PUBLIC UTILITIES COMMISSION AGENDA

City of Brainerd, Minnesota
City Hall, 501 Laurel Street, Council Chambers
Tuesday, March 31, 2026 @ 9:00 AM

The public is invited to attend these meetings in person
Attend by phone: 1-844-992-4726
Meeting Access Code:

Per MN Statutes 13D.02 Subd 1 Commission Members may participate by interactive technology.

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

1. **Call To Order**

   A. **Administer Oath of Office - Misty Bayliss**

2. **Roll Call**

   ___ M. Bayliss ___ M. Higgins ___C. Jay ___D. Wussow___M. Angland

3. **Pledge of Allegiance**

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

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

   A. **Approval of Bills**
   (Available upon request in the Public Utilities Director's Office)

   B. **Approval of Minutes**

   C. **Accept Annual Distributed Energy Reporting (DER) Board Report and Filing**

   D. **Approve Advertisement for Sealed Bids for Hydro Dam Powerhouse Roofing Project**

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

7. **Commission Committee Reports**

   A. **Personnel Committee**

B. **Finance and Operations Committee**

1. Review Large Industrial Power Customer Application for Service and Transmission Study Process

2. Review Eden Renewables Solar Development Purchase Power Agreement Proposal

3. Approve Replacement and Payout of Totaled Water Distribution Truck

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

A. **Review City Code Section 705 - Water System**

B. **Approve Amendment to BPU_POL_2007_11 Utility Service Turn On Fee**

C. **Approve BPU_POL_2007_12 Fee for Check Readings and Test/Change of Utility Meters**

D. **Approve BPU_POL_2008_13 Access to Premises**

E. **Resolution 26-02 - Approving Applications to the MN Public Facilities Authority for Lead Service Line Replacement Projects**

9. **New Business**

A. **Approve Professional Services Agreement with SEH for the Development of City Standard Details and Specifications**

B. **Approve Professional Services Agreement with SEH for the Development of the City of Brainerd Fats, Oils, and Grease (FOG) Management and Inspection Program and Development of a Mercury Minimization Management and Inspection Program in Conjunction with the City of Baxter**

C. **Approve Professional Services Agreement with Dave Berg Consulting LLC Electric Utility Cost of Service and Rate Study**

D. **Approve Termination of the Contract for Professional Services with Widseth and authorize the Professional Services Agreement with HR Green for the Main Lift Station Reconstruction Project**

10. **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**

11. **Commission Member Reports**

12. **Adjourn**

A. **Wastewater Treatment Facility Tour April 9, 2026 12:00PM**

B. **Water Treatment Plant Facility Tour April 10, 2026 12:00PM**

C. **Hydro Facility Tour April 16, 2026 12:00PM**

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 February 24, 2026.

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

Commission Roll Call

Mike Angland – Present	Dolly Wussow – Present
Mike Higgins – Absent	Cory Jay – Present

Utility Staff Present

Public Utilities Director	Paul Sandy
Finance Manager	Danny Loch
Operation Manager	Trent Hawkinson
Water/Wastewater Manager	Charlie Gammon
Recording Secretary	Becky Ridlon

Others in Attendance

City Council Liaison	Jeff Czeczok
City Administrator	Nick Broyles
HR Director	Brittney Kummet
City of Baxter Administrator	Brad Chapulis
Bolton & Menk	Morgan Salo, PE
Bolton & Menk	Danny Jaeger
Eden Renewables	Thomas Cosby
Citizen	Ken Heintzeman
Citizen	Brian Timmers
Citizen	Gary Thiesse
Citizen	Karen Thiesse
Citizen	Reid Thiesse

Commissioner Angland opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

Amendments to the agenda were discussed and added. An Amendment request to the agenda was presented to administer of the oath of office to new commissioner Cory Jay prior to the consent calendar. Agenda item 9. D was requested to be moved from new business to directly after public forum. Lastly, a consent calendar item was added, Pricing for directional drilling services for 2026 hourly contract, which was distributed prior to the meeting and requested to be added to the consent calendar.

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

Oath of office to Commissioner Cory Jay.
Public Utilities Director Paul Sandy administered the Oath of office to Commissioner Cory Jay.

Approval of Consent Items

Motion by Commissioner Wussow and seconded by Commissioner Jay to approve the minutes from January 27th, 2026, regular monthly meeting, current month's bills, approve recommendation of surplus items to auction, and Pricing for directional drilling services for 2026 hourly contract. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum
None

New business
Item 9. D. Introduction of Eden Renewables, LLC for potential Solar Project and Interconnection to Brainerd Public Utilities. *See board packet for agenda request.*
Eden Renewables Thomas Cosby presented.

Discussion included:
Commissioner Wussow asked how the project would be funded. Cosby explained that Eden Renewables will serve as the developer and take the project to market to secure the best financing option. A financing partner will then join the project to provide construction funding and carry it through completion.

Commissioner Angland asked to verify the process and what is the advantage of moving forward with this project. Operation Manager Trent Hawkinson responded, saying the finance team followed its usual process by meeting with staff outside of the commission meeting to review proposals and discuss the project, including coordination with Tom and his team. The proposed site was highlighted as an ideal location for a solar project because it is flat and located near existing infrastructure, allowing for easy interconnection to the distribution system. This project would help the commission make progress toward the state mandated 2040 goal for carbon-free renewable energy. The development team and property owners have been good to work with, and operationally the project fits the utility's needs. At this stage, the main consideration for the commission is the price point and long-term contract terms, which could provide future rate stability.

City Council Liaison Jeff Czeczok asked what the approximate number of acres that is being looked at for the solar array. Cosby noted sixty acres. Regarding interconnection for a project located outside the Brainerd city limits, staff indicated there are no anticipated issues with connecting the project to the system even though it sits outside city boundaries. It was noted that the city does not have 60 acres of available land within the city limits, which contributed to the project being located outside the city. Appreciation was expressed for the work of city staff, the participating landowners, and Tom's team for collaborating to identify a suitable site and advance the project.

Czeczok asked whether the utility will incur any costs as the development moves forward and sought clarification on any potential financial responsibilities associated with the project. Cosby explained that once the project is operational, the proposed structure would have the utility purchase power from the project. While the utility would incur costs associated with purchasing that power, the developer stated

that they are not charging for development work, as those costs are being covered by the developer. Interconnection costs are typically borne by the developer and reimbursed as part of connecting the project to the point of interconnection, though there may be opportunities to work with the utility to find a more cost-effective solution if those costs ultimately affect power pricing.

It was also clarified that the land for the project would be leased from the landowner for approximately 35 years. A decommissioning bond would be in place to ensure that at the end of the project's life, if it is not repowered or continued, the developer is responsible for removing all equipment and restoring the site to its original greenfield condition.

Czeczok asked Cosby what the timeline is they are looking at, Cosby responded saying starting construction in 2027/2028

Commission Committee Reports

Personnel Committee Report
President Angland appointed Wussow and Angland to Personnel committee.

Finance and Operations Committee
President Angland appointed Higgins and Jay to Finance committee.

Unfinished Business

Memo -*See board packet for updates.*
Staff presented the unfinished business memorandum and indicated there were no additional updates beyond what was included in the report. Commissioners requested clarification on several items. It was noted that the rewrite of Brainerd City Code 705 is nearing completion and may be removed from the unfinished business list in the near future.

Additional discussion occurred regarding the lead service line program, specifically the proposed use of the Minnesota Department of Health (MDH) "no plan submittal" process. Staff explained this approach as a fast-track method for smaller projects, allowing work to proceed through contractor quote packages rather than a traditional design-bid-build process in order to meet program deadlines.

The Commission also discussed the status of the EV charging policy. It was noted that the item remains at the Commission's discretion in terms of prioritization. Staff indicated willingness to continue work on the policy if directed, and it was mentioned that Commissioner Higgins may take a lead role in further evaluation. Discussion included considerations around public charging availability, impacts to electric rates, and the potential for future development within the service territory.

It was suggested that further discussion on EV charging may be appropriate at the Finance/Operations Committee level.

Approve BPU_POL_2024-01 Frozen Water Service Lines
Public Utilities Director Paul Sandy presented.

Motion by Commissioner Wussow and seconded by Commissioner Jay to approve updated Policy BPU_POL 2024-01 Frozen Water Service Lines as amended. There was a unanimous vote in favor of the motion. Motion carried.

Approve BPU_POL_2003-04 Unauthorized Use of Utility Meters
Finance Manager Loch presented.

Motion by Commissioner Wussow and seconded by Commissioner Jay to approve updated Policy BPU_POL 2003-04 Unauthorized Use of Utility Meters as presented. There was a unanimous vote in favor of the motion. Motion carried.

Approve BPU_POL_2003-05 Fees for Water Meters
Public Utilities Director Sandy presented.

Motion by Commissioner Wussow and seconded by Commissioner Jay to approve* the updated Policy *BPU_POL_2003-05 Fees for Water Meters as amended. There was a unanimous vote in favor of the motion. Motion carried.

Approve the Second Amendment to Large Industrial Power Agreement Between Brainerd Public Utilities Commission and Just for Krypto, LLC
Finance Manager Loch presented. Discussion included: Wussow asked whether the amendment would simply be formalizing a deadline to the contract while still allowing adjustments throughout the year. Loch responded that there is no true deadline in the extension. He explained that they are required to supply power if the other party remains in good standing, which they have. He added that the extension was being formalized based on a recommendation from legal counsel, since it had not been formally done to date.

Motion by Commissioner Wussow and seconded by Commissioner Jay to approve the Second Amendment to Large Industrial Power Agreement Between Brainerd Public Utilities Commission and Just for Krypto, LLC There was a unanimous vote in favor of the motion. Motion carried.

New Business

Approve Professional Services Proposal with Bolton and Menk for Risk and Resiliency Assessments at the Water Treatment Plant (WTP) and Wastewater Treatment Facility (WWTF). *See board packet for agenda request.*
Public Utilities Director Sandy presented.

Discussion included:Jay asked what the price difference was with the two proposals. Sandy responded saying Samatex estimated a cost of about $17,000 for the water treatment plant portion of the project, while Bolton & Menk proposed a total of $48,000 split evenly between the two facilities. It was discussed that completing both projects together would likely be more efficient than handling them separately.

Individually, Bolton & Menk's work would be around $24,000 per facility, but if both are completed at the same time, the total cost is expected to come in under $40,000.

Morgan from Bolton & Menk explained that combining the water and wastewater risk and resiliency assessments, along with the emergency response plans, creates efficiencies because much of the information overlaps. Water assessments are required by the EPA, while wastewater assessments are strongly recommended. By completing both simultaneously, the work can be streamlined using shared data and specialized tools, resulting in a single, comprehensive document. This combined approach not only reduces duplication but also provides a more detailed and useful plan, which is beneficial for the utility, especially in the event of an EPA audit.

Wussow thanked staff for their preparatory work, which will aid the assessment process. There was agreement that a proactive approach is important, especially as the wastewater plant faces capacity concerns. The group supported moving forward with both assessments at a total cost not to exceed $40,000.

Czeczok asked how often these assessments need to take place. Sandy stated every five years.

Motion by Commissioner Wussow and seconded by Commissioner Jay to approve the Professional services proposal with Bolton and Menk for Risk and Resiliency Assessments at the Water Treatment Plant (WTP) and Wastewater Treatment Facility (WWTF). There was a unanimous vote in favor of the motion. Motion Carried.

Approve Professional Services Agreement with Bolton and Menk for Professional Engineering and Construction Administration Services for the 2026 Lead Service Line Replacements Project in conjunction with the City of Brainerd's planned reconstruction of the alleyway between S 6th Street and S 7th Street from Paul Street to Joseph Street. *See board packet for agenda request.*
Public Utilities Director Paul Sandy presented.

Wussow asked a question about the process if a participant chooses not to proceed despite available funding, including how such decisions are handled and documented, and what steps follow if someone declines to move forward with construction. Sandy explained that the utility has fulfilled its obligation by notifying property owners of lead or galvanized service lines and offering replacement at no cost while funding is available. If an owner declines, they must sign documentation confirming their decision, which is kept on file and reflected in the utility's records. It was noted that future funding is not guaranteed, and if the owner later chooses to proceed, the replacement cost would be their responsibility.

Jay clarified that the project would include full replacement of the service line from the utility supply all the way to the house, not just to the curb stop. It was also noted that, as is standard, any future issues from the curb stop to the house remain the property owner's responsibility. Sandy confirmed this as correct.

Jay raised the question about how property conditions would be addressed in the contract following construction. It was explained that exterior areas will be restored to their original condition, such as replacing concrete with concrete and grass with grass, with a requirement to achieve adequate regrowth before project completion. Interior work, however, will be restored only to a functional level; necessary

repairs like patching holes will be completed, but specialty or finished features, such as basement finishes or woodwork, will not be returned to their previous condition due to variability in homes.

Motion by Commissioner Wussow and seconded by Commissioner Jay to approve Professional Services Agreement with Bolton and Menk for Professional Engineering and Construction Administration Services for the 2026 Lead Service Line Replacements Project in conjunction with the City of Brainerd's planned reconstruction of the alleyway between S 6th Street and S 7th Street from Paul Street to Joseph Street. There was a unanimous vote in favor of the motion. Motion Carried.

Hold Public Hearing and Adopt Resolution to Approve and Submit the Brainerd Wastewater Treatment Facility (WWTF) Plan. *See board packet for agenda request.*
Public Utilities Director Paul Sandy and Bolton and Menk Morgan Salo presented.

Public Hearing was opened at 10:38am

Discussion included:
Sandy stated both Brainerd and Baxter city councils voted to move forward, the agreement was to apply for a $10 million dollar community funding grant through Congressman Stubbers's office.

Discussion confirmed there was a preference for the selected program in part because it can be retrofitted, unlike other alternatives that rely on specialized equipment with limited lifespan and high replacement costs. It was noted that options such as integrated fixed film activated sludge require additional materials that must be fully replaced over time, while membrane reactors can be effective but are costly to operate and maintain. Other systems, like BAF units, also involve higher energy use and require additional treatment components, leading to greater overall expense.

Reed Thiesse a local resident asked about the amount of methane generated during the treatment process, referencing the existing methane flare, and questioned whether the volume produced is significant or relatively minimal. Water/Wastewater Manager Charlie Gammon responded saying about three years ago the city worked with Region Five to evaluate methane production, which was determined to be insufficient for generating electricity. A follow-up question was raised about whether methane capture and potential carbon credit opportunities had been explored, Gammon acknowledged that such benefits typically require higher volumes of methane, similar to what is seen at landfill operations.

Close public hearing at 10:40am

Motion by Commissioner Wussow and seconded by Commissioner Jay to Adopt Resolution 26-01 and to Submit the Brainerd Wastewater Treatment Facility (WWTF) Plan. There was a unanimous role call vote in favor of the motion. Motion Carried.

Staff Reports
City Administrator Report -see board packet for report. - *see board packet for report.*
Broyles thanked Morgan Salo from Bolton & Menk for his presentation. Additionally, he noted the Charter Commission unanimously advanced the proposed charter to the City Council. It will be included in the upcoming council packet, and staff may request a special meeting for further discussion and review.

City Council Liaison Report
Liaison Czeczok provided an update on the solar project at Rotary Park. Although the City Council previously voted down the revised agreement, the Rotarians have decided to move forward with the original agreement, which places responsibility for maintenance, repairs, and eventual decommissioning of the solar panels on them. This was noted as a positive development, and the project is now underway under those terms.

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

Public Utilities Director Report – *see board packet for report.*

Finance Manager's Report – *see board packet for report.*
Additionally, to the written report, an apology was given to Commissioner Higgins for a scheduling oversight that prevented participation via interactive technology. It was reported that the credit card processing machines have arrived, and staff are working toward implementation, though coordination challenges remain with Tyler staff; a meeting is expected to be scheduled soon. Quotes are being obtained for an electric cost-of-service study, with results anticipated for consideration at a March or April meeting. The audit is underway, with auditors scheduled to be on site next Tuesday and likely to request brief interviews with commissioners via email. The unaudited financial statements are included in the packet, with audited figures to follow upon completion of the audit.

Operations Manager Report **-** *see packet board for report.*
Additionally, form the written report, an update was provided where staff will be attending the March 6 Career Exploration Day and staff are looking forward to the event.

Water/Wastewater Manager Report- *see board packet for report.*
Additionally, from the written report, an update was provided that SB4 is currently being rebuilt with an estimated timeline of approximately two weeks to return it to operational status. An invitation was extended for anyone interested in observing the process, noting that the tanks will be open and the pumps disassembled to allow a closer look at the work involved.

Sandy stated Interest has been expressed by department heads and others who have not yet toured the facilities, prompting plans to organize tours of all three sites. Invitations will be extended to staff, commissioners, and council members, with consideration given to noticing requirements if participation is high. The goal is to schedule one or more tour dates to help participants better understand the size, scale, and operations of the water and wastewater facilities.

Commission Members – Report

Wussow expressed sincere thank you to staff and the Charter Commission for their extensive work on completing the charter, recognizing the significant effort involved.

Adjournment

Motion by Commissioner Wussow and seconded by Commissioner Jay to adjourn. There was a unanimous vote in favor of the motion. Motion carried at 10:52 AM.

_____
Mike Angland, Commission President

_____
Danny Loch, Finance Manager/Secretary

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Accept Annual Distributed Energy Reporting (DER) Board Report and Filing

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): N/A - Consent Calendar

SUBMITTED BY: Trent Hawkinson, Operations Manager, Paul Sandy, Public Utilities Director

PRESENTER: Trent Hawkinson, Operations Manager

SUMMARY OF ISSUE: The annual 2026 DER Report and Filing is attached to this agenda request for the Commission review and comment. The report provides detail on the DER and provides the recommended rate for customer DER assets.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: The Minnesota Public Utilities Commission (MPUC) requires utilities to submit an annual Distributed Energy Resources (DER) report to track and evaluate the deployment and performance of customer-sited resources such as solar, energy storage, demand response, and electric vehicle infrastructure. The report includes DER inventory and capacity, program participation, operational impacts on the grid, associated costs and incentives, and projected growth. The filing ensures transparency, informs utility planning and grid modernization efforts, and supports Minnesota's clean energy and carbon reduction goals by providing the Commission and stakeholders with a clear picture of DER trends and integration challenges.

RECOMMENDED ACTION/MOTION: Accept the 2026 Annual DER Report and Filing as presented and accept the DER rate for customers.

FINANCIAL IMPACT: N/A

Annual Cogeneration Filings and Report for Brainerd Public Utilities Commission

Schedule Filing 1 – Average Retail Utility Energy Rate

Schedule Filing 4 – Avoided Cost Rate

Please see cogeneration rate schedule.

Schedule Filing 2 – Interconnection Contracts

Schedule Filing 3 – Interconnection Process and Technical Requirements

The Utility's adopted interconnection process (M-MIP), technical requirements, contracts and agreements can be viewed under the Distributed Energy Resource Document Library at https://www.novapowerportal.com/Home/Index/57

Cogeneration Report

Please see the 2026 Cogeneration Report.

BRAINERD PUBLIC UTILITIES
COGENERATION AND SMALL POWER PRODUCTION
RATE SCHEDULE

AVAILABILITY

Available to all customers where the customer has qualified small power production or cogeneration facilities connected in parallel with the Utility's facilities. The customer is required to execute an Interconnection Agreement with the Utility. A Qualifying Facility (QF) is a cogeneration and small power production facility that satisfies the conditions in 18 Code of Federal Regulations, Section 292.101(b).

TYPE OF SERVICE

Alternating current, 60 hertz, at available secondary voltages.

RATE

The Utility shall pay the customer monthly for all energy furnished during the month at the rate shown in Section 1 - 4 below. Standby charges may apply to QF systems larger than 60 kW.

1. Net Energy Billing: Available to any QF of less than 40 kW capacity that do not select either the Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

   The Utility shall bill the qualifying facility for the excess of energy supplied by the Utility above energy supplied by the qualifying facility during each billing period according to the Utility's applicable retail rate schedule. The Utility shall pay the customer for the energy generated by the qualifying facility that exceeds that supplied by the Utility during a billing period as follows:

Service Type	Average Retail Energy Rate
Residential	$ 0.1044 per kWh
Commercial	$ 0.1237 per kWh
Small General Service	$ 0.0995 per kWh
Medium General Service	$ 0.0703 per kWh
Large General Service	$ 0.0678 per kWh

2. Roll Over Credits: Available to any QF of less than 40 kW that do not select either Net Energy Billing, Simultaneous Purchase and Sale Billing or Time of Day rates.

   Kilowatt-hours produced by the QF in excess of the monthly usage shall be supplied as an energy credit on the customer's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up on December 31. Excess energy credits existing as of December 31 shall default back to the Utility with no compensation to the QF.

3. Simultaneous Purchase and Sale Billing: Available to any QF of less than 40 kW capacity that do not select or qualify for either the Net Energy Billing, Roll Over Credits or Time of Day rates and does not receive a time-of-day retail electric service from the Utility. This rate is adjusted annually on June 1.

   Utility shall pay the customer for all energy delivered as follows:

	Current Rate
Energy Payment ($/kWh)	$ 0.04935
Capacity Payment for Firm Power – On-Peak Only ($/kW)	$ 0.00

4. Time-of-Day Purchase Rate: Available to any QF of 100 kW capacity or less and available to QFs with capacity of more than 100 kW if firm power is provided. This rate is adjusted annually on June 1.

   Utility shall pay the customer for all energy delivered as follows:

	Current Rate
On Peak Energy Payment ($/kWh)	$ 0.04935
Off Peak Energy Payment ($/kWh)	$ 0.04935
Capacity Payment for Firm Power – On-Peak Only ($/kW)	$ 0.00

TAXES

The rates set forth are based on currently effective taxes and the amount of any increase in existing or new taxes on the transmission, distribution or sale of electricity allocable to sales hereunder shall be added to the rates as appropriate to be paid by the customer.

Brainerd Public Utilities - Cogeneration Report

As of December 31, 2025

	Number of Systems		
	Solar	**Wind**	**Total**
0 - 5 KW	14	0	14
6 - 10 KW	13	0	13
11 - 20 kW	4	0	4
20 - 30 kW	1	0	1
30 - 40 kW	4	0	4
> 40 kW	0	0	0
Total	**36**	**0**	**36**
Withdrawn	3	0	3
Includes Storage	0	0	0
Decommissioned	0	0	0
Total Capacity (kW)	**403.37**	**0**	**403.37**

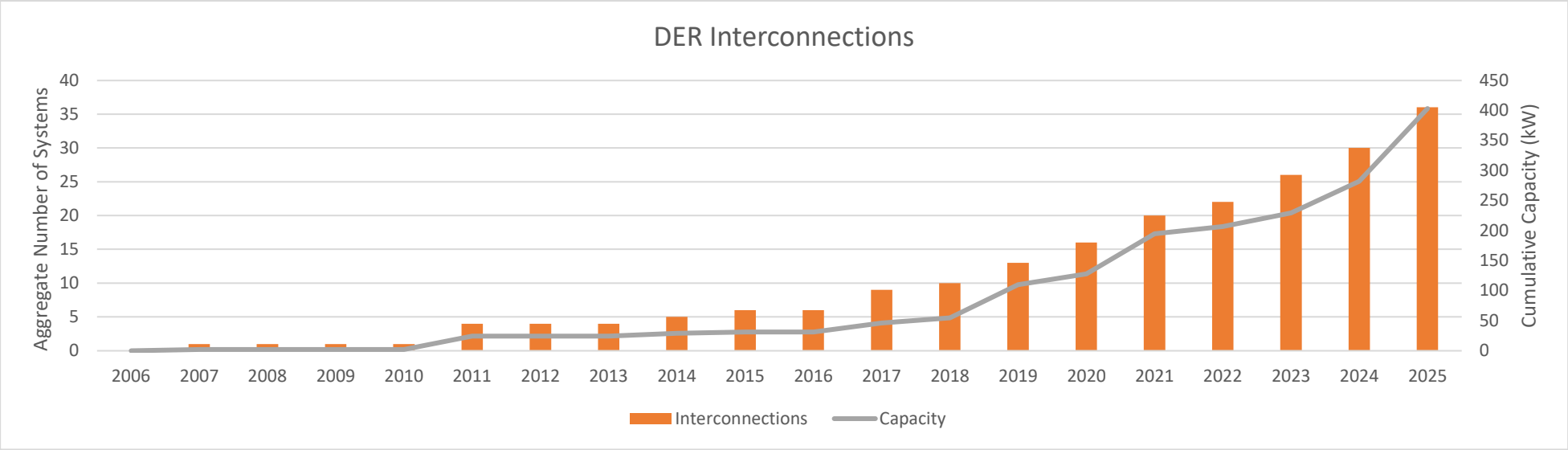
Estimate of Energy Produced		
Solar	488,561	kWh
Wind	-	kWh
Total	**488,561**	**kWh**

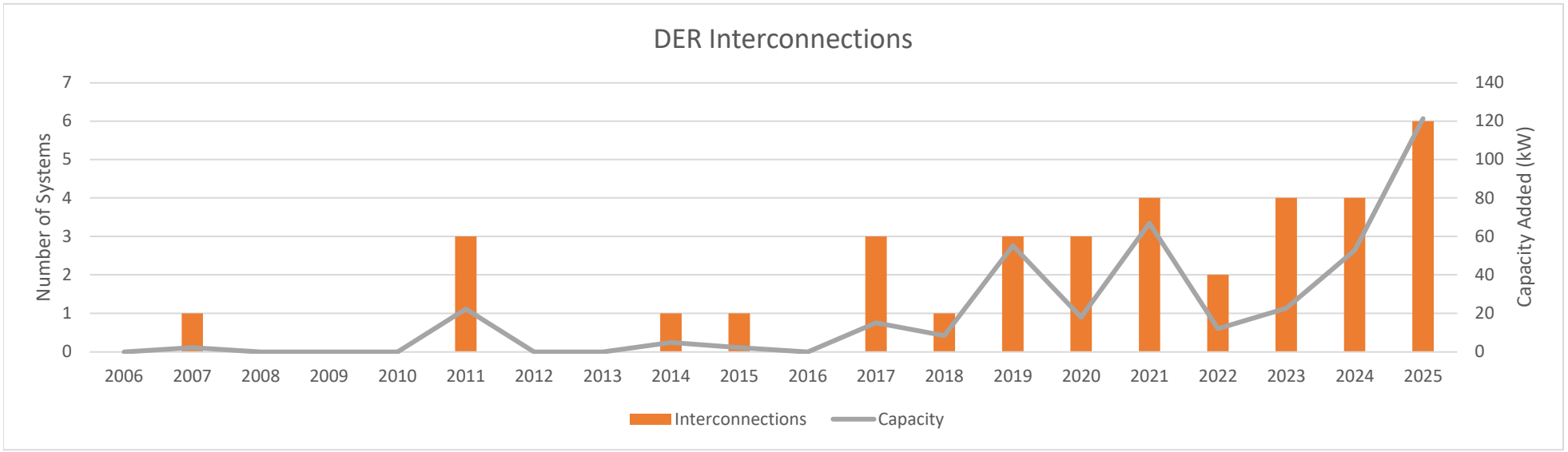
Notes:

There are no Wheeled Systems interconnected.

There are no systems on avoided cost.

All systems interconnected are on net metering rates.




DER Interconnections
Number of Systems
Capacity Added (kW)
0
1
2
3
4
5
6
7
0
20
40
60
80
100
120
140
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Interconnections
Capacity

BRAINERD PUBLIC UTILITIES
COGENERATION AND SMALL POWER PRODUCTION
RATE SCHEDULE

AVAILABILITY

Available to all customers where the customer has qualified small power production or cogeneration facilities connected in parallel with the Utility's facilities. The customer is required to execute an Interconnection Agreement with the Utility. A Qualifying Facility (QF) is a cogeneration and small power production facility that satisfies the conditions in 18 Code of Federal Regulations, Section 292.101(b).

TYPE OF SERVICE

Alternating current, 60 hertz, at available secondary voltages.

RATE

The Utility shall pay the customer monthly for all energy furnished during the month at the rate shown in Section 1 - 4 below. Standby charges may apply to QF systems larger than 60 kW.

1. Net Energy Billing: Available to any QF of less than 40 kW capacity that do not select either the Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

   The Utility shall bill the qualifying facility for the excess of energy supplied by the Utility above energy supplied by the qualifying facility during each billing period according to the Utility's applicable retail rate schedule. The Utility shall pay the customer for the energy generated by the qualifying facility that exceeds that supplied by the Utility during a billing period as follows:

Service Type	Average Retail Energy Rate
Residential	$ 0.1044 per kWh
Commercial	$ 0.1237 per kWh
Small General Service	$ 0.0995 per kWh
Medium General Service	$ 0.0703 per kWh
Large General Service	$ 0.0678 per kWh

2. Roll Over Credits: Available to any QF of less than 40 kW that do not select either Net Energy Billing, Simultaneous Purchase and Sale Billing or Time of Day rates.

   Kilowatt-hours produced by the QF in excess of the monthly usage shall be supplied as an energy credit on the customer's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up on December 31. Excess energy credits existing as of December 31 shall default back to the Utility with no compensation to the QF.

3. Simultaneous Purchase and Sale Billing: Available to any QF of less than 40 kW capacity that do not select or qualify for either the Net Energy Billing, Roll Over Credits or Time of Day rates and does not receive a time-of-day retail electric service from the Utility. This rate is adjusted annually on June 1.

   Utility shall pay the customer for all energy delivered as follows:

	Current Rate
Energy Payment ($/kWh)	$ 0.04935
Capacity Payment for Firm Power – On-Peak Only ($/kW)	$ 0.00

4. Time-of-Day Purchase Rate: Available to any QF of 100 kW capacity or less and available to QFs with capacity of more than 100 kW if firm power is provided. This rate is adjusted annually on June 1.

   Utility shall pay the customer for all energy delivered as follows:

	Current Rate
On Peak Energy Payment ($/kWh)	$ 0.04935
Off Peak Energy Payment ($/kWh)	$ 0.04935
Capacity Payment for Firm Power – On-Peak Only ($/kW)	$ 0.00

TAXES

The rates set forth are based on currently effective taxes and the amount of any increase in existing or new taxes on the transmission, distribution or sale of electricity allocable to sales hereunder shall be added to the rates as appropriate to be paid by the customer.

Minnesota Department of Commerce

Docket E999/PR-26-10
Distributed Energy Resource (DER) Interconnection Report

Reporting Period: January 1, 2025 - December 31, 2025
Utility: Brainerd Public Utilitie

Distributed Energy Resources

Autofill Categories	Autofill Category	Autofill Category	Autofill Category	Eg: S-01-17, S-02-17, W-01-17 Do not include customer names or personally identifiable information		Ex, Solar, Wind, Battery	If CHP, enter 'X'	If storage is only charged by a DER generator (ex solar), mark 'X'	Active Application, Interconnected, Withdrawn, Decommissioned	City where facility is located	Zip Code where facility is located	Substation where facility is interconnected	Feeder where facility is interconnected	Residential, Commercial, Industrial, Utility, Community Solar Garden	Eg: S*Rewards, MiM, SolarSense. If none, enter N/A	System cost before incentives or tax credits, N/A if not provided			
Utility	MN Utility ID	EIA ID	Utility Type	DER Identifier	DER Capacity kW AC	DER Type	CHP	Storage	DER Status	City	Zip Code	Substation	Feeder	Customer Type	Incentive Program	Total Installed Cost without Incentives	Year Application Submitted	Year Interconnected	Year Decommissioned (if applicable)
Brainerd Public	11	2138	Muni	2007 Application 1	2.1	Solar			Interconnected	Brainerd	56401	Main	558	Residential	N/A		2007	2007	
Brainerd Public	11	2138	Muni	2011 Application 2	9.8	Solar			Interconnected	Brainerd	56401	Main	518	Commercial	N/A		2011	2011	
Brainerd Public	11	2138	Muni	2011 Application 3	8.9	Solar			Interconnected	Brainerd	56401	Main	558	Utility	N/A		2011	2011	
Brainerd Public	11	2138	Muni	2011 Application 4	3.52	Solar			Interconnected	Brainerd	56401	Main	528	Residential	N/A		2011	2011	
Brainerd Public	11	2138	Muni	2014 Application 5	4.8	Solar			Interconnected	Brainerd	56401	Main	548	Commercial	N/A		2014	2014	
Brainerd Public	11	2138	Muni	2015 Application 6	2.16	Solar			Interconnected	Brainerd	56401	Main	548	Residential	N/A		2015	2015	
Brainerd Public	11	2138	Muni	2017 Application 7	2.48	Solar			Interconnected	Brainerd	56401	Main	558	Residential	N/A		2017	2017	
Brainerd Public	11	2138	Muni	2017 Application 8	5	Solar			Interconnected	Brainerd	56401	Main	558	Residential	N/A		2017	2017	
Brainerd Public	11	2138	Muni	2017 Application 9	7.5	Solar			Interconnected	Brainerd	56401	Main	518	Residential	N/A		2017	2017	
Brainerd Public	11	2138	Muni	2018 Application 10	8.4	Solar			Interconnected	Brainerd	56401	Main	518	Residential	N/A	$ 9,600.00	2018	2018	
Brainerd Public	11	2138	Muni	2019 Application 11	39.8	Solar			Interconnected	Brainerd	56401	Main	518	Commercial	N/A		2019	2019	
Brainerd Public	11	2138	Muni	2019 Application 12	13.34	Solar			Interconnected	Brainerd	56401	Main	528	Residential	N/A	$ 66,084.00	2019	2019	
Brainerd Public	11	2138	Muni	2019 Application 13	2.03	Solar			Interconnected	Brainerd	56401	Main	528	Residential	N/A	$ 12,000.00	2019	2019	
Brainerd Public	11	2138	Muni	2020 Application 14	4.8	Solar			Interconnected	Brainerd	56401	Main	558	Residential	N/A	$ 9,505.00	2020	2020	
Brainerd Public	11	2138	Muni	2020 Application 15	5.6	Solar			Interconnected	Brainerd	56401	Main	558	Residential	N/A	$ 15,000.00	2020	2020	
Brainerd Public	11	2138	Muni	2020 Application 16	7.6	Solar			Interconnected	Brainerd	56401	Main	558	Residential	N/A	$ 10,000.00	2020	2020	
Brainerd Public	11	2138	Muni	2021 Application 17	17.3	Solar			Interconnected	Brainerd	56401	Main	528	Commercial	N/A	$ 38,000.00	2021	2021	
Brainerd Public	11	2138	Muni	2021 Application 18	19.99	Solar			Interconnected	Brainerd	56401	Main	558	Commercial	N/A	$ 77,000.00	2021	2021	
Brainerd Public	11	2138	Muni	2021 Application 19	9.6	Solar			Interconnected	Brainerd	56401	Main	518	Residential	N/A	$ 26,400.00	2021	2021	
Brainerd Public	11	2138	Muni	2022 Application 20	6	Solar			Interconnected	Brainerd	56401	Main	518	Residential	N/A	$ 32,560.00	2022	2022	
Brainerd Public	11	2138	Muni	2023 Application 7823	4.8	Solar			Interconnected	Brainerd	56401	Main	548	Residential	N/A	$ 24,900.00	2023	2023	
Brainerd Public	11	2138	Muni	2023 Application 8157	6	Solar			Interconnected	Brainerd	56401	Main	518	Residential	N/A	$ 40,802.17	2023	2023	
Brainerd Public	11	2138	Muni	NOVA5248	19.99	Solar			Interconnected	Brainerd	56401	Main	558	Commercial		$ 77,000.00	2021	2021	
Brainerd Public	11	2138	Muni	NOVA5444	6	Solar			Interconnected	Brainerd	56401	Main	518	Residential		$ 32,560.00	2021	2022	
Brainerd Public	11	2138	Muni	NOVA7823	4.8	Solar			Interconnected	BRAINERD	56401	Downtown	1	Residential		$ 24,900.00	2023	2023	
Brainerd Public	11	2138	Muni	NOVA8157	6.96	Solar			Interconnected	Brainerd	56401	Main	518	Residential		$ 40,802.17	2023	2023	
Brainerd Public	11	2138	Muni	NOVA9073	7.56	Solar			Interconnected	Brainerd	56401	Main	518	Residential	na	$ 32,752.00	2024	2024	
Brainerd Public	11	2138	Muni	NOVA10572	2.88	Solar			Interconnected	BRAINERD	56401	Main	518	Residential	na	$ 13,792.30	2024	2024	
Brainerd Public	11	2138	Muni	NOVA10636	39.73	Solar			Interconnected	Baxter	56425	Main	518	Commercial	NA	$ 65,920.00	2024	2024	
Brainerd Public	11	2138	Muni	NOVA12178	2.61	Solar			Interconnected	Brainerd	56401	Main	568	Residential	NA	$ 13,000.00	2024	2024	
Brainerd Public	11	2138	Muni	NOVA12556	38.4	Solar			Interconnected	Brainerd	56401	Main	518	Commercial		$ 157,980.00	2025	2025	
Brainerd Public	11	2138	Muni	NOVA12610	38.4	Solar			Interconnected	Brainerd	56401	Main	518	Commercial		$ 153,350.00	2025	2025	
Brainerd Public	11	2138	Muni	NOVA12837	6.98	Solar			Interconnected	Brainerd	56401	Downtown	1	Residential	NA	$ 25,764.00	2025	2025	
Brainerd Public	11	2138	Muni	NOVA12884	389.03	Solar			Withdrawn	Brainerd	56401					$ 1,571,137.00	2025		
Brainerd Public	11	2138	Muni	NOVA12981	4.61	Solar			Interconnected	Brainerd	56401	Main	558	Residential	NA	$ 17,931.00	2025	2025	
Brainerd Public	11	2138	Muni	NOVA13149	28.5	Solar			Withdrawn	Brainerd	56401					$ 86,000.00	2025		
Brainerd Public	11	2138	Muni	NOVA13189	8.45	Solar			Interconnected	Brainerd	56367	Main	518	Residential	NA	$ 53,566.08	2025	2025	
Brainerd Public	11	2138	Muni	NOVA13442	24.48	Solar			Withdrawn	Brainerd	56401	Main	518	Residential	NA	$ 95,900.00	2025		
Brainerd Public	11	2138	Muni	NOVA13888	24.48	Solar			Interconnected	Brainerd	56401	Main	518	Residential	NA	$ 95,900.00	2025	2025	

Minnesota Department of Commerce

Docket E999/PR-26-10 **Reporting Period:** January 1, 2025 - December 31, 2025

Distributed Energy Resource (DER) Interconnection Re Utility: Brainerd Public Utilities

Interconnection Summary Statistics

All cells auto calculate. Please use to make sure numbers in "DER Facilities" align with utility database counts

2025 Interconnections Summary by System Size

	≤20 kW	>20 to ≤40 kw	>40kW to ≤1MW	>1 MW to ≤5MW	>5MW to ≤10MW
Number of Interconnection Applications Received	**3**	**5**	**1**	**0**	**0**
Solar	3	5	1	0	0
Wind	0	0	0	0	0
Storage	0	0	0	0	0
Other	0	0	0	0	0
Number of Projects Interconnected	**3**	**3**	**0**	**0**	**0**
Solar	3	3	0	0	0
Wind	0	0	0	0	0
Storage	0	0	0	0	0
Other	0	0	0	0	0

					Total Interconnected DER Facilities										New Interconnections in Reporting Year									
Submitting Utility:	**Year**	**Date Reported**	**MN ID**	**Utility Type**	# Solar	Solar Capacity	# Wind	Wind Capacity	# Storage	Storage Capacity	# Other	Other Capacity	# Total	Total Capacity	# Solar	Solar Capacity	# Wind	Wind Capacity	# Storage	Storage Capacity	# Other	Other Capacity	# Total	Total Capacity
Brainerd Public Utilities	2025	1/23/26	11	Muni	36	403.37	0	0	0	0	0	0	36	403.37	6	121.32	0	0	0	0	0	0	6	121.32

					DG Facilities Removed in Reporting Year										Active Applications									
Submitting Utility:	**Year**	**Date Reported**	**MN ID**	**Utility Type**	# Solar	Solar Capacity	# Wind	Wind Capacity	# Storage	Storage Capacity	# Other	Other Capacity	# Total	Total Capacity	# Solar	Solar Capacity	# Wind	Wind Capacity	# Storage	Storage Capacity	# Other	Other Capacity	# Total	Total Capacity
Brainerd Public Utilities	2025	1/23/26	11	Muni	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

					Withdrawn Applications in Reporting Year									
Submitting Utility:	**Year**	**Date Reported**	**MN ID**	**Utility Type**	# Solar	Solar Capacity	# Wind	Wind Capacity	# Storage	Storage Capacity	# Other	Other Capacity	# Total	Total Capacity
Brainerd Public Utilities	2025	1/23/26	11	Muni	3	442.01	0	0	0	0	0	0	3	442.01

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve Advertisement for Sealed Bids for Hydro Dam Powerhouse Roofing Project

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): N/A - Consent Calendar

SUBMITTED BY: Paul Sandy, Public Utilities Director

PRESENTER: Trent Hawkinson, Operations Manager, Paul Sandy, Public Utilities Director

SUMMARY OF ISSUE: Staff received quotations for the Hydro Dam roofing project that is approved in the 2026 capital improvement budget.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

Based on the quotes received, the estimated cost for the Powerhouse roof replacement exceeds the $175,000 statutory threshold, requiring the project to transition to a sealed bid process in accordance with State Statute.

