel discussions also offered valuable insights into best practices from other communities navigating similar infrastructure challenges. As we prepare for future major investments—ranging from watermain and sewer main replacements to water treatment plant improvements, biosolids management, and other critical infrastructure needs—these financing tools will play a pivotal role in securing full funding packages. Leveraging these resources will help ensure that Brainerd can complete essential projects while minimizing the financial burden on ratepayers and maintaining long-term system reliability.

2026 Public Utilities Director Priorities
As I have become familiar over the past few weeks with operations at the Utility—and by leveraging my previous experience in both municipal and private sector roles—I have identified several opportunities for improvement that I plan to pursue in 2026. Some of these priorities and projects include:

1. Bluebeam PDF Software - The City currently lacks an integrated, centralized method for reviewing project submittals—whether for City-initiated infrastructure projects, private development proposals, or internal initiatives such as City Code updates, policies, and procedures. Bluebeam Software, a powerful PDF-based review platform similar to Adobe Acrobat, provides the ability to create collaborative review sessions across departments. Through these sessions, files can be uploaded, users added, and all redlines, comments, and revisions tracked and timestamped within a single document rather than across multiple versions. Implementation of Bluebeam is already underway with the IT Department, and access will be provided to designated staff for project-specific collaboration that has historically been challenging. Maintaining one live, version-controlled document per review cycle will significantly improve accuracy, transparency, and efficiency in document review. Additionally, because most consulting firms already use Bluebeam, this integration will streamline collaboration with external consultants as project deliverables are submitted to the City.

2. Pool Engineering Services - Establishing pool engineering services begins with a qualifications-based selection process to identify and pre-approve a group of highly capable consultants. By evaluating firms on experience, technical expertise, past performance, and capacity—rather than cost alone—the City can create a trusted pool of consultants ready to support projects through design and construction. Once this pool is established, the City retains full control over project scope, scheduling, and the issuance of project-specific RFPs or task orders, selecting the consultant best suited for each phase of work. This approach streamlines procurement, reduces administrative burden, expedites project delivery, and ensures consistency across planning and design efforts. Compared to issuing a full formal RFP for every project, a consultant pool provides greater flexibility, faster turnaround times, and stronger long-term partnerships, all while ensuring competitive, high-quality engineering support for developing and implementing capital improvement projects.

3. Integrated Capital Improvement Planning (CIP) - Since my onboarding at BPU, discussions around continued collaboration between City and BPU staff have been ongoing. Looking forward, developing a fully integrated Capital Improvement Plan (CIP) is essential for assessing the City's infrastructure holistically and ensuring that the needs of each utility are fully addressed within capital improvement projects. As we move through 2026, City and BPU staff will continue this collaboration, working toward an integrated CIP that aligns priorities and plans across all departments and reflects the City's 10-year capital improvement strategy.

4. City Standard Details and Specifications – The City has long needed a standardized set of construction details and specifications that are reviewed annually to incorporate lessons learned from the previous construction year. Historically, updates have been made on a project-by-project basis. In other communities I have worked with, a standard set of documents serves as the foundation for all projects, with adjustments made for project-specific conditions as needed. Looking ahead to future infrastructure and development projects in the City, establishing a consistent set of details and specifications will ensure all projects start from the same baseline, allowing for efficient and coordinated design adjustments. In 2026, City and BPU staff will work together—likely with support from a consultant engineer—to develop standardized documents that can be applied across both City-led and developer-initiated projects.

5. Capital Asset Planning – Use of GIS and MPower – I have been holding preliminary discussions with Technology Director Strong and internal BPU staff regarding how to leverage the GIS expertise at City Hall to integrate BPU and City GIS data into a single platform that can be edited centrally and pushed out to MPower for use by all stakeholders. By consolidating all asset information into one GIS database, we will be able to manage infrastructure assets holistically, maximize the value of the work already completed in both systems, and ensure seamless coordination across departments. Upcoming meetings are scheduled to explore how to implement this integration and bring the project to fruition in the coming year.

6. Fats, Oils, and Grease (FOG) Control Program – In coordination with other City departments, including Building and Engineering, I plan to work toward implementing a comprehensive FOG (Fats, Oils, and Grease) program City-wide for our Food Service Establishments (FSEs). FSEs play a critical role in controlling FOG entering the sanitary sewer system through proper maintenance of grease traps and interceptors. A successful program will require a coordinated approach that includes public outreach and education, standardized sizing criteria for grease traps and interceptors, regular reporting by FSEs through submission of pumping and cleaning logs, and enforceable compliance measures. FOG accumulation has long been a challenge throughout the City, impacting sewer system performance and increasing BOD levels at the wastewater treatment facility. Establishing a program that is both intuitive for FSEs and enforceable by the City will help protect infrastructure, improve wastewater quality, and ensure long-term system reliability.

BRAINERD PUBLIC UTILITIES
8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401
Business Office: 218.829.8726 ■ *Repair Service:* 218.829.2193
www.bpu.org

Brainerd Public Utilities
Finance Managers Report
November 2025

Monthly Financial Statements
The November financial statements are in progress, however with the budget report staff were not able to complete the proper review of the statements for presentation and will be provided at the meeting.

2026 Budget Process
The 2026 Operating Budget has been completed in draft form and is included in the agenda packet for Commission review and approval, a reminder that the Charter requires a 5-year capital plan and the operating budget for Council approval on the first meeting in December.

Streetlighting/Water/Wastewater Cost Studies
The cost studies for Street Lighting, Water, and Wastewater are continuing. UFS is currently waiting for the finalized 2025 financial data, which will allow them to complete the studies using the most up-to-date information. That 2025 data is being compiled as part of the 2026 budget preparation process to ensure consistency across both efforts. The water data has been submitted to UFS since the last meeting. Once the budget process is completed and direction is received regarding the contribution policy, completing these cost-of-service studies will become a top priority.

Payment Processing/Credit Card Transaction Fees
Staff have continued work on the process change with Tyler Payments and Tyler Technologies to transition credit card transaction fees to a customer pass-through model as directed by the Commission. The required onboarding paperwork has now been fully submitted, reviewed, and approved by Tyler, which allows the transition setup to move forward without delay.

Although the process has taken additional time and has required significant coordination with Tyler's technical and banking teams, staff are now working through the remaining back-office configuration steps, including banking updates and required customer notification settings. With this approval in place, staff will continue advancing the implementation timeline, and the change remains on track to be fully in place no later than January 1, 2026.

Transition from Physical Door Hangers to Electronic Cold Weather Rule Notices
As part of ongoing efforts to modernize customer communications and align with current industry practices, staff are transitioning from the traditional use of physical "door hanger" notices during the Cold Weather Rule (CWR) period to a fully electronic notification process. This change is effective January 1, and notices informing customers of the transition have been prepared and are included with all delinquent notices currently being mailed.