Staff is requesting Commission approval to solicit sealed bids for the work. At the same time, staff is evaluating the Sourcewell Gordian ezIQC procurement method, which includes pre-qualified contractors competitively selected for the Brainerd region with experience in roofing projects.

To maintain flexibility and pursue the most efficient procurement approach, staff recommends the Commission authorize the sealed bid advertisement while also allowing staff to explore and potentially utilize the Gordian ezIQC process to reduce administrative burden.

RECOMMENDED ACTION/MOTION:

Staff recommends approval of the sealed bid solicitation for the Hydro Dam Powerhouse Roofing Project, while also authorizing staff to evaluate procurement and delivery of the project through the Gordian ezIQC process administered by Sourcewell.

FINANCIAL IMPACT: N/A

ADVERTISEMENT FOR BIDS

CITY OF BRAINERD, MINNESOTA
Hydro Dam Roof Replacement Project
BPU Project No. 26-4-102

GENERAL NOTICE

The City of Brainerd (Owner) is requesting Bids for the construction of the following Projects:

Hydro Dam Roof Replacement Project – BPU Project No. 26-4-102

Bids for the construction of the Projects will be received at the **Office of the Public Utilities Director** located at **Brainerd Public Utilities, 8027 Highland Scenic Road, Baxter, MN 56425** until **Wednesday, April 22, 2026** at **10:00 a.m.** local time. At that time the Bids received will be **publicly** opened and read.

The Project includes the following Work:

- **Removal and lawful disposal of all existing roofing materials down to the existing roof deck.**
- **Preparation of the roof deck to receive new materials.**
- **Installation of a 6-mil vapor barrier over the prepared substrate.**
- **Installation of loose-laid 6-inch polyisocyanurate (polyiso) insulation.**
- **Installation of a new 60-mil ballasted EPDM roofing system.**
- **Flashing and sealing of all seams, penetrations, curbs, and terminations to ensure a completely watertight system.**
- **Reuse of existing metal cap flashing where feasible, as determined by the Owner; replacement shall be provided where reuse is not acceptable.**

The Work shall be performed on five (5) separate roof areas, consisting of:

- **Four (4) east end roofs**
- **One (1) long west end roof**

All work shall be completed in accordance with the project specifications, manufacturer requirements, and applicable codes and standards.

Obtaining the Bidding Documents
Information and Bidding Documents for the Project can be found at the following designated website: www.bpu.org

Bidding Documents may be downloaded from the designated website at no charge. Prospective Bidders are urged to register with the designated website as a plan holder by calling (218) 839-1775, even if Bidding Documents are obtained from a plan room or source other than the designated website in either electronic or paper format. The designated website will be updated periodically with addenda, lists of registered plan holders, reports, and other information relevant

to submitting a Bid for the Project. All official notifications, addenda, and other Bidding Documents will be offered only through the designated website. The Owner will be responsible for Bidding Documents, including addenda, if any, obtained from sources other than the designated website.

The Issuing Office for the Bidding Documents is:

Office of the Public Utilities Director
Brainerd Public Utilities
8027 Highland Scenic Road
Baxter, MN 56425

Prospective Bidders may obtain or examine the Bidding Documents at the Issuing Office on Monday through Friday between the hours of **7:00 a.m. to 3:30 p.m.,** and may obtain copies of the Bidding Documents from the Issuing Office as described below. Partial sets of Bidding Documents will not be available from the Issuing Office. The Owner will be responsible for full or partial sets of Bidding Documents, including addenda, if any, obtained from sources other than the Issuing Office.

Information for Bidders
All bidders are required to become acquainted with the extent of the work and the conditions under which the work will be performed.

A mandatory pre-bid meeting for all contractors intending to submit a bid for this project will be held on April 9, 2026, at 9:00 a.m.

Contractors shall assemble at the front gate of the Brainerd Industrial Center, located at 1801 Mill Avenue, Brainerd, MN 56401. Brainerd Public Utilities staff will meet attendees at this location and provide access through the gate, after which the group will proceed to the Hydro Dam facility.

Attendance at this meeting is required for bid eligibility.

The Brainerd Public Utilities Commission reserves the right to reject any or all bids or any part of any bid, to waive minor defects, technicalities, or any informalities in the bidding or to advertise for new proposals, and to accept that bid deemed to be in the City's best interest.

The bids and the responsibility of the bidders will be considered by the Brainerd Public Utilities Commission at 9:00 a.m. on Tuesday, April 28th, 2026, at Brainerd City Hall located at 501 Laurel Street, Brainerd, MN. No bidder may withdraw his bid for at least 90 days after the scheduled closing time for the receipt of bids.

This Advertisement is issued by:
Owner: **Brainerd Public Utilities**
By: **Paul Sandy, PE**
Title: **Public Utilities Director**
Date: **March 31, 2026**

Published in the *Brainerd Dispatch* on April 4 and April 11, 2026
Published on the Brainerd Public Utilities website March 31 – April 22, 2026

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Review Large Industrial Power Customer Application for Service and Transmission Study Process

ACTION REQUESTED: Direction Requested

ESTIMATED TIME (MIN): 15 Minutes

SUBMITTED BY: Trent Hawkinson, Operations Manager

PRESENTER: Paul Sandy, Public Utilities Director, Trent Hawkinson, Operations Manager, Danny Loch, Finance Manager

SUMMARY OF ISSUE:

Consistent with other Minnesota municipal utilities, BPU is experiencing increased interest in large electric loads of 5 MW and greater, including data storage and cryptocurrency mining operations, which are more appropriately categorized as high-density, energy-intensive computing uses. Projects of this scale require significant coordination across distribution system planning and engineering, substation and feeder capacity analysis, and evaluation of transmission availability and regional constraints. Peer municipal utilities, working through the Minnesota Municipal Utilities Association, have increasingly implemented structured processes to ensure full cost recovery, efficient use of staff resources, and appropriate screening of speculative or non-viable proposals.

To align with these emerging practices, BPU is presenting for Commission consideration a proposed framework specific to large load interconnection requests of 5 MW and greater. This framework has not been previously implemented and is intended to establish a consistent and transparent process as interest in these types of projects continues to grow. The proposed approach includes a pre-application phase with the attached included for consideration.

Under the proposed framework, all costs incurred by BPU in evaluating and serving large loads would be the responsibility of the applicant and addressed through a phased study process, including screening, system impact, and facilities studies, with deposits collected and reconciled on an actual cost basis. This full cost recovery model is consistent with standard practices among Minnesota municipal utilities. For projects of 5 MW and greater, service feasibility extends beyond BPU's distribution system and would require coordination with Minnesota Power as the transmission provider, with applicable processes governed by the Midcontinent Independent System Operator (MISO). These requirements may introduce additional costs, timelines, and constraints that are outside BPU's direct control and remain the responsibility of the applicant.

The proposed framework also incorporates queue management provisions, where project position would be established upon receipt of a complete application and required fees, and incomplete applications would not be accepted. Given the scale of these projects, customized service agreements

would be required to address minimum billing demand, term commitments, upfront infrastructure contributions, and cost recovery provisions in the event of project withdrawal.

This proposed framework is intended to ensure full cost recovery, protect existing ratepayers, promote efficient use of staff resources, provide clarity to developers, and align BPU with peer municipal utilities and regional practices. Staff are seeking Commission feedback and direction on the proposed approach.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

Proposed Application process for consideration.

1. Purpose and Applicability

- Applies to large electric loads of 5 MW and greater
- Includes high-density, energy-intensive computing loads (e.g., data storage, cryptocurrency)
- Establishes a structured, consistent review process aligned with peer municipal utilities and Minnesota Municipal Utilities Association practices

2. Pre-Application

- Fee: $500
- High-level feasibility and capacity discussion
- Preliminary identification of distribution and transmission constraints
- Intended to guide project development and reduce staff and applicant risk

3. Formal Application

Application Fees (Non-Refundable):

- 5–10 MW: $5,000
- 10–25 MW: $10,000
- 25+ MW: To be determined based on project scope

Minimum Submittal Requirements:

- Project description and location
- Estimated demand (MW) and development timeline
- Preliminary one-line diagram
- Proof of site control
- Detailed load profile (8760 required)

4. Engineering Study Process (Applicant-Funded)

- Full cost recovery model, all costs borne by applicant

Study Phases:

- **Screening Study**
  - Deposit: $15,000–$25,000
  - Identifies major system constraints and initial feasibility
- **System Impact Study**
  - Deposit: $25,000–$75,000
  - Evaluates system impacts and identifies required upgrades
- **Facilities Study (Required for ≥5 MW)**
  - Deposit: Project-specific
  - Defines detailed construction scope, schedule, and cost estimates
- All studies billed on actual cost basis with reconciliation of deposits

5. Transmission Coordination

- Required coordination with Minnesota Power
- Governed under Midcontinent Independent System Operator (MISO) planning and reliability requirements

Potential Requirements:

- Transmission Interconnection Request
- Transmission-level System Impact Study (SIS)
- Network or delivery system upgrades

Key Considerations:

- Transmission costs are separate from BPU costs
- Timelines and approvals are outside BPU control
- Projects subject to regional transmission constraints and queue processes

6. Queue Management

- Queue position established upon complete application and payment of all required fees
- Incomplete applications not accepted
- Material changes may result in re-study or repositioning
- Ensures disciplined and manageable project pipeline

7. Service Agreement Requirements (Mandatory for ≥5 MW)

- Customized service agreement required prior to construction

Standard Provisions:

- Minimum Billing Demand (typically 70–85% of contracted capacity)
- Multi-year term commitment aligned with infrastructure investment
- Upfront contributions for distribution system upgrades
- Exit/withdrawal provisions to recover stranded or unrecovered costs

8. Cost Recovery and Risk Allocation

- Applicant responsible for:
    - All engineering and study costs
    - Distribution and transmission upgrade costs
    - Risks associated with project delays, withdrawal, or infeasibility

RECOMMENDED ACTION/MOTION: Staff recommend acceptance of the attached draft pre-application and data practices statements, establishment of a pre-application fee of $500, and initiation of a formalized queue and application process to provide transparency and consistency in the evaluation of customer requests.

FINANCIAL IMPACT: Unkown

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
Large Industrial Customer Application
Required for expected load of 5 megawatts or more

Interruptible ☐ Firm Load ☐

Date: _____

Contact information for business. Please also include contact information for technical lead.

Business Contact Information

Name:

Title:

Email:

Phone:

Address:

Technical Lead Contact Information

Name:

Title:

Email:

Phone:

Application fee: _____
Note: the application will not be processed until receipt of application fee.

Additional Requirements:

Signed copy of Data Privacy Notice: _____

Business Information

Business Name: _____

Authorized to do business in Minnesota? _____
Provide a copy of certificate from the Minnesota Secretary of State.

Location: _____

Describe nature of business: _____

_____

What construction or remodeling is required for the site? _____ Specify City _____ construction or remodeling approvals received.

Expected project completion date: _____

Requested electric service date: _____

Describe any phases for the project (such as construction, expected increases in electric consumption, etc.)

_____

_____

Regulatory Approvals

Has the project received approval from the proper Governing Body (City, County, Township)? _____
Note: Electric contractual documents require Governing Body project approvals in advance.

Has a noise study been completed? _____

Technical Requirements

Has a system impact study been performed by Minnesota Power or MISO? _____ If so, provide a copy.

Expected peak load: _____

Expected load factor: _____

Requested capacity: _____

Requested Service (e.g. three-phase, 60 hertz, alternating current at high voltage of 34,500/19,900): _____

Type of electric service requested (Interruptible, MISO transmission, firm, other): _____

Water usage expected: _____

Is the business expected to participate in MISO load reduction programs, such as MISO Load Management Resource Program, MISO DDR-1 Program, or Real-Time Energy Optimization? _____
If so, provide proof of MISO registration.

Provide a copy of:

1. Project site map
2. One-line electrical diagram
3. Proposed interconnection point with BPU facilities
4. Proof of ownership of land
5. Other?

By signing below, I confirm that I am duly authorized to provide this information, and that the information provided is accurate and complete. I understand and acknowledge that this application provides preliminary information to Brainerd Public Utilities to evaluate potential service and does not constitute any guarantee, agreement, understanding, or pledge by Brainerd Public Utilities to provide service.

Name: _____

Signature: _____

Date: _____

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
DATA PRIVACY NOTICE: "TENNESSEN WARNING"

As part of your application for utility service, and in providing those services, BPU requests private or confidential data about you. The private or confidential information that you provide is not available to the public. In accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, Section 13.04, subd. 2, BPU must notify you of the following three points:

1. The purpose and intended use of the requested information:
   To confirm your identity; to process your application; to consider infrastructure needs; to determine your credit status for receipt of services; to provide products and services; to communicate with you; to respond to your questions; to provide customer support; to schedule or respond to maintenance or service calls; to collect monies owed for the services or equipment provided; to protect against fraud, unauthorized transactions, and claims; to operate, evaluate, and improve our business; and to determine eligibility for and administer customer participation in events, utility programs, surveys, promotions, rebates, and assistance.

2. You may refuse to provide private or confidential data to BPU. If you do not supply this information, however, BPU will be unable to process your application or provide utility services.

3. The information that you provide may be accessible to the following persons or entities:
   - You, and persons who have your express written consent;
   - BPU and City officials and staff, MISO staff, and power supplier representatives who reasonably require access to your information in the course of their work duties or responsibilities;
   - Credit or collection agencies to assist in determining credit or collecting on an account if it becomes delinquent;
   - State agencies such as the Minnesota Department of Commerce; and
   - Outside vendors required under contract with BPU to maintain the confidentiality of the information, including, but not limited to, billing and credit card processing, energy consultants, rebate providers, and energy assistance agencies.

   In addition, as permitted by Minnesota Statutes, Section 13.685, BPU may release your private or confidential data to:
   - A law enforcement agency that requests access to the data in connection with an investigation;
   - A school for purposes of compiling pupil census data;
   - A public child support authority to establish or enforce child support; or
   - Any other person when use of the data directly advances the general welfare, health, or safety of the public.

Other government entities accessing private or confidential data must also comply with the Minnesota Government Data Practices Act.

I acknowledge by signing this form that I have been informed of and understand my rights and I hereby consent to the release of the above information to BPU for the purposes stated herein. The information that I have provided is accurate.

Date: _____ **Signature:** _____

(Signature of Individual Authorizing Release)

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Review Eden Renewables Solar Development Purchase Power Agreement Proposal

ACTION REQUESTED: Direction Requested

ESTIMATED TIME (MIN): 15 Minutes

SUBMITTED BY: Trent Hawkinson, Operations Manager

PRESENTER: Trent Hawkinson, Operations Manager, Paul Sandy, Public Utilities Director, Danny Loch, Finance Manager

SUMMARY OF ISSUE:

Eden introduced themselves at the previous month's Commission meeting, after which staff and the Finance Committee engaged in further discussions regarding a potential solar power purchase agreement (PPA).

Through those discussions, Eden has provided a formal proposal for the sale of solar energy under a 35-year PPA at a rate of $0.0875 per kWh, along with an estimated interconnection cost of $500,000.

Staff consulted with AEP to evaluate the impact of entering into a PPA under the existing wholesale power contract. It was determined that an amendment to the wholesale power contract would be required, resulting in an increase in wholesale energy costs of approximately $0.49 per MWh beginning in June 2027. This increase in rate is estimated to provide an additional cost over the term of the PPA of $2.3M from AEP. The attached analysis and comparison has included the implications of this increase in the attached analysis.

The Finance Committee reviewed the proposed pricing, contract term, interconnection requirements, and wholesale power implications, with discussion focused on long-term cost considerations, system impacts, and overall value to the utility. The attached evaluation analysis is presented for consideration.

Following this review, the Finance Committee expressed agreement with the proposed framework and supports advancing the PPA to the full Commission for consideration.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: The proposed savings in the attached analysis is an estimated savings of the purchased power and has not included consideration of the solar RECs that would help meet the renewable/carbon free energy mandate of 2040.

RECOMMENDED ACTION/MOTION: Staff recommendation coming out of Committee is that the Commission approve the proposed PPA framework and authorize Director Sandy to negotiate the final

term sheet and complete legal review of the agreement, based on a 35-year term at $0.0875 per kWh and an estimated $500,000 interconnection cost.

FINANCIAL IMPACT: Estimated purchased power savings over 35 years $10.2M

Cost/(Savings) Analysis Eden Development

				Assumed Increase in AEP Contract	3.30%	
		Proposed Eden Contract		**AEP with Average Increase**		**Cost/(Savings)**
1	**2027**	$0.0875	2,078,195	$0.0592	1,406,641	671,554
2	**2028**	$0.0875	2,047,022	$0.0612	1,431,329	615,693
3	**2029**	$0.0875	2,016,317	$0.0632	1,456,452	559,865
4	**2030**	$0.0875	1,986,072	$0.0653	1,482,015	504,057
5	**2031**	$0.0875	1,956,281	$0.0675	1,508,027	448,254
6	**2032**	$0.0875	1,926,937	$0.0697	1,534,495	392,441
7	**2033**	$0.0875	1,898,033	$0.0720	1,561,428	336,604
8	**2034**	$0.0875	1,869,562	$0.0744	1,588,834	280,728
9	**2035**	$0.0875	1,841,519	$0.0768	1,616,721	224,798
10	**2036**	$0.0875	1,813,896	$0.0794	1,645,097	168,799
11	**2037**	$0.0875	1,786,688	$0.0820	1,673,972	112,716
12	**2038**	$0.0875	1,759,887	$0.0847	1,703,353	56,535
13	**2039**	$0.0875	1,733,489	$0.0875	1,733,249	239
14	**2040**	$0.0875	1,707,487	$0.0904	1,763,671	(56,184)
15	**2041**	$0.0875	1,681,874	$0.0934	1,794,626	(112,752)
16	**2042**	$0.0875	1,656,646	$0.0965	1,826,125	(169,479)
17	**2043**	$0.0875	1,631,796	$0.0996	1,858,177	(226,380)
18	**2044**	$0.0875	1,607,320	$0.1029	1,890,791	(283,472)
19	**2045**	$0.0875	1,583,210	$0.1063	1,923,978	(340,768)
20	**2046**	$0.0875	1,559,462	$0.1098	1,957,747	(398,285)
21	**2047**	$0.0875	1,536,070	$0.1135	1,992,109	(456,039)
22	**2048**	$0.0875	1,513,029	$0.1172	2,027,074	(514,045)
23	**2049**	$0.0875	1,490,333	$0.1211	2,062,652	(572,319)
24	**2050**	$0.0875	1,467,978	$0.1251	2,098,855	(630,877)
25	**2051**	$0.0875	1,445,958	$0.1292	2,135,694	(689,735)
26	**2052**	$0.0875	1,424,269	$0.1335	2,173,179	(748,910)
27	**2053**	$0.0875	1,402,905	$0.1379	2,211,322	(808,417)
28	**2054**	$0.0875	1,381,862	$0.1425	2,250,135	(868,273)
29	**2055**	$0.0875	1,361,134	$0.1472	2,289,628	(928,495)
30	**2056**	$0.0875	1,340,717	$0.1521	2,329,815	(989,099)
31	**2057**	$0.0875	1,320,606	$0.1571	2,370,708	(1,050,102)
32	**2058**	$0.0875	1,300,797	$0.1623	2,412,318	(1,111,521)
33	**2059**	$0.0875	1,281,285	$0.1676	2,454,658	(1,173,373)
34	**2060**	$0.0875	1,262,066	$0.1732	2,497,741	(1,235,676)
35	**2061**	$0.0875	1,243,135	$0.1789	2,541,581	(1,298,447)
			56,913,832		67,204,199	(10,290,367)

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve Replacement and Payout of Totaled Water Distribution Truck

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 4 minutes

SUBMITTED BY: Trent Hawkinson, Operations Manager, Danny Loch, Finance Manager

PRESENTER: Trent Hawkinson, Operations Manager, Paul Sandy, Public Utilities Director, Danny Loch, Finance Manager

SUMMARY OF ISSUE:

On February 6, 2026, a BPU Water service truck was involved in an accident and deemed a total loss (no major injuries and no fault to BPU). The department operates with only two water service vehicles, and the second truck is currently out of service due to a transmission failure requiring repair. As a result, the department is presently without a fully operational service vehicle.

Staff have initiated the insurance claim process and begun evaluating replacement options for the totaled vehicle. During this review, it was noted that one of the two water service trucks had previously been identified for replacement in the 2026 budget but was deferred during the budget development process.

Given the current circumstances, staff are requesting a 2026 budget amendment to proceed with the purchase of a replacement both water service trucks in 2026 at a cost of $250,000 before insurance proceeds from the loss. The 2027 estimated cost was at approximately $160,000. In coordination with the insurance process and current vehicle procurement timelines, staff have identified a potential opportunity to purchase both service trucks in 2026.

Advancing both purchases this year would restore full operational capacity, reduce downtime risk, and provide long-term efficiencies through standardization of equipment, including streamlined maintenance, parts inventory, and service training.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: With the interviewing of two new Water Distribution Service Workers operational demands have increased and reinforces the need to advance vehicle replacement timing to ensure staff are fully equipped to perform required duties as we move into one of the biggest construction years with Hwy 210 project and water service line replacements.

RECOMMENDED ACTION/MOTION: Staff recommendation coming out of committee discussion is to approve a budget amendment purchasing both vehicles in 2026.

FINANCIAL IMPACT: $250,000; less unkown insurance proceeds.

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Review City Code Section 705 - Water System

ACTION REQUESTED: Discussion Item

ESTIMATED TIME (MIN): 15 Minutes

SUBMITTED BY: Paul Sandy, Public Utilities Director

PRESENTER: Paul Sandy, Public Utilities Director, Charlie Gammon, Water/Wastewater Manager, Trent Hawkinson, Operations Manager

SUMMARY OF ISSUE: Beginning in 2023, the Public Utilities Commission directed staff to undertake a full repeal and replacement of Section 705 – Water System within the Brainerd City Code. The current section is outdated and does not reflect modern operational practices, maintenance standards, or regulatory requirements for the municipal water system. For reference, both the existing Section 705 and the proposed draft replacement are attached to this agenda request.

Staff is requesting Commission feedback on the proposed ordinance revisions so that any necessary changes can be incorporated prior to forwarding the final version to the City Council for formal review and adoption.

The draft ordinance has undergone comprehensive internal review by operations and management staff, as well as legal review by the City Attorney, to ensure consistency with current practices, state requirements, and City policies.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

The proposed revisions to Section 705 modernize and clarify the City's water system regulations, including requirements for properties seeking water or sewer service, standards for service connections, responsibilities for maintenance, and updated operational policies. The ordinance requires properties outside city limits to annex or enter into a pre-annexation agreement before receiving service, with strict conditions governing legal descriptions, recording requirements, and commitments to future annexation. It also updates permitting requirements for plumbers and excavators, establishes when City crews or licensed contractors must perform service taps, and defines accessibility standards for when properties must connect to public water. Construction standards are aligned with the Minnesota Plumbing Code and MDH separation requirements, including rules for subdivisions, multi-unit dwellings, and curb stop installation. The draft further details responsibilities for maintaining water service lines, addressing leaks, thawing frozen lines, and managing abandoned services, including applicable fees and assessment procedures.

The ordinance updates meter requirements by mandating City-owned meters for all services except

private fire protection, establishing installation and inspection standards, and outlining rules for remote registers, outdoor irrigation meters, testing procedures, damage liability, and tampering consequences. It clarifies billing rules, delinquency timelines, reconnection requirements, and the City's authority to discontinue service, while eliminating seasonal water customers and maintaining minimum monthly charges. Fire service provisions are also updated, requiring City oversight of fire line construction, specifying when metering is required, controlling hydrant use through permitting and training, and prohibiting domestic use of fire lines. The ordinance strengthens cross-connection and backflow prevention requirements through mandatory inspections, certified testing, compliance deadlines, and enforcement procedures, including administrative warrants and service discontinuation for noncompliance. Finally, the ordinance reaffirms the City's rights to shut off water without notice during emergencies, prohibits waste, disclaims guarantees of pressure or continuous supply, limits City liability, permits borrowing of parts under replacement agreements, and clarifies that all rules in Section 705 form part of every customer's contract for City water service.

RECOMMENDED ACTION/MOTION: Staff is requesting that the Commission review the proposed Section 705 – Water System ordinance and provide feedback on any revisions that may be necessary. Following the Commission's review and comments, staff will document the recommended changes and update the draft accordingly, consistent with Commission direction. Once revisions are completed, the finalized ordinance will be forwarded to the City Council for its formal review and approval process.

FINANCIAL IMPACT: N/A

Section 705 – Water System

705.01 Water Lines: Private Property. Subdivision 1. General Rule. It is the responsibility of each property owner to install and properly maintain the water service line located on his property. In the event that said line becomes broken or defective causing leaking, the property owner shall, at his expense, repair or replace the line.

Subd. 2. Repairs: Assessed. In the event that the property owner shall fail to make the necessary repairs within 24 hours after being notified by the Water and Light Department to do so, the Water and Light Department is authorized to turn off the water service to that property and proceed to make the necessary repairs to the line, the cost of which shall be chargeable to the property owner and in the event of non-payment, and the cost thereof shall be assessed against the benefiting property in the manner provided by law.

CHAPTER VII

PUBLIC UTILITIES

Section 705 – Water System

705.01 Conditions Precedent to Receiving City Water. Subdivision 1. Any person desiring city water and/or sewer service to property lying outside the city's corporate limits must:

1. If the property is contiguous to the city's corporate limits, annex the subject property into the city as a condition precedent to receiving such water and/or sewer service.

2. If the property is not contiguous to the city's corporate limits, as a condition precedent to receiving either water and/or sewer service, enter into a legally valid and binding preannexation agreement. Such agreement shall in all instances be in form and substance satisfactory to the city attorney and shall, as a minimum, contain the following provisions:

    a. A complete and accurate legal description of the property which is the subject of the agreement.

    b. The common or street address of the subject property.

    c. A declaration that water or sewer service, or both, are to be provided.

    d. A declaration that the owner(s) of record, at their sole expense, will within sixty (60) days of becoming contiguous to the city petition the city for voluntary annexation into the city and rezoning.

    e. A declaration that such agreement is binding upon the present owners and all future owners; that such agreement shall constitute a covenant in perpetuity running with the land; and, that the city's original of said agreement shall be filed by the city with the Crow Wing County recorder and that such filing fee shall be paid by the city and added to the first sewer or water bill as a one-time special charge.

3. The entirety of the subject property shall be annexed into the city, or made the subject of the preannexation agreement, as applicable. Property shall not be divided or subdivided with less than the whole being annexed or made the subject of a preannexation agreement in order to receive city water or sewer services. The sole exception shall be tracts in excess of twenty (20) acres in size which are actually utilized as a farm; as to such farm ground, the site of the dwelling house and

dwelling house outbuildings may be annexed into the city or made the subject of a preannexation agreement. The permitted division of such property shall be drawn in such a manner that the tract to be annexed or made the subject of a preannexation agreement clearly conforms to all applicable requirements of state law, and local ordinance.

Subd 2. Exceptions. In extraordinary situations so declared by the city council, the council may deviate from the foregoing subsection of this chapter by requiring that all of a given tract of real property be annexed into the city or be made the subject of a requisite preannexation agreement.

Subd 3. Special Conditions. The City Council may, in addition to any of the foregoing conditions, require additional terms or conditions as may appear to be in the best interest of the city as conditions precedent to the annexation or preannexation agreement.

Subd 4. Intergovernmental Agreements. Nothing in this chapter shall be interpreted as a restraint upon the power of the city to enter into intergovernmental agreements relating to the sale of or receipt of sewer or water services by the city.

Subd 5. Deviations. No city officer or official shall have any authority to deviate from the requirements of this chapter, or to bind the city to any such deviation. Service outside municipal limits shall comply with Minn. Stat. Ch. 414 and applicable intergovernmental agreements. Water service extensions shall not obligate the city to provide water or sewer services absent annexation compliance.

705.02 Water Service Connections: Permit Required. Subdivision 1. Plumbers and plumbing contractors are required to be licensed by the City of Brainerd and the State of Minnesota pursuant to Minnesota Plumbing Code and shall secure a permit from the city before making any connections to a watermain, and no plumber or other person shall make any attachment or connection to the watermain to serve other premises.

Subd. 2. Excavators are required to be licensed in the city and shall secure a permit before digging is done on public right-of-way or municipal easement. Fees for licenses and excavating are set by Section 1000 General Provisions Appendix A: Fee Schedule. Excavators shall abide by all construction and excavation requirements of the City Code.

Subd. 3. All public and municipal utilities shall be contacted before any excavation work is done by using Gopher State One Call (GSOC). All utility locations are the responsibility of the contractor.

Subd. 4. Safety precautions are the responsibility of the contractor and shall be always maintained.

705.03 Water Service Connections: Who to Make and Cost Of. Subdivision 1. Any property located in the city which requires a source of potable water shall be connected to the public water distribution system at the expense of the property owner whenever the public system is located in a public right-of-way or easement accessible to said property. The public water distribution system is considered accessible when the property abuts upon any public street or alley along which water mains have been constructed. For purposes of this chapter, "abut" shall mean that the property is either contiguous to the city street serviced by city water or benefits from an easement that enables service from said city street whereby they could connect to city utilities without further consent from any other landowner. As to non-abutting property which, in the case of residential use is within four hundred feet (400') and in the case of business or commercial use is within six hundred feet (600') of any public street or alley along with water mains have been constructed, the owner shall, as to any new construction requiring water service, connect with the city water main in accordance with the provisions of this chapter, before any use or occupancy may be made on such premises. In the event an owner of such property does not connect as so required, the city may, after providing written notice of owner, begin assessment of a monthly water availability charge to the owner at an amount as set by City Council. Any exception shall only be permitted through a written agreement by the administrative authority. A water well no longer needed to provide potable water because a property is connected to a public water supply must either be restricted to irrigation use or sealed and abandoned in accordance with the Minnesota Water Well Construction Code (Minnesota Rules, Chapter 4725).

Subd. 2. Wet tap service connections to the mainline watermain two (2) inches and smaller in diameter will be completed by the city. Wet tap service connections larger than two (2) inches in diameter shall be performed by a licensed contractor or other authorized personnel.

Subd. 3. Water connection permit fees are set by Section 1000 General Provisions Appendix A: Fee Schedule.

Subd. 4. A water connection fee will be charged any time a water service line installed or replaced and wet tapped to the main.

Subd. 5. All service taps two (2) inches or less in diameter shall be completed under pressure. Service taps larger than two (2) inches in diameter have the option of being completed under pressure.

Subd. 6. When a service lateral was installed with a watermain project (out to the curb stop), the property owner will connect at the curb stop. If any additional service is needed, the aforementioned described service connection fee will apply.

Subd. 7. All service lines, connections, piping, and appurtenances shall be installed and performed strictly in accordance with the Minnesota Plumbing Code and this Code and be

approved by the city. Failure to install or maintain the same in accordance therewith, or failure to have, or permit, required inspections shall be grounds for termination of water service to any customer.

705.04 Services: Construction. All services shall be constructed by a state licensed contractor in conformance with the Minnesota Plumbing Code and AWWA standards at the owner's expense.

705.05 Services: Restriction on Laying Pipe. Subdivision 1. All service pipes shall be installed in accordance with the Minnesota Plumbing Code and the Minnesota Department of Health (MDH) watermain separation guidance. No consumer shall be permitted to extend water pipes across lots or buildings to adjoining premises. All service pipes shall be laid within public right-of-ways or public ground to the premises to be served and enter from the nearest mainline watermain.

Subd. 2. Water extensions to a sub-division within the corporate limits of City of Brainerd are to be petitioned by the developer. The City Administrator shall have a feasibility study conducted after which the City Council will approve, or disapprove, any utility improvements to the area. The cost of the feasibility study will be paid by the petitioner.

705.06 Services: Separate Service to Each Building. No new service shall be constructed, and no existing service shall be changed in such a manner that more than one building shall be on the service.

705.07 Separate Curb Stop Required for Each Building. Owners of premises having water services that do not have separate curb stops and boxes for each individual service or which otherwise do not conform to the requirements in this Chapter shall be required to put in such curb stops or make such other changes as are necessary to conform to these requirements, when so instructed by the city. Additional curb stops, when required, shall be installed, maintained, repaired, or replaced at the expense of the owner of the premises for which it provides service. Each dwelling unit within a multi-tenant building, including but not limited to duplexes and triplexes, shall be served by an individual curb stop and service connection. The owner of such curb stops shall also, at all times, provide and allow the city access to the curb stops for the purpose of shutting off or turning on the water supply to the premise or service.

705.08 For Water Used During Construction. If a contractor requests water for construction purposes, a temporary metered connection shall be installed by the contractor and the meter supplied by the city. Under no circumstances shall a contractor use water without a meter. In cases where temporary water service is required to provide water to existing structures during construction of a new watermain, the city shall not charge for water utilized to serve those properties during the period of temporary water service.

705.09 Curb Stop: When to be Shut-Off. Plumbers shall leave all new water services shut-off at the curb stop after completion of testing, except that water may be left on only when the

owner or their agent has made application for the same and has a receipt from the city showing fees paid and permit verification.

705.10 Maintenance of Service Lines. The city shall maintain water service lines one (1) inch in diameter or smaller from the watermain to, and including the curb stop, at no cost to the customer. For water service lines greater than one (1) inch in diameter, the customer shall be responsible for maintenance of the entire water service and all appurtenances, including the connection to the watermain. In all cases, the customer shall be responsible for maintenance of the water service located on the property owner's side of the curb stop.

705.11 Repair of Services to Conform to Chapter. Repairs made to existing services shall cause each service to conform in every respect with this chapter. If the plumbing is not within the City Code requirements, it is required to be brought up to City Code standards by the property owner. The owner may choose to pay for said replacement, or they may elect to have the city pay for said repairs and have it assessed to the property. All repairs must comply with Minnesota Plumbing Code regardless of the age of the system.

705.12 Two or More Services on One Shut-Off: Turning on of Water. When there are two or more services on one curb stop, the water will not be turned on unless each service is properly metered and the water billings for all services are paid in full. The city may require that additional curb stops be installed as outlined in Section 705.13 of this Code.

705.13 Services: Location of Leaks. When a leak occurs, the city will determine which side of the curb stop the leak is located. It is then the responsibility of city or the property owner to repair the leak pursuant to the city's Residential Leaking Water Service Line Policy.

705.14 Service Line – Freeze-Ups. Subdivision 1. When a water service line freezes, customers are responsible for thawing of the water service line pursuant to city's Frozen Water Service Line Policy. It is the sole responsibility of the property owner to thaw the service lateral from the house or building to the watermain for a water service larger than one (1) inch in diameter and from the house or building to the curb stop for a water service one (1) inch or smaller in diameter. Any cost resulting from the thawing of these frozen water lines will be paid by the owner.

Subd. 2. If a water service lateral freezes, it is the sole responsibility of the customer to let the water "drip or slow-run" to prevent freezing of the service line. The city does not allow credit on water used during the period in which the water "drips or slow-runs". If a bypass line is deemed necessary, the city will allow owners to install a bypass to prevent freezing, however the installation will be at the owner's expense and must be installed by a licensed plumber. Bypass line should be located before the water meter and must discharge to the drainage system through an air gap.

705.15 Abandoned Water Service Lines. Subdivision 1. When a water service line is abandoned in an improved street and determined to be no longer necessary, and pursuant to city's Abandonment and Removal of Water Service policy, the city shall keep a record of such abandonment and shall bill the property owner an abandonment fee. The abandonment fee shall be a fixed charge established by resolution of the City Council. All abandonment fees are to be billed to the property owner and if not paid by September 30th of the year in which the service is determined to be abandoned, the charges shall be assessed to the property owner in accordance with City policy for assessing current service charges. Abandonment fees billed to the property owner and paid after September 30th will be assessed to the property owner during the next assessment year period. Previously abandoned services shall be excavated and shut off at the main during the next street construction, reconstruction or overlayment project with the cost to be paid by the city.

Subd. 2. When a leak occurs in an abandoned water service line prior to construction, reconstruction or overlayment, the city shall repair the leak or remove the abandoned service.

Subd. 3. When a structure is demolished the water service line shall be shut off at the main line.

Exceptions for the removal of the service line may be made by the city for the following reasons:

1. The service line has been replaced in the last thirty (30) years, and the materials and installation of the service line are consistent with current standards and specifications of all city and state codes.

2. A street reconstruction project has occurred within the last five years, and the removal of the service line would damage the street.

3. Any other reason approved by the city.

705.16 Right to Shut-Off Water: Notice, When Required, Claims Against City. Subject to restrictions imposed by state law, the city reserves the right, at any time when necessary, without notice, to shut the water off at the main for the purpose of making repairs or extensions or for any other purpose. No claim shall be made against the city for any damage that may result from shutting off water for repairing, laying or relaying mains, hydrants or other connections. The city shall give notice of shutting off water if conditions are such that it is possible to do so.

CONTROL AND REGULATIONS OF WATER METERS

705.17 Water Meters: Required – By Whom Furnished. Subdivision 1. Except as otherwise provided in this chapter, any person, firm or corporation taking water from the water

mains of the City of Brainerd is required to use a meter and such meter is required to be installed pursuant to the provisions of this Code and the Minnesota Plumbing Code.

Subd 2. Meters will measure water at gallon rates, and the consumer will pay for the water used. All meters are furnished by the city pursuant to the city's Disconnection of Utility Service policy. The city retains ownership of all meters, regardless of who purchased the meter and has the right to remove the meter pursuant to the Disconnection of Utility Service policy.

705.18 Water Meters: To be Attached to All Services, Exceptions. Meters shall be attached to all services except private fire protection services as herein provided.

705.19 Water Meters: Installation of. The owner must have a licensed plumber install the meter and necessary fittings at their expense. The city will inspect the installation and approve it before the water is turned on. Meters shall be placed on the service pipe not to exceed two (2) feet from the wall where such pipe enters the premises and be in a horizontal position. There shall be a valve between the meter and the wall; and a suitable place shall be provided for the meter so as to keep it dry and clean, protected from frost, and it shall be readily accessible at all times to the meter reader and inspectors of the city.

705.20 Water Meters: Outdoor Metering. When a customer requests metering for outdoor watering only, with no corresponding wastewater charges, the following procedure will be followed:

1. A separate water meter with remote meter reading capability and piping is to be installed in such a manner that the outdoor water system cannot be interconnected to a domestic system.

2. The outdoor metering and piping shall be inspected and approved by city personnel before use of the system is authorized.

3. Any use of the outdoor watering system which results in water entering the wastewater system of the city will be charged to the customer, based upon wastewater rates in effect at the time of use.

4. All charges for water used in the system and service charges in effect will be billed at rates which are in effect at the time of use.

705.21 Remote Meter Register. Remote meter registers are required on all new construction and or remodeling projects. Remote meter register wire shall be furnished by the city and constructed in conduit by the owner's electrician or plumber. If a remote register is requested by the owner for an existing meter, the city will furnish and install the remote meter register and wire at no charge to the owner. All remote registers are to be

located next to the electric meter, unless the electric meter is not located on the external wall surface of a residence.

705.22 Water Meters: Valves on One and One-Half Inch and Larger Meters. Meters larger than one (1) inch in size shall be bypassed and shall have a suitable valve on either side of the water meter and a valve on the bypass, which will be sealed by the city. An owner may opt to install two (2) meters, instead of one (1) meter and a bypass.

705.23 Water Meters: To Be Protected. Meters that are liable to become damaged by heating or cooling systems shall be protected by the installation of an approved back flow preventer located in the potable water line before the point where any chemicals may be introduced.

705.24 Water Meters: Damage to, Who Liable. The owner or occupant of premises where a meter is installed shall be held responsible for its care and protection from freezing or hot water, and from other injury or interference or in case of its stoppage or imperfect working, they shall give immediate notice to the city. All meters that are broken or damaged by negligence of owners or occupants of premises, or by freezing, hot water or other damage, except ordinary wear and tear, shall be repaired by the city and the cost of repairs shall be paid by the owner or occupant.

705.25 Water Meter: Owner of Premises to Give Notice When Meter Not Needed. Whenever a water meter is installed on a water service in a premises that is to be remodeled, removed or destroyed, or where the service is discontinued so that the water meter is no longer needed, the owner of such premises shall give notice to the city to remove such meter, and free access to such meter must be provided so that the meter may be removed. The owner of the premises shall be held responsible for the meter and, if the meter is lost, they shall be required to pay for the same at the actual value.

705.26 Water Meter: Interference with Registration and the Breaking of Seal is Prohibited. No one shall in any way interfere with the proper registration of a water meter; and no one, except an authorized employee of the city shall break a seal of a meter; provided, however, that the city may grant specific permission to licensed plumbers to break such seal for draining pipes or stopping water leaks.

705.27 Water Meters: Tampering With, Water Bill to be Estimated. If any meter is found to have been tampered with, the water bill shall be estimated for that billing period and the meter repaired and tested. Upon repetition of the offense, it will be the option of the city to discontinue the water service pursuant to the city's Disconnection of Utility Service policy or collect the amount estimated due.

705.28 Water Meters: Testing and Expense for. In case there is doubt as to the accuracy of a water meter on the part of the consumer, they may have the meter, up to one (1) inch, tested by 3rd party testing consultant contracted by the city; at which time they may be

present, or have a representative present if they so desire; and if the meter is found to register within two (2) percent of being correct, a charge will be made for making the test. If the meter is found to measure two (2) percent incorrectly, no charge shall be made for making the test. If the meter should be found to over-register more than two (2) percent, there shall be a proportional deduction made from the previous water bill. A water meter shall be considered to register satisfactorily when it registers within two (2) percent of accuracy.

705.29 Water Meters: Right of Access. In consideration for connecting to the City water system, the customer authorizes the City to access all exterior service line valves, including the curb box valve. The city employees or agents shall have the right to enter the customers' premises at all reasonable times for the purpose of operating service valves or for the reading, inspection, repairing or removal of the water meter.

WATER SERVICE RATES, BILLS AND ACCOUNTS

705.30 Water Rates and Rules, How Established, Changed. It is hereby expressly provided that the city reserves the right to change the rate for the use of water from time to time, by resolution; and at all times make such water restrictions, rules and regulations as, in the judgement of the city, may be necessary.

705.31 Water Rates: How Applies in Building Service Rentals. When two or more apartments are connected with one meter it will be the responsibility of the landlord to pay the water charges.

705.32 Water Service Bills, When Due and Delinquent: Turning Off of Water, When Turned On. All bills are due and payable on or before the 15th day after bills are sent out. Subject to state law, five days after a bill has become delinquent the water may be shut off from the premises; and, when so shut off, shall not be turned on again until all water bills and all other charges due for services to the consumer, together with a reconnect charge for turning water on, has been paid. Water will be turned on during regular working hours for the reconnect charge.

705.33 Water Service, Discontinuing of Service, Seasonal Customers, Freeze-Ups. Subdivision 1. Any consumer desiring to discontinue the use of water must notify the city.

Subd. 2. There are no seasonal customers for water and sanitary sewer services. Monthly charges are based upon the consumption of water. If there is no consumption for that month, a fee is charged according to the current rate schedule, or the customer may have the water shut off or turned on at the curb box at the current fee and pursuant to the city's Disconnection of Utility Service Policy.

Subd. 3. Any water breaks due to freezing lines are the responsibility of the owner. The owner will be charged for all water consumption as well as any sewer rates pursuant to the city's Frozen Water Service Line policy.

705.34 Permission Necessary to Turn On, When. Once water was shut off for any of the reasons provided above, no one shall turn the water on without permission from the city.

705.35 Fire Services: Construction of. The construction of fire services shall be under the personal supervision of an authorized employee of the city, and the cost of this supervision shall be charged to the owner.

705.36 Fire Services: When Meters Not Required. Private fire protection services may be constructed without meters provided that all outlet valves are sealed, and that the system is approved by the city and conforms with all building codes. All fire service lines shall be installed with a check valve or backflow prevention device.

705.37 Fire Services: When to be Opened. Fire protection systems shall be opened in case of fire or for inspection, and shall not supply water for domestic use, other than fire purposes.

705.38 Fire Services: Seals Broken On, Duty to Notify. When seals on a fire protection system are broken, it shall be the duty of the owner or occupant to notify the city within 24 hours thereafter.

705.39 Fire Services: Limited Size Of. The city shall reserve the right to limit the size of fire protection services where the street mains are not adequately sized to protect public interest.

705.40 Fire Service: Use of For Other Purposes, Penalty. In any case when the owner or occupant of any premises are found to be using water from a fire service for purposes other than fire protection, the city reserves the right, at any time, to require the owner of the premises to furnish and install, at his expense and under the direction of the city, an approved water meter and to keep the same in accurate operating condition.

705.41 Fire Hydrants: Permit Required to Use. Hydrants are available throughout the city, but the use of a fire hydrant, unless authorized by the city, is strictly forbidden. Temporary service from fire hydrants is available for contractors. A hydrant rental fee, along with a metered charge, is required for contractor usage, tank fillings or other approved usages of fire hydrants. If a meter is required, it will be furnished and installed by the city unless the contractor has gone through city provided training on the installation and use of fire hydrants and use or installation of city provided metering equipment. The charges for water used will be billed at the current water rates.

705.42 Fire Hydrants: How to Be Opened. Hydrants shall only be opened by the city unless the contractor has been trained as to such use by the city and permission is granted to the contractor.

705.43 Fire Hydrants: Use of In Flushing Streets and Sewers. Hydrants used for construction purposes and/or flushing sewers and streets shall have a reducing coupling attached to the nozzle of the hydrant with an independent throttling valve for regulating the supply.

705.44 Water Supply from Two Sources. Piping System to be Separate. On premises where water is supplied from two sources, the city water being one of the systems, the piping system for city water must be entirely separated from that of the other source. If such cross-connections are found to exist, the owner or their plumber must give notice to the city and make an immediate correction of the problem. Failure to correct the problem will result in the discontinuation of the city's water supply by the city.

705.45 Cross Connections and Backflow Prevention. Subdivision 1. Purpose. The purpose of this subsection is to protect the health of water customers and the city's potable water supply.

Subd. 2. Definition. For the purposes of this subsection, "cross connection" shall consist of a connection or arrangement, physical or otherwise, between the city's water supply system and any plumbing fixture, tank, receptor, equipment, or other device, through which it may be possible for non-potable, used, unclean, polluted, or contaminated water, or any other substances to enter into any part of the city's water supply system under any condition.

Subd. 3. General rule. Cross connections between the city's water supply system and other systems or equipment are prohibited, except when and where, as approved by the city, suitable backflow prevention devices are installed, tested, and maintained in accordance with this subsection to ensure proper operation on a continuing basis. Backflow prevention devices shall be owned, tested, and maintained in working condition by the owner or occupant of the premises being served.

Subd. 4. Installation, maintenance, testing. The installation, maintenance, and testing of backflow prevention devices shall be conducted in accordance with the Minnesota State Plumbing Code. Testing must be performed by a state certified backflow tester. All internal maintenance to any backflow prevention devices shall be performed by a state certified backflow prevention tester. The test results shall be furnished to the city. The city's fee for administering a backflow preventer testing program is set by Section 1000 General Provisions Appendix A: Fee Schedule.

Subd. 5. Permit required. Prior to the installation of or repair to any private water line, system, apparatus, or equipment that is connected to or has a cross connection with the city's water supply system, the property owner or occupant must obtain a permit pursuant to City Code.

Subd. 6. Inspection and improvements.

1. All properties connected to the city's water supply system shall be subject to annual inspection by a city-designated inspector for the purpose of determining whether cross connection(s) exist, and if so, compliance with this subsection. The property owner or occupant shall allow the city-designated inspector onto the property and into any structure necessary to complete the inspection. The inspection shall occur within 30 days of written notice from the city that a compliance inspection is required. The compliance inspection shall occur at a time and in a manner as reasonably determined by the city-designated inspector. If the property owner or occupant fails to permit or have completed a compliance inspection as provided herein, the city may apply for an appropriate administrative search warrant authorizing the city-designated inspector to enter onto the property to conduct said inspection.

2. In the event that a backflow prevention device is required on the property and said device is not present or is not otherwise in compliance with this subsection, the installation or maintenance of a proper backflow prevention device shall be completed within 30 days of the city's written notice of noncompliance to the property owner or occupant. Following the written notice of noncompliance, a second compliance inspection shall be completed upon indication by the property owner or occupant of compliance with this subsection for the purpose of determining whether the necessary corrections have been made. In no event shall the second inspection be more than 60 days following the city's written notice of noncompliance related thereto.

Subd. 7. Noncompliance. In addition to any other penalty authorized by federal, state, or local law, the failure to comply with any of the provisions of this subsection shall be cause to discontinue water service.

705.46 The City Does Not Guarantee Accuracy of Information Given. Information obtained from the records, maps, employees, etc., of the city relative to the location of water mains and service pipes will be furnished to licensed plumbers and interested parties, but the city does not guarantee the accuracy of the same.

705.47 Unnecessary Waste, Right to Cut Off Supply. Consumers shall prevent unnecessary waste of water and keep all water outlets closed when not in actual use. If unnecessary

waste of water takes place the city reserves the right to cut off the supply. The city reserves the right to prohibit the use of water for yard sprinklers, elevators, air conditioners, coolers and large consumers of water when in the judgment of the city, it shall be necessary to do so.

705.48 The City Does Not Guarantee Pressure or Supply. The city does not guarantee the consumer any fixed pressure or a continuous supply. In emergencies, water may be shut off without notice.

705.49 Non-Liability of The City for Water Service Breakage Failure in Supply. The city shall not be held responsible for any reason, such as, but not limited to the breaking of any service pipe or apparatus, water coil, shut off or failure in the supply of water.

705.50 Borrowing of Plumbing Supplies. When a contractor is in need of a certain part or fitting, the city may provide that part or fitting to the contractor with the agreement that the contractor will provide the City with a new replacement part or be charged the current replacement price.

APPLICATION RULES, PENALTY

705.51 Foregoing Rules and Regulations Considered Part of Every Contract. The foregoing rules and regulations shall be considered a part of the contract with every person who takes water supplied by the city and every such person who takes water shall be considered as having expressed his agreement to be bound thereby.

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve Amendment to BPU_POL_2007_11 Utility Service Turn On Fee

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 5 Minutes

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Paul Sandy, Public Utilities Director, Danny Loch, Finance Manager

SUMMARY OF ISSUE:

Staff have updated Policy 2007-11: Water Service Turn-On Fee to a Utility Service Turn-On Fee to align with the comprehensive policy template approved by the Commission as part of the policy standardization effort occurring throughout 2026. This update ensures consistency in format, terminology, and structure across all Brainerd Public Utilities policies.

The attached redlined version reflects targeted revisions to modernize the policy and improve administrative flexibility. The redlined changes primarily apply to the policy statement, while additional sections have been incorporated to meet approved template guidelines and support standardization. A key revision includes the removal of specific dollar amounts from the policy language, which are now referenced within the BPU fee schedule reviewed and approved annually by the Commission. This approach allows for more efficient updates to rates and fees without requiring formal policy amendments, while maintaining appropriate Commission oversight.

Additionally, to increase administrative flexibility and ensure consistency across operations, staff have revised the policy to apply broadly to all utility services rather than being limited to water-specific fees. This change better reflects current practices and allows for uniform application across service types.

These changes are administrative in nature and are intended to improve clarity, consistency, and long-term usability of the policy.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

RECOMMENDED ACTION/MOTION: Staff recommend approving the amended 2007-11 Utility Service Turn On Fee policy as presented.

FINANCIAL IMPACT:

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

Utility Service Turn On Fee

BPU_POL_2007-11

Latest Revision/Effective Date: March 31, 2026

Original Adoption Date: October 30, 2007

I. Purpose

The purpose of this policy is to outline the utility service turn on fee and when it is applied on account.

II. Scope

This policy applies to all customers with a service connection.

III. Definitions

Customer: The individual or entity listed on the utility account responsible for payment of utility services, including tenants, property owners, or authorized representatives.

Property Owner: The legal owner of record for the residence or commercial property receiving utility service. The property owner may be held responsible for charges if no active customer account exists or in accordance with Brained Public Utilities (BPU) policies.

Utility Service Turn-Off (Disconnection): The intentional shutoff of service at a residence or business at the request of the customer or property owner, excluding shutoffs initiated by BPU for nonpayment, maintenance, or emergency purposes.

Utility Service Restoration (Turn-On): The reactivation of a service following a requested disconnection. Restoration occurs only after all applicable conditions, including payment requirements, are satisfied.

Turn-On Fee (Service Reconnection Fee): A charge assessed by BPU for restoring utility service after a customer-requested disconnection. The fee amount shall be established in and governed by BPU's current fee schedule.

Fee Schedule: The official, Board-approved listing of rates, fees, and charges established by BPU for services provided, as amended from time to time.

IV. Policy Statement

When a customer requests their service be turned off at a residence or business, the customer or owner of the property will be charged a fee in accordance with BPU's fee schedule when the service is turned back on.

The fee will be billed to the customer on their monthly bill; however, BPU reserves the right to require payment before the service is restored.

V. Procedures

Staff will bill the turn on fee in accordance with the fee schedule.

VI. Roles and Responsibilities

The Administrative Assistant/Dispatcher, Operations Manager, Electric Crew Chief, or Water Distribution Crew Chief will inform Billing Specialist of necessary charges per the fee schedule when the service order is prepared.

VII. Compliance and References

To meet Commission guidance.

VIII. Associated Forms and Attachments

None.

IX. Review and Update Schedule

This policy will be reviewed bi-annually.

X. Approval and Authority

The Public Utilities Commission is responsible for approving this policy and providing governance oversight.

BRAINERD PUBLIC UTILITIES
POLICY 2007-11
Adopted 10/30/07

~~WATER~~ UTILITY SERVICE TURN ON FEE

When a customer requests the ~~water~~ service be turned off ~~for their~~ at a residence or business, the customer~~,~~ or ~~the new~~ owner of the property ~~,~~ will be charged a ~~$50~~ fee in accordance with BPU's fee schedule when the ~~water~~ service(s) is turned back on.

~~When there is an For after hours~~after-hours request~~,~~ the fee will increase in accordance with BPU's fee schedule~~be $150.~~

The ~~$50 charge~~ fee will be billed to the customer on their monthly bill~~;~~, however, BPU reserves ~~has~~ the right to require payment before the ~~water~~ service is ~~turned on~~restored.

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve BPU_POL_2007_12 Fee for Check Readings and Test/Change of Utility Meters

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 5 Minutes

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Paul Sandy, Public Utilities Director, Danny Loch, Finance Manager

SUMMARY OF ISSUE:

As part of the 2026 comprehensive policy review and standardization effort, staff have updated the approach to customer-requested meter accuracy verification by replacing the existing provisions in Policy 2007-12 with a revised policy statement that reflects current operations and industry practices and aligns with the City Code 705.

The previous policy established a flat $25 fee for repeated requests to check or test electric and water meters within specified timeframes. This approach has been removed in favor of a more standardized and equitable framework based on actual meter accuracy. Under the revised policy, customers may request a meter accuracy test performed by a qualified third-party consultant. If the meter is found to be operating within an acceptable accuracy range of plus or minus two (2) percent, the customer will be charged a fee in accordance with the BPU fee schedule. The fee schedule will be updated to reflect the actual cost of the third-party consultant performing the test. If the meter is found to be inaccurate beyond this threshold, no fee will be assessed, and appropriate corrective actions, including potential billing adjustments, will be applied.

This change improves fairness and transparency by aligning charges with measurable meter performance rather than frequency of requests. It also removes fixed dollar amounts from policy language and instead references the Commission-approved fee schedule, allowing for more efficient administrative updates without requiring future policy amendments.

Overall, the revision modernizes the policy, aligns with current metering technology and practices, and ensures consistent application across utility services.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

RECOMMENDED ACTION/MOTION:

Staff recommend approving the amended Policy 2007-12 Fee for Check Readings and Test/Change of Meters as presented.

FINANCIAL IMPACT:

BRAINERD PUBLIC UTILITIES
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www.bpu.org

Fee for Checking Readings and Test/Change Meters

BPU_POL_2007-12

Latest Revision/Effective Date: March 31,2026

Original Adoption Date: October 30, 2007

I. Purpose

This policy establishes consistent standards for customer billing practices to promote fairness and transparency related to testing of meters.

II. Scope

This policy applies to any Brainerd Public Utilities (BPU) customer requesting tests of their meter reading.

III. Definitions

Customer: The individual or entity listed on the utility account responsible for payment of services and authorized to request meter testing.
Meter Accuracy Test: A formal evaluation of a utility meter's performance conducted by a qualified third-party testing consultant contracted by BPU to determine whether the meter is registering usage within acceptable tolerance levels.
Third-Party Testing Consultant: An independent, qualified entity contracted by BPU to perform certified meter accuracy testing in accordance with applicable industry standards.
Allowable Accuracy Range: The acceptable variance for meter performance, defined as within plus or minus two (2) percent of actual usage.
Over-Registration: A condition in which a meter records usage greater than the actual consumption beyond the allowable accuracy range of two (2) percent.
Under-Registration: A condition in which a meter records actual usage within the allowable accuracy range of two (2) percent.
Test Fee: A charge assessed to the customer for conducting a meter accuracy test when the meter is determined to be operating within the allowable accuracy range.
Billing Adjustment: A proportional correction applied to a customer's bill when a meter is found to be inaccurate beyond the allowable range, in accordance with this policy.

IV. Policy Statement

In case there is doubt as to the accuracy of a meter on the part of the consumer, they may request the electric meter, or water meters up to one (1) inch be tested by 3rd party testing consultant contracted by Brainerd Public Utilities. If the meter is found to register within two (2) percent of being correct, a charge will be made for making the test. If the meter is found to measure two (2) percent incorrectly, no charge shall be made for making the test.

If the meter should be found to over-register more than two (2) percent, there shall be a proportional deduction made from the previous bill. A meter shall be considered to register satisfactorily when it registers within two (2) percent of accuracy.

V. Procedures

A customer may request a meter accuracy test by contacting BPU for a specific service location. Upon receiving the request, BPU staff will review eligibility, including confirming the meter type and size, and inform the customer of applicable terms, including the potential for charges if the meter is found to be operating within the allowable accuracy range.

Once the request is confirmed, BPU will coordinate with a contracted third-party testing consultant to schedule and perform the meter accuracy test. The consultant will conduct the test in accordance with applicable industry standards and provide documented results indicating the meter's level of accuracy. BPU staff will review the results to determine whether the meter registers within the allowable accuracy range of plus or minus two (2) percent.

If the meter is found to register within two (2) percent of accuracy, a test fee will be charged in accordance with the BPU fee schedule. If the meter is determined to be inaccurate by more than two (2) percent, no test fee will be assessed. In cases where the meter is found to over-register by more than two (2) percent, BPU will apply a proportional adjustment to the customer's previous bill(s), based on available consumption data and staff determination. If the meter is found to under-register, no retroactive billing adjustment will be made unless otherwise required by applicable policy or regulation.

Following completion of the test and evaluation, BPU will notify the customer of the results, any applicable charges, and any billing adjustments. All documentation related to the request, testing, and outcomes will be retained in accordance with BPU record retention policies.

VI. Roles and Responsibilities

The Administrative Assistant/Dispatcher will receive the customer request and create a work order for the meter accuracy inquiry. The Meter Technician will review the request to confirm meter size and determine eligibility for testing in accordance with policy. The Administrative Assistant/Dispatcher or Billing Specialist will communicate with the customer regarding the request, including informing them of any potential applicable charges.

The Meter Technician will coordinate and oversee the meter accuracy test with the contracted third-party consultant, as applicable. Upon completion of the test, the Billing Specialist will calculate and apply any billing adjustments, subject to review and approval by the Business Office Supervisor.

VII. Compliance and References

Brainerd City Code.

VIII. Associated Forms and Attachments

None.

IX. Review and Update Schedule

This policy will be reviewed at the time City Code changes or as needed.

X. Approval and Authority

The Brainerd Public Utilities Commission approved this policy on March 31, 2026**.**

BRAINERD PUBLIC UTILITIES
POLICY 2007-12
Adopted 10/30/07

FEE FOR CHECK READINGS AND TEST/CHANGE METERS

~~**If a Brainerd Public Utilities (BPU) customer requests BPU to check the reading of their electric and/or water meter, there will be a $25 fee for this service if it is requested more than one time, by the customer, within a 12 month period.**~~

~~**In the event a BPU customer requests their electric and/or water meter be tested and changed more than once in a three (3) year period, the customer will be charged a $25 fee. If the meter test indicates that the meter is not accurate, the meter will be repaired or replaced, and the $25 fee will be returned to the customer.**~~

In case there is doubt as to the accuracy of a meter on the part of the consumer, they may request the electric meter, or water meters up to one (1) inch be tested by 3rd party testing consultant contracted by Brainerd Public Utilities. If the meter is found to register within two (2) percent of being correct, a charge will be made for making the test. If the meter is found to measure two (2) percent incorrectly, no charge shall be made for making the test.

If the meter should be found to over-register more than two (2) percent, there shall be a proportional deduction made from the previous bill. A meter shall be considered to register satisfactorily when it registers within two (2) percent of accuracy.

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve BPU_POL_2008_13 Access to Premises

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 5 Minutes

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Danny Loch, Finance Manager, Paul Sandy, Public Utilities Director

SUMMARY OF ISSUE:

Staff have updated Policy 2008-13: Access to Premises to align with the comprehensive policy template approved by the Commission as part of the policy standardization effort occurring throughout 2026. This update ensures consistency in format, terminology, and structure across all Brainerd Public Utilities policies.

The attached redlined version reflects targeted revisions to support administrative consistency and alignment with the approved template. The most notable changes to the policy statement is the removal of specific dollar amounts and the inclusion of a reference to applicable charges within the BPU fee schedule, and the change of water-specific metering to all BPU equipment. No other substantive changes were made to the policy statement. Additional sections have been incorporated to meet the approved template guidelines and support overall policy standardization.

Referencing the BPU fee schedule, which is reviewed and approved annually by the Commission, allows for more efficient updates to rates and fees without requiring formal policy amendments, while maintaining appropriate Commission oversight.

These changes are administrative in nature and are intended to improve clarity, consistency, and long-term usability of the policy.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

RECOMMENDED ACTION/MOTION: Staff recommend approving the amended 2008-13 Access to Premises policy as presented.

FINANCIAL IMPACT: Unkown

BRAINERD PUBLIC UTILITIES
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Access to Premises to Service/Repair Utility Meters

BPU_POL_2008-13

Latest Revision/Effective Date: March, 31, 2026

Original Adoption Date: November 24, 2009

I. Purpose

The purpose of this policy is to outline the rights Brainerd Public Utilities (BPU) has to equipment within the customers premises.

II. Scope

This policy applies to all customers with BPU equipment within their premises.

III. Definitions

Access: The entry by BPU personnel onto a customer's property, residence, or business, at reasonable times, for purposes related to the operation, maintenance, inspection, reading, repair, or replacement of utility-owned equipment, or for other activities necessary to administer service.
Reasonable Times: Hours that are customary for business operations, generally during normal working hours, unless otherwise required due to operational needs, customer coordination, or emergency conditions.
Customer: The property owner, tenant, or account holder who receives utility service from BPU and is responsible for compliance with applicable policies, ordinances, and service requirements.
Residence or Business: Any structure or premises, whether residential, commercial, or industrial, that is connected to and receives service from BPU.
Utility Meter: A device owned by BPU used to measure consumption for billing and operational purposes, including all associated components, connections, and appurtenances.
Inspection: The examination of a meter or related infrastructure to verify accuracy, condition, compliance, or proper operation.
Repair: The act of correcting, fixing, or restoring a meter or associated equipment to proper working condition.
Replacement: The removal and installation of a meter or associated equipment when it is no longer functional, accurate, or compliant with BPU standards.
Notice: A written or electronic communication issued by BPU to the customer identifying the need for access, the purpose of entry, and a specified timeframe for response or coordination.

Due Date: The date specified in the notice by which the customer must respond or make arrangements with BPU to provide access or resolve the identified issue.
Access Arrangement: A mutually agreed upon date and time between the customer and BPU to allow entry for the stated purpose.
Service Turn Off: The discontinuation of service by BPU due to the customer's failure to provide required access or comply with the notice, in accordance with applicable policies and regulations.
Applicable Charges: Fees or costs assessed to the customer related to service turn off, restoration, additional visits, or other actions, as established in the BPU approved fee schedule.
Fee Schedule: The officially adopted schedule of rates and charges approved by the Commission, which establishes the costs associated with services, penalties, and administrative actions.
Other Reasonably Necessary Purposes: Activities determined by BPU to be required for the safe, reliable, and compliant delivery of service, including but not limited to system maintenance, investigation of irregular usage, verification of service conditions, or response to potential hazards.

IV. Policy Statement

BPU has the right to access a customer's residence or business at reasonable times, whether it is for the reading, inspection, repairing and/or replacing of a utility meter; or for some other purpose reasonably necessary for the proper administration of the utility service.

A notice will be sent to the customer stating the reason why BPU needs to have access to the utility meter. If the customer does not respond back by the due date on the notice, to make arrangements with BPU to correct the problem, BPU has the right to turn the service off until access is gained any applicable charges will be billed in accordance with the approved fee schedule.

V. Procedures

Customers will be notified of the need to enter the premises via a door hangar, phone call, e-notice delivery, or a combination there of, to schedule an appointment with utility staff to enter the premises for the work that needs to be performed.

Once permission is gained multiple staff will enter the premises to perform the necessary work.

VI. Roles and Responsibilities

Staff will work with the administrative assistant/dispatch to schedule times with the customer to access the premises as needed.

VII. Compliance and References

See MN §7820.31.

VIII. Associated Forms and Attachments

Door hangars as applicable.

IX. Review and Update Schedule

This policy will be reviewed at the time of a law change under Minnesota states or as needed based on changes in City ordinance, code, or metering upgrades.

X. Approval and Authority

The Brainerd Public Utilities Commission approved this policy on March 31, 2026**.**

BRAINERD PUBLIC UTILITIES
POLICY 2008-13
Adopted – November 24, 2009

ACCESS TO PROPERTY
TO SERVICE/REPAIR ~~WATER~~ Utility METERS

Brainerd Public Utilities (BPU) has the right to access a customer's residence or business at reasonable times, whether it is for the reading, inspection, repairing and/or replacing a ~~water~~ meter ing equipment; or for some other purpose reasonably necessary for the proper administration of the ~~water~~ utility service.

A notice will be sent to the customer stating the reason why BPU needs to have access to the ~~water~~ utility meter. If the customer does not respond back by the due date on the notice, to make arrangements with BPU to correct the problem, BPU has the right to turn the ~~water~~ utility service off until access is gained any applicable charges will be billed in accordance with the approved fee schedule.~~

~~**If the water service is turned off, the customer will have to pay a $50 water turn on fee before the service is reinstated.**~~

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Resolution 26-02 - Approving Applications to the MN Public Facilities Authority for Lead Service Line Replacement Projects

ACTION REQUESTED: Adopt Resolution **ESTIMATED TIME (MIN):** 5 Minutes

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

SUMMARY OF ISSUE: The Brainerd Public Utilities Commission has entered into professional services agreements with Bolton & Menk to design and administer three galvanized water service line replacement projects scheduled for construction in 2026. The planned projects include:

1. Replacement of galvanized water service lines in coordination with the City's 2026 street reconstruction and resurfacing projects in south and southeast Brainerd.
2. Phase 1 galvanized water service line replacements in northeast Brainerd, focused on portions of Gillis Avenue, 1st Avenue NE, and 2nd Avenue NE.
3. Replacement of galvanized water service lines associated with the City's planned reconstruction of the alley between S 6th Street and S 7th Street from Paul Street to Joseph Street.

The City has been awarded $2,675,000 in funding for galvanized water service line replacement through the Minnesota Department of Health and the Minnesota Public Facilities Authority. The City is currently listed on the Intended Use Plan (IUP) through the Minnesota Public Facilities Authority for the use of these funds in 2026.

As part of the design and funding application process, the Public Utilities Commission are being presented with this resolution to authorize submission of the required funding applications to the Minnesota Public Facilities Authority.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: The resolution before the Public Utilities Commission authorizes staff and Bolton & Menk to submit the funding applications required to obtain reimbursement for project-related expenses associated with the three galvanized water service line replacement projects. Eligible expenses include engineering and construction costs, up to the total Intended Use Plan (IUP) funding amount of $2,675,000 available through the Minnesota Public Facilities Authority.

The resolution identifies the three projects included in the IUP, as described above, and includes the necessary language affirming the City's legal authority to apply for the funding and its financial, technical, and managerial capacity to ensure proper construction, operation, and maintenance of the improvements throughout their useful life.

Following completion of the funding applications and execution of the required certifications, the projects will be advertised for bidding and constructed during the 2026 construction season.

Reimbursement will be requested through forms provided by the Minnesota Public Facilities Authority for all eligible project expenses, including engineering and construction costs, up to a maximum of $25,000 per service line replacement.

RECOMMENDED ACTION/MOTION: Motion to adopt resolution approving submission of the applications to the Minnesota Public Facilities Authority for lead service line replacement projects and authorizing staff to proceed with the funding application process.

FINANCIAL IMPACT: The City is currently listed on the Intended Use Plan (IUP) through the Minnesota Public Facilities Authority for a total grant amount of $2,675,000, which is anticipated to cover all engineering and construction costs associated with the City's 2026 galvanized water service line replacement program.

RESOLUTION

_____

RESOLUTION APPROVING APPLICATIONS TO THE MN PUBLIC FACILITIES AUTHORITY FOR LEAD SERVICE LINE REPLACEMENT PROJECTS

WHEREAS, Brainerd Public Utilities is hereby applying to the Minnesota Public Facilities Authority for a loan and/or grant from the Drinking Water Revolving Fund for three lead service line replacement projects as described in the applications.

WHEREAS, Brainerd Public Utilities estimates the MPFA-Financed amount to be $2,657,000 or the as-bid cost of the projects.

WHEREAS, Brainerd Public Utilities has the legal authority to apply for the loan and/or grant, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the project for its designed life.

NOW THEREFORE, BE IT RESOLVED BY THE BRAINERD PUBLIC UTILITIES COMMISSION, BRAINERD, MINNESOTA:

1. The Brainerd Public Utilities Commission does hereby approve submittal of Drinking Water Revolving Fund Applications to the MN Public Facilities Authority for the following projects:
    a. Southside Phase 1 Lead Service Line Replacement Project.
    b. Northeast Lead Service Line Replacement Project.
    c. Alley between S 6th Street and S 7th Street from Paul Street to Joseph Street Lead Service Line Replacement Project.

Adopted this 31st day of March 2026

_____
MIKE ANGLAND
President of the Commission

Adopted this 31st day of March 2026

ATTEST: _____
DANIEL LOCH
Secretary of the Commission

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve Professional Services Agreement with SEH for the Development of City Standard Details and Specifications

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 10 Minutes

SUBMITTED BY: Paul Sandy, Public Utilities Director, Jessie Dehn, City Engineer

PRESENTER: Paul Sandy, Public Utilities Director

SUMMARY OF ISSUE:

The City currently utilizes a combination of legacy standard details and technical specifications to guide the design and construction of public infrastructure, including streets, watermain, sanitary sewer, stormwater systems, and erosion control measures. Many of these standard details and specifications were developed incrementally over time and have not undergone a comprehensive update in several years. In some cases, portions of the standards are outdated, inconsistent with current industry practices, or do not fully reflect updated regulatory requirements from agencies such as the Minnesota Pollution Control Agency (MPCA), Minnesota Department of Health (MDH), and MnDOT.

As a result, project-specific design decisions are often made on a case-by-case basis, which can lead to inconsistencies between projects, increased review time, and variability in construction quality. This condition applies across all project delivery methods, including City-led projects, consultant-led designs, and private development projects that are ultimately dedicated to the City.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

The development of a comprehensive and standardized set of City engineering details and technical specifications is necessary to improve consistency, efficiency, and quality across all public infrastructure projects. Establishing clear and up-to-date standards will:

- Provide a uniform basis for design across all City, consultant, and developer-led projects
- Ensure compliance with current regulatory requirements and industry best practices
- Reduce ambiguity during design and construction, minimizing change orders and disputes
- Streamline the plan review and approval process for staff
- Improve long-term system performance, maintainability, and lifecycle cost management
- Create clear expectations for contractors and developers working within the City

The absence of a modern, consolidated set of standards increases the administrative burden on staff

and introduces avoidable risk in both design and construction phases.

Staff has received a proposal from SEH to develop a complete and coordinated set of City standard details and technical specifications. SEH recently completed a City standard details and specifications project similar to this for the City of Baxter, and we will be utilizing the City of Baxter's template as a starting point for the City of Brainerd's Standard Details and Specifications. The proposed scope of services includes, but is not limited to, the following components:

- Review and evaluation of existing City standard details and specifications
- Coordination with City staff to identify preferences, operational considerations, and known issues
- Development of updated standard construction details for:
    - Roadway sections and typicals
    - Watermain systems and appurtenances
    - Sanitary sewer systems and structures
    - Stormwater and drainage infrastructure
    - Erosion and sediment control measures
    - Miscellaneous public works infrastructure components
- Preparation of comprehensive technical specifications aligned with the updated details
- Incorporation of applicable state and federal regulatory requirements
- Development of standards suitable for use in City-led, consultant-led, and developer-led projects
- Creation of a user-friendly and organized format for long-term implementation

The final deliverables will include a complete set of standard plates/details and a written specification manual intended to be adopted as the City’s governing design and construction standards.

Adoption of updated City standards will provide long-term value by establishing a consistent framework for all infrastructure projects. These standards will serve as the foundation for plan preparation, review, bidding, and construction, regardless of project delivery method.

For City-led projects, the standards will reduce design time and improve internal consistency. For consultant-led projects, the standards will provide clear direction and expectations, minimizing revisions during plan review. For developer-led projects, the standards will ensure that privately constructed infrastructure meets City requirements prior to acceptance and dedication.

Additionally, standardized details and specifications will improve communication between designers, contractors, and City staff, leading to more efficient project delivery and improved construction outcomes.

The proposed Professional Services Agreement includes a not-to-exceed fee of $40,000, as outlined in the consultant’s proposal. Staff consider this effort to be a critical investment in improving the efficiency, consistency, and quality of infrastructure project delivery across City-led, consultant-led, and developer-led projects.

To accommodate this work, staff are proposing to allocate funding across multiple enterprise and construction fund sources that directly benefit from the development of standardized details and specifications. The proposed cost distribution reflects the anticipated level of effort and applicability of the standards to each utility and infrastructure system, and is outlined as follows:

- $10,000 – City Construction Fund (Fund 401)
- $10,000 – BPU Water Distribution Enterprise Fund
- $10,000 – City Sanitary Sewer Collection Enterprise Fund
- $5,000 – City Stormwater Enterprise Fund
- $5,000 – BPU Wastewater Lift Station/Forcemain Enterprise Fund

This multi-fund approach aligns project costs with the respective infrastructure systems that will utilize and benefit from the updated standards. Staff determined this allocation based on the expected degree of use, complexity, and long-term value each fund will receive from the completed documents.

Staff believe the relatively modest investment will yield significant long-term benefits, including reduced design costs, improved review efficiency, fewer construction-related issues, and enhanced lifecycle performance of public infrastructure assets.

RECOMMENDED ACTION/MOTION: Staff recommends approval of SEH's proposal, in an amount not-to-exceed $40,000, and authorization to execute a Professional Services Agreement, contingent upon City Council approval.

FINANCIAL IMPACT: Financial impacts include $10,000 from the Consulting Services budget within the Water Distribution Fund and $5,000 from the Consulting Services budget within the Wastewater Lift Station Fund.

Building a Better World for All of Us®

March 18, 2026

RE: Brainerd, Minnesota
2026 City Standard Specifications and Details Update
Proposal for Professional Services
SEH No. P-BRDMN 171205 14.00

Paul Sandy, PE
Public Utilities Director
City of Brainerd
8027 Highland Scenic Road
Brainerd, MN 56401

Dear Paul:

Short Elliott Hendrickson Inc. (SEH®) is pleased to provide this proposal for professional services for assisting the City of Brainerd in updating their City Standard Specifications and Details in Brainerd, MN. Please review our proposal letter and if acceptable we will provide an agreement for execution referencing this letter.

Project Understanding:
The City of Brainerd (Client) is seeking to more comprehensively standardize their city specifications and details into a "master" set of documents between their departments for use internally and to be shared with developers and consultants for better consistency and quality of project outcomes. Another goal is to create documents similar to the City of Baxter for consistency for contractors bidding and working across the Brainerd/Baxter area. The City is also seeking to organize the standards by asset classes: street, water, sewer, and storm water.

Client is seeking a proposal for assistance with updating their Standard Specifications and Details.

Scope: SEH will complete the following tasks:

Task 1 - Update Standard Details (estimated 3-month duration):
The scope includes the following:

- Gather existing files available from Client and City of Baxter.
- Review & compare existing documents at Kickoff meeting with Client, and obtain initial direction – one (1) meeting.
- Develop first iteration updated documents, submit to Client for review (assume 4-week Client turnaround).
- Review meeting to discuss first iteration comments – one (1) meeting.
- Develop 2nd iteration documents based on city comments, submit to Client for review (assume 4-week Client turnaround).
- Review meeting to discuss second iteration comments – one (1) meeting.
- Prepare draft final documents for Client review and comments, submit to Client (assume 2-week Client turnaround).
- Review meeting to discuss final comments – one (1) meeting.
- Finalize documents and submit to Client.
- Project management, administration, and accounting.

Task 2 - Update Standard Specifications (estimated 3-month duration):
The scope includes the following:

- Gather existing files available from Client and City of Baxter, prepare for Client Kickoff meeting.
- Review & compare existing documents at Kickoff meeting with Client, and obtain initial direction – one (1) meeting.
- Develop first iteration updated documents, quality control, submit to Client for review (assume 4-week Client turnaround).
- Review meeting to discuss first iteration comments – one (1) meeting.
- Develop 2nd iteration documents based on city comments, quality control, submit to Client for review (assume 4-week Client turnaround).
- Review meeting to discuss second iteration comments – one (1) meeting.
- Prepare draft final documents for Client review and comments, quality control, submit to Client (assume 2-week Client turnaround).
- Review meeting to discuss final comments – one (1) meeting.
- Finalize documents and submit to Client.
- Project management, administration, and accounting.