The electronic format allows customers to receive required CWR notifications through the methods already integrated in our billing system—such as mailed delinquent notices, email, or text message—streamlining the process while maintaining full compliance with state requirements. This move eliminates the need for staff to physically deliver door notices, resulting in significant savings in personnel time and improving operational efficiency, especially during winter weather conditions. Staff will continue monitoring the rollout through the billing system to ensure customers receive appropriate and timely notifications as required under the CWR.

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	992,000	1,032,000	666,000		11,399,000
Blended AEP Cost	$ 0.06472	$ 0.07869	$ 0.08077	$ 0.08472	$ 0.08864	$ 0.09010	$ 0.08977	$ 0.08937	$ 0.08497	$ 0.07107	$ 0.07107		$ 0.0813
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	84,290.24	73,344.24	47,332.62	-	935,592.28

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
8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401
Business Office: 218.829.8726 ■ ***Repair Service:*** 218.829.2193
www.bpu.org

Brainerd Public Utilities
Operations Managers Updates
November 25, 2025

Electric Department:

The Electric Department continues to finalize underground cable plowing as seasonal conditions change. With those installations wrapping up, the team is now focusing on preparations for vegetation management, including scheduling work zones, coordinating with property owners, and organizing trimming operations to support long-term system reliability.

Water Distribution:

The crew is completing the remaining hydrant pump-downs and conducting a comprehensive review of all project checklists from this summer's distribution system work. This includes validating that each hydrant and valve location has been properly serviced, ensuring any repairs or maintenance items were documented and closed out, and confirming that system maps and asset records reflect the most current information.

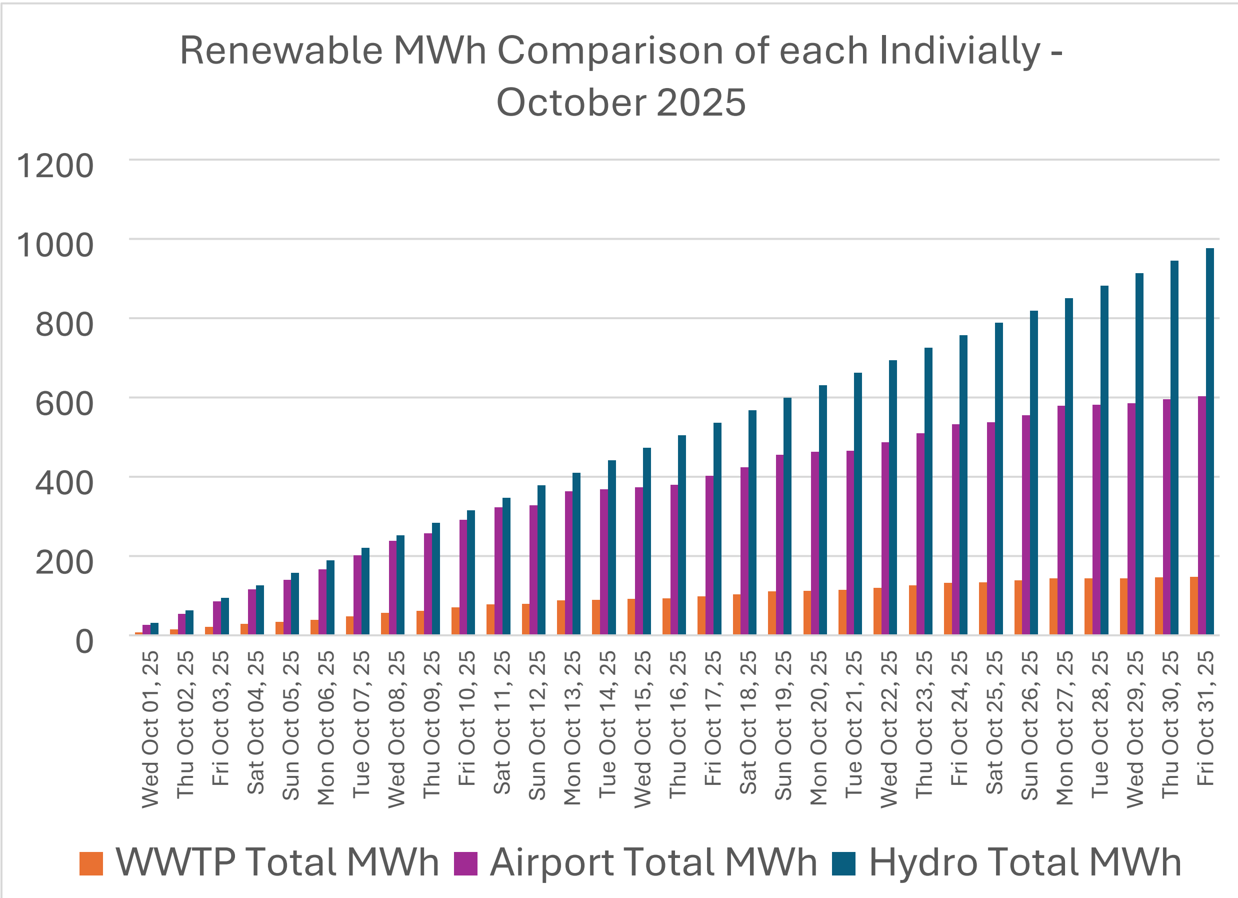
Hydro Department:

Work has begun on the Pit #3 wicket gates. These gates function as the louvers that control water flow to the turbine, directly regulating turbine speed and generator output. Crews are performing a comprehensive inspection of all associated components, evaluating wear, alignment, and mechanical integrity. As part of this work, all wicket gates are being replaced to restore optimal performance and ensure long-term safety and reliability of the unit's operation.

During October, river flow fluctuated, reaching a peak of 1,010 cubic feet per second (cfs) and a low of 733 cfs. On November 14th, the Minnesota Department of Natural Resources (MN DNR) notified us that the Mississippi River Low Flow Management Plan is no longer in effect. This change indicates that river conditions have stabilized and no longer fall within the low flow thresholds that previously required management actions. As a result, any operational restrictions or mitigation measures that were in place under the plan can now be lifted, allowing normal operations to resume. Continued monitoring of river flows will remain important to ensure timely response if conditions change in the future.