Assumptions:

- The City of Baxter will consent to Client and SEH utilizing their Standard Specifications and Details for modification and use by City of Brainerd.
- The Client will provide SEH necessary existing Client standard specification Word document files and standard details in AutoCAD format.
- Four (4) of the eight (8) meetings (including the Task kick-off meetings) are budgeted to be in-person, with the remaining being virtual (Teams).
- City Staff will present final documents to their respective Commission and Council for approval as necessary.
- The SEH budget assumes up to 50 hours for a senior professional engineer/project manager, 80 hours for a professional engineer, 60 hours for a staff engineer, 20 hours for a lead technician, and 10 hours for administrative and accounting staff.

Exclusions:

- Hours beyond the budgeted hours listed in the Assumptions above.
- Meetings beyond those listed above.

Deliverables:

- Electronic PDF files along with Word files for the Specifications and AutoCAD files for the Details.

Schedule:
We anticipate completing our services within 180 days of signed notice to proceed.

Payment:
The estimated hourly fee is $40,000.00, including expenses and equipment.

Additional Services requested by Client not included in the scope above will be provided on an hourly basis including direct expenses. If requested, an estimate of the fee can be provided ahead of completing the work.

Your budgetary limitations for construction of the Project should be provided to us in writing at an early date. We will endeavor to work within those limitations. Where appropriate, if the estimated cost exceeds the budget, we will either request an adjustment in the budget or suggest a revision in the extent or quality of the Project to assist in bringing construction cost back within the budget. We do not guarantee that our opinions of probable construction cost will not differ materially from negotiated prices or bids. If you wish greater assurance as to probable construction cost or if you wish formal estimates, an independent cost estimator should be employed.

Thank you for the opportunity to provide a proposal. Please contact me at shedlund@sehinc.com or 612.865.3509 to discuss.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.

Scott D. Hedlund, PE, PMP
Principal
(Lic. MN, LA)

sh
c: Jessie Dehn, City of Brainerd
Neil Heinonen, SEH

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Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve Professional Services Agreement with SEH for the Development of the City of Brainerd Fats, Oils, and Grease (FOG) Management and Inspection Program and Development of a Mercury Minimization Management and Inspection Program in Conjunction with the City of Baxter

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: Staff has continued coordinating with SEH and the City of Baxter to develop a comprehensive scope of work for two new City programs: (1) a Fats, Oils, and Grease (FOG) management program, and (2) a Mercury Minimization program. These programs will outline design standards, inspection protocols, and enforcement procedures to ensure consistent regulatory compliance across the shared wastewater system.

In 2025, the City of Baxter completed a full FOG management program with assistance from SEH. Baxter's program includes the following components:

1. FOG Design Manual — Establishes design criteria for gravity and hydromechanical grease interceptors, provides sample calculations, and includes guidance for existing facilities and modifications.
2. FOG Discharge and Best Practices Manual — Includes FAQs, pumping and cleaning recommendations, best management practices for Food Service Establishments (FSEs), installation requirements, maintenance guidelines, record-keeping expectations, and enforcement criteria.
3. FSE Toolkit — Provides cleaning forms, best-practices materials, compliance checklists, cleaning and inspection guidelines, and an informational presentation.
4. City Toolkit — Includes inspection and installation checklists, template notification letters, and interceptor/trap calculation tools for evaluating submitted cleaning logs.

Examples of Baxter's materials are attached for reference. The intent is to align FOG regulations between Brainerd and Baxter given their shared wastewater treatment facility. Brainerd will use Baxter's templates to develop its own FOG program. In exchange—recognizing Baxter's prior investment—Brainerd will develop a Mercury Minimization program that Baxter can later adopt.

Recent non-compliance issues with mercury discharge testing at the wastewater treatment facility have highlighted the need for a formal Mercury Minimization program.

This program will focus on ensuring businesses with mercury-containing equipment (such as separators) follow required maintenance and cleaning schedules before discharging to the sanitary sewer.

SEH has reviewed Mercury Minimization programs implemented by other agencies, including the Western Lake Superior Sanitary District (WLSSD). Dianne Matthews—formerly with WLSSD and now with SEH—has been assisting staff in defining the scope of work needed to develop Brainerd's program.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: SEH has submitted the attached scope of work and fee proposal for developing the City's FOG Program and Mercury Minimization Program.

For the FOG Program, SEH will use Baxter's recently adopted program as the foundational template and revise it to align with Brainerd's Sewer Use Ordinance (City Code Section 700). This work includes updating definitions within Section 700 to match program terminology, identifying elements of Baxter's program that require modification or removal, and fully customizing the program for Brainerd's operational needs. Program development will involve multiple City departments—including Community Development, Building, and Engineering—since each contributes to plan reviews and permitting for Food Service Establishments performing building or plumbing modifications.

For the Mercury Minimization Program, SEH's scope of work includes the following components:

1. Program Development – Review MPCA and EPA regulatory requirements included in the NPDES permit, identify potential mercury sources, develop an inventory of possible discharge locations, identify Significant Industrial Users (SIUs), and contact businesses to verify the presence of mercury-containing equipment or practices.
2. Data Analysis – Evaluate existing mercury concentration data from the wastewater treatment facility and assess historical trends.
3. Best Management Practices Toolkit – Develop checklists, questionnaires, and a BMP guide for business use.
4. Enforcement Review – Assess current enforcement mechanisms and identify gaps to ensure the program can be effectively implemented.
5. Implementation Plan – Create notification templates, inspection protocols, and other implementation materials.
6. City Code Review – Conduct a preliminary review of City Code and recommend updates as needed.
7. Program Tools and Outreach Materials – Prepare supporting tools and communication documents for public and business engagement.

As with the FOG Program, staff emphasized the importance of maintaining consistency between Brainerd and Baxter in implementing the Mercury Minimization Program, given the shared wastewater treatment facility. Baxter staff will participate throughout program development to provide feedback and ensure a seamless transition. The Baxter Utilities Commission and City Council will separately review a similar scope of services from SEH to format Brainerd's program for implementation within the City of Baxter.

SEH has provided a not-to-exceed fee of $48,000 for development of Brainerd's FOG and Mercury Minimization Programs. Pending Commission approval in March 2026, the completed programs are expected to be brought forward for final review and adoption in Fall 2026, with implementation beginning in Q1 2027.

RECOMMENDED ACTION/MOTION: Staff recommends approving the professional services agreement with SEH for an hourly, not-to-exceed amount of $48,000 for the 2026 Mercury Minimization and FOG Program Updates project.

FINANCIAL IMPACT: Funding for this project is projected to come from the Consulting Services line item in the approved 2026 Wastewater Treatment budget. The total budgeted amount in 2026 for this line item is $69,500.

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March 13, 2026

RE: City of Brainerd
2026 Mercury Minimization and FOG Program Updates
SEH No. BRDMN P-189237 14.00

Mr. Paul Sandy
Public Utilities Director
Brainerd Public Utilities
501 Laurel Street
Brainerd, MN 56401

Dear Paul:

Short Elliott Hendrickson Inc. (SEH®) appreciates the opportunity to submit this proposal to the City of Brainerd to update the mercury minimization program. The purpose of the project is to assist Brainerd Public Utilities in developing an enforceable mercury minimization program to reduce mercury discharges to the wastewater treatment facility and achieve compliance with its NPDES effluent limit. The work also includes adapting the Fats, Oils and Grease (FOG) program recently adopted by the City of Baxter to create consistent, effective and enforceable practices for controlling FOG at its source across both communities. The City of Baxter intends to utilize the mercury minimization program in its community once developed.

Recent exceedances of the mercury limit in the Brainerd wastewater effluent have identified the need to be proactive in reducing the amount of mercury in the wastewater by focusing on likely sources within the community. The goal is to provide consistency with businesses within the entire collection system and maximize efficiencies and enforcement ability. This project will establish criteria, and a program to allow for businesses to meet criteria and reduce the mercury at its likely sources, in order to comply with the mercury limit. Potential mercury dischargers include medical and dental facilities, schools, industrial facilities, residential, and septage collection sources.

In addition, the recently updated FOG program in Baxter provides enforceable design, operation and maintenance requirements under its sewer use code. Brainerd intends to adopt and utilize the materials created for Baxter to develop its own program, providing consistency between the cities. Reducing levels of mercury and FOG at the source in both communities will result in better wastewater treatment at the Brainerd Wastewater Treatment Facility and improved effluent discharging to the Mississippi River.

SCOPE OF WORK

The estimated work effort is summarized in Exhibit A – Work Plan and Fee Estimate and includes the following tasks:

Task 1: Project Management and Meetings

This task will provide overall project management and coordination of activities for the project communications and will provide written updates with each invoice. SEH will complete the following:

1. Monitor project costs, budget and schedule
2. Maintain communications with the City of Brainerd and project team through project meetings and written communication
3. Prepare for and attend up to five (5) progress meetings
4. Project duration is expected to last approximately six (6) months
5. Prepare monthly invoices
6. Quality assurance and control

Task 2: Mercury Minimization Program Update

The goal of these tasks is to develop a comprehensive, enforceable mercury minimization program for Brainerd Public Utilities by identifying mercury sources, analyzing existing data, assessing current controls, and aligning practices with MPCA and EPA regulatory requirements. The work results in implementable best management practices, code updates, enforcement mechanisms, and outreach tools to effectively reduce mercury discharges at their source and support long-term compliance.

1. Program Development
   a) Develop a program for mercury minimization in wastewater for Brainerd Public Works
   b) Review current and upcoming MPCA and EPA requirements pertaining to mercury reduction and NPDES permit requirements
   c) Evaluate mercury reduction potential based on possible sources
   d) Update inventory of businesses contributing to mercury sources
   e) Identify Significant Industrial Users (SIU) contributors, dental offices, schools, labs, hospitals, clinics, industrial users, auto shops, HVAC and appliance recyclers
   f) Contact possible sources as needed to confirm whether mercury containing equipment and practices are present
2. Data Analysis
   a) Analyze mercury data and concentrations of existing data collected
   b) Review historical data and evaluate any trends
3. Prepare Best Management Practices for mercury control and reduction
   a) Create a checklist for inspection or questionnaire for businesses for mercury source identification
4. Existing Program Assessment and Enforcement Mechanisms
   a) Evaluate effectiveness of existing facilities and identify any gaps
   b) Dental amalgam separator compliance
   c) Household hazardous waste programs
   d) Fluorescent lamp recycling programs
   e) Industrial pretreatment controls
   f) Evaluate enforcement and compliance mechanisms and make recommendations
5. Work with Brainerd Public Utilities to develop implementation plan for mercury reduction program
   a) Identify businesses for possible inspection and follow up
   b) Identify communication plan
6. City Code Review
   a) Determine city code authority and requirements
   b) Prepare recommendations to redline city code to enforce efforts to reduce mercury in wastewater
7. Tools and Outreach Development
   a) Prepare a plan to raise awareness in the community for mercury reduction efforts
   b) Develop outreach materials and templates for residents, businesses, schools and healthcare and dental providers

c) Provide links to use on a website to sites established by the MPCA and other entities with information on sources and disposal options
d) Use of developed documents, posters and other tools to distribute to educate the public and businesses on proper disposal and maintenance of interceptors such as dental amalgam separators
e) *Optional Task* – SEH can assist with implementation as an additional task

Task 3: Fats, Oils and Grease Program Development

The goal of this task is to adapt and customize the City of Baxter's Fats, Oils, and Grease program for Brainerd Public Utilities by aligning sewer use code requirements and best management practices, while coordinating with Baxter to ensure both cities implement consistent source-control programs for the shared wastewater treatment system.

1. Develop a program for Fats, Oils and Grease based on the program developed from the City of Baxter
   a) Evaluate existing sewer use code to align definitions, terminology, descriptions with the City of Brainerd building code and sewer use code
   b) Identify recommendations for modifications, additions or deletions to reflect current conditions, regulatory requirements and best management practices of FOG program
   c) Customize the Baxter program for Brainerd Public Utilities

MEETINGS

The following meetings are assumed for this project:

- Kick-off meeting and data review
- 60% meeting - City Staff - review of recommendations
- 90% Meeting - City Staff - review of recommendations and updates
- City Staff presentation (2) - present to City Staff, Commissions or Council
- Submit a memorandum that summarizes recommendations

DELIVERABLES

Recommended changes in documents and summarized in memorandum. Revised documents include the following:

1. Mercury Minimization Program update
   a) Updated source inventory
   b) Best Management Practices
   c) Implementation Plan
   d) Monitoring and inspection plan / recommendations
   e) Outreach strategy and materials
   f) Compliance / enforcement mechanism recommendations
   g) Presentation to City Staff, Commissions or Council
2. Fats, Oils and Grease Program
   a) Design Manual customized for Brainerd Public Utilities
   b) Best Management Practices customized for Brainerd Public Utilities
   c) Toolkit customized for Brainerd Public Utilities

ADDITIONAL SERVICES AND EXCLUSIONS

Services from SEH not listed above, if required or requested, can be provided to the City at our normal hourly rates.

ASSUMPTIONS

- The Baxter FOG program will have limited updates or changes to customize for Brainerd

- Kick-off, Utilities Commission and Council presentations will be in person; 60% and 90% meetings will be remote (Teams)
- Mercury minimization programs for two other communities will be compared/reviewed
- If a public hearing is needed, it will be coordinated and led by Brainerd staff
- The Mercury Minimization Program will be based on programs developed in other Minnesota based communities using shared resources available publicly and customized for Brainerd
- The City of Baxter will adopt and implement the Brainerd mercury minimization program will share its Fats, Oils and Grease program with Brainerd for adoption and implementation
- Approval and review will be completed and presented by the end of 2026
- Major changes to the code or practices could extend this timeframe and extend the level of effort required
- A legal review of Code Changes is not included
- Codification would be completed by others

SCHEDULE

The Consultant will start the work upon notice to proceed, with an expected delivery timeframe of a draft mercury minimization program update for legal review in July 2026. The scope and fees assume approval and review will be completed and presented to the Utilities Commission in the Fall 2026. The schedule could change based on forces beyond SEH's control such as Client review turnaround times.

PAYMENT

The hourly not-to-exceed fee is $48,000 including expenses and equipment. The payment method, basis, frequency, and other special conditions will be set forth in a Master Agreement.

We look forward to working with Brainerd Public Utilities on this project. If you have any questions, please contact Dianne Mathews directly at 612.428.0269.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.

Dianne Mathews, P.E.
Project Manager
(Lic. MN)

dlm/mh
c: Scott Hedlund - SEH

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SHORT ELLIOTT HENDRICKSON INC.

Project Cost Budget Summary

Brainerd Public Utilities

Mercury Minimization Program Updates and Fats Oils and Grease Program

	Labor Hours										Hours	Costs		
Employee	Mathews, Dianne L	Stewart, Emily	Hurley, Sarah K	Prok, Amy	Hedlund, Scott D	Heinonen, Neil D	Meskan, Jill C	Blommel, Melissa R	Hayes, Michele R	Babb, Victoria L (Tori)				
Classification	PM/Technical Advisor	Engineer	Engineer	QAQC	CSM	Civil Engineering	Marketing/Communications	Administrative	Administrative	Accounting	Hours	Labor	Expenses / OCD's / Sub-Consult	Total
Task **Description**														
Task 1 Project Management / Meetings														
Project Administration / Project Management / Progress Upda	10	0	0	0	1	1	0	2	1	4	19	$4,065	$0	$4,065
Kick Off Meeting	6	0	2	0	1	1	0	0	0	0	10	$2,418	$0	$2,418
60% Meeting	2	0	2	0	0	1	0	0	1	0	6	$1,179	$192	$1,371
90% Meeting	2	0	2	0	0	1	0	0	0	0	5	$1,061	$0	$1,061
Council Meetings	12	0	2	0	1	1	0	0	1	0	17	$4,160	$192	$4,352
QAQC	0	0	0	8	0	0	0	0	0	0	8	$1,798	$0	$1,798
Subtotal	**32**	**0**	**8**	**8**	**3**	**5**	**0**	**2**	**3**	**4**	**65**	**$14,681**	**$384**	**$15,064**
Task 2 Mercury Minimization Program Update														
Program Development	2	10	10	0	2	2	0	0	0	0	26	$4,639	$0	$4,639
Data Analysis / requirement review / source compilation	2	8	12	0	0	0	0	0	0	0	22	$3,554	$0	$3,554
Best Management Practices	2	2	16	0	0	0	0	0	0	0	20	$3,113	$0	$3,113
Existing program assessment and enforcement mechanisms	2	6	10	0	0	0	0	0	0	0	18	$2,941	$0	$2,941
Implementation Plan	2	12	4	0	0	0	0	0	0	0	18	$3,102	$0	$3,102
City Code review	2	6	12	0	0	0	0	0	0	0	20	$3,221	$0	$3,221
Tools and Outreach development	2	4	12	0	0	0	8	0	4	0	30	$4,514	$273	$4,787
Subtotal	**14**	**48**	**76**	**0**	**2**	**2**	**8**	**0**	**4**	**0**	**154**	**$25,084**	**$273**	**$25,357**
Task 3 Fats, Oils and Grease Program Update														
Draft proposed changes	2	2	8	0	0	2	0	0	2	0	16	$2,710	$0	$2,710
60% meeting (Remote / agenda / minutes)	2	2	2	0	0	0	0	0	0	0	6	$1,155	$0	$1,155
Update Draft	2	2	2	0	0	0	0	0	0	0	6	$1,155	$0	$1,155
90% meeting (Remote / Agenda / minutes)	2	2	2	0	0	0	0	0	0	0	6	$1,155	$0	$1,155
Prepare final draft and report for Utilities	2	2	2	0	0	0	0	0	0	0	6	$1,155	$250	$1,405
Subtotal	**10**	**10**	**16**	**0**	**0**	**2**	**0**	**0**	**2**	**0**	**40**	**$7,328**	**$250**	**$7,578**
PROJECT TOTAL	**56**	**58**	**100**	**8**	**5**	**9**	**8**	**2**	**9**	**4**	**259**	**$47,093**	**$907**	**$48,000**

FATS, OILS AND GREASE (FOG) DESIGN MANUAL FOR FOOD SERVICE ESTABLISHMENTS

CITY OF BAXTER, MINNESOTA

Adopted on April 15, 2008
Amended: February 4, 2026

NOTE 1: All Fats, Oils and Grease (FOG) interceptors shall be constructed per Minnesota Rules 4714. The Uniform Plumbing Code is adopted and amended as identified in MN Statute. Specific rules are listed in 4714.1001, 4714.1014, 4714.1015 and 4714.1017. As of February 4, 2026, Minnesota utilizes the 2020 Minnesota Plumbing Code that contains the 2018 version of the Universal Plumbing Code (UPC).

NOTE 2: As of February 4, 2026, FOG traps are no longer allowed to be installed in new businesses. Hydromechanical grease interceptors and traditional grease interceptors are the only allowable fixtures in the City of Baxter.

NOTE 3: All FSE's shall install an outdoor gravity FOG interceptor unless not feasible, in which case the administrative authority may approve the installation of a hydromechanical grease interceptor. Feasibility shall not be based on financial considerations.

Gravity FOG Interceptors - General Requirements

- **Installation Location**
  - Interceptor must be readily accessible for inspection and maintenance.
  - Gravity grease interceptors shall not be located inside Food Service Establishments (FSE's).
  - All interceptors must be as close as practical to the fixtures they serve.

- **Fixture Connections**
  - Only connect fixtures that discharge FOG to grease interceptors.
  - Toilets, urinals and sinks from bathrooms may not drain through the interceptor.
  - Food grinders are prohibited from being installed or used within a FSE or LFSE.

- **Sizing**
  - Interceptors are sized based on the flow rate of connected fixtures as dictated by the Minnesota Uniform Plumbing Code.
  - Review the examples below to learn how to size your interceptor in accordance with Minnesota Uniform Plumbing Code.
  - Interceptor design calculations are required to be submitted to the City with each new FSE application.

Gravity FOG Interceptor - Design

The 2020 MN Plumbing Code identifies drainage fixture units (DFU) and defines standard equipment in drainage fixture unit equivalents. **Table 1** lists common FSE equipment and the equivalent DFU. **Table 2** identifies the required gravity grease interceptor sizing based on DFUs.

Table 1: Drainage Fixture Unit Values

Equipment	Drainage Fixture Units (DFU)
Floor Drains	2-3
Mop sink	3
Food Prep Sink	3
Dishwasher	3
Bar sink	2
Special purpose sink	3-6

(2020 MN Plumbing Code Table 702.1)

Table 2: Gravity Grease Interceptor Sizing based on DFUs

Drainage Fixture Units (DFU)	Interceptor Volume (gallons)
8	500
21	750
35	1000
90	1250
172	1500
216	2000
307	2500
342	3000
428	4000
576	5000
720	7500
2112	10000
2640	15000

(2020 MN Plumbing Code Table 1014.3.6)

If the number of drainage fixtures cannot be determined, the maximum number of fixtures allowed per the pipe size connected to the inlet can be used as shown in **Table 3**.

Table 3: Number of Drainage Fixture Units based on Inlet Pipe Size

Pipe Size (Trap and Trap Arm) (inches)	Drainage Fixture Units (DFU)
1 ¼	1
1 ½	3
2	4
3	6
4	8

(2020 MN Plumbing Code 702.2(1))

Example Design Calculation for Gravity Interceptor

Example:
Your food service establishment has 2 floor drains, a mop sink, a three compartment sink, and a food prep sink. What is your required interceptor volume?

Solution:

1. Using **Table 1 Drainage Fixture Unit Values,** add up the fixture units.

   2 floor drains, 1 mop sink, 1, 3-compartment sink and 1 food prep sink = 16 fixture units.

	Quantity	DFU (each)	Total DFU
Floor Drains	2	2	4
Mop Sink	1	3	3
3-compartment Sink	1	2	6
Food Prep Sink	1	3	3
		Total DFUs	16

2. Look at the **Gravity Grease Interceptor Sizing from Table 2** to determine the size of your interceptor.

Drainage Fixture Units	Interceptor Volume (gallons)
8	500
21	750
35	1000
90	1250
172	1500
216	2000
307	2500
342	3000
428	4000
576	5000
720	7500
2112	10000
2640	15000

3. Determine size of interceptor:

Because 16 is in between 8 and 21, you must size up to ensure adequate capacity. Interceptor capacity would be **750 gallons**.

Hydromechanical Grease Interceptor - General Requirements

- **Flow Control**
  - Must include a flow control device to regulate the rate of wastewater entering the unit.

- **Venting**
  - Vented downstream of the interceptor to prevent siphoning and ensure proper operation.

Hydromechanical Grease Interceptor - Design

The 2020 MN Plumbing Code allows for use of hydromechanical grease interceptors. A hydromechanical grease interceptor is an engineered high-capacity interceptor and is sized based on flow rates rather than fixture units. Sizing for hydromechanical grease interceptors are identified in **Table 4**.

Table 4: Hydromechanical Grease Interceptor sizing using Gravity Flow Rates

Diameter of Grease Waste Pipe (inches)	Maximum full pipe flow (gpm)	Size of Grease Interceptor One minute drainage period (gpm)	Size of Grease Interceptor Two minute drainage period (gpm)
2	20	20	10
3	60	75	35
4	125	150	75
5	230	250	125
6	375	400	200

(from 2020 MN Plumbing Code 1014.2.1)

Example Design Calculation for Gravity Hydromechanical Grease Interceptor

Example:

Your food service establishment has the following equipment:

1. a 3-compartment sink, each compartment (2'x 2' x 1' in size)
2. one appliance with flow of 3 gallons per minute
3. one appliance with flow of 2 gallons per minute

What is your interceptor volume if using a hydromechanical grease interceptor?

Solution:

1. Calculate volume of one basin of three compartment sink:

   24"x 24" x 12" = 6912 in^3
   1 gallon = 231 cubic inches
   6912 in^3/231 conversion = 29.92 gallons

2. Apply a fill factor and calculate total volume of the sink (assume all sinks are 75% full when in use):

   29.92 gal*.75 fill factor = 22.44 gallons
   22.44 x 3 compartments – 67.32 gallons total volume of three compartment sink

3. Calculate the total flow from all equipment:

Equipment	Gallons
a 3-compartment sink each compartment is 2'x 2' x 1' in size	67.32
one appliance with flow of 3 gallons per minute	3
one appliance with flow of 2 gallons per minute	2
Total	72.32 gallons

4. Calculate the size of the hydromechanical grease interceptor based on drainage period (UPC uses one or two minutes):

Drain Time	Gallons
One Minute	73 (72.32/1)=72.32
Two Minute	37 (72.32/2) = 36.16

Existing Facilities - General Requirements

- Individual FOG interceptors are required for FSE's whether the facilities are located in a separate structure or occupy a space in a building or structure that is occupied by other businesses.
- If the volume or nature of food service provided by the establishment dictates significant food preparation, a discharge of FOG is highly likely.

    - There are some exceptions to this requirement for limited food service establishments (LFSE), which sell food, but do not prepare it on the premises.
- Commercial properties where multiple FSE's are operating on a single parcel are required to have a FOG interceptor installed for each FSE.
    - With written approval from the City, there are certain situations where one FOG interceptor may serve multiple FSE's.
- Each FOG interceptor that is installed will be required to meet criteria of the Minnesota Plumbing Code and the City of Baxter FOG Design Manual. The Baxter Building Department will review and approve all installations.
- A separate and independent building sewer shall be provided for every business as identified in City Code 8.2.11.

Changes to Existing Facilities

- All new construction of a commercial establishment or renovation of existing establishments shall ensure that FOG control facilities and other appurtenances are located to allow for maintenance and inspection.
- The owner of any existing property may be required to retrofit the structure to meet current requirements as outlined in City Code 8.2.11, Section A.
    - The structure shall be installed by the owner at their expense and shall be maintained by owner.
- All existing commercial establishments proposing changes to operations that increase FOG, flow or fixtures discharging to the sewer, must prove that their FOG control facilities are adequate by reperforming the design calculations above.
- The owner of any existing property may be required to retrofit the structure to meet current requirements.
- Existing establishments determined to require additional FOG control facilities must provide a compliance schedule to upgrade facilities.
- The FSE must demonstrate the ability to meet compliance with the additional FOG load before the operation of the new facilities can begin.

Additional Information Required Upon Request

The City may require a user of sewer services and a person applying for sewer service to provide information needed to determine compliance. These requirements may include:

(a) Wastewater peak flow and volume over a specified time period

(b) Chemical analyses of wastewaters

(c) Information on raw materials, processes and products affecting wastewater volume and quality

(d) Quantity and disposition of specific liquid, sludge, oil, solvent or other materials important to sewer use control

(e) A plot plan of the user's property showing sewer and pretreatment facility or flow equalizing facility location

(f) Details of wastewater pretreatment or flow equalizing facility

(g) Details of systems to prevent and control the loss of materials through spills to the public sewer

The Baxter Building Department will review all applications and installations for compliance with FOG requirements under the Baxter City Code.

BAXTER FATS, OILS AND GREASE (FOG) DISCHARGE AND BEST PRACTICES MANUAL

CITY OF BAXTER, MINNESOTA

Adopted on April 15, 2008
Amended: June 15, 2010
Amended: February 4, 2026

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PURPOSE OF MANUAL

The following provides an overview of the City Code regulating Fats, Oils and Grease (FOG), instructions for maintenance of FOG interceptors and inspection checklists for FOG contributing establishments and inspectors. Baxter City Code 8.2.11 is referenced throughout the manual. A copy of the code is available at City Hall or on the City web site www.baxtermn.gov.

The requirements and best management practices below have been proven effective in reducing costs for owners by preventing oil and grease discharges to the sanitary sewer.

Discharge of FOG to the sanitary sewer is illegal in Baxter. Ensuring proper FOG control devices are properly installed and maintained is required to avoid enforcement action against your Food Service Establishment or Limited Food Service Establishment.

DEFINITIONS

For the purpose of this document, the following words, terms, and abbreviations have the meanings given them:

Administrative Authority: The Baxter Public Utilities Commission, Baxter Public Works Director, Baxter Building Official, or City staff member authorized by the Baxter City Council.

Best Management Practices: Schedules of activities, prohibitions of practices, maintenance procedures and other management practices to prevent or reduce the introduction of fats, oils and grease into the sanitary sewer facilities.

City: City of Baxter, Minnesota

Drainage Fixture Unit (DFU): A quantity equivalent of fixtures from the Uniform Plumbing Code used to determine sizing of FOG control units.

Fats, Oils and Grease (FOG): Any substance, such as vegetable, animal, or other product that is used in, or is a by-product of the cooking or food preparation process and that turns or may turn viscous or solidifies with a change in temperature or other condition or organic polar compounds derived from animal or plant sources that contain multiple carbon chain triglyceride molecules. These substances are detectable and measurable using analytical test procedures established in 40 CFR 136 as may be amended from time to time.

Flow: The quantity of sewage expressed in volume per unit of time.

FOG Control Device: Any FOG Interceptor**,** FOG Trap or other mechanism, device or process, which attaches or is applied to wastewater plumbing fixtures and lines for the purpose of trapping, collecting or treating FOG prior to discharge to the sanitary sewer

system. A FOG Control Device may also include other proven methods to reduce FOG subject to the prior approval of the City.

FOG Control Program: The FOG Control Program required and developed by the City to reduce the amount of FOG entering the sanitary sewer system.

FOG Design Manual: The "Fats, Oils and Grease Design Manual" setting forth City required design sizing methods for FOG Interceptors and FOG Traps.

FOG Discharge and Best Practices Manual: The City publication entitled "Fats, Oils and Grease Discharge and Best Practices Manual" setting forth Best Management Practices for Food Service Establishment Facilities to follow and reduce the amount of FOG being discharged into the sanitary sewer system to compliant levels.

FOG Interceptor: A FOG control device consisting of a multi-compartment device that is constructed in different sizes. These devices primarily use gravity to separate FOG from the wastewater as it moves from one compartment to the next. Interceptors are at least 750 gallons in size and are generally required to be located outside the building and underground between the Food Service Establishment Facility and the connection to the sanitary sewer system.

FOG Separator: A FOG control device that is used to serve individual plumbing fixtures.

FOG Trap: A FOG control device that is used to serve individual plumbing fixtures. Traps are usually 50 gallons or less in volume and are typically located inside a kitchen, under a sink or in the floor. A FOG Trap usually has limited effect and is used in those cases where the use of a FOG Interceptor is determined to be impractical.

Food Grinder: Any device installed in the plumbing of a facility or sewage system for the purpose of grinding food waste or food preparation byproducts prior to disposal into the sanitary sewer system.

Food Service Establishment (FSE) Facility: A location, business or facility primarily engaged in preparing, serving or otherwise making food or food ingredients available for sale or consumption that uses one or more of the following preparation activities: cooking, whether by frying, baking, grilling, sautéing, rotisserie, boiling, blanching, roasting, toasting, poaching, infrared heating, searing or barbequing. FSE Facilities include (but are not limited to) restaurants, cafes, lunch counters, cafeterias, hotels, hospitals, convalescent homes, senior citizen facilities, bakeries, grocery stores, convenience stores with food preparation, cold dairy and frozen food stuff preparation locations, coffee shops that utilize dairy and non-dairy creams, any other food preparation activity or establishment that produces a food or drink product in or on a receptacle that requires washing, and other food handling facilities not listed above where fats, oils, and grease may be introduced into the sanitary sewer.

Garbage: Solid wastes resulting from the domestic and commercial preparation, cooking, and dispensing of food, and from the handling, storage or sale of meat, fish, fowl, fruit, vegetables, or condemned food.

Hydromechanical Grease Interceptor: A FOG control device defined in the Uniform Plumbing Code that utilizes air entrainment, baffling and hydromechanical separation to separate FOG from wastewater. These devices are designed by flow rate, separation and retention efficiency and are generally located inside the building they serve and are smaller than a gravity grease interceptor.

Industrial Wastewater: The liquid waste resulting from the processes employed in industrial, manufacturing, trade or business establishments, as distinct from domestic wastewater. Any waste that is transported by a liquid waste hauler and disposed into public sewers is industrial wastewater. Any leachate or contaminated ground water disposed into public sewers is industrial wastewater.

Limited Food Service Establishment (LFSE) Facility: A location, business or facility, engaged only in reheating, hot holding or re-assembly of ready to eat food products that does not discharge waste from food preparation or clean-up qualifies as a LFSE Facility. A LFSE Facility can not include any operation or process that changes the form, flavor or consistency of food.

Load: Quantities of sewer characteristics such as BOD, SS, and other constituents as expressed in milligrams per liter (mg/l) or pounds per hours (lbs./24 hours).

May: Is permissive

Monitoring: The measurement, sometimes continuous, of water quality.

Person: Any individual, firm, company, association, society, corporation, municipal corporation, government unit, or group.

Plumbing Code: The Uniform Plumbing Code as amended and adopted by the state of Minnesota as the Minnesota State Plumbing Code and as the same may, from time to time, be further amended.

Pretreatment: The application of physical, chemical and biological processes to reduce the pollutants in or alter the nature of the pollutant properties in a wastewater prior to discharging such wastewater into the publicly owned collection and conveyance system and ultimately the wastewater treatment plant.

Public Sewer: Any sewer owned or operated by a unit or agency of government.

Public Works Director: The Public Works Director of the wastewater disposal system of the city or the person's duly authorized representative.

Replacement: Expenditures for obtaining and installing equipment, accessories, or appurtenances which are necessary during the useful life of the treatment plant to

maintain the capacity and performance for which such works were designed and constructed. The term "operation and maintenance" includes replacement.

Sanitary Sewer: A sewer intended to carry only sanitary or sanitary and industrial wastewater from residences, commercial buildings, industrial plants, and institutions.

Sewer: A pipe or conduit for carrying sewage, industrial wastewater, or other waste liquids.

Sewer System: Pipelines or conduits, pumping stations, force mains, and all other devices and appliances appurtenant thereto, used for collecting or conducting sewage, industrial wastewater, or other wastewater to a point of ultimate disposal.

Shall: Is mandatory.

Storm Sewer: A sewer which carries storm and surface water and drainage but excludes sewage and industrial wastewater, other than unpolluted cooling or process water.

Useful Life: Estimated period during which a collection, conveyance system or treatment works will be operated.

User: Any person, firm, corporation, or other entity, whether municipal or otherwise, discharging sewage into the collection and conveyance system.

FREQUENTLY ASKED QUESTIONS

WHY DOES FOG MATTER?

- Improperly handled fats and grease will congeal in sewer pipes, creating blockages.
- Blockages may cause sewage to backup into your establishment.
- Flow that is high in FOG is costly and difficult to treat.
- Flow that is high in FOG will degrade the water quality of the Mississippi River if released.

WHAT IS A FOG INTERCEPTOR AND HOW DOES IT WORK?

- A FOG interceptor is a vault buried outside the building with one or two compartments.
- Water with FOG flows between the compartments through various holes and baffles, allowing the solids to settle and the less dense fats to float.
- The interceptor must be sized to provide adequate detention time for the wastewater to cool, allowing FOG to solidify, separate, and rise to the surface.

HOW ARE THE TYPES OF INTERCEPTORS DIFFERENT?

- A FOG interceptor
  - A large tank buried outside
  - Uses gravity flow
- A hydromechanical grease interceptor
  - Smaller tank
  - Can be buried outside, under the floor, or under a sink inside
  - Uses vents to control flow
  - Needs less time to separate FOG from water
- A FOG trap
  - Smaller unit
  - Installed indoors under a sink
  - Usually only serves one sink

DO I NEED A FOG INTERCEPTOR?

Any food service establishment that discharges wastewater containing FOG is required to install and maintain a FOG interceptor.

- If food is prepared on site or food service containers are washed on site a FOG interceptor is required.

- This FOG interceptor must comply with the Minnesota Plumbing Code and the City of Baxter's Sewer Code and FOG Design Manual.

HOW DO I KNOW IF I NEED A TRAP OR INTERCEPTOR?

- Grease TRAPS are no longer allowed in new establishments under Baxter City Code.
- Refer to the design guide to determine if a hydromechanical or traditional gravity grease interceptor is best for you.

HOW OFTEN DO INTERCEPTORS AND FOG TRAPS NEED TO BE CLEANED?

- Interceptors must be inspected by the FSE every 90 days.
    - Maintain 90 day frequency if tank is less than 25% filled with grease and solids.
    - Increase frequency to every 45 days if the interceptor is found to be more than 25% full during any inspection.
- If the FSE can prove through inspection reports that the interceptor has not become more than 25% full in any 90-day period for a full year, the city may allow a longer pumping inspection frequency.
    - Written approval from the city is needed.

PUMPING GUIDELINES

Storage Capacity	Cleaning Frequency – Minimum
<25% capacity used	90 days
>25% capacity used	45 days*

*If at 45 days, greater than 25% capacity is utilized, more frequent pumping shall be performed.

BEST MANAGEMENT PRACTICES (BMP'S)

Maintain Active Training Program for Staff with Best Management Practices for reduction and maintenance activities

Teach staff members not to pour FOG and food scraps down the drains. Instruct them on the following FOG Best Management Practices. Have staff members sign a form confirming the date of training.

Post "No Grease" Signs

Post "No Grease" signs above sinks and on the front of dishwashers. These reminders help minimize FOG discharge to the FOG interceptor and reduce the cost of cleaning and disposal.

Scrape and Dry Wipe Pots, Pans and Dishware Prior to Dishwashing

Dry wipe the grease and food that remains on pots, pans and dishware. Use rubber scrapers to remove food particles, fats, oils and grease from cookware, utensils and serving ware, then place the removed food particles in the garbage. Before washing grill and roaster/broiler drip pans, empty their contents into a waste container and then wipe them clean with paper towels. Do not empty the contents into a sink.

Protect Drains from Accidental FOG Exposure

Install fine meshed screens in the drain of each kitchen and hand sink to prevent drains from being used to flush food waste down the drain.

Dispose of Food Waste by Recycling and/or Solid Waste Removal

Some recyclers will take food waste for animal feed. In the absence of such recyclers, the food waste can be disposed of as solid waste in landfills by garbage haulers. If solid food wastes are discharged to the sanitary sewer, the wastes will fill the FOG interceptor quicker, increasing frequency and cost of interceptor cleaning.

Use Absorbent Pads to Clean Up Spilled Material

Absorbent pads can help clean up grease and oil that is spilled on the ground and prevent it from being discharged to the sanitary sewer. Ensure that cleaning materials are clearly marked and visible to workers.

Use Water Temperatures Less Than 140 Degrees Fahrenheit (F) / 60 Degrees Celsius (C)

Use water temperatures less than 140º F (60º C) in all sinks, especially the pre-rinse sink before the mechanical dishwasher. Temperatures of 140º F (60º C) will dissolve grease, but grease can congeal or solidify in the sanitary sewer system as the water cools causing maintenance and treatment problems.

Use a Three Sink Dishwashing System

Use a three-sink dishwashing system, which includes sinks for washing, rinsing and sanitizing. Proper use of the three-sink process can reduce the discharge of FOG to sewer by 25%. Pour all liquid grease and oils from pots and pans into a waste container and then scrape out the solidified FOG into the waste container prior to washing.

Recycle Waste Cooking Oil

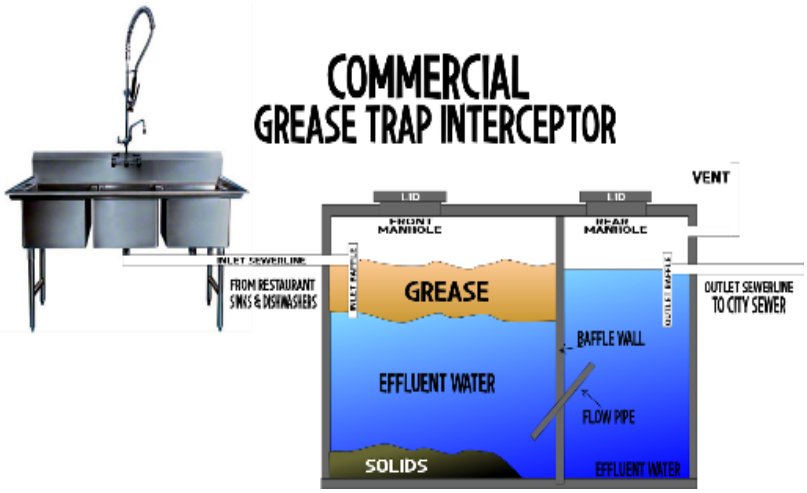
There are several waste cooking oil recyclers in the area. In most cases, the FSE will be paid for the used oil. Never dispose of fryer fat waste, waste oils and fats by pouring them down the drain for reasons already mentioned.

Witness All FOG Interceptor Cleaning and Maintenance

FOG interceptor pumpers may take shortcuts. It is recommended that the owner or business manager inspect the cleaning operation and ensure that it is consistent with the procedures established in this manual.

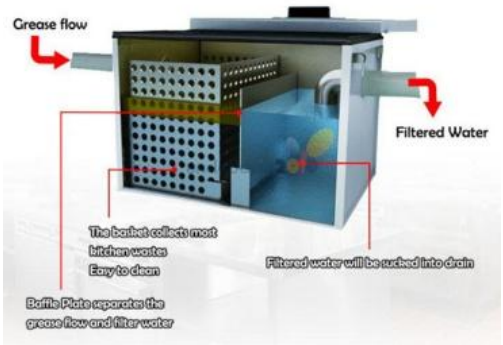
Clean FOG Interceptors Routinely

FOG interceptors must be cleaned routinely to ensure proper operation. Cleaning frequency will depend on the type of establishment, the size of the interceptor, and the volume of flow discharged. FOG interceptors need to be cleaned at least every 90 days. Some establishments will find it necessary to clean their interceptors more often. If the interceptor is found to be more than 25% full during any inspection, the inspection and maintenance interval will be reduced to 45 days. The City Code requires that FOG interceptors also be inspected by the FSE every 90 days.



Check and Clean FOG Traps Weekly

If FOG traps are more than 25 percent full when cleaned weekly, the cleaning frequency needs to be increased. FOG traps are only allowed in specific circumstances and with prior written approval of the City.



Maintain Records for Cleaning and Maintenance Activities

The maintenance log serves as a record of the frequency of cleaning and volume of material removed during cleaning of the interceptor. It is required that these records be submitted to the City within 5 days of pumping. The record of FOG level and solids level will help the establishment manager optimize the frequency of cleaning. City Code requires inspection every 90 days.

Routinely Clean Kitchen Exhaust System Filters

Washing kitchen exhaust system filters will discharge the grease to the interceptor where it can be controlled. If grease and oil escape through the kitchen exhaust system, it can accumulate on the roof of the establishment and eventually enter the storm drain system when it rains.

Witness All Kitchen Hood Cleaning

If a private contractor is hired to clean the kitchen hood at an FSE, it is the establishment's responsibility to ensure that the contractor of their choice is cleaning the equipment somewhere that the wash water will discharge to a FOG interceptor.

Locate Grease Dumpsters and Storage Containers Away From Storm Drainage

The farther away from a catch basin, the more time someone has to clean up spills or drainage before it can enter the storm drain system. Avoid dripping oil and grease on the ground while carrying it to the dumpster and watch for oil and grease that may ooze from the dumpster.

Use Absorbent Pads or Similar Material to Clean Up Spills Outside

Use absorbent pads or other material to clean up spilled material around outdoor equipment, storage containers, or dumpsters. Do not use free flowing materials such as kitty litter or sawdust. Ensure that proper cleaning materials are clearly labeled and visible.

Cover Outdoor Grease and Oil Storage Containers

Uncovered grease and oil storage containers can collect rainwater. Since grease and oil float, the rainwater can cause an overflow onto the ground and enter the storm water system or nearby streams.

PROHIBITIONS

Section 8.2.11 of the Sewer Use and Service Ordinance includes the following prohibitions:

FOG Discharge Requirement: No FSE or LFSE shall discharge or cause to be discharged into the sanitary sewer system wastewater that contains more than an average concentration of 100 milligrams per liter of FOG or that may accumulate and cause blockages in the sanitary sewer system.

FOG Interceptor: No wastewater from an FSE or LFSE shall be discharged directly into a sanitary sewer without first passing through a FOG interceptor or FOG trap. In accordance with Minnesota Plumbing Code no restroom or food grinder wastewater shall be discharged to a FOG interceptor.

FOG Generated Waste Materials: No FOG generated waste materials removed from a FOG control device shall be discharged to the sanitary sewer. The discharge of any waste or FOG into the sanitary sewer that does not comply with the FOG discharge and Best Practices Manual is prohibited.

Food Grinder: No food grinders are allowed to be installed or utilized within a FSE or LFSE.

INSTALLATION REQUIREMENTS

Individual FOG interceptors are required for FSE's whether the facilities are located in a separate structure or occupy a space in a building or structure that is occupied by other businesses. If the volume or nature of food service provided by the establishment dictates significant food preparation, a discharge of FOG is highly likely. There are some exceptions to the requirement for limited food service establishments, which sell food, but do not prepare it on the premises.

Commercial properties where multiple FSE's are operating on a single parcel are required to have a FOG interceptor installed for each FSE. With written approval from the City, there are certain situations where one FOG interceptor may serve multiple FSE's.

Each FOG interceptor that is installed will be required to meet criteria of the Minnesota Plumbing Code and the City of Baxter FOG Design Manual. The Baxter Building Department will review and approve all installations.

INTERCEPTOR AND TRAP MAINTENANCE

General:
Proper operation and maintenance of FOG interceptors, hydromechanical grease interceptors, and FOG traps include routine inspection, cleaning, pumping and repair as described in this section. These units are less effective if FOG and solids occupy greater than 25% of the unit's capacity.

During each inspection of an interceptor, it is required that the FSE document the measurement of the FOG layer, in inches, in both compartments including the depth of the FOG layer and any settled solids on the bottom of the tank. During each inspection of the FOG interceptor, open both manholes to confirm that baffles and tees are intact.

Inspections of interceptors will be done by a licensed contract pumper while they are pumping out the FOG waste materials. The owner or manager of the FSE should be present while the inspection and pumping is being done to confirm and document the work done. **Note that licensed contractors may only work within the hours of 7:00 a.m. to 7:00 p.m.**

Gravity FOG Interceptor Pumping Instructions:

Both vaults of an interceptor shall be left completely empty upon completion of the pumping operation. The FOG mat, liquids, sludge and scrapings from the interior walls must be removed. **Under no circumstances shall the pumper reintroduce the removed water or materials into the interceptor or the sanitary sewer system.** Flushing the interceptor with hot water or the use of chemicals or other agents to dissolve or emulsify the FOG to allow it to flow into the sewer system is prohibited.

Since the FSE is the generator of the FOG waste material, it is liable for the condition of the interceptor, the fate of the FOG waste, and the activities of the pumper so that FOG waste does not go down the sanitary sewer during cleaning. Therefore, the FSE should have a knowledgeable representative present during the cleaning operation.

The following are pumping practices that should be performed:

1. The pumper must measure the depth of the FOG using a sludge judge. Depth of both floating FOG and settled solids and deposits on the bottom of the tank must be recorded.
2. Skim the entire FOG cap and debris from the top of the interceptor. The FOG interceptor may need to be agitated slightly to loosen the cap.

3. Place the vacuum hose all the way into the tank to withdraw remaining solids from the bottom.
4. Vacuum all the water out of the interceptor.
5. Clean the sides and bottom of the interceptor. This may be done by "back flowing" the water from the pump truck or by using a separate water source to hose down the interceptor. Make sure the interceptor is completely clean of FOG and solids.
6. Vacuum the remaining water out of the interceptor.
7. Check that the baffles and tees in the inlet and outlet sides are free of all FOG and are not loose or missing.
8. Inspect the interceptor tank for any cracks or other defects.
9. Check that the lids are securely and properly sealed after completion of the pumping.
10. Get a copy of the receipt from the licensed pumper detailing what was done and send to the City of Baxter within 5 days of pumping.

Hydromechanical Grease Interceptor Pumping Instructions:

Both vaults of the interceptor shall be left completely empty upon completion of the pumping operation. The FOG mat, liquids, sludge and scrapings from the interior walls must be removed. **Under no circumstances shall the pumper reintroduce the removed water or materials into the interceptor or the sanitary sewer system.** Flushing the interceptor with hot water or the use of chemicals or other agents to dissolve or emulsify the FOG to allow it to flow into the sewer is prohibited.

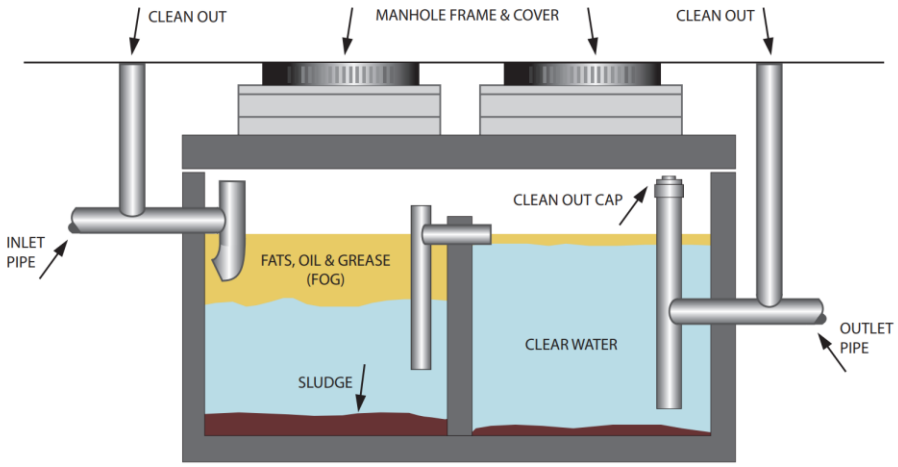
Since the FSE is the generator of the FOG waste, it is liable for the condition of the interceptor, the fate of the waste, and the activities of the pumper so that waste does not go down the sanitary sewer during cleaning. Therefore, the FSE should have a knowledgeable representative present during the cleaning operation.

It is important to observe all air piping in the hydromechanical grease interceptor. Air intake is crucial to the efficiency of FOG removal in the hydromechanical grease interceptor, and obstructed air piping will reduce that efficiency. For the hydromechanical grease interceptor to remove the rated amount of grease, all air piping must be unobstructed.

The following are pumping practices that should be performed:

1. The pumper must measure the depth of both floating FOG and settled solids and deposits on the bottom of the tank and record depth values.
2. Skim the entire FOG cap and debris from the top of the interceptor. The FOG interceptor may need to be agitated slightly to loosen the cap.

3. Place the vacuum hose all the way into the tank to withdraw remaining solids from the bottom.
4. Vacuum all the water out of the interceptor.
5. Clean the sides and bottom of the interceptor. This may be done by "back flowing" the water from the pump truck or by using a separate water source to hose down the interceptor. Make sure the interceptor is completely clean of FOG and solids.
6. Vacuum the remaining water out of the interceptor.
7. Check that the baffles and tees in the inlet and outlet sides are free of all FOG and are not loose or missing.
8. Run a wire cleaning brush through the air piping (labelled "Clean Out" in the below diagram) to ensure piping is not obstructed with grease. Ensure there is no debris blocking the above-ground air intake. Visually inspect air piping to check for cracks or other deficiencies.



9. Inspect the interceptor tank for any cracks or other defects.
10. Check that the lids are securely and properly sealed after completion of the pumping.
11. Get a copy of the receipt from the licensed pumper detailing what was done and send to the City of Baxter within 5 days of pumping.

FOG Trap Pumping Instructions:

The trap shall be left completely empty upon completion of the pumping operation. The FOG mat, liquids, sludge and scrapings from the interior walls must be removed. Under no circumstances shall the pumper reintroduce the removed water or materials into the trap or the sanitary sewer system. Flushing the trap with hot water or the use of chemicals or other agents to dissolve or emulsify the FOG to allow it to flow into the sewer is prohibited.

Traps have a very limited capacity, which is why they are only allowed in Limited Food Service Establishments, and Food Service Establishments that had a trap installed prior to this rule change that has not updated their scope of food service or performed any other changes to their establishment since the rule change. Due to limited capacity, traps are required to be inspected every week by a licensed pumper or employee of the FSE or LFSE.

Since the FSE or LFSE is the generator of the FOG waste, it is liable for the condition of the trap, the fate of the waste, and the activities of the pumper so that waste does not go down the sanitary sewer during cleaning. Therefore, the FSE or LFSE should have a knowledgeable representative present during the cleaning operation.

The following pumping practices are required:

1. Bail out any water in the trap. The water may be discharged into the sanitary sewer system.
2. Remove the baffles, if possible.
3. Dip the accumulated grease out of the interceptor and deposit in a watertight container.
4. Scrape the sides, lid and baffles with a putty knife to remove as much of the grease as possible, and deposit in a watertight container.
5. Contact a hauler or recycler for grease pick up or place in trash for pick up.
6. Replace the baffle and the lid.
7. Record the date, employee name and volume of grease removed on the record keeping log. Submit the log to the City of Baxter within 5 days of pumping.

RECORD KEEPING

It is required that the FSE maintain a written record of every time a FOG interceptor is inspected and cleaned and include:

- Date of inspection
- Manifests, receipts, and invoices of cleaning
- Amount of FOG removed
- Disposal carrier
- Disposal site location

Instructions for keeping these records can be found in the FOG Interceptor Cleaning and Pumping Log..

The inspection and cleaning record must be submitted to the City within 5 days of pumping. Records must also be kept on the premises until the end of each year, where they must be available for inspection upon request. If records are not submitted within the allotted time limit, the FSE may be subject to penalties.

Licensed contractors are required to submit reports to the City within 5 days of collection indicating what FOG was removed from each business.

ENFORCEMENT

Failure to comply with the requirements of the City Code Section 8.2.11 regulating FOG discharge to the sanitary sewer may be subject to administrative citations, civil penalties and license revocation under the procedures in the Sewer Use Code and Enforcement Chapter 2, Sections 1-17. A FSE may appeal any enforcement action as indicated in Section 8.2.14 of the Baxter City Code.

Enforcement actions are meant to gain compliance in order to reduce FOG and lower sanitary sewer treatment costs for all users. The purpose of this section is to establish general responsibilities for enforcement of the Fats, Oils, and Grease (FOG) program. The following guidelines will help ensure that issues requiring enforcement are handled fairly and uniformly.

The owner, operator or permittee of an FSE or LFSE is considered to be in violation of the city code in the following situations:

1. Fails to install an approved FOG control device as required
2. Makes any false statement, representation, record, plan or other document that is filed with the city or administrative authority
3. Tampers with or knowingly renders inoperable any FOG control device required
4. Fails to clean, properly operate, maintain or remove FOG from a FOG control device within the required time for such cleaning, maintenance or FOG removal interval, or
    a. Fails to keep up to date and accurate records of all cleaning, maintenance and FOG removal and make those records available upon request
    b. Refuses reasonable access to the FSE facility for the purposes of inspecting, monitoring, or reviewing the FOG control device or manifests, receipts and invoices for cleaning and maintenance, or
    c. Disposes of, or allows or directs FOG to be disposed of in an unlawful manner, or
    d. Fails to remove all food grinders located in the FSE facility by the date specified or
    e. Introduces additives including drain cleaners into a wastewater system for the purposes of emulsifying FOG without the written, specific authorization from the city, or
    f. Fails to comply with the current FOG Discharge and Best Practices Manual.

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve Professional Services Agreement with Dave Berg Consulting LLC Electric Utility Cost of Service and Rate Study

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 5 Minutes

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Danny Loch, Finance Manager

SUMMARY OF ISSUE:

Staff solicited two proposals to complete a cost of service and rate design study to allow for a direct comparison of scope, approach, and pricing. Proposals were received from the incumbent consultant, Utility Financial Solutions (UFS), and Dave Berg Consulting, who has previously completed rate studies for the utility.

Staff reviewed both proposals and discussed the merits of each, noting that either consultant would provide value to the utility based on their experience and familiarity with utility rate design. UFS, as the incumbent, offers continuity and an established understanding of the utility's current rate structures and operations. Dave Berg Consulting brings prior experience with the utility along with a proposal that emphasizes in-person engagement and expanded analytical components.

UFS submitted a base proposal in the amount of $22,900, which does not include in-person meetings. Their proposal also identifies optional add-on services, including an update to the line extension analysis for $4,100 and an update to pole attachment fees for $3,200. These optional services provide flexibility for the Commission to expand the scope of work depending on current priorities.

Dave Berg Consulting submitted a proposal of $25,000, which includes three in-person meetings as part of the scope of services. In addition, this proposal incorporates $5,000 for an analysis utilizing AMI meter data. This analysis could provide more detailed insight into customer usage patterns and support more refined and data-driven rate design considerations.

Both proposals meet the core requirements of the cost of service and rate design study. The primary differences are related to overall cost, level of in-person engagement, and the inclusion of optional or value-added analyses. Staff noted that both approaches would be beneficial to the utility, with the decision largely dependent on the Commission's preference regarding engagement style, use of advanced data analysis, and potential expansion of scope.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: During the budget process we budgeted $50,000 for this service.

Base Quote:
UFS $22,900
DBC $20,000

Add on services UFS:
Line Extension Analysis : $4,100
Pole Attachment Fees: $3,200

Add on Service Dave Berg:
AMI Data $5,000

RECOMMENDED ACTION/MOTION: Staff recommendation coming out of Committee discussion is to recommend Dave Berg Consulting with the specialized AMI meter analysis.

FINANCIAL IMPACT: Funding for this agreement of $25,000 will come from the consulting budget in electric where $50,000 was budgeted for this line item in the current year.

Brainerd Public Utilities

Electric Cost of Service Study

February 5, 2026

Corporate location:
Utility Financial Solutions, LLC
185 Sun Meadow Court
Holland, MI USA 49424
(616) 393-9722
Fax (888) 566-4430

Submitted Respectfully by:
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Utility Financial Solutions, LLC
185 Sun Meadow Ct
Holland MI, 49424

February 5, 2026

Mr. Daniel Loch
Brainerd Public Utilities
Brainerd, MN 56401

Utility Financial Solutions, LLC (UFS) is pleased to submit a proposal to provide an electric cost of service, financial projection, and rate design for Brainerd Public Utilities (BPU). Our proposal is based on years of experience navigating complex financial challenges for municipal utilities around the United States.

We approach challenges strategically, partnering with your team to understand your goals before using innovative processes and in-depth research to determine the best solution to suit your needs. We stay on top of industry trends and anticipate challenges to help you solve existing problems and prepare your utility for long-term success. Our methodology and educational components have earned us a reputation as the preferred provider of rate studies in the United States.

Our project team members are experts in their respective fields and instruct for leading utility groups including the American Public Power Association, Southern Gas Association, and the National Association of Regulatory Utility Commissioners. Our specialized team of accountants, engineers, and economists have years of industry-specific experience to help ensure that you reach your goals. UFS was incorporated in 2001 and brings decades of experience to your utility.

For your project, UFS will complete the study and provide an executive report detailing the process to help communicate with members of your governing body and community. The goal of these efforts is to:

- Establish and maintain long-term financial stability.
- Educate on principals of cost of service and financial planning.
- Earn positive engagement from members of government

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at (616) 403-5450.

Sincerely,

Mark Beauchamp, CPA, MBA, CMA
President, Utility Financial Solutions, LLC

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Understanding of Project Requirements

Summary of Scope of Services for the Electric Department

Described below is an overview of the services UFS will provide. Greater detail is included within the detailed scope of service section. The list below includes sections not directly identified within the proposal but are critical in meeting the needs of the community and the utility department.

1. **Development of Long-Term Financial Projections** – These studies are included as part of the UFS scope and are critical in development of a long-term rate strategy. Our study incorporates the strategic plan, funding of long-term capital plans, amount, and timing of any financing needs, and balances the financial stability of the electric department. The long-term financial projection and development of key financial targets is discussed in the detailed work plan of our proposal.

2. **Cost of Service Study** – This study identifies the cost of providing services to each class of customer. Our electric study identifies the cost by customer class for general rate components including variable charges (commodity), capacity related costs (demand), and facilities charges for each customer based on meter sizes or service level. The cost of service study will breakout each rate component. Examples of these breakouts include identification of power supply costs, transmission costs, and distribution costs by service level. These breakouts allow the utility to develop rates that meet future challenges including time of use rates, economic development rates, electric vehicle rates, single phase and three phase service rates, or high load factor rates.

3. **Customer Rate Designs** – The cost of service study provides solid empirical input on sustainable long-term rate structures, however, rate impacts on customers and achieving goals and objectives of each community is a significant factor in proper design of utility rates. UFS' rate design study identifies impacts on customers at various levels of usage. This function assists the governing body in making informed decisions and understanding impacts on customers and the community.

4. **Review of Cost Adjustment** (optional) – A cost adjustment is one of the most critical factors in ensuring long-term financial stability of the Utility. UFS will review the current implementation process to ensure its properly recovering costs and the fluctuations to customers are limited. UFS cost adjustment studies are easy to use and ensure fluctuations in the true up result in limited impacts on customers.

5. **Presentation to Staff & Governing Body** – The presentation to staff and the governing body serves two purposes:
   i. Obtain approval of rate adjustments, rate designs, and to obtain guidance during the rate design process.
   ii. Equally important is the education provided to the governing body to understand the importance of maintaining financial stability, how rates are used to achieve community goals and objectives, and why certain components such as a customer charge are used by utilities. UFS staff are skilled at obtaining guidance needed to develop rates and providing education to allow the governing body to make informed decisions during this process.

6. **Reports (PDF)**
   i. **Executive Summary Report –**
      - ~ Summarization of the financial projection results, key financial targets and recommended long term rate track needed to achieve financial stability for the utility.
      - ~ Summarization of the cost of service results and cost-based rate structures for consideration in design of utility rates.
      - ~ Description of the major assumptions used in development of the financial projection and cost of service study.
      - ~ Considerations on future rate adjustments and movement toward cost of service
      - ~ The executive summary is used to obtain input from the governing body prior to designing utility rates.
   ii. **Rate Design Report –**
      - ~ Summary of anticipated revenue to be received from the rate design and impacts on customers at various usage levels.

Summary of Ability

A summary of the firm's ability to achieve the Utility's project goals.

Introduction

The Utility is requesting an Electric Cost of Service Study and Financial Plan to assess and evaluate the existing rates to ensure the utility operations and maintenance, capital improvement program, depreciation, and debts are adequately funded, while rate impacts are minimized. UFS has the staff available to complete the project in the Utility's desired timeframe. UFS' ability to achieve the Utility's project goals is best demonstrated by our references (noted in a later section) and our organized and well thought out processes outlined below.

Project Set Up

After project award, if selected, UFS will conduct a kick-off meeting to review the information request and confirm the project schedule and deliverables. As data is gathered by the Utility, UFS will process and enter it into the study. Progress calls will be scheduled to address any questions and to review outstanding data requests. UFS will analyze revenues by completing a revenue "proof" to ensure that the monthly billing units provided calculate out to the reported sales revenue when multiplied by current rate schedules.

Revenue Requirements

We will analyze operating expenses and test year budgets. Expenses are itemized at the finest level of detail available from the Utility and forecasted for the test year. Expenses are then categorized such that appropriate allocations can be applied, and costs distributed to the contributing rate class. A similar approach is applied to the Utility's fixed asset net book value and depreciation costs and incorporates the capital improvement program for interim and test years. Together, the expenses, depreciation and a rate of return comprise the revenue requirements of the system. These revenue requirements will flow through to both the cost of service study and the financial projection study.

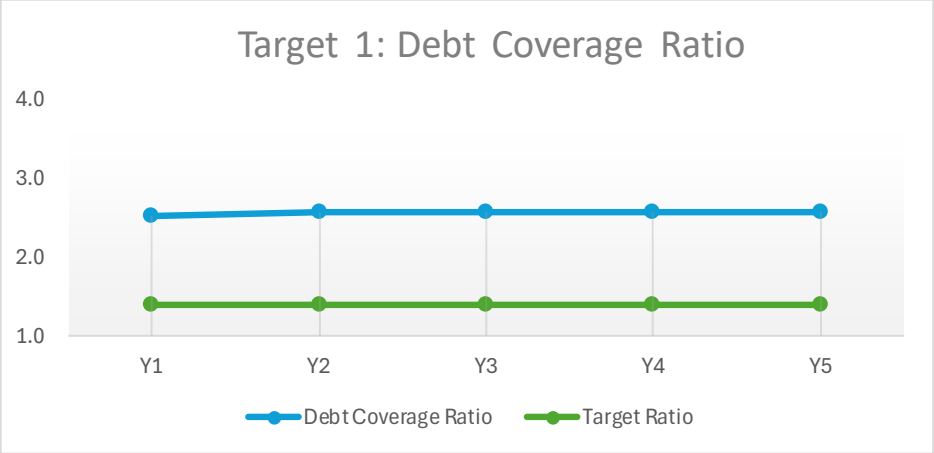
Financial Projection

UFS' financial analysis and the subsequent cost of service studies are unique in their ability to easily change from cash basis revenue requirements to Utility Basis revenue requirements. The financial analysis includes both cash basis targets such as cash reserves and debt coverage; and accrual basis targets such as rate of return. UFS studies also include a review of secondary financial targets such as debt to equity ratios, age of system, days cash on hand and working capital requirements as part of the overall assessment of the financial health of the utility. The financial projection will incorporate assumptions such as inflation, anticipated changes in expenses, debt issuances, and capital improvements. The financial projection incorporates targets to help ensure the long-term financial stability of the Utility is maintained or improved and develop a plan for rate adjustments.

Target One: Debt Coverage Ratio

Based on review of bond issues and debt service schedules, the principal and interest expense will be identified and incorporated into the analysis. We will provide a table as shown below to compare projected Debt Service Ratios with requirements in the Bond Ordinance.

Sample Report Table: Debt Coverage Ratio graph and calculation:



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Net Income	$ 996,826	$ 997,462	$ 945,213	$ 826,113	$ 758,497
Add Depreciation/Amortization Expense	2,565,601	2,609,101	2,732,859	2,921,523	3,057,531
Add Interest Expense	764,408	726,408	688,408	648,408	606,408
Cash Generated from Operations	$ 4,326,835	$ 4,332,971	$ 4,366,480	$ 4,396,044	$ 4,422,436
Debt Principal and Interest	$ 1,714,408	$ 1,676,408	$ 1,688,408	$ 1,698,408	$ 1,706,408
Projected Debt Coverage Ratio (Covenants)	**2.52**	**2.58**	**2.59**	**2.59**	**2.59**
Minimum Debt Coverage Ratio	**1.40**	**1.40**	**1.40**	**1.40**	**1.40**

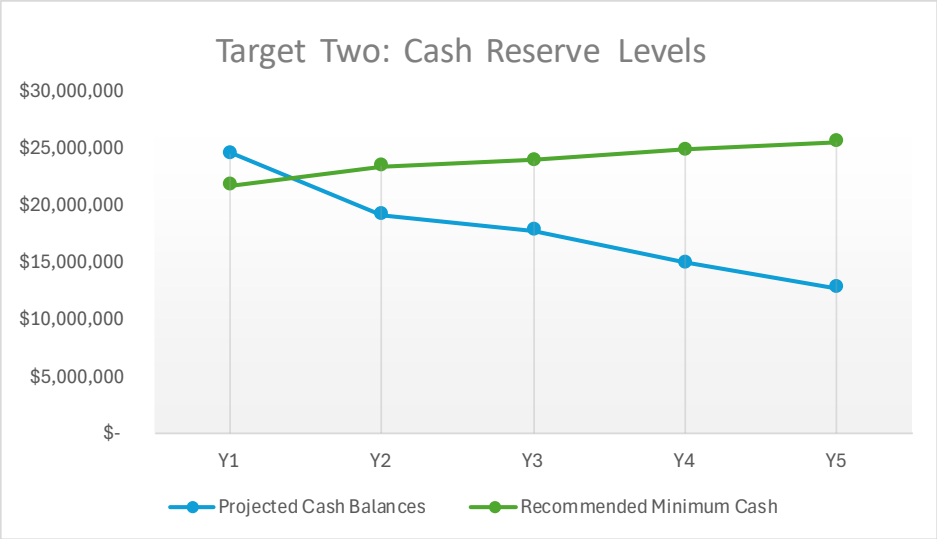
Target Two: Minimum Cash Reserve Calculation

To help ensure timely completion of capital improvements and enable the utility to meet requirements for large, unexpected expenditures and risk factors, the recommended minimum level of cash reserves will be identified. Development of the minimum cash reserves considers several factors.

A sample list is below:

- Working capital
- Variations in expenses
- Capital improvement programs
- Annual bond payments
- Exposure to catastrophic events such as extreme weather

Sample Report Table: Minimum Cash Reserves



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	25%	25%	25%	25%	25%
Supply Expense	25%	25%	25%	25%	25%
Historical Rate Base	2%	2%	2%	2%	2%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of Bond Proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	56%	54%	55%	55%	59%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	$ 6,589,952	$ 6,762,400	$ 6,941,318	$ 7,153,036	$ 7,281,393
Supply Expense	8,381,482	9,722,132	9,982,984	10,548,544	11,075,971
Historical Rate Base	1,527,454	1,689,254	1,769,511	1,877,918	1,877,918
Current Portion of Debt Service Payment	1,391,419	1,401,379	1,409,679	1,416,319	1,462,799
Five Year Capital Improvements - Net of Bond Proceeds	3,939,646	3,939,646	3,939,646	3,939,646	3,939,646
Minimum Cash Reserve Levels	**$ 21,829,953**	**$ 23,514,811**	**$ 24,043,138**	**$ 24,935,463**	**$ 25,637,727**
Projected Cash Reserves	**$ 24,692,803**	**$ 19,224,903**	**$ 17,829,253**	**$ 15,047,239**	**$ 12,790,153**

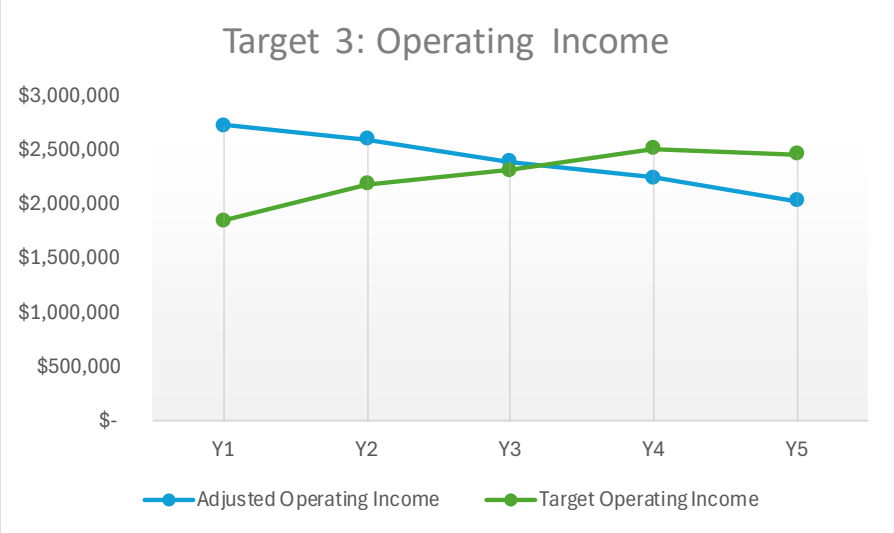
Target Three: Operating Income

The optimal target for setting rates is the establishment of a target operating income to consistently fund capital improvements and replacements.

Development of this target considers the following:

- Interest expense on the outstanding debt
- Inflationary increase on asset replacement costs
- Assets contributed by customers to the Utility

Sample Report Table: Target Operating Income



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Target Operating Income Determinants					
Net Book Value/Working Capital	$ 33,525,928	$ 38,888,526	$ 39,931,938	$ 42,194,174	$ 38,927,644
Outsanding Principal on Debt	$ 18,160,200	$ 17,210,200	$ 16,210,200	$ 15,160,200	$ 14,060,200
System Equity	$ 15,365,728	$ 21,678,326	$ 23,721,738	$ 27,033,974	$ 24,867,444
Target Operating Income Allocation					
Interest on Debt	4.21%	4.22%	4.25%	4.28%	4.31%
System Equity	7.06%	6.73%	6.87%	6.90%	7.48%
Target Operating Income					
System Equity	$ 1,085,106	$ 1,459,590	$ 1,629,338	$ 1,864,944	$ 1,859,437
Target Operating Income	**$ 1,849,514**	**$ 2,185,998**	**$ 2,317,746**	**$ 2,513,352**	**$ 2,465,845**
Projected Operating Income	**$ 2,728,770**	**$ 2,599,641**	**$ 2,394,956**	**$ 2,247,337**	**$ 2,037,669**
Rate of Return in %	**5.5%**	**5.6%**	**5.8%**	**6.0%**	**6.3%**

Five-Year Projection Summary

The projections will be summarized, and development of alternative rate tracks will be reviewed and compared to each financial target to help ensure the future financial stability of the utility. We will work with Management and the Governing body in review and development of five-year strategies and rate track. All adjustments are tied to the cost of service study for the test year, so results can easily be updated, and sensitivities run within the same study.

Projected Summary Financial before Rate Adjustments

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year 1	0.0%	$ 2,728,770	$ 3,038,480	$ 16,392,621	$ 18,099,160	$ 6,065,000	1.10
Year 2	0.0%	2,711,845	3,019,772	14,592,541	19,169,551	2,175,000	1.11
Year 3	0.0%	2,622,411	3,061,319	10,964,992	19,674,886	4,012,870	1.11
Year 4	0.0%	2,473,225	3,149,568	5,938,354	20,516,844	5,420,360	1.12
Year 5	0.0%	2,380,491	3,098,229	4,959,247	20,862,261	1,380,000	1.12

Projected Summary Financials with Rate Adjustment and $5.0 Million Bond Issuance

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year 1	2.0%	$ 3,350,054	$ 3,038,480	$ 17,013,904	$ 18,099,160	$ 6,065,000	1.26
Year 2	2.0%	3,972,613	3,019,772	22,477,689	19,169,551	2,175,000	1.44
Year 3	2.0%	4,216,200	3,061,319	21,453,355	19,674,886	4,012,870	1.53
Year 4	2.0%	4,407,444	3,149,568	21,578,377	20,516,844	5,420,360	1.62
Year 5	2.0%	4,662,614	3,098,229	21,908,593	20,862,261	1,380,000	1.71

Development of Cost of Service Study

The development of the cost of service study incorporates the revenue requirement identified as part of the financial projection. This section describes the additional procedures used in development of the cost of service study and sample outputs from previous studies.

Load Profile Information

Load profile information identifies how customers use electricity at various times of the day and is critical to ensure the cost of service study is accurate and defensible. UFS works with utility staff in identification of the appropriate sources of load research information. We will analyze information from the following sources:

- Electronic meters installed on time of use and other customers
- Load research information available from other sources
- Analysis of substation feeders
- Utilize our data base of existing load research obtained from other utilities

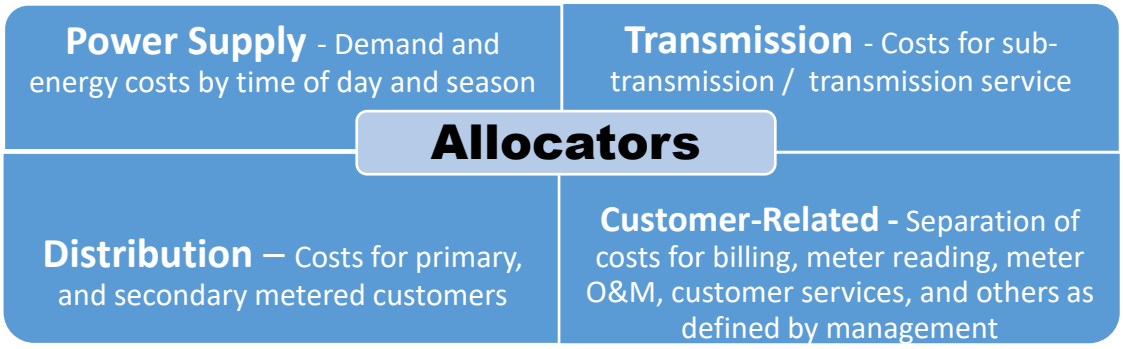
The load research information identifies the monthly load factors for each class, how much is being used by the class at the peak time of the day when power supply demand or transmission demand charges are determined. The load research information is compared with the hourly system hourly load data to determine the class contributions. The information is then used to determine the class share of transmission and power supply costs.

System Losses

Losses can vary substantially depending on system loading and temperature. We will identify the system loss at the various voltage levels of service to customers. To determine the overall system losses, we typically use a three-year average of losses to reduce the impact of changing weather patterns between the last and first month of each year. The losses are then allocated between voltage level such as transmission, substations, primary service, and secondary voltage levels.

Development of Allocators

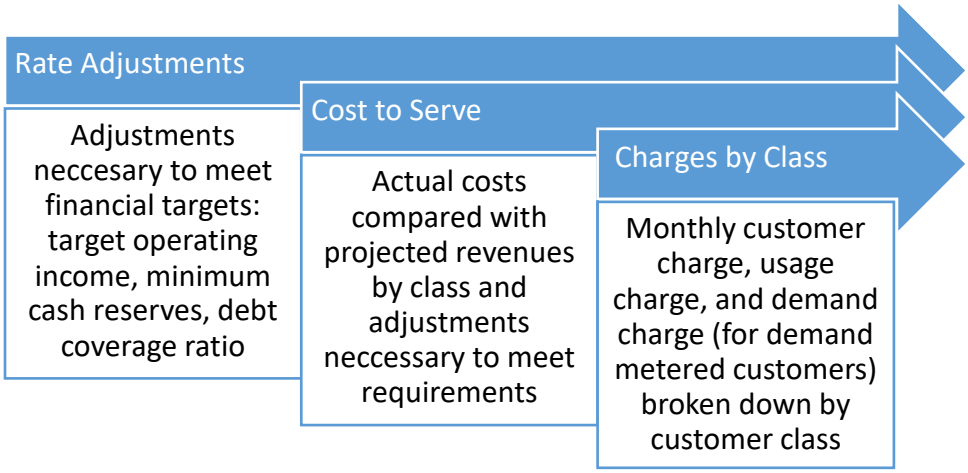
The load profile information for each class is used to determine the allocation factors used to allocate expenses based on cost-causation. Examples of cost causation include the identification of the date and time power supply demand charges are determined and each class usage at the time of the peak demands. There are over 40 allocation factors often developed as part of a UFS cost of service study. Allocation factors are developed for each season and developed for specific expenses. A summary of the costs where specific allocation factors need to be developed are listed below.



Prepare Cost of Service Analysis

Customer classes are typically established based on differences in load and usage patterns. How customers use electricity dictates the cost of providing many utility services.

The cost of service portion of the study will determine the following:



A summary of the cost of service analysis is developed similar to the following table:

Customer Class	Cost of Service	Projected Revenues	% Change
Residential A	$ 4,672,077	$ 4,183,897	11.7%
General Secondary B	3,032,446	2,974,374	2.0%
Street Light Service S	144,370	133,504	8.1%
Secondary Energy & Demand C	3,144,714	3,072,174	2.4%
Primary Energy & Demand D	20,191,294	20,700,210	-2.5%
	$ 31,184,901	$ 31,064,159	0.4%

The cost of service column from the table above identifies the cost to provide service to each class of customers and is compared with the projected revenues from each class. The percent change is the rate adjustment necessary for each class to achieve cost of service. We typically do not recommend rates move fully to cost of service, but as part of the discussions with staff and Council we develop a plan to move classes toward cost of service to minimize rate impacts on any specific customer class.