Renewable Comparison – October 2025

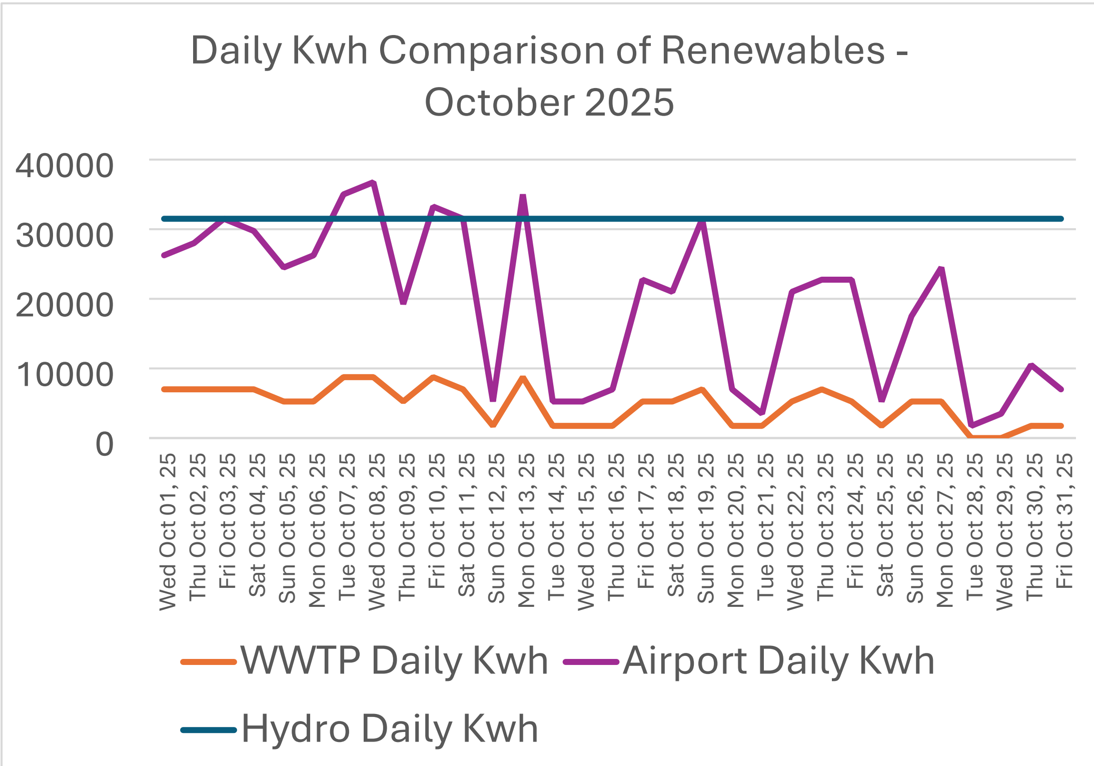
The following graphs illustrate BPU Renewables' energy production for October 2025.



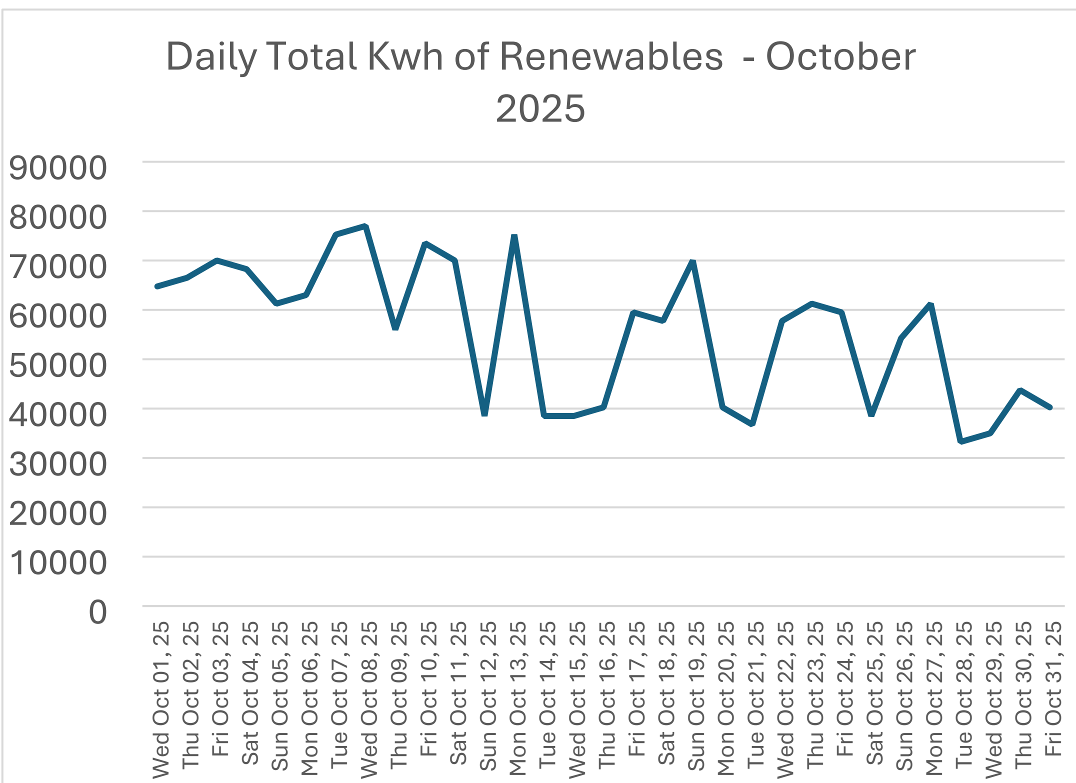
Hydro continues to lead production with 976.5 MWh, supplying roughly 16% of typical residential meters. WWTP Solar produced 147 MWh, covering about 2% of typical residential meters, while Airport Solar generated 602 MWh, approximately 10% of typical residential meters.

Last Month
Hydro production the most with 1077.84 MWh (↓101.34 MWh this month)
WWTP Solar produced 245.75 MWh (↓98.75 MWh this month)
Airport Solar produced 945.35 MWh (↓343.35 MWh this month)
Installed capacities are 5.7 MW for Airport Solar, 1.372 MW for WWTP Solar, and 3.1 MW for Hydro.