Development of new rate classes

As part of the initial discussions with management and review of the existing rate tariffs, we will discuss with utility staff if new rate classes should be considered or if existing rate classes should be combined. Rate classes are created based on similarity in usage patterns, but often utilities will develop new rate classes to create incentives for customers to shift usage to periods of time where power supply costs are lower such as on and off peak time periods for time of use rates.

Examples of new rate class developments are listed below.

- **Standby charges** – Cost isolated by investment in facilities to serve customers on a standby basis.
- **Interruptible Loads** – Rates to promote interruptible loads that reflect the savings to the Utility. Our study will isolate costs by power supply demand, energy, and transmission to identify the potential cost savings of an interruptible customer.
- **Seasonal Rates** – The cost of service study allocates costs to each rate class based on seasonal time period. The time periods will be identified through review of system loads and power supply and transmission costs.
- **Time of Use** – For time of use rates to be effective in sending the proper price signal, the cost of service analysis is supplemented with marginal costs to identify and recommend appropriate charges on a time of use basis.
- **Economic Development Rates** – Rates can be developed to promote economic development by attracting new customers or expansion of existing customers. It is important economic development rates be developed using a marginal cost approach to ensure existing customers are not unduly subsidizing any reduce rates or fees charged under an economic development program.
- **Other Potential Rates are listed below:**
  - Public education rates
  - Green Rates
  - Net Metering Rates
  - Aggregation Rates

New rate designs may result in additional charges for the services provided by UFS. As part of the initial kick off conference call, we should discuss if any potential new rate classes are being considered.

Breakdown of cost of service rate structure by type of expense for each class of customers

UFS cost of service studies identify cost in a summary and a detail cost breakdown for each class of customers. For example, the summary of costs identifies the class cost breakdown by customer charge, power supply demand, transmission demand, distribution demand and energy costs. An example is shown below:

			Power Supply			
			Summer		Winter	
Customer Class	Monthly Customer Charge	Distribution Rate	Demand	Energy	Demand	Energy
Residential A	$ 13.65	$ 0.0249	$ 0.0181	$ 0.0479	$ 0.0101	$ 0.0353
General Secondary B	26.60	0.0288	0.0311	0.0550	0.0136	0.0319
Street Light Service S	-	0.0175	-	0.0689	-	0.0300
Secondary Energy & Demand C	120.60	8.52	12.09	0.0577	4.88	0.0313
Primary Energy & Demand D	223.90	7.24	12.38	0.0573	4.85	0.0296

In addition, further breakdowns are available in the studies depending on the needs of the utility. A sample detailed breakdown of distribution costs is shown below:

	kWh	kWh	KW	KW
Rate Breakdown	Residential A	General Secondary B	Secondary Eneregy & Demand C	Primary Energy & Demand D
Demand Breakdown				
Distribution	$ 0.0110	$ 0.0117	$ 3.44	$ 2.95
Transmission	0.0059	0.0084	2.91	2.91
Transformer	0.0027	0.0029	0.73	-
Substation	0.0052	0.0057	1.43	1.39
Direct	-	-	-	-
Subtotal - kWh, kW, HP Charge	$ 0.0248	$ 0.0287	$ 8.51	$ 7.25
Customer Breakdown				
Distribution Customer Costs	$ 6.07	$ 12.13	$ 54.59	$ 109.18
Transformer Customer Costs	2.07	4.14	18.62	-
Meter O&M	0.57	0.57	2.87	39.11
Meter Reading	0.13	0.13	1.15	2.30
Billing	0.08	0.15	0.70	1.39
Services	1.20	2.41	10.83	8.23
Customer Service	3.54	7.08	31.84	63.68
Customer Charge $/Meter	$ 13.66	$ 26.61	$ 120.60	$ 223.89

Rate Design

A five-year rate track will be provided with the financial projection, along with a rate design for the requested number of years. Design of electric rates uses input from the cost of service study as guidance on changes to rate classes and the rate components for each rate class. Cost of service results are one factor in design of electric rates for customers. Other factors must be considered such as impact on customers, social and environmental issues, and philosophy of the utility's governing body.

The rate design study identifies the impacts on customers at various usage levels and is listed by rate class, meter size and usage level.

Please note that all rate designs outside of the current rate structure will be charged hourly.

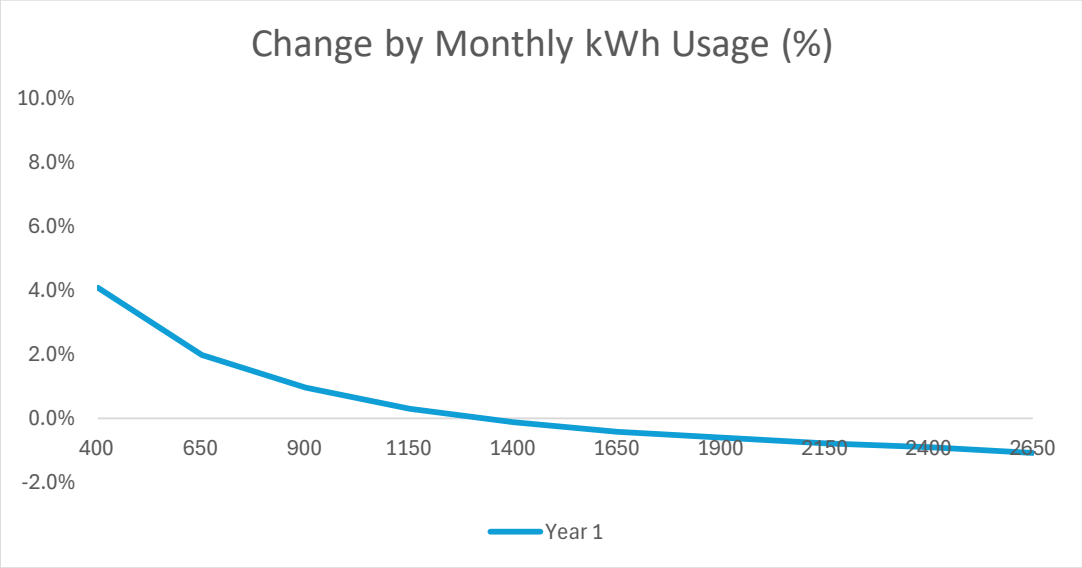
Summary of overall rate adjustments for each class – Electric

Customer Class	Projected Revenues Under Current Rates	Projected Revenues Under Proposed Rates Year 1	Projected Percentage Change Year 1
Residential A	$ 4,183,897	$ 4,272,065	2.11%
General Secondary B	2,974,374	3,019,822	1.53%
Street Light Service S	133,504	135,687	1.64%
Secondary Energy & Demand C	3,072,174	3,125,649	1.74%
Primary Energy & Demand D	20,700,210	20,956,423	1.24%
Totals	$ 31,064,159	$ 31,509,646	1.43%

Electric Sample Rate Design, Single Year

Projected Residential Rates

Rates	Current	Year 1	COS
Monthly Facilities Charge:			
All Customers	$ 6.50	$ 8.50	$ 14.47
Energy Charge:			
All Energy	$ 0.0681	$ 0.0666	$ 0.08093
Revenue from Rate	$ 3,584,465	$ 3,648,247	$ 4,709,219
Change from Previous		1.8%	



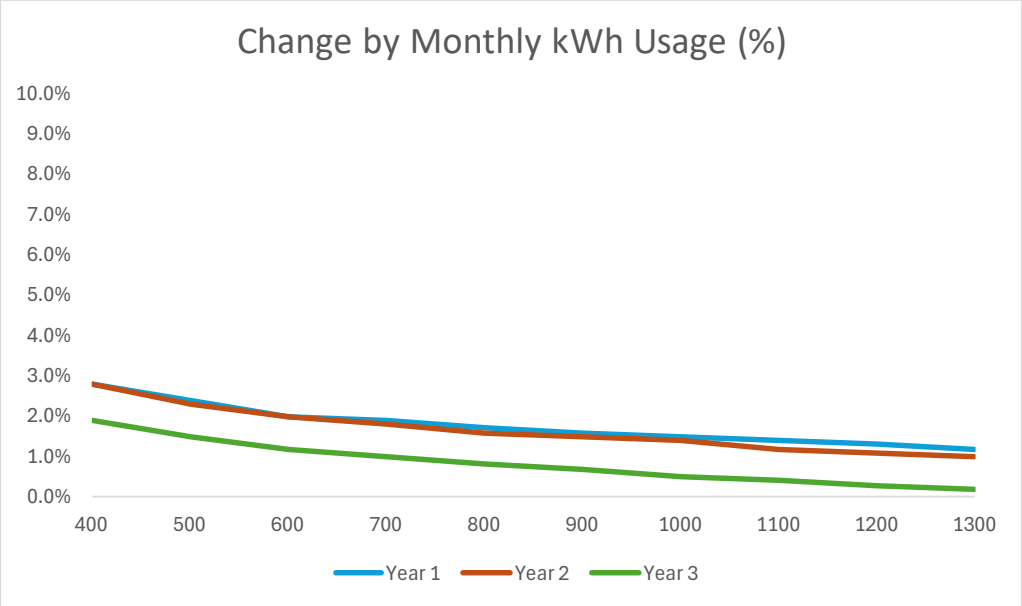
Average Monthly Bill Increase by Usage

All Energy	Year 1 $	Year 1 %
400	$1.40	4.1%
650	$1.03	2.0%
900	$0.65	1.0%
1150	$0.28	0.3%
1400	-$0.10	-0.1%
1650	-$0.47	-0.4%
1900	-$0.85	-0.6%
2150	-$1.22	-0.8%
2400	-$1.60	-0.9%
2650	-$1.97	-1.1%

Electric Sample Rate Design, Multi Year

Projected Residential Rates

Rates	Current	Year 1	Year 2	Year 3	COS Rates
Monthly Facilities Charge:					
All Customers	$ 11.75	$ 13.25	$ 14.75	$ 16.25	$ 18.86
Energy Charge:					
Winter All Energy	$ 0.1018	$ 0.1019	$ 0.1020	$ 0.1020	$ 0.10383
Summer Block 1 (First 20 kWhs per day)	0.1100	0.1100	0.1100	0.1070	0.10383
Summer Block 2 (Excess)	0.1249	0.1240	0.1220	0.1190	0.10383
Revenue from Rate	$ 10,337,868	$ 10,553,155	$ 10,762,483	$ 10,879,557	$ 11,175,415
Change from Previous		2.1%	2.0%	1.1%	



Average Monthly Bill Increase by Usage

All Energy	Year 1 $	Year 1 %	Year 2 $	Year 2 %	Year 3 $	Year 3 %
400	$1.52	2.8%	$1.53	2.8%	$1.10	1.9%
500	$1.52	2.4%	$1.53	2.3%	$1.00	1.5%
600	$1.53	2.0%	$1.54	2.0%	$0.90	1.2%
700	$1.20	1.9%	$1.49	1.8%	$0.80	1.0%
800	$1.47	1.7%	$1.42	1.6%	$0.70	0.8%
900	$1.44	1.6%	$1.35	1.5%	$0.60	0.7%
1000	$1.41	1.5%	$1.29	1.4%	$0.50	0.5%
1100	$1.38	1.4%	$1.22	1.2%	$0.40	0.4%
1200	$1.35	1.3%	$1.15	1.1%	$0.30	0.3%
1300	$1.32	1.2%	$1.09	1.0%	$0.20	0.2%

Review and Potential Implementation of Power Cost Adjustment

Power cost adjustments (PCA) are used by many municipal electric utilities to help ensure power costs are recovered from customers in a timely fashion and the electric utility remains financially stable. A PCA reduces the utility's risk and exposure to changes in power supply costs or changes in transmission charges and helps ensure retail customers are not over or undercharged for electricity in any given year. A PCA must be implemented properly to ensure dramatic changes in the PCA do not occur on a month to month basis leading to customer complaints. UFS has implemented PCAs for electric utilities around the nation and has extensive experience in identifying the most appropriate method that balances customer impacts while maintaining the financial health of the utility. UFS will review the risks and monthly power cost to identify the most appropriate method.

Listed below are general methods used by utilities. Several variations of each method also exist.

- **Monthly (Quarterly, Semi Annual) PCA** – Typically calculated each month or period of time such as quarterly. This methodology tends to result in dramatic changes in the PCA at the time of the true up and may result in increased complaints from customers.
- **Annual PCA** – The power costs are trued-up each year and significant changes can occur at the beginning of each year. Also, the Utility must maintain significant reserves to provide funds to cover the fluctuations in the power costs.
- **Rolling average PCA** – Tends to smooth out the fluctuations while maintaining the financial integrity of the utility. Costs are reviewed each month with small changes occurring with the goal of balancing power costs at the end of a specific period of time such as 12 months.
- **Forecasted PCA Monthly Review** – Based on the annual budget then adjusted monthly to reflect actual power supply costs.

Implementing a new power cost adjustment mechanism or reviewing an existing mechanism may result in additional charges for the services provided by UFS.

Meetings, Reports, and Presentations

Meetings

The following meetings are anticipated (conducted virtually):

- Kickoff meeting – Clarify scope of services and expectations of management.
- Data Verification – Verify data collected.
- Financial Review – Review assumptions used in the long-term projections.
- Review draft reports with management.
- Presentation as requested by management such as review report with Governing body.

Format of Reports

UFS reports are typically separated into the reports listed below:

- **Power Point Summary** – A concise presentation of study results that is shared with management and staff. This summary will include graphs, charts, tables, and findings.
- **Executive Summary Report (PDF)** – An overview that identifies the objectives, process, and results of the rate study in a clear and concise format.
- **Rate Design** – The rate design includes the following:
  - ~ Comparison of the current and proposed rates.
  - ~ Expected revenues generated from proposed rates.
  - ~ Impact on customer classes at various usage levels or load factors within each rate class.

Presentation of Cost of Service and Rate Design Study

A critical aspect of the study is the clear and concise presentation to the governing body of the utility. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to their community.

Firm Qualifications

This section discusses UFS' experience and qualifications assisting municipalities with cost of service and financial analysis. UFS personnel are recognized as national experts and include highly qualified, motivated, experienced, and knowledgeable professionals. UFS' reputation has resulted in industry leading status shown by the number of clients we serve, our frequent requests to instruct classes and speak at conferences around the nation and our frequent requests to serve as expert witnesses on rate related issues.

UFS' experience includes completion of rate studies in 43 states, Guam, several Caribbean Islands and Canada. This provides UFS with the experience and knowledge to provide creative solutions.

UFS is the industry leader in electric, water, and sewer studies. Our national experience is summarized below:

In Demand → UFS has completed numerous rate studies for electric, water, sewer, gas, telecommunications, and solid waste.

Diverse → UFS is the preferred provider of rate services for municipalities, electric cooperatives, and members of Joint Action Agencies.

Innovative → UFS is leading the industry in development of Time of Use rates including variations of Variable Peak Pricing, Dynamic Pricing and Real Time Pricing.

Reliable → Our methodologies on establishing financial targets and cash reserve policies have become industry standards and have assisted utilities in improving bond ratings with Fitch, S&P and Moody's.

Supported → Our establishment of rates for customers located outside city limits have been accepted in State Courts and resulted in UFS becoming expert witnesses and arbitrators on rate disputes across the United States.

Experienced → UFS has provided electric, gas, water, wastewater, and telecommunications services to some of largest utilities in the country including Nashville TN, Knoxville TN, Sacramento Municipal Utility District, Rochester MN, Imperial Irrigation District CA, Austin TX, Huntsville AL, Columbia MO, and Lansing MI.

Knowledgeable → We are frequent speakers on special rate topics around the United States including APPA's National Conference, APPA's Educational Institutes, E&O Workshop, Legal Conferences, Business and Financial Workshop, numerous webinars topics and state conferences in over 15 states.

A sample of recent presentations are listed below:

- Development of Key Financial Targets
- Information provided by Cost of Service Studies
- Cash Reserve Policies for Municipal Utilities
- Development of Utility Extension Policies
- Cost of Service Challenges and Solutions
- Appropriate levels of Contributions to City (Payment in lieu of Tax)
- The Rate Race
- Development of Avoided Cost and Rate Designs for Distributed Generation

Teachers → UFS personnel are the instructors on cost of service and financial planning courses offered through the American Public Power Association (APPA), American Water Works Association (AWWA), and the National Association of Regulatory Utility Commissioners (NARUC), EUCI, and Southern Gas Association. UFS' industry leading status has resulted in courses on distributed generation to the US Department of Energy.

These courses include the following:

- ~ Basic Cost of Service
- ~ Intermediate Cost of Service
- ~ Advanced Cost of Service
- ~ Financial Planning
- ~ Utility Financial Check-up
- ~ Cost of Service and Rate Design for Distributed Generation
- ~ Development of Line Extension Policies
- ~ Rate Structures to promote Energy Conservation
- ~ Rate Structures to create Revenue Stability
- ~ Advanced issues in Rate Design
- ~ Advanced issues in Cost Allocations

UFS holds a commitment to the following:

- **Quality Control –** Proper quality control and management help ensure the accomplished work is in alignment with the project scope, is completed timely, within budget and the results are accurate and defensible. The quality controls developed by UFS are specific to utility rate studies and are based on our prior experience working with electric utilities.
- **Timeliness of Studies –** Part of the quality control includes the timely completion of the rate studies. UFS experience in completing studies provides us the ability to complete the studies as requested and discussed in the initial kick-off meeting.
- **Financial Strength –** UFS commenced business in 2001 and has the highest financial rating by Dunn and Bradstreet.
- **Independence –** UFS maintains its independence throughout its engagements to help ensure unbiased recommendations to the governing bodies. We do not provide services that could impair our independence such as engineering, accounting, or auditing services.
- **Diverse Staff Backgrounds –** Proper development of rate studies require knowledge in accounting, finance, economics, and engineering. UFS staff has diverse backgrounds that include degrees in accounting (CPA), engineering, finance, economics, information technology and degrees in Water Purification Technology.

Proposed service team including titles:
Mark Beauchamp – President
Dawn Lund – Vice President
Dan Kasbohm – Manager
Mike Johnson – Manager
Chris Lund – Business and Technology Manager
Jillian Jurczyk – Manager
Joan Bakenhus – Senior Financial Analyst
Robert Blank – Financial Analyst
Janel Albrecht – Financial Analyst

Staff Availability
UFS has adequate staff available to complete the tasks in the timeline requested.

Resumes

The next section consists of resumes of UFS team members.

Mark Beauchamp, CPA, CMA, MBA

President, Utility Financial Solutions, LLC

Email: mbeauchamp@ufsweb.com
Cellular: 616-403-5450
Location: Holland, MI

Education

- AAS Water Purification Technology
- ABA Business Administration
- BBA Major – Accounting
- MBA Master's Degree in Business

Expert Witness Service

- Detroit Edison vs. Ameritech – Provided expert witness services for Detroit Edison on development of Pole Attachment Rates for Ameritech
- Nebraska State Unicameral – Served as an expert witness before the State of Nebraska Unicameral on proper rate setting and credits to provide customer installed renewable generation
- Dayton Power & Light – Provided expert witness services on pole attachment rates. Case was resolved prior to Court appearance
- Coldwater Board of Public Works – Provide expert witness services on rate challenge by large industrial customer. Case was dropped after deposition was provided
- Smethport PA – Provided deposition and responses to Pennsylvania Public Service Commission on Rate Filing for Smethport

Industry Involvement

- Member of the American Public Power Association
- Member of the American Water Works Association
- Member of the Institute of Management Accountants
- Speaker at national conferences on Financial Planning for Municipal Utilities, Pricing for Water Utilities, Pricing Fiber Optic backbone systems, Unbundling Electric Rates, and Ways to Attract and Retain Customers
- Author of articles appearing in national magazines and newsletters regarding pricing fiber optics, training electric rates, and designing water rates

License and Qualifications

- Class "A" license in wastewater treatment from the State of Michigan
- (CPA) Certified Public Accountant – Wisconsin
- (CMA) Certified Management Accountant – Institute Certified Management Accountants

Course Instructor

- **American Public Power Association (APPA)**
  - Advanced Cost of Service Course (Cash Basis & Utility Basis of Ratemaking)
  - Intermediate Cost of Service (Cash Basis & Utility Basis of Ratemaking)
  - Basic Cost of Service (Cash Basis & Utility Basis of Ratemaking)
  - Financial Planning for Municipal Utilities
  - Financial Planning for Board & Councils
  - Financial Planning and Rate Setting for Managers (Part of Managers Certificate Program)
- **American Municipal Power (AMP)**
  - Financial Planning and Rate Designs for Electric Utilities
- **Michigan State University**
  - Advanced Issues in Cost Allocation (Utility Basis of Rate Making)
  - Retail Costing and Pricing of Electricity
  - Wholesale Costing and Pricing of Electricity
- **Southwest American Water Works Association**
- **Michigan Rural Water Association**
  - Cost of Service & Rate Making for Water Utilities
- **Michigan Finance Government Officers Association**
  - Cost of Service & Rate Making for Water & Wastewater Utilities

Dawn Lund

Vice-President, Utility Financial Solutions, LLC

Dawn has over 25 years of experience pricing utility services for electric, water and wastewater. She works with utilities across the country on cost of service, financial planning, and a variety of complex financial analyses. She also teaches cost of service and financial planning courses for the American Public Power Association and MI-AWWA. She is also a regularly requested speaker for various regional and national organizations.

Email: dlund@ufsweb.com
Cellular: 231-218-9664
Location: Traverse City, MI

Cost of Service (COS)

- Completed electric, water, and wastewater cost of service and rate design studies for utilities across the country, Guam, the Caribbean, and Canada
- Determining appropriate allocations of overhead costs between utility services

Long-term Financial Analysis

- Development of long-term sales and expense projections for electric, water, and wastewater utilities
- Development of long-term financial plan and rate track for electric, water, and wastewater

Presentation & Training

- Presentations to City Councils and Boards for approval of utility rates and proposed rate tracks
- Instructor for APPA's Financial Planning and Basic Cost of Services courses and MI-AWWA
- Monthly presentations to various organizations on topics such as: cost of service, financial planning, key financial targets, cash policies, and how to explain rate increases to the end user, cost of services challenges/solutions, and introduction to allocation studies

Rate Design

- Development of equitable rates between inside-city and outside-city customers
- Development of wholesale contract rates
- Development of special rates; Economic and Time of Use
- Development of Connection Fees
- Development of rate designs to meet financial objectives of utility

Other Professional Involvement

- Member of AWWA Finance, Accounting, Management and Controls Committee
- Member of AWWA Rates and Charges Committee
- Member of MI-AWWA Education Committee
- Developed MI-AWWA Water Academy material for Cost of Service and Financial Planning
- Developed the Basic Cost of Service and Financial Planning courses for APPA
- Preferred consulting firm for Hometown Connections Financial Planning, Cost of Service, and Rate Design

Dan Kasbohm

Manager, Utility Financial Solutions, LLC

Dan joined Utility Financial Solutions, LLC in 2007 and has experience in conducting cost of service and financial analysis for electric, water, wastewater, stormwater and cable utilities around the nation. He has a Bachelor of Science degree in Engineering and has helped public utilities improve revenue stability, set fair and equitable rates, prepare for large capital projects, and help answer questions to many of the unique challenges our industry faces today. Dan is a co-instructor for the Cost of Service course for the American Public Power Association.

Email: dkasbohm@ufsweb.com
Cellular: 616-402-7045
Location: Grand Haven, MI

Cost of Service (COS)

- Utilities include Electric, Gas, Water, and Sewer
- Functionalization & classification of assets and costs related to:
  - Maintaining customer connection to system
  - Variable drivers in production of energy
  - Fixed drivers to support various customer sized loads
- Development of fair & equitable allocators to share assigned costs in each customer class
- Identification of unbundled costs that support rate design and customer price signals

Financial Plan & Key Financial Objectives

- Determine proper revenue requirements (utility costs to be recovered through published rates)
- Provide detailed long-term view of financials
- Develop strategy to meet key financial objectives (debt affordability, minimum cash levels, optimal operating income position, infrastructure age)
- Utilization of financial plan and objectives to provide optional future revenue adjustments with the least impact on utility's customer bills

Presentation & Training

- Presentation of results to each Utility's governing body to help highlight key study findings for:
  - Needed revenue increase
  - Modification of rate components
  - Equitable adjustments toward COS
- Training of Utility staff on use of study results, financial projection, and COS calculations
- Co-Instructor for the American Public Power Association Academy for Cost of Service

Rate Design

- Adjusting current rate structures with focus on:
  - Revenue impacts on Utility financials
  - Customer bill impacts at various usage levels
  - Gradual shift of rate components to COS
  - Improved revenue stability to Utility
  - Increased fairness of revenue recovery
- Development of new rates structures including:
  - Time of Use (seasonal, daily, hourly)
  - Distribution demand bill component
  - Capacity reservation rates
  - Standby service rates
  - Rephrasing rate descriptions to more clearly define application of each rate class
  - Unique large power rates (interruptible, high load factor, pass-through supply)
  - Coincidental-Peak Rates
  - Street lighting rates

Development of Other Effective Tools

- Power Cost Adjustment (PCA) mechanisms based on supply costs, cash position, and financial goals
- Unbundled street light cost of service by lamp
- Policy to identify amount a utility should contribute towards new customer connections
- Policy to offer an economic development discount that doesn't financially impact current rates
- Implementation of a justified minimum cash policy
- Identify cost variations among city & rural meters
- Load profile analysis to identify utility and customer usage patterns
- Calculation of fees for standard utility work
- Rate surveys for similar nearby utilities

Mike Johnson

Manager, Utility Financial Solutions, LLC

Mike joined Utility Financial Solutions, LLC in 2011 and has experience assisting utilities since 1995. He has a Higher National Diploma in Mechatronics (Combined Electrical/Mechanical Engineering). Mike is experienced in cost of service, rate making, financial/operational modeling, automation, electric utility operations, and power supply.

Email: mjohnson@ufsweb.com
Cellular: 608-230-5849
Location: Madison, WI

Cost of Service (COS)

- Development of cost of service studies for electric, communication, gas, water, and wastewater utilities
- Forecasts utility revenue requirements
- Cost allocation model development

Long-term Financial Analysis

- Develops utility financial analysis models
- Identifies growth and load forecasting
- Models rate and revenue effect for customer change within utilities (loss of customers/additional load)
- Develops target metrics for utilities including cash policies, operating income, debt coverage

Expert Witness Services

- Prepared and testified on filings to Public Utility Commission

Rate Design

- Provides cost of services class allocations and rate making
- Designs time of use rates
- Identify effects for different usage patterns within the same class
- Development of rates for alternative fuels and vehicles
- Evaluate marginal costs and development of line extension policies and economic development rates

Other Utility Tools

- Computes cost functionalization and allocation systems for designing and managing complex changes
- Evaluates data and system integration issues associated with new software implementations
- Provides market analysis, bidding, and settlement processes analysis
- Identification and valuation of fixed assets
- Assessment of utility value for sales/purchase
- Development of risk mitigation tools, power/fuel cost adjustment mechanisms

Chris Lund

Business & Technology Manager, Utility Financial Solutions, LLC

Chris has a bachelor's degree in Business Administration with concentration in Computer Science and Speech Communications. He has been a technology and management consultant since 1992 and has utility experience since 2005. Chris is an employee of UFS since 2012 and has also sub-consulted on a variety of technology projects for UFS since 2003.

Email: clund@ufsweb.com
Cellular: 231-342-9798
Location: Traverse City, MI

Financial Consulting

- Completed cost of service and rate design studies for electric, water, wastewater, telecommunications, and refuse utilities
- Designed, wrote, and implemented long term financial projection model including revenue requirements and rate track
- Determined avoided cost for solar (photovoltaic - PV) and wind for renewable energy rates
- Lead consultant for electric vehicle (EV) rates and service study
- Conducted multiple fiber optic cost of service and rate design studies
- Presentations to Governing Bodies for approval of utility rates and proposed rate tracks

Data Analytics

- Data mining and analysis specialist for electric load data research
- Specialist with data mining, data conversion and custom reporting
- Experienced with various ODBC (database connectivity)
- Implemented job costing solution for manufacturing companies
- Designed, written, implemented, supported multiple, custom bar coding and data collection systems for wholesale distribution and manufacturing organizations
- Data collection systems pushed data to payroll for time and attendance, automated inventory tracking and job costing

Technology Experience

- Experienced in Microsoft Excel automation – including payroll data, job costing and automated billing (office automation)
- Experienced in Microsoft Access custom database, programming, and reporting – including electronic data interchange (EDI) mapping using Microsoft VBA
- Lead consultant for multiple mission critical, corporate wide enterprise resource planning (ERP) technology solutions
- Implemented, trained, and supported multiple telecommunications projects
- Implemented and supported some of the first voice over internet protocol (VOIP) telecommuting systems
- Guide management with technology related strategy and business integration
- Modification and complete custom program solutions on midrange and PC
- Wrote automated bill of material (BOM) purchasing forecasting system
- Specify, install, and maintain mission critical PC network infrastructure, servers, workstation, and related software
- Experienced in network security and virtual private network (VPN) technology
- Implemented and supported web storefronts integrated with corporate backend database solution for inventory management, order processing, billing, and account status

Jillian Jurczyk

Manager, Utility Financial Solutions, LLC

Jill has been with UFS since 2013. She has a Bachelor's degree in Mathematics and a Master's degree in Applied Economics from Johns Hopkins University. Jill has populated and analyzed cost of service models, developed long-term financial projections, and designed rates for utilities. Jill specializes in econometric modeling and statistical analysis to project sales and usage. She has worked with a variety of econometric software packages and is competent in handling seasonality, trend, heteroscedasticity, and other economic inefficiencies that arise in data analysis.

E-mail: jjurczyk@ufsweb.com
Cellular: 616-283-8502
Location: Holland, MI

Cost of Service (COS)

Prepares and analyzes cost of service studies to determine appropriate allocations of cost between customer classes, including identification of fixed and variable costs, and assigning appropriate cost drivers to utility expenses, such as kWh sales and non-coincident peak.

Long-term Financial Analysis

Extensive experience utilizing client data to build financial projections, determine revenue requirements, forecast utility sales, and develop cost allocations.

Rate Design

Identifies cross-subsidization between rate classes through cost of service analysis and develops rate design plans to assist in moving utilities toward more equitable rate structures. Analyzes customer bill impacts at various usage levels and identifies revenue stability of rates.

Presentation/Training

Skilled at presenting study results to management and educating governing body of utility. Speaker at various industry conference events.

Management

Excels at managing project workflow and timelines, including consistent and clear client communication among UFS, client, and other stakeholders, throughout the project, and ensuring complete fulfillment of project deliverables.

Other Utility Tools

- Technical expertise in conducting long-term econometric forecasts for electric and water load forecasting
- Proficient at using system and class load data to develop load curves, calculate load factors, and identify system coincidence factors
- Conducting time of use studies, including identification of on-peak and off-peak time periods, and identifying time-based cost to adequately set rates
- Development of power cost adjustment methodology that allows for proper power cost recovery
- Setting avoided cost rates for distributed generation resources
- Development of sales and expense projections to adequately determine a financial plan and rate track
- Innovating rate designs to meet the financial and social objectives of the utility
- Evaluating rate impacts at various usage levels prior to rate implementation

Certifications and Professional Affiliations

- American Water Works Association
- Solid Waste Association of North America
- 2024 American Public Power Association Business and Finance Committee Corporate Officer
- Women in leadership, Cornell University

Joan Bakenhus

Senior Financial Analyst, Utility Financial Solutions, LLC

Joan has experience working with municipal utilities from 1986-1996 and came back to industry in 2006. Joan has a degree in Business Administration. Joan has worked as a Rate Analyst for one of the largest public power systems in the nation (Lincoln Electric System) and for Utility Financial Solutions, LLC since 2006. Joan is experienced in development of long-term financial plans, rate design models and cost of service studies for electric, water, and wastewater utilities.

Email: jbakenhus@ufsweb.com
Cellular: 402-450-7544
Location: Nebraska

Cost of Service (COS)

- Working with Utilities to identify information requirements to complete cost of service and financial plans
- Set up and develop utility revenue requirements, cost of service program and utility revenue proof
- Balancing and set up of models for development of cost of service for water, wastewater, and electric utilities to determine commodity and customer charges
- Responsible for analysis, preparation and updating cost of service models for several electric, water utilities

Long-term Financial Analysis

- Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount of timing of rate adjustments

Rate Design

- Balancing and set up of models for development rate design for water, wastewater, and electric utilities to determine commodity and customer charges
- Development of rate design models for electric, water utilities
- Development of rate surveys

Other Utility Tools

- Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models

Robert Blank

Financial Analyst, Utility Financial Solutions, LLC

Robert has been working for Utility Financial Solutions, LLC since May of 2014 and has a Bachelor of Business Administration with a major in Finance from Davenport University. Over his time at UFS he has conducted Utility rate surveys as well as developed rate designs. Robert has experience with long term financial projections and cost of service studies for Electric, Water, Wastewater, and Gas utilities.

E-mail: bblank@ufsweb.com
Cellular: 616-403-9926
Location: Holland, MI

Long Term Financial Analysis

- Responsible for analysis of financial statements and preparation of cost of service models
- Development of financial targets to determine the financial health of the Utility
- Determine the minimum cash reserve level to maintain financial stability of the Utility
- Calculating debt coverage ratios to identify responsible borrowing to help obtain a higher bond rating
- Calculate an optimal operating income to ensure current customers pay their fair share of the infrastructure
- Develop projected rate tracks to minimize customer impacts while achieving financial targets

Cost of Service (COS)

- Working with utilities to identify the information needed to conduct an accurate cost of service study
- Analyzing billing reports to proof data with financials
- Determine interclass and intraclass subsidizations of various rate classes
- Identify fixed and variable costs related to customer, commodity, and demand

Rate Design

- Develop rate design models for electric, water, wastewater, and gas utilities
- Implementation strategies for monthly customer charges and demand charges
- Identify customer impacts for various customer types at different usage levels
- Conducting rate surveys
- Designing irrigation and horsepower rates

Janel Albrecht

Financial Analyst, Utility Financial Solutions, LLC

Janel began working for Utility Financial Solutions, LLC in February 2024. She has 25 years of experience as an administrative professional with strong attention to detail. Janel worked in the paper industry handling a wide variety of responsibilities, including data management and reporting. For seven years, she managed a small team, scheduled onsite service work, and utilized Excel for tracking schedules, financial data, and operational reports.

E-mail: jalbrecht@ufsweb.com
Cellular: 920-213-7491
Location: Neenah, WI

Janel is skilled in the following:

- Preparing business proposals and reports
- Strong attention to detail and accuracy
- Experienced in Excel (data entry)
- Billing and invoicing
- Customer service and professional correspondence
- Maintaining and managing customer information databases
- Order entry and production scheduling

References

Austin Utilities – Austin, MN

Client Contact: Mark Nibaur, General Manager
Phone: 507-433-8886
Email: markn@austinutilities.com

Utility	Electric	Gas	Water
Services Provided	2012 – Present	2012 – Present	2014 – Present
Scope of Work	• Long-term financial projections, review of financial targets, and long term rate track • Cost of service study, and two-year rate design • Asset review • Allocation study • Rate tariff text review • Reports and presentation to governing body		
Additional Information	• Street light cost of service • PCA model • Time of use analysis • Line extension study	• Interruptible Rate Analysis • Gas commercial rate definition • Line extension study	• Analysis for change in water usage

City of Chaska Utilities – Chaska, MN

Client Contact: Noel Graczyk, Administrative Services Director
Phone: 952.448.9200
Email: NGraczyk@chaskamn.gov

Utility	Electric	Water	Wastewater
Services Provided	2009 – Present	2009 – Present	2009 – Present
Scope of Work	• Long-term financial projections, review of financial targets, and long term rate track • Cost of service study, and annual rate design updates • Right of Way fee analysis • Rate tariff text review • Reports and presentation to management		
Additional Information	• PCA model • Solar rate credit • Line extension study • Economic Development rate options	• Analysis for revised size of blocked rates	• Analysis for change in water usage

Hutchinson Utilities Commission – Hutchinson, MN

Client Contact: Jeremy Carter, General Manager
Phone: 320-234-0505
Email: jcarter@ci.hutchinson.mn.us

Utility	Electric	Gas
Services Provided	2018 – 2022	2018 – 2022
Scope of Work	• Long-term financial projections, review of financial targets, and long term rate track • Cost of service study, and three-year rate design • Reports and presentation to governing body	

Project Schedule

Our experience with cost of service and rate design studies allows us to conduct a cost effective and efficient study. The following is the tentative project schedule for completion of the cost of service and rate design. This schedule will be finalized during the initial project kick-off meeting with management.

Task	*Expected Completion – Twelve Weeks*
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Study	Week Three – Five
Development of Revenue Requirements	Week Six – Seven
Cost of Service Analysis Component/Functional Costs	Week Eight – Ten
Review Rate Design and Alternatives	Week Eleven – Thirteen
Report, Recommendations & Presentation of Draft	Week Fourteen - Fifteen
Final Report	Week Sixteen

The completion of the project on the proposed schedule is dependent on the cooperation of various departments within the Utility to prepare the information request in a timely manner.

Proposed Professional Services Agreement

Prices, terms, and conditions are good for a period of 90 days from this proposal date of 02/5/2026.
Payment will be made through submission of invoice which itemizes the work performed.

Electric Cost of Service, Financial Projection, One-Year Rate Design $22,900

Total above does not include onsite meetings, out of pocket travel expenses, or travel time.

Anticipated Meetings (Virtual, unless noted):

- Project kickoff
- Data collection summary
- Financial review summary
- Draft report with management
- Final report with management

Deliverables (for all utilities):

- Final Report (PDF), detailing:
  - Long-term Financial Projection and Rate Track
    - Minimum cash reserve determination
    - Debt service ratio
    - Target operating income (rate of return)
  - Cost of Service Analysis
  - One-Year Rate Design

Optional Services (please circle those requested)

- Update line extension analysis $4,100
- Update pole attachment fees.....$3,200

Hourly Rates *(travel is discounted at 50%)*	
Mark Beauchamp	$ 375.00
Dawn Lund	$ 350.00
Dan Kasbohm	$ 310.00
Mike Johnson	$ 310.00
Chris Lund	$ 310.00
Jillian Jurczyk	$ 295.00
Joan Bakenhus	$ 190.00
Support Staff	$ 70.00 – $ 195.00

Out of Scope Pricing:
Out of scope items and work hours will be billed at the hourly rates listed on this page.

Onsite meetings, if requested and agreed upon, will be billed as out of scope.

All rate designs outside of the current rate structure or additional years of rate design will be charged hourly.

We look forward to exceeding your expectations. Please sign, date, and return to dkasbohm@ufsweb.com at your earliest convenience.

Sincerely,

Mark Beauchamp, CPA, MBA, CMA
President, Utility Financial Solutions, LLC

Date: _____

Accepted By: _____

Brainerd Public Utilities

Brainerd Public Utilities

PROPOSAL

FOR

ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

March 17, 2026

DBC
DAVE BERG CONSULTING, LLC

PROPOSAL OUTLINE

Cover Letter

Project Understanding and Scope

Example Data Request

Personnel/Experience/References

Compensation

March 17, 2026

Mr. Dan Loch
Finance Manager
Brainerd Public Utilities
8027 Highland Scenic Rd
PO Box 373
Brainerd, MN 56401

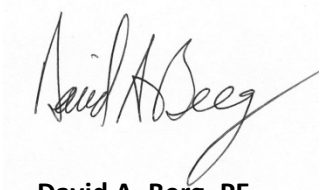
Dear Mr. Dan Loch:

I am pleased to present this proposal to perform a comprehensive electric cost-of-service and rate design study for Brainerd Public Utilities. I have a broad base of experience, with an emphasis on retail rate analysis and design, that I believe makes me well suited to undertake this study for BPU. I am familiar with BPU having completed similar studies for you in the past. As a small firm, I am committed to making sure I meet BPU's needs in this endeavor. This proposal was designed to meet the requirements we discussed.

I look forward to the prospect of being of service again to BPU; if you have any questions regarding this proposal, feel free to contact me.

Sincerely,

Dave Berg Consulting, LLC



David A. Berg, PE
Principal

Project Understanding and Scope

Project Understanding

BPU wishes to undertake a comprehensive cost-of-service analysis and rate design study to review its system of rates and charges for the electric utility. The study will include an examination of allocated cost to serve each of BPU's customer classes as compared to the revenues received from each class. The study will also extend to consideration of the interrelationship between rates/revenue from retail customers and important fiscal aspects of BPU such as capital improvements and reserve levels. BPU may also wish to consider rate issues such as rate design and structures, solar and net metering, time-of-use, electric vehicle charging, large load additions and customer conservation effects. During the kickoff meeting listed below, I anticipate discussing these issues with BPU staff to ensure a mutual understanding of each issue and how to address it as part of the study.

Scope of Services

The Scope of Services as outlined below has been prepared based on my current understanding of BPU's needs.

Task 1- Data Request

Upon receiving notice to proceed, a written data request will be submitted to BPU detailing the data required for the study. The data is necessary to facilitate an in-depth understanding of the relationship between BPU's expenses, revenues and sales to retail customers. An example data request follows this scope of services.

Task 2 – Kickoff Meeting

I will travel to BPU and meet with BPU staff to review goals for the study and answer questions regarding the data request. I also anticipate discussing at length BPU's specific rate goals and the inclusion of those items in the study. I will plan to spend most of a day in BPU's offices as part of this task. I believe this is an important feature of this proposed scope of services. This will be designed to enhance BPU's understanding of the process and my understanding of BPU's goals and concerns.

Task 3 – Financial Forecast – Existing Rates

Based on projected sales to retail customers and estimated utility revenue requirements, a 5-year forecast (the study period) of BPU's electric operating results will be prepared. Revenues for these forecasts will be based on existing retail rates. This forecast will also include funding for expected capital improvements during the study period and an analysis of the resulting impact on reserve fund levels. The results of this task provide an important indication of the overall fiscal health of BPU's electric utility and the need, if any, for additional revenues.

Task 4 – Cost of Service Analysis

The results of Task 3 give an indication of overall revenue needs for the utility. The cost-of-service analysis is utilized to determine how the revenues should be collected from different classes of customers as well as through different components of the rates within each class. To facilitate the cost-of-service analysis, a 'test year' revenue requirement is established. The test year financial and operating statistics provide the basis for determining the relationship between sales and expenses for the utility. The test year revenue requirements are first functionalized by their operational category such as wholesale power/generation, transmission, distribution and customer service. Within each function, the revenue requirements are then classified as demand, energy, customer, revenue-related or direct assignment. Based on the classified costs within each function, the revenue requirements are allocated to each of the customer classes. Specifically designed allocators appropriate to each cost classification are utilized to allocate costs. Based on this analysis, the allocated cost to serve each customer class is determined. The allocated cost to serve each class is then compared to the revenues received from that class to determine if any class-specific revenue adjustments are warranted. Additionally, the cost-of-service study yields specific functionalized/classified costs for each class which can be utilized in the design of individual rate components for each class of customers.

Analysis of BPU's available AMI data for all customers will support an accurate creation of allocation factors for each of BPU's customer classes. I propose to utilize the services of an analyst from the firm NewGen Strategies and Solutions to extract required data from BPU's AMI data set. NewGen analysts have extensive experience dealing with very large data files to compile required information to enhance the cost-of-service analysis and ensure more accurate and defendable calculations. I have a more than 30-year working relationship with principal members of the NewGen team.

Upon completing the cost-of-service analysis, I will have a video meeting discussion with BPU staff to review the specifics of the analysis and make any agreed upon adjustments to the functionalization, classification or allocation of revenue requirements within the COS model.

Task 5 – Interim Reports

An interim report will be prepared summarizing the analyses prepared to date. This interim report will be sent to BPU for review and comment. The purpose of the interim reports is to clearly demonstrate the basis for moving forward with rate design.

Task 6 – Rate Design Discussion

I will travel to Brainerd to meet with BPU staff to review specifics related to alternatives for consideration in the design of proposed retail electric rates.

Task 7 – Rate Design

Based on the revenue needs of the utility, the results of the cost-of-service analysis and discussions with staff, proposed rates will be developed for each of the retail customer classes. The rates will be

designed to meet the overall revenue goals of the utility as well as specific rate design goals of BPU. Rate comparisons will be prepared to compare the class by class proposed rates to the existing BPU rates in each class. These comparisons will also be made for an agreed upon number of representative customers in each class.

Task 8 - Financial Forecast – Proposed Rates

The financial forecast prepared as part of Task 3 will be revised to show the impact of the proposed rates on the five-year study period operating results. A primary focus of the analysis will be the resulting cash balances in BPU reserve funds.

Task 9 – Preliminary Report

The results of Tasks 6-8 will be added to the Interim Report prepared in Task 5 and submitted to BPU for review as a preliminary report.

Task 10 – Report Review

A video meeting will be held with BPU staff to discuss the preliminary report with a focus on any areas requiring additional explanation or areas of the study requiring additional analysis.

Task 11 – Final Reports

Based on the discussions in Task 10, the preliminary report will be finalized and an electronic copy of the final report will be provided to BPU.

Task 12 – Report Presentation

A presentation will be prepared and delivered at a BPU Commission meeting to explain the conduct of the study and resulting rate recommendations as well as to answer any questions.

Meetings

The scope includes three in-person meetings in Brainerd (tasks 2, 6 and 12).

Schedule

The proposed schedule for this study is presented below. The schedule is proposed as a 16-week undertaking. Assuming a June start, the study would be completed by the end of September with results available to support October budget discussions.

Brainerd Public Utilities Project Schedule

Task	Week															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Task 1 Data Request	S															
Task 2 Kickoff Meeting			M													
Task 3 - Financial Forecast - Existing Rates																
Task 4 - Cost of Service Analysis							VM									
Task 5 - Interim Reports								S								
Task 6 - Rate Design Discussion									M							
Task 7 - Rate Design																
Task 8 - Financial Forecast - Proposed Rates																
Task 9 - Preliminary Report													S			
Task 10 - Report Review														VM		
Task 11 - Final Reports															S	
Task 12 - Report Presentation																M

M - meeting
VM - video meeting
S - submittal

Electric Cost of Service and Rate Design Study
Example Data Request

Please provide the following information regarding electric operations:

1. Copies of current rate schedules and all rate schedules covering 2025 that are not currently in effect (if any).
2. For years 2021 through 2025, the following items:
    a) Annual electric energy consumption by rate schedule.
    b) Annual electric billing demand by rate schedule by season.
    c) Average number of electric customers by rate schedule.
    d) Total system retail electric kWh sales.
    e) Total electric system wholesale requirements and losses.
    f) Annual electric system peak demands
3. For year 2025 and 2026 YTD only, the following items:
    a) Monthly electric energy consumption by rate schedule.
    b) Monthly billing demand by rate schedule.
    c) Monthly number of electric customers by rate schedule.
    d) Monthly system electric peak demands.
    e) Monthly electric revenues by rate schedule, segregated by customer, demand and energy billing.
4. Scheduled annual capital expenditures for 2026-2030, and the intended method of funding such expenditures.
5. Annual electric financial reports or audited financials for 2021-2025.
6. Annual electric operating budgets for 2026–2030, as available.
7. Information on electric service provided free of charge or at a discount for 2025.
8. Copies of monthly electric bills during 2025 for each of the 10 largest customers.

9. An example bill for each retail class of electric customers.

10. Detail of any special allocations of capital or operating expenditures to individual customers or customer classes for 2025, and the basis for such allocations, as appropriate.

11. All sales forecast information available for 2026-2030.

12. Identification of any anticipated major customer additions or subtractions for 2026-2030.

13. Method of determining transfers to the City.

14. Wholesale Power
    a) monthly wholesale power bills for 2025 and 2026 YTD.
    b) current wholesale rates
    c) information on any known future wholesale rate changes

15. Listing of electric plant-in-service, accumulated depreciation and annual depreciation for 2025.

16. Debt Service: Current electric debt service principal and interest payments and any new debt planned for 2026-2030.

17. The annual dollar amount by rate schedule of voltage discounts or discounts related to customer equipment and metering for 2025.

18. The annual dollar amount by rate schedule of penalties due to power factor or other reasons for 2025.

19. Any other pertinent financial or operating data for electric utility.

20. Contact information for staff person responsible for AMI data and coordination with data analysis subconsultant.

21. Information regarding current customer-owned distributed electric generation

Personnel/Experience/References

Personnel

Dave Berg Consulting, LLC is a single-person entity that specializes in financial services to utilities such as Brainerd, especially rate related services. Dave would serve as project manager and rates analyst for this assignment. This approach ensures that Dave's experience and judgment will be applied to every phase of the study. At no time will any tasks be delegated to an inexperienced junior analyst. Dave formed Dave Berg Consulting in late 2012 after spending 28 years working for large consulting firms, the last 25 with R.W. Beck/SAIC located in the Minneapolis/St. Paul metro area.

Experience

Dave has 42 years of experience providing professional consulting services to utilities. These services have required a combination of technical and economic expertise to assist clients with important decisions affecting the operational and financial health of their utilities. Over the course of his career, he has managed projects including retail and wholesale utility cost-of-service and rate design, power generation feasibility studies, power supply planning analyses, energy supply contract negotiations, consulting engineer reports in support of bond financing and utility education courses.

Retail Cost of Service and Rate Design

He has directed retail cost-of-service and rate design studies for over one hundred separate utilities, including multiple studies for many utility clients. These studies have been performed for electric, natural gas, water, wastewater, steam and hot water and communications utilities. He has an in-depth understanding of the analysis of utility costs and the design of rates with the goals of meeting utility revenue requirements, managing customer expectations and delivering proper price signals to end users. His rate design experience ranges from relatively simple rates to more complex time-based rates for use with advanced metering systems. He has worked with many utility clients to assist them in managing difficult transitions from current rate structures (that may have been established years ago) to updated rates that more accurately reflect current utility costs. His client base has been predominately public power utilities ranging in size from a few hundred customers to more than one million customers.

In recent years, a focus of electric rate studies performed by Dave has been on emerging utility issues such as distributed generation, time-of-use and other specialized rates, storage, electric vehicles, conservation and advanced metering considerations.

Since 2004 he has been an instructor for an in-depth electric cost-of-service and rate design course that has been taught throughout the U.S. This course has been attended by U.S. and foreign based utility staff including investor and consumer owned utilities, state utility commissions, independent power producers, attorneys, and other industry professionals. More than 1500 utility professionals have attended his training courses. He has also provided in-house training to both utility and state commission staff. In-house training sessions have been for entities such as the Federal Energy Regulatory Commission staff, Iowa Utilities Board staff, California State PUC staff, Utah State PUC staff, Texas State PUC staff, Hawaii

PUC staff, Kauai Island Utility Cooperative staff, Caribbean Electric Utility Service Corporation members, Austin, TX utility staff, Iowa Association of Municipal Utilities members, Indiana Municipal Power Agency members, Duke Energy staff and New Brunswick Power staff.

He is a frequent speaker at various state and national conferences and has presented results of rate analyses to numerous city councils and public power boards and commissions. He has also testified in state PUC and court proceedings as an expert witness in rate-related cases.

Client References

Greg Drent, General Manager
Shakopee Public Utilities (Electric/Water)
255 Sarazin Street
Shakopee, MN 55379
952-445-1988
gdrent@shakopeeutilities.com

Joel Eves, Power Department Director
Lehi City Power (Electric)
560 Wes Glen Carter Drive
Lehi, UT 84043
385-201-2623
jeves@lehi-ut.gov

Julie Kennedy, General Manager
Grand Rapids Utilities (Electric/Water/Sewer)
500 SE 4th Street
Grand Rapids, MN 55744
218-326-7687
jakennedy@grpuc.org

Mark Roberts, Director, Finance and Administrative Services
Muscatine Power and Water (Electric/Water)
3205 Cedar Street
Muscatine, IA 52761
563-262-3303
mark.roberts@mpw.org

Liz Douglas, Asst Finance Director
Anoka Municipal Utility (Electric)
2015 First Ave
Anoka, MN 55303
763-576-2772
LDouglas@ci.anoka.mn.us

Bruce Reimers, General Manager
New Prague Utilities (Electric/Water)
118 Central Avenue North
New Prague, MN 56071
952-458-4401
breimers@ci.new-prague.mn.us

NewGen Strategies and Solutions – AMI data subconsultant

Leveraging Advanced Metering Infrastructure (AMI) data significantly strengthens cost-of-service and rate design processes, enabling utilities to pinpoint how individual and class-level usage drives costs, and how to appropriately allocate expenses incurred at the market, system, distribution, and individual customer levels. Equipped with these insights, utilities can confidently tailor rates and classes based on actual contributions to peak demands and energy usage patterns. We can also explore diverse rate design scenarios—ranging from revising or creating new customer classes to introducing demand charges or time-of-use pricing. Through these capabilities, utilities can set cost-effective rates and provide clear and accurate price signals to their customers.

For more than a decade, NewGen has partnered with public power entities to transform their AMI data into powerful, data-driven insights. Our teams have successfully analyzed AMI datasets for more than 100 projects, serving utilities ranging from 1,000 meters to over 300,000 meters. This experience underpins our proven ability to collect and interpret critical data for cost-of-service and rate studies, as well as a variety of advanced analyses such as customer segmentation, load forecasting, price elasticity of demand, weather normalization, anomaly detection, and electric vehicle load detection. In addition to conducting these studies, we also design and manage data warehouses that store and secure AMI datasets for our clients. We frequently start with raw data, working closely with vendors to ensure the secure transfer of data, and are experienced in the processes of looking for anomalies and ensuring multipliers and customer data are properly applied to ensure accurate, reliable datasets for subsequent analysis.

Additional information regarding NewGen can be found at www.newgenstrategies.net

Clients

Shown below is a representative list of clients that Dave has provided rate-related services to during the last 35 years.

- Alameda, CA
- Alexandria, MN
- Ames, IA
- Anaheim, CA
- Anoka, MN
- Arlington, MN
- Auburn, IN
- Austin, MN
- Austin, TX
- Bagley, MN
- Baudette, MN
- Biwabik, MN
- Blooming Prairie, MN
- Brainerd, MN
- Brigham, UT
- Brownton, MN
- Bryan, TX
- Buffalo, MN
- Buhl, MN
- California Public Utilities Commission
- Cedar Falls, IA
- Del Rio, TX
- Delano, MN
- Denison, IA
- Detroit Lakes, MN
- Duluth, MN
- Durant, IA
- Elk River, MN
- Ely, MN
- Estherville, IA
- Eugene, OR
- Fairmont, MN
- Fosston, MN
- Grafton, ND
- Grand Marais, MN
- Grand Rapids, MN
- Halstad, MN
- Hannibal, MO
- Harlan, IA
- Hawarden, IA
- Hawley, MN
- Hermantown, MN
- Hutchinson, MN
- Hyrum, UT
- Imperial Irrigation District, CA
- Indiana Municipal Power Agency
- Iowa Utilities Board
- Keewatin, MN
- Lake City, MN
- Lehi, UT
- Levan, UT
- Litchfield, MN
- Logan City, UT
- Los Angeles, CA
- Manitowoc, WI
- Manti, UT
- Marshall, MN
- Missouri River Energy Services, SD
- Mora, MN
- Morgan, UT
- Moorhead, MN
- Murray, UT
- Muscatine, IA
- Nephi, UT
- New Braunfels, TX
- New Brunswick Power
- New Hampshire Electric Cooperative
- New Prague, MN
- New Ulm, MN
- North Branch, MN
- Northern Municipal Power Agency
- Ohio Gas Company
- Osage, IA
- Owatonna, MN
- Palo Alto, CA
- Park River, ND
- Payson, UT
- Pella, IA
- Pierz, MN
- Princeton, MN
- Provo, UT
- Redwood Falls, MN
- Riverside, CA
- Rochester, MN
- Rock Rapids, IA
- Roseau, MN
- Salem, UT
- Santee Cooper, SC
- Shakopee, MN
- Sioux Center, IA
- Southern Minnesota Municipal Power Agency
- Spanish Fork, UT
- Springfield, MO
- Stanton Co. Public Power District, NE
- Stephen, MN
- Thief River Falls, MN
- TransGas Energy
- Two Harbors, MN
- Utah Municipal Power Agency
- Valley Queen Dairy
- Vermont DPS
- Vinton, IA
- Volga, SD
- Wadena, MN
- Warren, MN
- Warroad, MN
- Waseca, MN
- Washington Twnship Water Authority
- Watertown, SD
- Waukee, IA
- Waverly, IA
- West Bend, WI
- Westerville, OH
- Willmar, MN
- Wilton, IA
- Winthrop, MN

Compensation

Dave Berg Consulting, LLC proposes to perform the scope of services outlined in this proposal to BPU based on a fixed fee for services.

I would perform the work for a total fixed fee of $25,000. The total fee includes $5,000 for the AMI data analysis by NewGen Strategies and Solutions. No additional billed expenses are anticipated for this project. I would bill the $25,000 fixed fee in two installments: 1) $17,000 following the submittal of the interim report in Task 5 and 2) $8,000 following the report presentation in Task 12 or completion of the study.

Public Utilities Commission
Agenda Request

MEETING DATE: March 31, 2026

TITLE OF ITEM: Approve Termination of the Contract for Professional Services with Widseth and authorize the Professional Services Agreement with HR Green for the Main Lift Station Reconstruction Project

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 5 Minutes

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

SUMMARY OF ISSUE:

The Main Lift Station project is currently in the advanced stages of the design phase, with both Widseth and HR Green actively contributing to project development. Staff recently received the 90 percent design plan set, which represents a near-final compilation of the project's engineering, architectural, and process-related components. This submittal reflects substantial progress and incorporates prior feedback from staff, along with coordination between the civil, structural, mechanical, electrical, and controls disciplines.

Staff are in the process of completing a detailed review of the 90 percent plans to identify any remaining comments or necessary refinements prior to final design completion. Concurrently, the project team is preparing to submit the design documents to the Minnesota Pollution Control Agency (MPCA) by March 31st. This submittal is intended to initiate the MPCA's review process and obtain preliminary regulatory feedback on the proposed lift station design, particularly as it relates to wastewater system standards, permitting requirements, and environmental compliance.

Feedback received from the MPCA at this stage will be incorporated into the final design package to ensure all regulatory requirements are addressed prior to bidding and construction.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

During the early stages of project development, staff evaluated the overall structure and effectiveness of the consultant team in relation to the technical demands of the project. As part of this evaluation, staff initiated discussions with both Widseth and HR Green regarding a potential adjustment to the project management framework. These discussions were driven by the recognition that the project is heavily centered on process engineering, mechanical systems, controls integration, electrical design, and complex piping—all of which are core areas of expertise within HR Green's scope of services.

Under the original contractual arrangement, Widseth was identified as the prime consultant responsible for overall project management and coordination. Their scope primarily included civil site design,

architectural components of the lift station building, and several ancillary tasks. HR Green, as a sub-consultant, was responsible for the design of the critical operational systems, including process engineering, pumping systems, controls, electrical infrastructure, and mechanical piping—elements that represent the majority of the project's technical complexity and functional performance.

Following staff's request to reconsider the project management structure, Widseth and HR Green collaboratively proposed a revised approach in which HR Green would assume the role of lead consultant during the design development phase. Under this proposed structure, HR Green would be responsible for leading project meetings, coordinating the design team, and serving as the primary point of contact with the City throughout the remainder of the design process.

Based on staff's assessment, this proposed change more appropriately aligns project leadership with the disciplines that comprise the majority of the project scope. Given that the primary deliverables and technical risks are associated with process, electrical, controls, and mechanical systems, staff determined that having HR Green serve as the prime consultant would provide improved coordination, efficiency, and accountability moving forward.

While it would be feasible to continue the project under the existing contractual arrangement with Widseth as the prime consultant, City legal counsel has advised that the prime consultant designation should reflect the firm responsible for the majority of the project deliverables. In this case, that responsibility clearly resides with HR Green.

It is important to note that this change does not impact the overall project scope, schedule, deliverables, or total project fee. The proposed adjustment is strictly administrative in nature and pertains only to the contractual relationship with the City. All previously defined roles, responsibilities, and project expectations will remain in place, with the exception of HR Green assuming the role of prime consultant and Widseth transitioning to a supporting sub-consultant role.

RECOMMENDED ACTION/MOTION: Staff recommends termination of the professional services contract with Widseth and authorizing the professional services contract with HR Green for the same scope of services, schedule, budget, and deliverables for the Main Lift Station Reconstruction Project subject to legal review being completed and contractual terms being agreed on by both parties.

FINANCIAL IMPACT:

The original and proposed Professional Services Agreement includes a total fee with a not-to-exceed amount of $494,000. This cost is consistent across both the existing and revised contractual structures and does not represent an increase to the overall project budget. Funding for these professional services is already accounted for within the approved 2026 Capital Wastewater Budget, and no additional appropriation is required as a result of the proposed change.

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~~
Paul Sandy

12/1/2025
Date

General Provisions of Professional Services Agreement BPU Version

These General Provisions are intended to be used in conjunction with a letter-type Agreement or a Request for Services between Widseth Smith Nolting & Assoc., Inc., a Minnesota Corporation, hereinafter referred to as WIDSETH, and a CLIENT, wherein the CLIENT engages WIDSETH to provide certain Architectural, and/or Engineering services on a Project.

As used herein, the term "this Agreement" refers to (1) the WIDSETH Proposal Letter which becomes the Letter Agreement upon its acceptance by the Client, (2) these General Provisions and (3) any attached Exhibits, as if they were part of one and the same document. With respect to the order of precedence, any attached Exhibits shall govern over these General Provisions, and the Letter Agreement shall govern over any attached Exhibits and these General Provisions. These documents supersede all prior communications and constitute the entire Agreement between the parties. Amendments to this Agreement must be in writing and signed by both CLIENT and WIDSETH.

ARTICLE 1. PERIOD OF SERVICE

The term of this Agreement for the performance of services hereunder shall be as set forth in the Letter Agreement. In this regard, any lump sum or estimated maximum payment amounts set forth in the Letter Agreement have been established in anticipation of an orderly and continuous progress of the Project in accordance with the schedule set forth in the Letter Agreement or any Exhibits attached thereto. WIDSETH shall be entitled to an equitable adjustment to its fee should there be an interruption of services, or amendment to the schedule.

ARTICLE 2. SCOPE OF SERVICES

The scope of services covered by this Agreement shall be as set forth in the Letter Agreement or a Request for Services. Such scope of services shall be adequately described in order that both the CLIENT and WIDSETH have an understanding of the expected work to be performed.

If WIDSETH is of the opinion that any work they have been directed to perform is beyond the Scope of this Agreement, or that the level of effort required significantly exceeds that estimated due to changed conditions and thereby constitutes extra work, they shall notify the CLIENT of that fact. Extra work, additional compensation for same, and extension of time for completion shall be covered by a revision to the Letter Agreement or Request for Services and entered into by both parties.

ARTICLE 3. COMPENSATION TO WIDSETH

A. Compensation to WIDSETH for services described in this Agreement shall be on a Lump Sum basis, Percentage of Construction, and/or Hourly Rate basis as designated in the Letter Agreement and as hereinafter described.

1. A Lump Sum method of payment for WIDSETH's services shall apply to all or parts of a work scope where WIDSETH's tasks can be readily defined and/or where the level of effort required to accomplish such tasks can be estimated with a reasonable degree of accuracy. The CLIENT shall make monthly payments to WIDSETH within 30 days of date of invoice based on an estimated percentage of completion of WIDSETH's services.

2. A Percentage of Construction or an Hourly Rate method of payment of WIDSETH's services shall apply to all or parts of a work scope where WIDSETH's tasks cannot be readily defined and/or where the level of effort required to accomplish such tasks cannot be estimated with any reasonable degree of accuracy. Under an Hourly Rate method of payment, WIDSETH shall be paid for the actual hours worked on the Project by WIDSETH technical personnel times an hourly billing rate established for each employee. Hourly billing rates shall include compensation for all salary costs, payroll burden, general, and administrative overhead and professional fee. In a Percentage of Construction method of payment, final compensation will be based on actual bids if the project is bid and WIDSETH's estimate to the CLIENT if the project is not bid. A rate schedule shall be furnished by WIDSETH to CLIENT upon which to base periodic payments to WIDSETH.

3. In addition to the foregoing, WIDSETH shall be reimbursed for items and services as set forth in the Letter Agreement or Fee Schedule and the following Direct Expenses when incurred in the performance of the work:

   (a) Travel and subsistence.
   (b) Specialized computer services or programs.
   (c) Outside professional and technical services with cost defined as the amount billed WIDSETH.
   (d) Identifiable reproduction and reprographic costs.
   (e) Other expenses for items such as permit application fees, license fees, or other additional items and services whether or not specifically identified in the Letter Agreement or Fee Schedule.

4. The CLIENT shall make monthly payments to WIDSETH within 30 days of date of invoice based on computations made in accordance with the above charges for services provided and expenses incurred to date, accompanied by supporting evidence as available.

WIDSETH
ARCHITECTS ▪ ENGINEERS
SCIENTISTS ▪ SURVEYORS

B. The CLIENT will pay the balance stated on the invoice unless CLIENT notifies WIDSETH in writing of the particular item that is alleged to be incorrect within 15 days from the date of invoice, in which case, only the disputed item will remain undue until resolved by the parties. All accounts unpaid after 30 days from the date of original invoice shall be subject to a service charge, in accordance with Minnesota Statute 549.09 . WIDSETH shall be entitled to recover all reasonable costs and disbursements, including reasonable attorneys fees, incurred in connection with collecting amount owed by CLIENT. In addition, WIDSETH may, after giving seven days written notice to the CLIENT, suspend services and withhold deliverables under this Agreement until WIDSETH has been paid in full for all amounts then due for services, expenses and charges. CLIENT agrees that WIDSETH shall not be responsible for any claim for delay or other consequential damages arising from suspension of services hereunder.
Upon payment in full by Client and WIDSETH's resumption of services, the time for performance of WIDSETH's services shall be equitably adjusted to account for the period of suspension and other reasonable time necessary to resume performance.

ARTICLE 4. ABANDONMENT, CHANGE OF PLAN AND TERMINATION

Either Party has the right to terminate this Agreement upon seven days written notice. In addition, the CLIENT may at any time, reduce the scope of this Agreement. Such reduction in scope shall be set forth in a written notice from the CLIENT to WIDSETH. In the event of unresolved dispute over change in scope or changed conditions, this Agreement may also be terminated upon seven days written notice as provided above.

In the event of termination, and upon payment in full for all work performed and expenses incurred to the date of termination, documents that are identified as deliverables under the Letter Agreement whether finished or unfinished shall be made available by WIDSETH to the CLIENT pursuant to Article 5, and there shall be no further payment obligation of the CLIENT to WIDSETH under this Agreement.

In the event of a reduction in scope of the Project work, WIDSETH shall be paid for the work performed and expenses incurred on the Project work thus reduced and for any completed and abandoned work, for which payment has not been made, computed in accordance with the provisions of Article 3 and the Letter Agreement.

ARTICLE 5. DISPOSITION OF PLANS, REPORTS AND OTHER DATA

All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by WIDSETH or its consultants are Instruments of Service and shall remain the property of WIDSETH or its consultants, respectively. WIDSETH and its subconsultants retain all common law, statutory and other reserved rights, including, without limitation, copyright. WIDSETH and its subconsultants maintain the right to determine if production will be made, and allowable format for production, of any electronic media or data to CLIENT or any third-party. Upon payment in full of monies due pursuant to the Agreement, WIDSETH shall make hard copies available to the CLIENT, of all documents that are identified as deliverables under the Letter Agreement. If the documents have not been finished (including, but not limited to, completion of final quality control), then WIDSETH shall have no liability for any claims expenses or damages that may arise out of items that could have been corrected during completion/quality control. Any Instruments of Service provided are not intended or represented to be suitable for reuse by the CLIENT or others on extensions of the Project or any other project. Any modification or reuse without written verification or adaptation by WIDSETH for the specific purpose intended will be at CLIENT's sole risk and without liability or legal exposure to WIDSETH. CLIENT shall indemnify, defend and hold harmless WIDSETH from any and all suits or claims of third parties arising out of use of unfinished documents, or modification or reuse of finished documents, which is not specifically verified, adapted, or authorized in writing by WIDSETH. This indemnity shall survive the termination of this Agreement.

Should WIDSETH choose to deliver to CLIENT documents in electronic form, CLIENT acknowledges that differences may exist between any electronic files delivered and the printed hard-copy. Copies of documents that may be relied upon by CLIENT are limited to the printed hard-copies that are signed and/or sealed by WIDSETH. Files in electronic form are only for convenience of CLIENT. Any conclusion or information obtained or derived from such electronic documents will be at user's sole risk. CLIENT acknowledges that the useful life of some forms of electronic media may be limited because of deterioration of the media or obsolescence of the computer hardware and/or software systems. Therefore, WIDSETH makes no representation that such media will be fully usable beyond 30 days from date of delivery to CLIENT.

ARTICLE 6. CLIENT'S ACCEPTANCE BY PURCHASE ORDER OR OTHER MEANS

In lieu of or in addition to signing the acceptance blank on the Letter Agreement, the CLIENT may accept this Agreement by permitting WIDSETH to commence work on the project or by issuing a purchase order signed by a duly authorized representative. Such purchase order shall incorporate by reference the terms and conditions of this Agreement. In the event of a conflict between the terms and conditions of this Agreement and those contained in the CLIENT's purchase order, the terms and conditions of this Agreement shall govern. Notwithstanding any purchase order provisions to the contrary, no warrantees, express or implied, are made by WIDSETH.

ARTICLE 7. CLIENT'S RESPONSIBILITIES

A. To permit WIDSETH to perform the services required hereunder, the CLIENT shall supply, in proper time and sequence, the following at no expense to WIDSETH:

1. Provide all program, budget, or other necessary information regarding its requirements as necessary for orderly progress of the work.

2. Designate in writing, a person to act as CLIENT's representative with respect to the services to be rendered under this Agreement. Such person shall have authority to transmit instructions, receive instructions, receive information, interpret and define CLIENT's policies with respect to WIDSETH's services.

3. Furnish, as required for performance of WIDSETH's services (except to the extent provided otherwise in the Letter Agreement or any Exhibits attached hereto), data prepared by or services of others, including without limitation, core borings, probes and subsurface explorations, hydrographic and geohydrologic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; property, boundary easement, right-of-way, topographic and utility surveys; property descriptions; zoning, deed and other land use restriction; and other special data not covered in the Letter Agreement or any Exhibits attached hereto.

4. Provide access to, and make all provisions for WIDSETH to enter upon publicly or privately owned property as required to perform the work.

5. Act as liaison with other agencies or involved parties to carry out necessary coordination and negotiations; furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

6. Examine all reports, sketches, drawings, specifications and other documents prepared and presented by WIDSETH, obtain advice of an attorney, insurance counselor or others as CLIENT deems necessary for such examination and render in writing, decisions pertaining thereto within a reasonable time so as not to delay the services of WIDSETH.

7. Give prompt written notice to WIDSETH whenever CLIENT observes or otherwise becomes aware of any development that affects the scope of timing of WIDSETH's services or any defect in the work of Construction Contractor(s), Consultants or WIDSETH.

8. Initiate action, where appropriate, to identify and investigate the nature and extent of asbestos and/or pollution in the Project and to abate and/or remove the same as may be required by federal, state or local statute, ordinance, code, rule, or regulation now existing or hereinafter enacted or amended. For purposes of this Agreement, "pollutant" shall mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, alkalis, chemicals and hazardous or toxic waste. Hazardous or toxic waste means any substance, waste pollutant or contaminant now or hereafter included within such terms under any federal, state or local statute, ordinance, code, rule or regulation now existing or hereinafter enacted or amended. Waste further includes materials to be recycled, reconditioned or reclaimed.

   If WIDSETH encounters, or reasonably suspects that it has encountered, asbestos or pollution in the Project, WIDSETH shall cease activity on the Project and promptly notify the CLIENT, who shall proceed as set forth above. Unless otherwise specifically provided in the Letter Agreement, the services to be provided by WIDSETH do not include identification of asbestos or pollution, and WIDSETH has no duty to identify or attempt to identify the same within the area of the Project.

   With respect to the foregoing, CLIENT acknowledges and agrees that WIDSETH is not a user, handler, generator, operator, treater, storer, transporter or disposer of asbestos or pollution which may be encountered by WIDSETH on the Project. It is further understood and agreed that services WIDSETH will undertake for CLIENT may be uninsurable obligations involving the presence or potential presence of asbestos or pollution. Therefore, CLIENT agrees, except (1) such liability as may arise out of WIDSETH's sole negligence in the performance of services under this Agreement or (2) to the extent of insurance coverage available for the claim, to hold harmless, indemnify and defend WIDSETH and WIDSETH's officers, subcontractor(s), employees and agents from and against any and all claims, lawsuits, damages, liability and costs, including, but not limited to, costs of defense, arising out of or in any way connected with the presence, discharge, release, or escape of asbestos or pollution. This indemnification is intended to apply only to existing conditions and not to conditions caused or created by WIDSETH. This indemnification shall survive the termination of this Agreement.

9. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as CLIENT may require or WIDSETH may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s), such auditing service as CLIENT may require to ascertain how or for what purpose any Contractor has used the moneys paid under the construction contract, and such inspection services as CLIENT may require to ascertain that Contractor(s) are complying with any law, rule, regulation, ordinance, code or order applicable to their furnishing and performing the work.

10. Provide "record" drawings and specifications for all existing physical features, structures, equipment, utilities, or facilities which are pertinent to the Project, to the extent available.

11. Provide other services, materials, or data as may be set forth in the Letter Agreement or any Exhibits attached hereto.

B. WIDSETH may use any CLIENT provided information in performing its services. WIDSETH shall be entitled to reasonably rely on the accuracy and completeness of information furnished by the CLIENT. If WIDSETH finds that any information furnished by the CLIENT is in error or is inadequate for its purpose, WIDSETH shall endeavor to notify the CLIENT. However, WIDSETH shall not be held responsible for any errors or omissions that may arise as a result of erroneous or incomplete information provided by CLIENT.

ARTICLE 8. OPINIONS OF COST

Opinions of probable project cost, construction cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs provided for in the Letter Agreement or any Exhibits attached hereto are to be made on the basis of WIDSETH's experience and qualifications and represent WIDSETH's judgment as an experienced design professional. It is recognized, however, that WIDSETH does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices, and that any evaluation of any facility to be constructed, or acquired, or work to be performed on the basis of WIDSETH's cost opinions must, of necessity, be speculative until completion of construction or acquisition. Accordingly, WIDSETH does not guarantee that proposals, bids or actual costs will not substantially vary from opinions, evaluations or studies submitted by WIDSETH to CLIENT hereunder.

ARTICLE 9. CONSTRUCTION PHASE SERVICES

CLIENT acknowledges that it is customary for the architect or engineer who is responsible for the preparation and furnishing of Drawings and Specifications and other construction-related documents to be employed to provide professional services during the Bidding and Construction Phases of the Project, (1) to interpret and clarify the documentation so furnished and to modify the same as circumstances revealed during bidding and construction may dictate, (2) in connection with acceptance of substitute or equal items of materials and equipment proposed by bidders and Contractor(s), (3) in connection with approval of shop drawings and sample submittals, and (4) as a result of and in response to WIDSETH's detecting in advance of performance of affected work inconsistencies or irregularities in such documentation. CLIENT agrees that if WIDSETH is not employed to provide such professional services during the Bidding (if the work is put out for bids) and the Construction Phases of the Project, WIDSETH will not be responsible for, and CLIENT shall, to the extent allowed by law, indemnify and hold WIDSETH, its officers, consultant(s), subcontractor(s), employees and agents harmless from, all claims, damages, losses and expenses including attorneys' fees arising out of, or resulting from, any interpretation, clarification, substitution acceptance, shop drawing or sample approval or modification of such documentation issued or carried out by CLIENT or others. Nothing contained in this paragraph shall be construed to release WIDSETH, its officers, consultant(s), subcontractor(s), employees and agents from liability for failure to perform in accordance with professional standards any duty or responsibility which WIDSETH has undertaken or assumed under this Agreement.

ARTICLE 10. REVIEW OF SHOP DRAWINGS AND SUBMITTALS

WIDSETH shall review and approve or take other appropriate action on the contractor's submittals or shop drawings for the limited purpose of checking for general conformance with information given and design concept expressed in the Contract Documents. Review and/or approval of submittals is not conducted for the purpose of determining accuracy and completeness of other details or for substantiating instructions for installation or performance of equipment or systems, all of which remain the exclusive responsibility of the contractor. WIDSETH's review and/or approval shall not constitute approval of safety precautions, or any construction means, methods, techniques, sequences or procedures. WIDSETH's approval of a specific item shall not indicate approval of an assembly of which the item is a component. WIDSETH's review and/or approval shall not relieve contractor for any deviations from the requirements of the contract documents nor from the responsibility for errors or omissions on items such as sizes, dimensions, quantities, colors, or locations. Contractor shall remain solely responsible for compliance with any manufacturer requirements and recommendations.

ARTICLE 11. REVIEW OF PAY APPLICATIONS

If included in the scope of services, any review or certification of any pay applications, or certificates of completion shall be based upon WIDSETH's observation of the Work and on the data comprising the contractor's application for payment, and shall indicate that to the best of WIDSETH's knowledge, information and belief, the quantity and quality of the Work is in general conformance with the Contract Documents. The issuance of a certificate for payment or substantial completion is not a representation that WIDSETH has made exhaustive or continuous inspections, reviewed construction means and methods, verified any back-up data provided by the contractor, or ascertained how or for what purpose the contractor has used money previously paid by CLIENT.

ARTICLE 12. REQUESTS FOR INFORMATION (RFI)
If included in the scope of services, WIDSETH will provide, with reasonable promptness, written responses to requests from any contractor for clarification, interpretation or information on the requirements of the Contract Documents. If Contractor's RFI's are, in WIDSETH's professional opinion, for information readily apparent from reasonable observation of field conditions or review of the Contract Documents, or are reasonably inferable therefrom, WIDSETH shall be entitled to compensation for Additional Services for WIDSETH's time in responding to such requests. CLIENT may wish to make the Contractor responsible to the CLIENT for all such charges for additional services as described in this article.

ARTICLE 13. CONSTRUCTION OBSERVATION
If included in the scope of services, WIDSETH will make site visits as specified in the scope of services in order to observe the progress of the Work completed. Such site visits and observations are not intended to be an exhaustive check or detailed inspection, but rather are to allow WIDSETH to become generally familiar with the Work. WIDSETH shall keep CLIENT informed about the progress of the Work and shall advise the CLIENT about observed deficiencies in the Work. WIDSETH shall not supervise, direct or have control over any Contractor's work, nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. These rights and responsibilities are solely those of the Contractor. WIDSETH shall not be responsible for any acts or omissions of any Contractor and shall not be responsible for any Contractor's failure to perform the Work in accordance with the Contract Documents or any applicable laws, codes, regulations, or industry standards.

If construction observation services are not included in the scope of services, CLIENT assumes all responsibility for interpretation of the Contract Documents and for construction observation, and the CLIENT waives any claims against WIDSETH that are connected with the performance of such services.

ARTICLE 14. BETTERMENT
If, due to WIDSETH's negligence, a required item or component of the Project is omitted from the construction documents, WIDSETH shall not be responsible for paying the cost required to add such item or component to the extent that such item or component would have been required and included in the original construction documents. In no event, will WIDSETH be responsible for any cost or expense that provides betterment or upgrades or enhances the value of the Project To the extent item or component costs increased from the time the project was bid, those increases, along with costs incurred for adding the item or component after the fact that otherwise would not have been incurred, do not constitute an upgrade or enhancement.