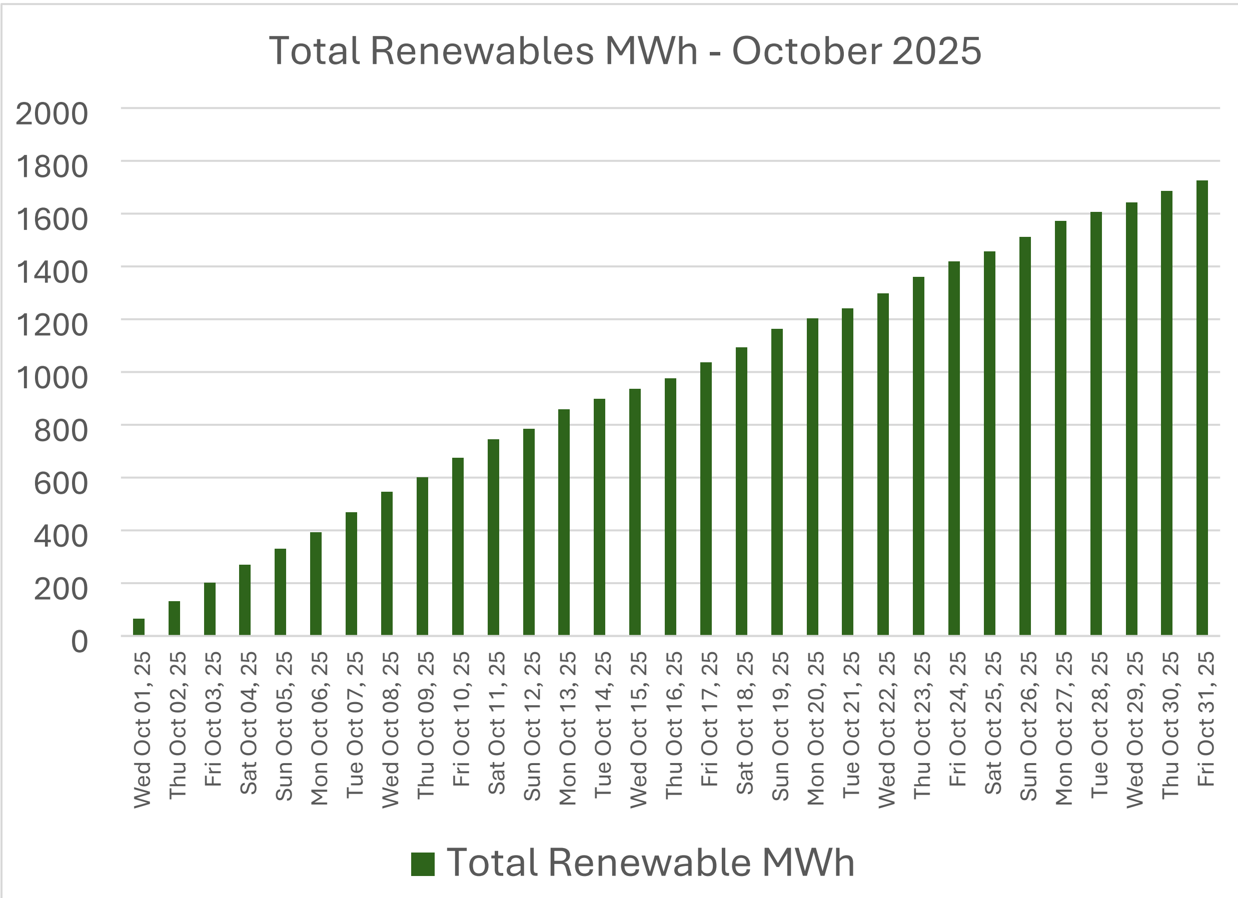
Daily Kwh Comparisons of Renewables – October 2025



Daily Total Kwh of Renewables – October 2025



In October 2025, BPU Renewables produced 1,725.5 MWh, supplying approximately 28.0% of the energy used by typical residential meters. This represents a decrease from September 2025, when production was 2,268.95 MWh, a drop of 543.45 MWh (4.5%) compared to the previous month. Residential usage was estimated at 800–1,000 kWh per meter, and BPU served 6,970 residential meters in October 2025.



Outages Oct 2025

Date	Meters	Time	Location		Cause
Water Interruptions					
10/13/2025	1			Brd Airport	Contractor hit
10/19/2025	1		400 block	2nd Ave	Customer side
Electric Interruptions					
10/03/25	22	1hr 3minutes	1400 block	Baxter Dr	Replaced Cabinet/transformer
10/05/25	1	3 hrs 52 minutes	700 block	7th Ave NE	wind. Tree branch
10/11/25	1	1 hr 56 minutes	11000 block	Pepperidge Rd	wind. Tree branch
10/15/25	1	1 hour 51 minutes	9000 block	Northtown	Bad Ugd
10/24/25	1	11 minutes	500 block	2nd Ave	OH Repairs
10/24/25	1	16 minutes	500 block	10th Ave NE	Bad connector
10/25/25	1	20 minutes	1200 block	7th St S	Customer needs electrician

BRAINERD PUBLIC UTILITIES
8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401
Business Office: 218.829.8726 ■ *Repair Service:* 218.829.2193
www.bpu.org

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

Collection System Lift Stations
Performing annual lift station inspections. Installed 3 new pumps at Evergreen lift station at a cost of $157,275. Pumps that were removed will be backup pumps. Continuous operations and maintenance of wet wells, pumps, generators, and controls for the 17 lift stations are ongoing. Cleaning and painting of main lift pumps and piping as time allows. Lift Station operations and maintenance labor hours were 77 at a cost of $4,124.77 dollars which includes weekends for the two stations that utilize pretreatment equipment. Lift Station Improvements labor hours were 13 at a cost of $551.65 dollars.

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.

Land Application of Biosolids Program
Preparing the Biosolids Annual Report for Crop Year 2025, due by December 31, 2025. 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. Applied biosolids to 8 approved application sites. One field left to apply to. Currently there are 112,000 gallons in storage.

Wastewater Lab Testing and Compliance
Sent October 2025 Electronic Daily Monitoring Report to Minnesota Pollution Control Agency (MPCA). Ongoing Mercury Minimization, Copper Minimization Plan, and PFAS Minimization Plan continue. 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
Collected 15 Coliform samples throughout the distribution system to comply with MDH coliform testing requirements.
Received and responded to 3 calls from residents concerning drinking water in October 2025.

Emergency Generator Maintenance and Operations
Test ran Lum Park (Airport extension) water booster/Lift station, Riverside water extension booster, Water plant. 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. There will be an Advance Wastewater Treatment Training session held here at BPU on November 18th that the Water/Wastewater operators will be attending. Training provided by Minnesota Rural Water Association (MRWA) and Minnesota Pollution Control Agency (MPCA). Limited to 40 people. Working on 2026 capital improvement items for plant and lift station projects. Updating emergency response plan program.

October 2025 Water Pumping Statistics
Water pumped to the North distribution system was 39,386,000 gallons for an average of 1,270,000 gallons. Water pumped to the South distribution system was 5,090,000 gallons for an average of 164,000 gallons. Chemical usage averages for the month: 3 gallons of fluoride per day, 6.36 gallons of caustic soda per day, 8.61 gallons of orthophosphate per day, and 24.58 pounds of chlorine per day. We went through 23 filter backwash events totaling 126 hours of labor, at a cost of $5,171.46 dollars. Backwash average of 234,500 gallons for each event.

Filtration Plant
October 2025 daily test results showed an average of 0.89 milligrams per liter of iron in the unfiltered raw water and an average of 0.02 milligrams per liter of iron in the filtered finished water, which indicates the plant is achieving an average of 98.1% 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 concentration.

October 2025 daily test results showed an average of 0.5 milligrams per liter of manganese in the unfiltered raw water and an average of 0.022 milligrams per liter of manganese in the filtered finished water which indicates 95.6% 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 concentration.

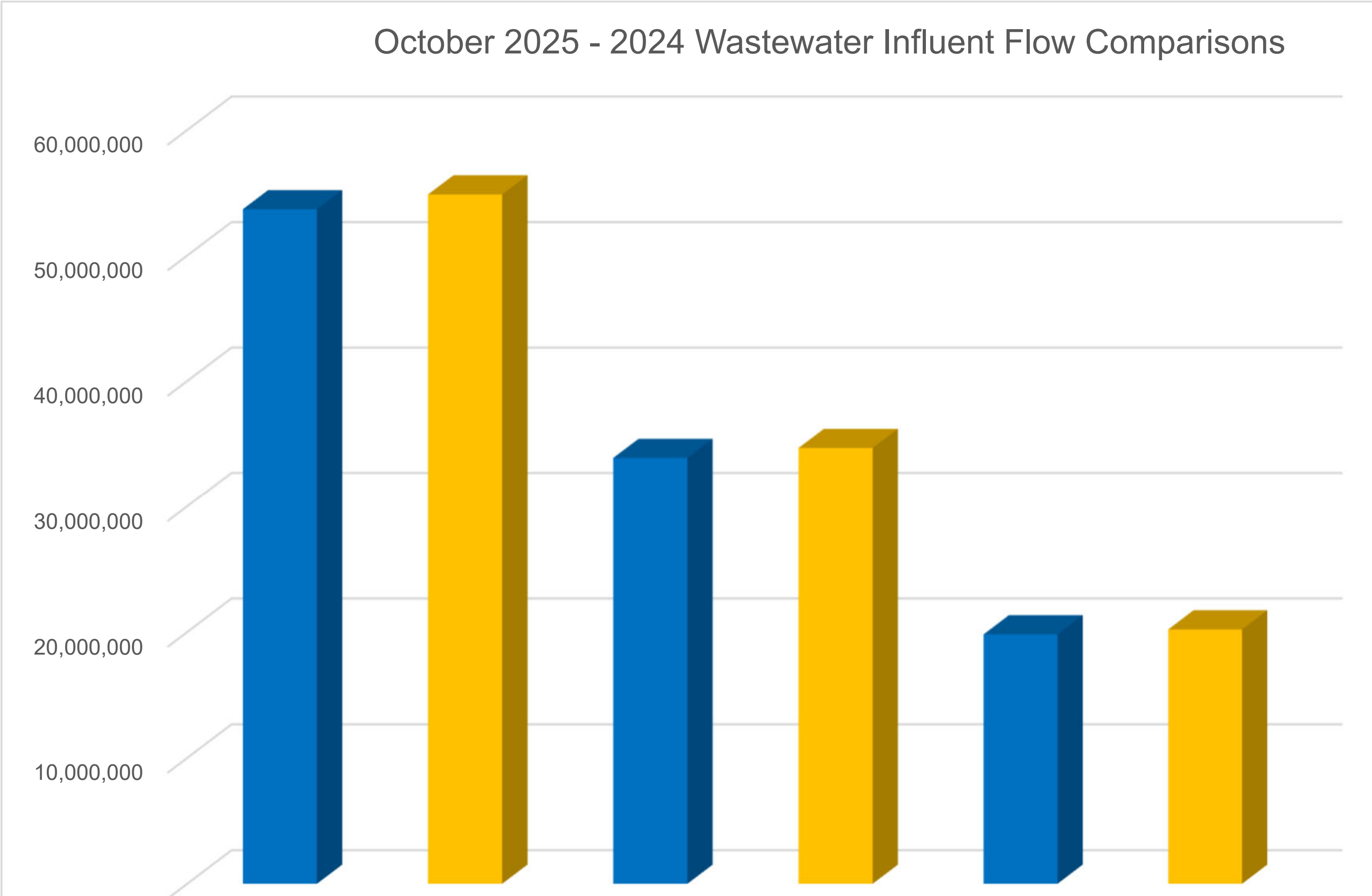
Miscellaneous.
Many thanks to the water distribution department for excavating the soil around a leaking valve and fixing it.
Minnesota Department of Health sanitary audit occurred October 23, 2025.
Worked on lists of capital improvement items for 2026.
Continuing refinement of the emergency response plan.

Chart Summary for Wastewater treatment
October 2025-2024 Total influent flow comparisons
2025 Combined Total flow was 53,688,000 gallons which is down 1,178,000 gallons from the previous year.
2025 Brainerd Total Flow was 33,875,000 gallons which is down 789,000 gallons from the previous year.
2025 Baxter Total Flow was 19,813,000 gallons which is down 389,000 gallons from the previous year.

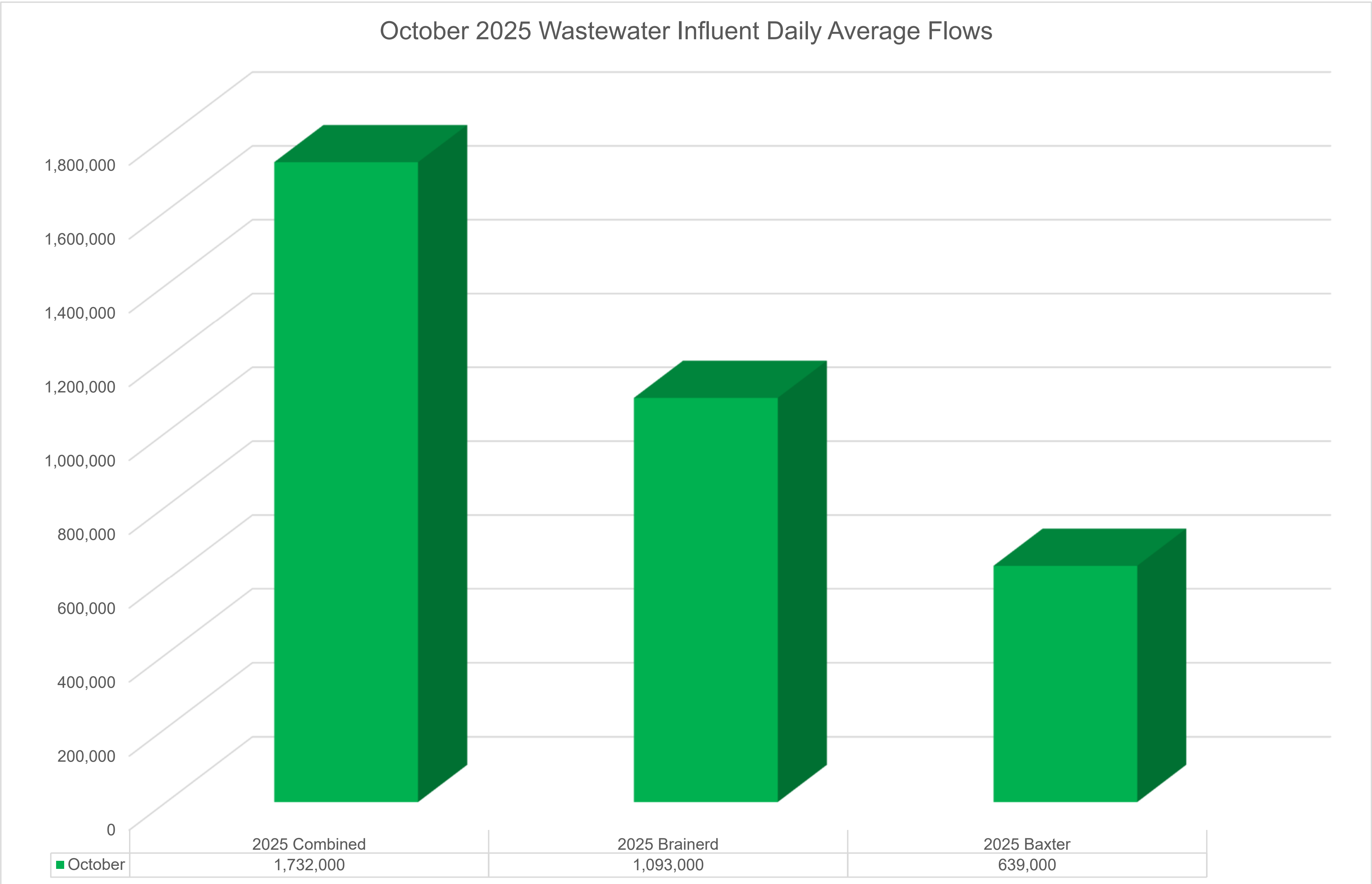
October 2025 Influent Daily Average Flows
2025 Combined Flow was 1,732,000 gallons
2025 Brainerd Flow was 1,093,000 gallons
2025 Baxter Flow was 639,000 gallons

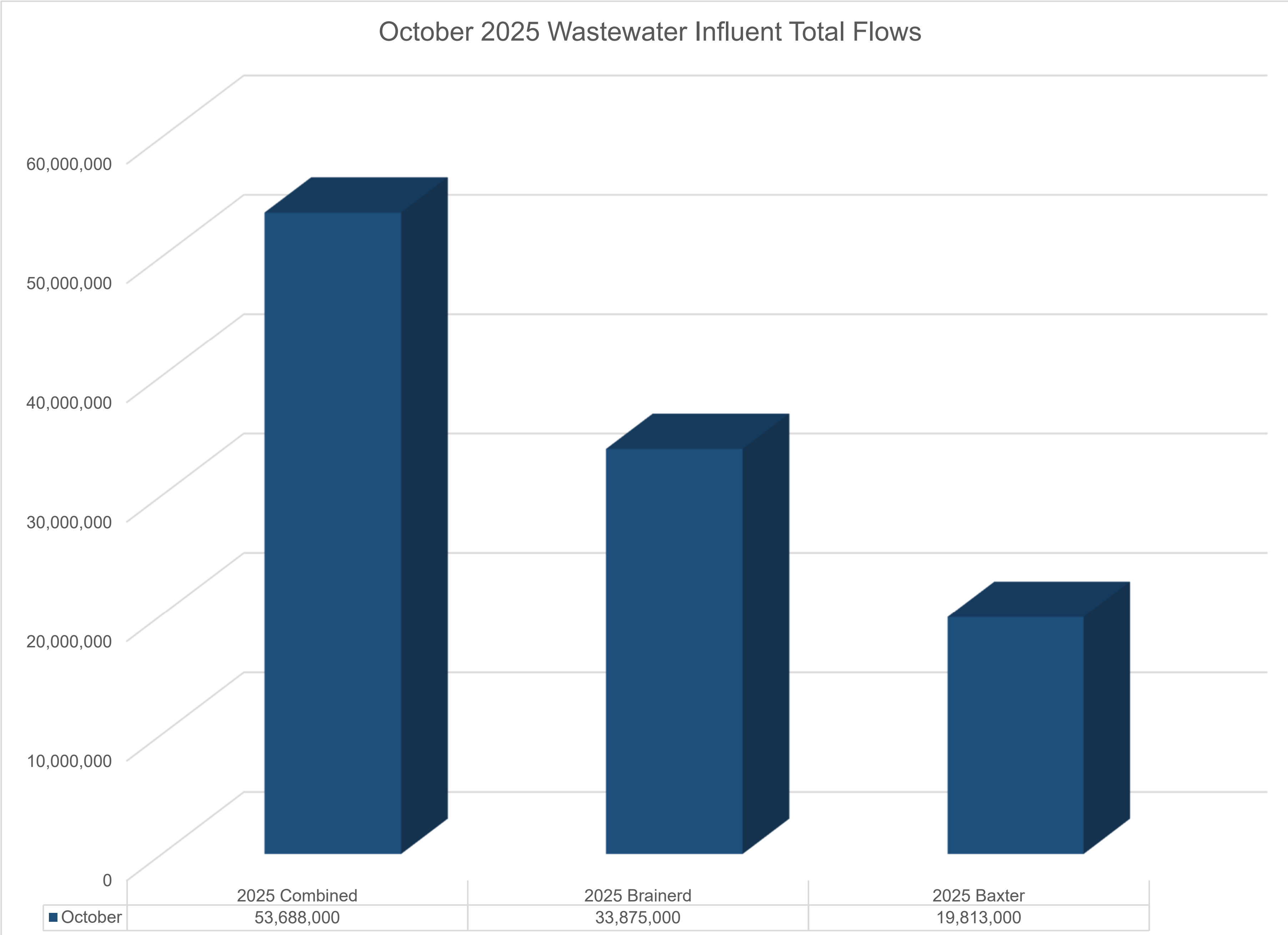
Chart Summary for Water Production
October 2025-2024 North distribution Total flow was 39,386,000 gallons which is down 6,583,000 gallons from the previous year.
October 2025-2024 South distribution Total flow was 5,090,000 gallons which is down 14,000 gallons from the previous year.
October 2025-2024 Baxter’s Total flow was 8,854,000 gallons which is up 4,161,000 gallons from the previous year.

October 2025 Daily Average Water North and South Distribution
2025 North distribution average was 1,271,000 gallons
2025 South distribution average was 164,000 gallons

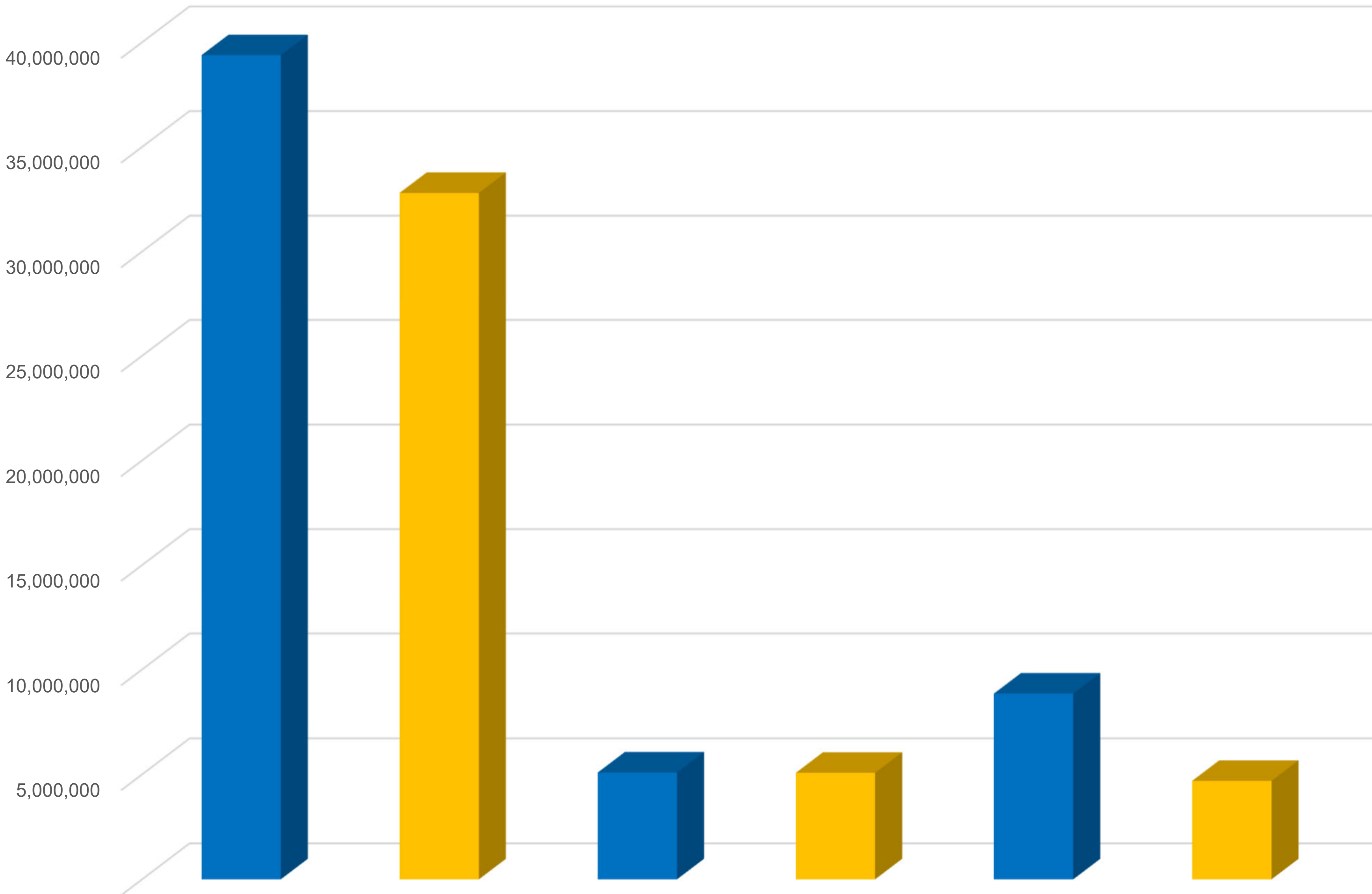


	2025 Combined	2024 Combined	2025 Brainerd	2024 Brainerd	2025 Baxter	2024 Baxter
October	53,688,000	54,866,000	33,875,000	34,664,000	19,813,000	20,202,000

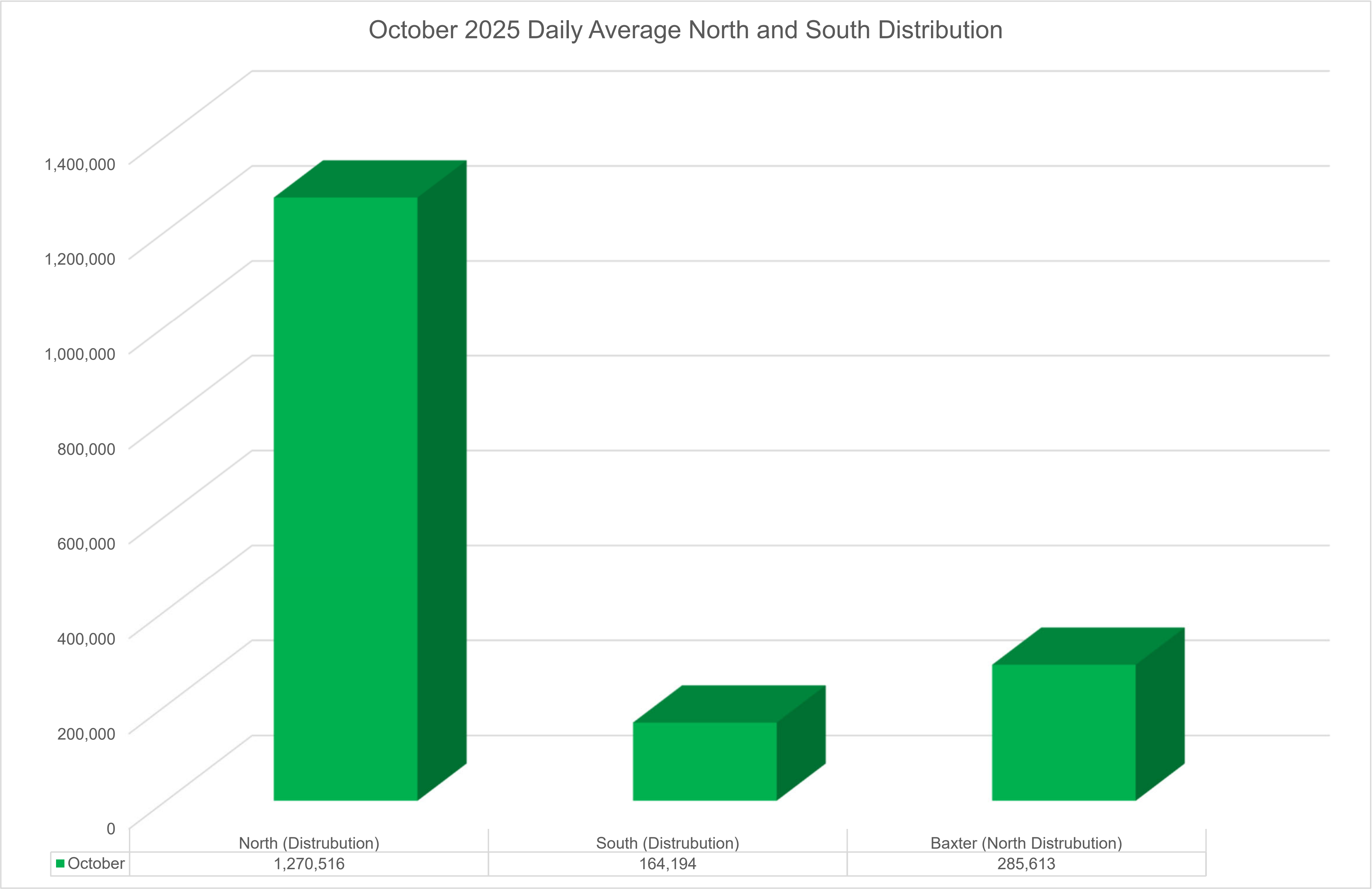

October 2025 Wastewater Influent Daily Average Flows
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
2025 Combined
2025 Brainerd
2025 Baxter
October
1,732,000
1,093,000
639,000

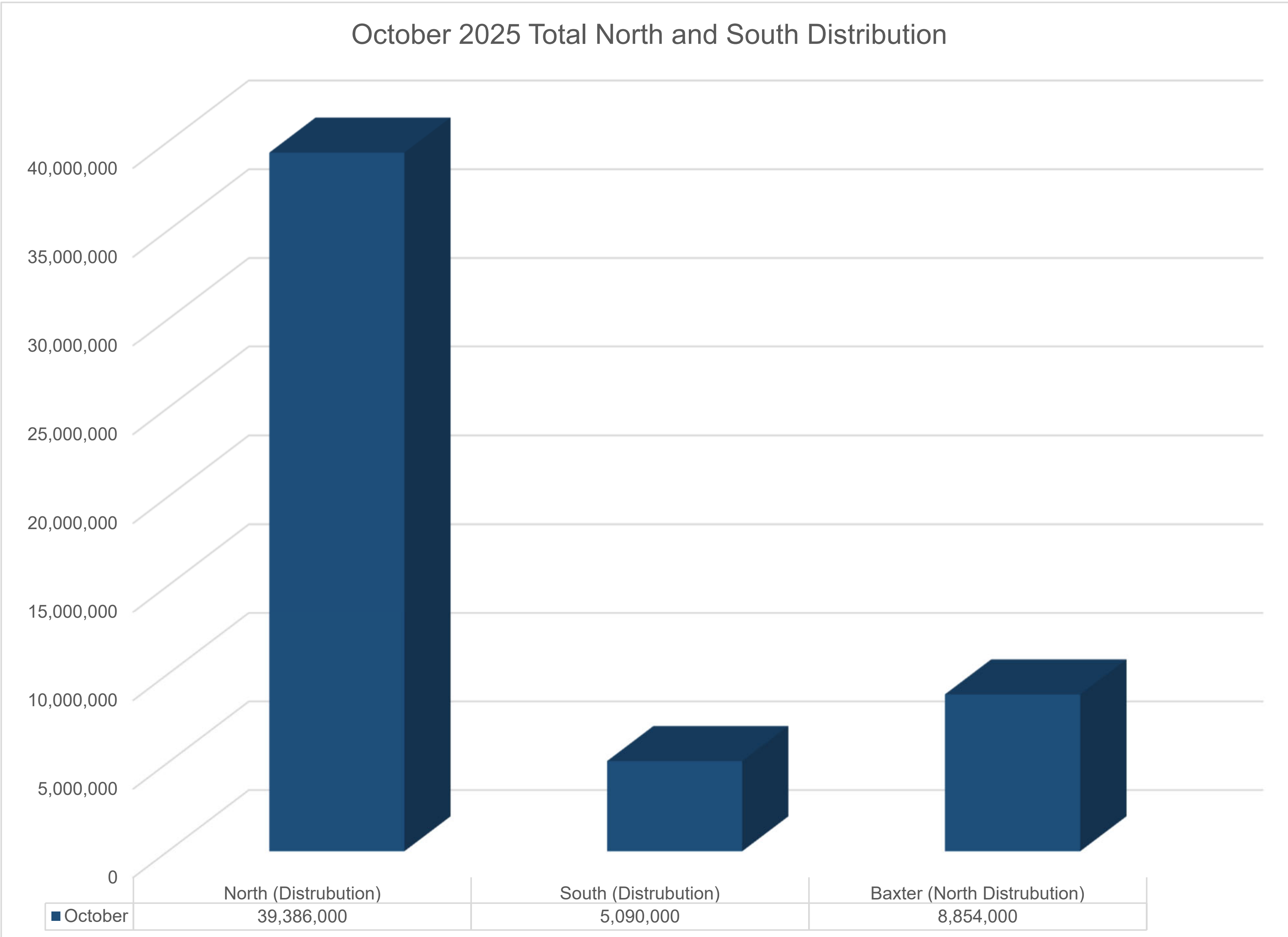

October 2025 Wastewater Influent Total Flows
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
2025 Combined
2025 Brainerd
2025 Baxter
October
53,688,000
33,875,000
19,813,000

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



	2025 North	2024 North	2025 South	2024 South	2025 Baxter	2024 Baxter
October	39,386,000	32,803,000	5,090,000	5,076,000	8,854,000	4,693,000


October 2025 Daily Average North and South Distribution
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
North (Distrubution)
South (Distrubution)
Baxter (North Distrubution)
October
1,270,516
164,194
285,613


October 2025 Total North and South Distribution
40,000,000
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
0
North (Distrubution)
South (Distrubution)
Baxter (North Distrubution)
October
39,386,000
5,090,000
8,854,000