ARTICLE 15. CERTIFICATIONS, GUARANTEES AND WARRANTIES
WIDSETH shall not be required to sign any documents, no matter by who requested, that would result in WIDSETH having to certify, guarantee or warrant the existence of conditions whose existence WIDSETH cannot ascertain. CLIENT agrees not to make resolution of any dispute with WIDSETH or payment of any amount due to WIDSETH in any way contingent upon WIDSETH signing such certification.

ARTICLE 16. CONTINGENCY FUND
Subject to Article 14, CLIENT and WIDSETH agree that certain increased costs and changes may be required because of possible omissions, ambiguities or inconsistencies in the plans and specifications prepared by WIDSETH, and therefore, that the final construction cost of the Project may exceed the bids, contract amount or estimated construction cost. CLIENT agrees to set aside a reserve in the amount of 5% of the Project construct costs as a contingency to be used, as required, to pay for any such increased costs and changes. CLIENT further agrees to make no claim by way of direct or third-party action against WIDSETH with respect to any increased costs within the contingency because of such changes or because of any claims made by any Contractor relating to such changes.

ARTICLE 17. INSURANCE
WIDSETH shall procure and maintain insurance for protection from claims against it under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims against it for damages because of injury to or destruction of property including loss of use resulting therefrom.

Also, WIDSETH shall procure and maintain professional liability insurance for protection from claims arising out of performance of professional services caused by any negligent act, error, or omission for which WIDSETH is legally liable.

Certificates of insurance will be provided to the CLIENT upon request.

ARTICLE 18. ASSIGNMENT
Neither Party to this Agreement shall transfer, sublet or assign any rights or duties under or interest in this Agreement, including but not limited to monies that are due or monies that may be due, without the prior written consent of the other party. Subcontracting to subconsultants, normally contemplated by WIDSETH as a generally accepted business practice, shall not be considered an assignment for purposes of this Agreement.

ARTICLE 19. NO THIRD-PARTY BENEFICIARIES
Nothing contained in this Agreement shall create a contractual relationship or a cause of action by a third-party against either WIDSETH or CLIENT. WIDSETH's services pursuant to this Agreement are being performed solely for the CLIENT's benefit, and no other party or entity shall have any claim against WIDSETH because of this Agreement.

ARTICLE 20. CORPORATE PROTECTION
It is intended by the parties to this Agreement that WIDSETH's services in connection with the Project shall not subject WIDSETH's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary, CLIENT agrees that as the CLIENT's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against WIDSETH, a Minnesota corporation, and not against any of WIDSETH's individual employees, officers or directors.

ARTICLE 21. CONTROLLING LAW
This Agreement is to be governed by the laws of the State of Minnesota.

ARTICLE 22. ASSIGNMENT OF RISK
In recognition of the relative risks and benefits of the project to both the CLIENT and WIDSETH, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of WIDSETH, employees of WIDSETH and sub-consultants, to the CLIENT and to all construction contractors, subcontractors, agents and assigns on the project for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, so that total aggregate liability of WIDSETH, employees of WIDSETH and sub-consultants, to all those named shall not exceed $1,500,000 for services rendered on this project.. Such claims and causes include, but are not limited to negligence, professional errors or omissions, strict liability, breach of contract or warranty.

ARTICLE 23. NON-DISCRIMINATION
WIDSETH will comply with the provisions of applicable federal, state and local statutes, ordinances and regulations pertaining to human rights and non-discrimination.

ARTICLE 24. SEVERABILITY
Any provision or portion thereof in this Agreement which is held to be void or unenforceable under any law shall be deemed stricken and all remaining provisions shall continue to be valid and binding between CLIENT and WIDSETH. All limits of liability and indemnities contained in the Agreement shall survive the completion or termination of the Agreement.

WiDSETH

2025 FEE SCHEDULE

CLASSIFICATION	RATE
Engineer/Architect/Surveyor/Scientist/Wetland Specialist/Geographer/Project Manager	
Level I	$140 / Hour
Level II	$165 / Hour
Level III	$192 / Hour
Level IV	$200 / Hour
Level V	$210 / Hour
Technician	
Level I	$100 / Hour
Level II	$120 / Hour
Level III	$140 / Hour
Level IV	$155 / Hour
Level V	$170 / Hour
Computer Systems Specialist	$180 / Hour
Senior Funding Specialist	$145 / Hour
Marketing Specialist	$123 / Hour
Funding Specialist	$120 / Hour
Administrative Assistant	$ 85 / Hour

OTHER EXPENSES	RATE
Mileage (Federal Standard Rate) *subject to IRS Guidelines*	
Meals/Lodging	Cost
Stakes & Expendable Materials	Cost
ATV 4-Wheeler Rental	$100 / Day
ATV Side by Side Rental	$200 / Day
Waste Water Sampler	$40 / Day
ISCO Flow Recorder	$60 / Day
Photoionization Detection Meter	$100 / Day
Explosimeter	$50 / Day
Product Recovery Equipment	$35 / Day
Survey-Grade GPS (Global Positioning System)	$75 / Hour
Mapping GPS (Global Positioning System)	$150 / Day
Lath & Hubs	$150 / Day
Soil Drilling Rig	$35 / Hour
Groundwater Sampling Equipment	$125 / Day
Hydrographic Survey System	$500 / Day
Subcontractors	Cost plus 10%

REPRODUCTION COSTS	
Black & White Copies: 8-1/2” x 11”	$0.10 Each
Black & White Copies: 11” x 17”	$0.50 Each
Black & White Copies: 24” x 36”	$3 Each
Color Copies: 8-1/2” x 11”	$2 Each
Color Copies: 11” x 17”	$4 Each
Color Copies: 24” x 36”	$12 Each
Color Plots: 42” x 48”	$22 Each

These rates are effective for only the year indicated and are subject to yearly adjustments which reflect equitable changes in the various components.

PROFESSIONAL SERVICES AGREEMENT

For

Brainerd Public Utilities Main Lift Station Reconstruction
Lift Station Design & Bidding

Paul Sandy, PE, Public Utilities Director
Brainerd Public Utilities
501 Laurel Street
Baxter, MN 56425
218-825-3220

William Lueck, Sr. PM
HR Green, Inc.
Office Address
2550 University Avenue, Suite 360S
St. Paul, MN 55114
651.659.7704
Project #: 2404185

12/1/2025

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THIS **AGREEMENT** is between Brainerd Public Utilities (hereafter “CLIENT”) and HR GREEN, INC. (hereafter "COMPANY").

1.0 Project Understanding

1.1 General Understanding

The project includes design and bidding services for replacement of the Main Lift Station in the floodway adjacent to the Mississippi River. The new Lift Station will have an above grade valve vault and submersible pumps designed for a peak flow of 8.4 MGD.

1.2 Design Criteria/Assumptions

The design will be based on the Alternative 3 of the Wastewater Facility Plan submitted to the MPCA. Alternative 3 includes the following scope:

- Demolish existing Cold Storage Building
- Construct New Main Lift Station in location of Cold Storage Building
- Planned four (4) Submersible pumps (3 pump firm capacity) with dual wet-well, piping, plug, check and air-release valves, flow meter, and wet-well isolation valves
- Gravity connection from existing Pretreatment Building to the new Lift Station
- New forcemain connection to the existing forcemain at the site
- New emergency generator, transfer switch, and electrical building
- Electrical building will include Transformers, ATS, Network Racks and associated equipment. Control panel and VFD’s to be located in above grade valve vault.
- Demolish existing Main Lift Station after new Lift Station is operational
- Provide improved maintenance and operations access over the existing Main Lift Station
- Site restoration including chain link security fence
- No odor control is anticipated

2.0 Scope of Services

The CLIENT agrees to employ COMPANY to perform the following services:

TASK 1: Project Management

1. The team will work with the CLIENT to develop:
    a. Project work plan including the schedule of deliverables and meetings.
    b. Outline participants, contacts, and communication procedures.
    c. Budget updates and invoicing procedures
    d. Discuss standards and expectations required to complete the deliverables.
2. The team will provide ongoing quality assurance and quality control. QA/QC including using internal staff peer reviews ahead of deliverables.
3. The team will provide ongoing project management including directing team, coordination of information and deliverables, as well as tracking budget and schedule. It assumed a project design duration of 7 months.

4. The team will assist CLIENT with process related permitting and documentation with MPCA throughout the project.

TASK 2: Preliminary Design

1. COMPANY will prepare sections of 30% design report to be incorporated into overall report by CLIENT, including 30% Plan drawings for desired improvements, summary of improvements and assumptions, and Opinion of Probable Construction Cost.

TASK 3: Permit Assistance

1. COMPANY will assist CLIENT in preparing MPCA Sewer Extension Permit.

TASK 4: Project Meetings

1. Design Kick-off Meeting (Meeting No. 1):
    a. Prepare for and attend a kick-off meeting on-site with the CLIENT and BPU.
    b. Provide a detailed agenda to guide the discussion.
    c. Review the scope of required services including schedule with critical dates/milestones/deliverables, key project stakeholders, and communication plan with the entire project team.
    d. Review staff expectations and brainstorm ideas to meet project goals. Work with staff to gather background data requested. Use the detailed meeting minutes as a memorandum defining all items discussed during the kick-off meeting to serve as a guide throughout the project. Client to provide team time to review, edit and accept.
2. Preliminary Design Progress Meeting (Meeting No. 2):
    a. Participate in a progress meeting virtually to discuss the design progress and recommendations for improvements.
    b. The deliverables and agenda for this meeting will include an approximate 30% design set and technical specifications table of contents.
    c. Update project status, goals, schedule, and review deliverables as required.
    d. Detailed meeting minutes will be used to keep the entire team informed of discussion and progress status and goals.
3. 90% Design Progress Meeting (Meeting No. 3):
    a. Participate in a virtual progress meeting to discuss the design progress and recommendations for improvements.
    b. The deliverables and agenda for this meeting will include a 90% design set and technical specifications.
    c. Update project status, goals, schedule, and review deliverables as required.
    d. Detailed meeting minutes will be used to keep the entire team informed of discussion and progress status and goals.
4. Final Design Progress Meeting (Meeting No. 4):

a. Participate in a progress meeting on-site to discuss the design progress and recommendations for improvements.
b. The deliverables and agenda for this meeting will include a final design set and technical specifications.
c. Update project status, goals, schedule, EOPC, and review deliverables as required.
d. Detailed meeting minutes will be used to keep the entire team informed of discussion and progress status and goals.
e. This meeting location and method will be determined based on actual needs and restrictions at the time, assumed to be in person.

5. Incorporate final review comments and MPCA review comments if available and submit 100% package for bidding.
6. Bidding: Attend on-site pre-bid meeting to gather questions for process and I&C comments.
7. Bi-weekly design meetings with COMPANY and CLIENT staff.
8. Construction Services are not included in this scope of services and will be negotiated in a subsequent work order.

TASK 5: *Design Elements*

1. Surge Analysis
    a. Conduct surge analysis to identify magnitude of transient pressures to be mitigated during design. Include provisions in the design to accommodate and minimize potential damage to existing forcemain.
2. Drawings:
    a. 2D CAD and 3D Civil based for plan and profiles. Revit for Process drawings of lift station and equalization.
3. Sitework:
    a. Site piping design is required for the new lift station site, forcemain and gravity lines.
    b. Two (2) plan sheets are anticipated by HR Green. These will include a wet-tapping and line-stopping plan of existing forcemain to complete the work. A bypass/start-up plan will also be developed for transitioning existing flow to the new lift station. The remainder of the site civil work is to be provided by Widseth Smith Nolting & Associates, Inc.
4. Process Design:
    a. Review historical flow information provided by BPU.
    b. Prepare an EOPC table for CLIENT review.
    c. Prepare plan and section views of wet-well, above grade valves and a diversion/junction chamber outside of pretreatment to convey flow to the lift station.
    d. Prepare specifications for equipment.

e. Eleven (11) plan sheets are anticipated.

5. Control System Design:
    a. Define the required instrumentation and equipment, Supervisory Control and Data Acquisition (SCADA) communication requirements.
    b. Coordination with CLIENT of the IO to be communicated.
    c. Prepare specifications for equipment including level instruments, flow instruments, controls equipment and control panels.
    d. Five (5) plan sheets are anticipated.
6. Electrical System Design
    a. .
    b. Coordination with CLIENT electrical design.
    c. Prepare specifications for equipment including switchgear, standby generator, ATS, MCC, main power feed, VFD's, site and building lighting, lightning protection, and ancillary equipment.
    d. 7 plan sheets are anticipated
7. Structural, Mechanical (HVAC/Plumbing), Architectural, Civil Survey, Environmental and Funding to be completed by our subconsultant Wideth Smith Nolting & Associates, Inc.
8. Civil Design
    a. Prepare a final site plan including locations of generator and building, wet-well and valve vault structures, site piping, and access roads. Structure elevations and finished grades will be finalized.
    b. Develop existing conditions and removal sheet.
    c. Finalize construction concepts based on the geotechnical report.
    d. Identify corridors for smaller piping and other utilities.
    e. Finalize building layout with attention to exterior & interior maintenance access.
    f. Prepare draft specifications for major items.
    g. Review corrosion protection measures.
    h. Construction Sequencing
9. Architectural Design
    a. Design Lift Station Building in conjunction with adjacent park and Mississippi River.
    b. Develop interior and exterior building design components.
    c. Develop roof design with input from structural.
10. Structural Design
    a. Develop structural sizing for wet-well for new pump station.
    b. Develop structural design of electrical/valve vault building.
    c. Prepare structural specifications.
    d. Develop structural design and details for wet-well structure.
11. Mechanical Design
    a. Prepare HVAC design details for pump station wet-well, valve vault and electrical building.
    b. Prepare plumbing and fire protection.

c. Prepare draft mechanical specifications for HVAC equipment.
d. Provide equipment sizes for electrical load calculations.

12. Design Development Review:
    a. Complete internal quality control (QC) reviews of the design development deliverables and make recommended changes as needed. The QC review will include a review within each discipline as well as a review of the project across discipline lines.
    b. Develop a final design Opinion of Probable Construction Cost for the work.
    c. Review CLIENT deliverables to ensure cross-discipline coordination. Assumed to be 12 hours of effort.

TASK 6: Bidding Assistance

1. Assist CLIENT with preparation of electronic bidding documents for posting on Quest CDN, but COMPANY will provide plan sheets and specifications to CLIENT for inclusion.
2. Assist CLIENT in preparation and issuance of addenda as appropriate to interpret, clarify or expand bidding documents.
3. Attend pre-bid meeting.
4. Consult with and advise the CLIENT and BPU as to the acceptability of subcontractors, suppliers, and other people and organizations proposed by the Contractor for those portions of the work where such acceptability is required by the bidding documents.

3.0 Deliverables and Schedules Included in this Agreement

Design Deliverables

1. Preliminary Plans, specification TOC list
2. 90% Plans and technical specifications
3. Final Plans and specifications
4. Bid documents and final EOPC

Tentative Schedule (exact schedule can be refined):

1. Kickoff Meeting	November 2025
2. 30% Design Review Meeting	December 2025
3. 90% Design Review Meeting	February 2026
4. Final Design Submittal	April 2027
4. Board Approval and Advertise	May 2027
5. Bid Opening and Project Award	June 2027

This schedule was prepared to include reasonable allowances for review and approval times required by the CLIENT and public authorities having jurisdiction over the project. This schedule shall be equitably adjusted as the project progresses, allowing for changes

in the scope of the project requested by the CLIENT or for delays or other causes beyond the control of COMPANY.

4.0 Items not included in Agreement/Supplemental Services

The following items are not included as part of this AGREEMENT:

1. 3D Scanning.
2. Radio Path Study.
3. Funding applications to federal, state, and local agencies.
4. Construction Administration Services including shop drawings, request for information, contractor pay application review, commissioning, start-up and training services.
5. Construction field observation.
6. Additional meetings with CLIENT beyond those delineated in Scope of Services.
7. Any other additional engineering services in connection with the project.
8. Complete and submit wetland replacement plan and applications to agencies
9. Geotechnical borings to be completed by Braun under separate contract with the CLIENT.
10. Environmental contamination remediation and permitting
11. USACE permitting
12. Archaeological services

Supplemental services not included in the AGREEMENT can be provided by COMPANY under separate agreement, if desired.

5.0 Services by Others

Braun to complete soil borings under separate contract with BPU and provide a geotechnical report for the project.

6.0 Client Responsibilities

Provide requested information in a timely manner and review deliverables promptly to assist with maintaining project schedule.

7.0 Professional Services Fee

7.1 Fees

The fee for services will be based on COMPANY standard hourly rates current at the time the AGREEMENT is signed. These standard hourly rates are subject to change upon 30 days' written notice. Non-salary expenses directly attributable to the project such as: (1) living and traveling expenses of employees when away from the home office on business connected with the project; (2) identifiable communication expenses; (3) identifiable reproduction costs applicable to the work; and (4) outside services will be charged in accordance with the rates current at the time the service is done.

7.2 Invoices

Invoices for COMPANY's services shall be submitted on a monthly basis. Invoices shall be due and payable upon receipt. If any invoice is not paid within 30 days, COMPANY may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT, suspend or terminate the performance of services. The retainer shall be credited on the final invoice. Accounts unpaid 30 days after the invoice date may be subject to a monthly service charge of 1.5% (or the maximum legal rate) on the unpaid balance. In the event that any portion of an account remains unpaid 60 days after the billing, COMPANY may institute collection action and the CLIENT shall pay all costs of collection, including reasonable attorneys' fees.

7.3 Extra Services

Any service required but not included as part of this AGREEMENT shall be considered extra services. Extra services will be billed on a Time and Material basis with prior approval of the CLIENT.

7.4 Exclusion

This fee does not include attendance at any meetings or public hearings other than those specifically listed in the Scope of Services. These service items are considered extra and are billed separately on an hourly basis.

7.5 Payment

The CLIENT AGREES to pay COMPANY on the following basis:

Time and material basis with a Not to Exceed fee of $494,000

COMPANY includes 10% mark-up on subconsultant services.

Summary Fees	
Civil	$100,000
Survey	$10,000
Process and Electrical	$200,000
Environmental	$10,000
Structural	$55,000
Mechanical	$49,000
Architectural	$61,000
Funding	$8,000
Reimbursable	$1,000
Total	$494,000

8.0 Terms and Conditions

The following Terms and Conditions are incorporated into this AGREEMENT and made a part of it.

8.1 Standard of Care

Services provided by COMPANY under this AGREEMENT will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing at the same time and in the same or similar locality.

8.2 Entire Agreement

This AGREEMENT and its attachments constitute the entire understanding between CLIENT and COMPANY relating to COMPANY's services. Any prior or contemporaneous agreements, promises, negotiations, or representations not expressly set forth herein are of no effect. Subsequent modifications or amendments to this AGREEMENT shall be in writing and signed by the parties to this AGREEMENT. If the CLIENT, its officers, agents, or employees request COMPANY to perform extra services pursuant to this AGREEMENT, CLIENT will pay for the additional services even though an additional written agreement is not issued or signed.

8.3 Time Limit and Commencement of Services

This AGREEMENT must be executed within ninety (90) days to be accepted under the terms set forth herein. The services will be commenced immediately upon receipt of this signed AGREEMENT.

8.4 Suspension of Services

If the Project or the COMPANY'S services are suspended by the CLIENT for more than thirty (30) calendar days, consecutive or in the aggregate, over the term of this AGREEMENT, the COMPANY shall be compensated for all services performed and reimbursable expenses incurred prior to the receipt of notice of suspension. In addition, upon resumption of services, the CLIENT shall compensate the COMPANY for expenses incurred as a result of the suspension and resumption of its services, and the COMPANY'S schedule and fees for the remainder of the Project shall be equitably adjusted.

If the COMPANY'S services are suspended for more than ninety (90) days, consecutive or in the aggregate, the COMPANY may terminate this AGREEMENT upon giving not less than five (5) calendar days' written notice to the CLIENT.

If the CLIENT is in breach of this AGREEMENT, the COMPANY may suspend performance of services upon five (5) calendar days' notice to the CLIENT. The COMPANY shall have no liability to the CLIENT, and the CLIENT agrees to make no claim for any delay or damage as a result of such suspension caused by any breach of this AGREEMENT by the CLIENT. Upon receipt of payment in full of all outstanding sums due from the CLIENT, or curing of such other breach which caused the COMPANY to suspend services, the COMPANY shall resume services and there shall be an equitable adjustment to the remaining project schedule and fees as a result of the suspension.

8.5 Books and Accounts

COMPANY will maintain books and accounts of payroll costs, travel, subsistence, field, and incidental expenses for a period of five (5) years. Said books and accounts will be available at all reasonable times for examination by CLIENT at the corporate office of COMPANY during that time.

8.6 Insurance

COMPANY will maintain insurance for claims under the Worker's Compensation Laws, and from General Liability and Automobile claims for bodily injury, death, or property damage, and Professional Liability insurance caused by the negligent performance by COMPANY's employees of the functions and services required under this AGREEMENT.

8.7 Termination or Abandonment

Either party has the option to terminate this AGREEMENT. In the event of failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party, then the obligation to provide further services under this AGREEMENT may be terminated upon seven (7) days' written notice. If any portion of the services is terminated or abandoned by CLIENT, the provisions of this Schedule of Fees and Conditions in regard to compensation and payment shall apply insofar as possible to that portion of the services not terminated or abandoned. If said termination occurs prior to completion of any phase of the project, the fee for

services performed during such phase shall be based on COMPANY's reasonable estimate of the portion of such phase completed prior to said termination, plus a reasonable amount to reimburse COMPANY for termination costs.

8.8 Waiver

COMPANY's waiver of any term, condition, or covenant or breach of any term, condition, or covenant, shall not constitute a waiver of any other term, condition, or covenant, or the breach thereof.

8.9 Severability

If any provision of this AGREEMENT is declared invalid, illegal, or incapable of being enforced by any Court of competent jurisdiction, all of the remaining provisions of this AGREEMENT shall nevertheless continue in full force and effect, and no provision shall be deemed dependent upon any other provision unless so expressed herein.

8.10 Successors and Assigns

All of the terms, conditions, and provisions hereof shall inure to the benefit of and are binding upon the parties hereto, and their respective successors and assigns, provided, however, that no assignment of this AGREEMENT shall be made without written consent of the parties to this AGREEMENT.

8.11 Third-Party Beneficiaries

Nothing contained in this AGREEMENT shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or the COMPANY. The COMPANY's services under this AGREEMENT are being performed solely for the CLIENT's benefit, and no other party or entity shall have any claim against the COMPANY because of this AGREEMENT or the performance or nonperformance of services hereunder. The CLIENT and COMPANY agree to require a similar provision in all contracts with contractors, subcontractors, sub-consultants, vendors and other entities involved in this project to carry out the intent of this provision.

8.12 Governing Law and Jurisdiction

The CLIENT and the COMPANY agree that this AGREEMENT and any legal actions concerning its validity, interpretation and performance shall be governed by the laws of the State of Minnesota without regard to any conflict of law provisions, which may apply the laws of other jurisdictions.

It is further agreed that any legal action between the CLIENT and the COMPANY arising out of this AGREEMENT or the performance of the services shall be brought in a court of competent jurisdiction in the State of Minnesota.

8.13 Dispute Resolution

Mediation. In an effort to resolve any conflicts that arise during the design or construction of the project or following the completion of the project, the CLIENT and COMPANY agree that all disputes between them arising out of or relating to this AGREEMENT shall be submitted to non-binding mediation unless the parties mutually agree otherwise. The CLIENT and COMPANY further agree to include a similar mediation provision in all agreements with independent contractors and consultants retained for the project and to require all independent contractors and consultants also to include a similar mediation provision in all agreements with subcontractors, sub-consultants, suppliers or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.

8.14 Attorney's Fees

If litigation arises for purposes of collecting fees or expenses due under this AGREEMENT, the Court in such litigation shall award reasonable costs and expenses, including attorney fees, to the party justly entitled thereto. In awarding attorney fees, the Court shall not be bound by any Court fee schedule, but shall, in the interest of justice, award the full amount of costs, expenses, and attorney fees paid or incurred in good faith.

8.15 Ownership of Instruments of Service

All reports, plans, specifications, field data, field notes, laboratory test data, calculations, estimates and other documents including all documents on electronic media prepared by COMPANY as instruments of service shall remain the property of COMPANY. COMPANY shall retain these records for a period of five (5) years following completion/submission of the records, during which period they will be made available to the CLIENT at all reasonable times.

8.16 Reuse of Documents

All project documents including, but not limited to, plans and specifications furnished by COMPANY under this project are intended for use on this project only. Any reuse, without specific written verification or adoption by COMPANY, shall be at the CLIENT's sole risk, and CLIENT shall defend, indemnify and hold harmless COMPANY from all claims, damages and expenses including attorneys' fees arising out of or resulting therefrom.

Under no circumstances shall delivery of electronic files for use by the CLIENT be deemed a sale by the COMPANY, and the COMPANY makes no warranties, either express or implied, of merchantability and fitness for any particular purpose. In no event shall the COMPANY be liable for indirect or consequential damages as a result of the CLIENT's use or reuse of the electronic files.

8.17 Failure to Abide by Design Documents or To Obtain Guidance

The CLIENT agrees that it would be unfair to hold COMPANY liable for problems that might occur should COMPANY'S plans, specifications or design intents not be followed, or for problems resulting from others' failure to obtain and/or follow COMPANY'S guidance with respect to any errors, omissions, inconsistencies, ambiguities or conflicts which are detected or alleged to exist in or as a consequence of implementing COMPANY'S plans, specifications or other instruments of service. Accordingly, the CLIENT waives any claim against COMPANY, and agrees to defend, indemnify and hold COMPANY harmless from any claim for injury or losses that results from failure to follow COMPANY'S plans, specifications or design intent, or for failure to obtain and/or follow COMPANY'S guidance with respect to any alleged errors, omissions, inconsistencies, ambiguities or conflicts contained within or arising as a result of implementing COMPANY'S plans, specifications or other instruments of service. The CLIENT also agrees to compensate COMPANY for any time spent and expenses incurred remedying CLIENT's failures according to COMPANY'S prevailing fee schedule and expense reimbursement policy.

8.18 Opinion of Probable Construction Cost

As part of the Deliverables, COMPANY may submit to the CLIENT an opinion of probable cost required to construct work recommended, designed, or specified by COMPANY, if required by CLIENT. COMPANY is not a construction cost estimator or construction contractor, nor should COMPANY'S rendering an opinion of probable construction costs be considered equivalent to the nature and extent of service a construction cost estimator or construction contractor would provide. This requires COMPANY to make a number of assumptions as to actual conditions that will be encountered on site; the specific decisions of other design professionals engaged; the means and methods of construction the contractor will employ; the cost and extent of labor, equipment and materials the contractor will employ; contractor's techniques in determining prices and market conditions at the time, and other factors over which COMPANY has no control. Given the assumptions which must be made, COMPANY cannot guarantee the accuracy of its opinions of cost, and in recognition of that fact, the CLIENT waives any claim against COMPANY relative to the accuracy of COMPANY'S opinion of probable construction cost.

8.19 Design Information in Electronic Form

Because electronic file information can be easily altered, corrupted, or modified by other parties, either intentionally or inadvertently, without notice or indication, COMPANY reserves the right to remove itself from its ownership and/or involvement in the material from each electronic medium not held in its possession. CLIENT shall retain copies of the work performed by COMPANY in electronic form only for information and use by CLIENT for the specific purpose for which COMPANY was engaged. Said material shall not be used by CLIENT or transferred to any other party, for use in other projects, additions to this project, or any other purpose for which the material was not strictly intended by COMPANY without COMPANY's express written permission. Any unauthorized use or reuse or modifications of this material shall be at CLIENT'S sole risk. Furthermore, the CLIENT agrees to defend, indemnify, and hold COMPANY harmless from all claims, injuries, damages, losses, expenses, and attorneys' fees arising out of the modification or reuse of these materials.

The CLIENT recognizes that designs, plans, and data stored on electronic media including, but not limited to computer disk, magnetic tape, or files transferred via email, may be subject to undetectable alteration and/or uncontrollable deterioration. The CLIENT, therefore, agrees that COMPANY shall not be liable for the completeness or accuracy of any materials provided on electronic media after a 30-day inspection period, during which time COMPANY shall correct any errors detected by the CLIENT to complete the design in accordance with the intent of the contract and specifications. After 40 days, at the request of the CLIENT, COMPANY shall submit a final set of sealed drawings, and any additional services to be performed by COMPANY relative to the

submitted electronic materials shall be subject to separate agreement. The CLIENT is aware that differences may exist between the electronic files delivered and the printed hard-copy construction documents. In the event of a conflict between the signed construction documents prepared by the COMPANY and electronic files, the signed or sealed hard-copy construction documents shall govern.

8.20 Information Provided by Others

The CLIENT shall furnish, at the CLIENT's expense, all information, requirements, reports, data, surveys and instructions required by this AGREEMENT. The COMPANY may use such information, requirements, reports, data, surveys and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof. The COMPANY shall not be held responsible for any errors or omissions that may arise as a result of erroneous or incomplete information provided by the CLIENT and/or the CLIENT's consultants and contractors.

COMPANY is not responsible for accuracy of any plans, surveys or information of any type including electronic media prepared by any other consultants, etc. provided to COMPANY for use in preparation of plans. The CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless the COMPANY from any damages, liabilities, or costs, including reasonable attorneys' fees and defense costs, arising out of or connected in any way with the services performed by other consultants engaged by the CLIENT.

COMPANY is not responsible for accuracy of topographic surveys provided by others. A field check of a topographic survey provided by others will not be done under this AGREEMENT unless indicated in the Scope of Services.

8.21 Force Majeure

The CLIENT agrees that the COMPANY is not responsible for damages arising directly or indirectly from any delays for causes beyond the COMPANY's control. CLIENT agrees to defend, indemnify, and hold COMPANY, its consultants, agents, and employees harmless from any and all liability, other than that caused by the negligent acts, errors, or omissions of COMPANY, arising out of or resulting from the same. For purposes of this AGREEMENT, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters or acts of God; fires, riots, war or other emergencies; disease epidemic or pandemic; failure of any government agency to act in a timely manner; failure of performance by the CLIENT or the CLIENT'S contractors or consultants; or discovery of any hazardous substances or differing site conditions. Severe weather disruptions include but are not limited to extensive rain, high winds, snow greater than two (2) inches and ice. In addition, if the delays resulting from any such causes increase the cost or time required by the COMPANY to perform its services in an orderly and efficient manner, the COMPANY shall be entitled to a reasonable adjustment in schedule and compensation.

8.22 Job Site Visits and Safety

Neither the professional activities of COMPANY, nor the presence of COMPANY'S employees and sub-consultants at a construction site, shall relieve the general contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending or coordinating all portions of the work of construction in accordance with the contract documents and any health or safety precautions required by any regulatory agencies. COMPANY and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions. The CLIENT agrees that the general contractor is solely responsible for job site safety, and warrants that this intent shall be made evident in the CLIENT's AGREEMENT with the general contractor. The CLIENT also agrees that the CLIENT, COMPANY and COMPANY'S consultants shall be indemnified and shall be made additional insureds on the general contractor's and all subcontractor's general liability policies on a primary and non-contributory basis.

8.23 Hazardous Materials

CLIENT hereby understands and agrees that COMPANY has not created nor contributed to the creation or existence of any or all types of hazardous or toxic wastes, materials, chemical compounds, or substances, or any other type of environmental hazard or pollution, whether latent or patent, at CLIENT's premises, or in connection with or related to this project with respect to which COMPANY has been retained to provide professional services. The compensation to be paid COMPANY for said professional services is in no way commensurate with, and has not been calculated with reference to, the potential risk of injury or loss which may be caused by the exposure of persons or property to such substances or conditions. Therefore, to the fullest extent permitted by law, CLIENT agrees to defend, indemnify, and hold COMPANY, its officers, directors,

employees, and consultants, harmless from and against any and all claims, damages, and expenses, whether direct, indirect, or consequential, including, but not limited to, attorney fees and Court costs, arising out of, or resulting from the discharge, escape, release, or saturation of smoke, vapors, soot, fumes, acid, alkalis, toxic chemicals, liquids gases, or any other materials, irritants, contaminants, or pollutants in or into the atmosphere, or on, onto, upon, in, or into the surface or subsurface of soil, water, or watercourses, objects, or any tangible or intangible matter, whether sudden or not.

It is acknowledged by both parties that COMPANY'S Scope of Services does not include any services related to asbestos or hazardous or toxic materials. In the event COMPANY or any other party encounters asbestos or hazardous or toxic materials at the job site, or should it become known in any way that such materials may be present at the job site or any adjacent areas that may affect the performance of COMPANY'S services, COMPANY may, at its option and without liability for consequential or any other damages, suspend performance of services on the project until the CLIENT retains appropriate specialist consultant(s) or contractor(s) to identify, abate and/or remove the asbestos or hazardous or toxic materials, and warrants that the job site is in full compliance with applicable laws and regulations.

Nothing contained within this AGREEMENT shall be construed or interpreted as requiring COMPANY to assume the status of a generator, storer, transporter, treater, or disposal facility as those terms appear within the Resource Conservation and Recovery Act, 42 U.S.C.A., §6901 et seq., as amended, or within any State statute governing the generation, treatment, storage, and disposal of waste.

8.24 Certificate of Merit

The CLIENT shall make no claim for professional negligence, either directly or in a third party claim, against COMPANY unless the CLIENT has first provided COMPANY with a written certification executed by an independent design professional currently practicing in the same discipline as COMPANY and licensed in the State in which the claim arises. This certification shall: a) contain the name and license number of the certifier; b) specify each and every act or omission that the certifier contends is a violation of the standard of care expected of a design professional performing professional services under similar circumstances; and c) state in complete detail the basis for the certifier's opinion that each such act or omission constitutes such a violation. This certificate shall be provided to COMPANY not less than thirty (30) calendar days prior to the presentation of any claim or the institution of any judicial proceeding.

8.25 Limitation of Liability

In recognition of the relative risks and benefits of the Project to both the CLIENT and the COMPANY, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of the COMPANY and COMPANY'S officers, directors, partners, employees, shareholders, owners and sub-consultants for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of the COMPANY and COMPANY'S officers, directors, partners, employees, shareholders, owners and sub-consultants shall not exceed $50,000.00, or the COMPANY'S total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

8.26 Municipal Advisor

The COMPANY is not a Municipal Advisor registered with the Security and Exchange Commission (SEC) as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act. When the CLIENT is a municipal entity as defined by said Act, and the CLIENT requires project financing information for the services performed under this AGREEMENT, the CLIENT will provide the COMPANY with a letter detailing who their independent registered municipal advisor is and that the CLIENT will rely on the advice of such advisor. A sample letter can be provided to the CLIENT upon request.

This AGREEMENT is approved and accepted by the CLIENT and COMPANY upon both parties signing and dating the AGREEMENT. Services will not begin until COMPANY receives a signed agreement. COMPANY's services shall be limited to those expressly set forth in this AGREEMENT and COMPANY shall have no other obligations or responsibilities for the Project except as agreed to in writing. The effective date of the AGREEMENT shall be the last date entered below.

Sincerely,

HR GREEN, INC.

William Lueck, PE

Approved by: _____

Printed/Typed Name: Michael Halde

Title: Vice President Date: 12/1/2025

BRAINERD PUBLIC UTILITIES

Accepted by: _____

Printed/Typed Name: Paul Sandy

Title: Public Utilities Director Date: 12/1/2025

HR GREEN
Billing Rate Schedule
Effective January 1, 2026

Professional Services	Billing Rate Range
Principal	$250.00 - $400.00
Senior Professional	$265.00 - $400.00
Professional	$180.00 - $265.00
Junior Professional	$110.00 - $185.00
Senior Technician	$145.00 - $205.00
Technician	$95.00 - $160.00
Senior Field Personnel	$165.00 - $240.00
Field Personnel	$125.00 - $185.00
Junior Field Personnel	$90.00 - $135.00
Senior Administrative	$135.00 - $180.00
Administrative	$50.00 - $135.00
Operators/Interns	$65.00 - $165.00

Reimbursable Expenses

1. All materials and supplies used in the performance of work on this project will be billed at cost plus 10%.
2. Auto mileage will be charged per the standard mileage reimbursement rate established by the Internal Revenue Service. Survey and construction vehicle mileage will be charged based on $0.90 per mile or $95.00 per day.
3. Charges for sub-consultants will be billed at their invoice cost plus 10%.
4. A rate of $6.00 will be charged per HR Green labor hour for a technology and communication fee.
5. All other direct expenses will be invoices at cost plus 10%.

MEMORANDUM

TO: Mayor Badeaux and City Councilmembers
FROM: Nick Broyles, City Administrator
DATE: 16 March 2026
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 17 February 2026.

Community Engagement

18 Feb: Public utility management team; codification meeting; funding conversations for the WWTF; annexation resolution; planning commission meeting
19 Feb: Transit staff meeting; Bridges on 7th meeting; meeting w/Blockchain AI; joint charter/public utility commission meeting
20 Feb: MCMA board meeting in Alexandria
23 Feb: Charter discussion amongst staff
23 Feb: HR/charter discussion with city attorney
24 Feb: PUC meeting; park board meeting
25 Feb: Meeting w/the mayor and council president; HRA board meeting
26 Feb: Fire advisory board meeting
27 Feb: Agenda review w/council president
2 Mar: Department head calibration session for annual reviews; Blockchain meeting; city council
3 Mar: Skatepark discussion
4 Mar: Visit/discussions w/streets and parks personnel; meeting about skatepark grants; meeting re: Kuepers development
5 Mar: EDA meeting; airport commission meeting; audit conversation re: BPU; kickoff meeting for Oak Street PMT
6 Mar: Participated in CLC career exploration day; discussed Kuepers upsizing estimate
10 Mar: Blockchain meeting
11 Mar: Visit/discussions w/fire personnel; Brainerd.gov meeting w/technology and staff
12 Mar: Met w/councilmember regarding a variety of issues
12 Mar: Coordinated letters of support for WWTP ask to Congressman Stauber; region 5 focus group for city and county administrators; discussed draft MOA for public utility positions
13 Mar: Met w/councilmember; agenda review w/council president
16 Mar: Transit update from staff; Kuepers preconstruction meeting; city council

Charter Update

The next charter commission meeting is 26 Mar at 530p, and it will be a joint meeting with city council and the charter commission. This is council's first opportunity to comment on the draft coming out of the charter commission.

Finance

- **Audit:** Staff is beginning to prepare for the audit. Auditors are scheduled to be on sight at city hall the weeks of 27 Apr and 11 May.
- **Election:** 2026 is an election year with the primary on 11 Aug and the general election on 10 Nov. Staff has reached out to secure the polling locations and have begun the recruiting process for election judges.

Human Resources

- **Annual Performance Reviews:** We are nearing the conclusion of our annual performance evaluation cycle. Supervisors and department heads will be meeting with all employees over the next few weeks, with the process scheduled to be completed by 3 Apr.
- **Staffing Update:** All seasonal positions have now been posted. We encourage everyone to apply if interested and to help spread the word to potential candidates.

Public Works/Utilities/Parks/Transit

Engineering

- Hwy 210/Washington Street project: RL Larson was low bidder, MnDOT working on contract award. Public meetings to discuss access/detours expected in March prior to anticipated start of construction around mid-to-late April.
- SE Brainerd Reconstruction: Continued coordination with Centerpoint (replacement/relocation of 16" gas main) and plan development. Anticipated completion in late March.

Streets

- Clearing brush and trees over sanitary interceptor line near Evergreen.
- Monitoring stormwater catch basins for drainage concerns during melting.
- Patching crews to start work in areas where needed.

Recreation

- Registration for adult softball & pickleball open.
- Hiring of umpires, an intern, field maintenance workers, and concession workers.
- Easter egg hunt and dog ball hunt scheduled for 4 Apr.
- Early bird tournament registration is open, and date for tournament is 25 Apr.

Parks

- Priority of downtown snow removal.
- Rinks are now closed due to weather.
- Clearing trees at Jaycee Park.
- Survey for Memorial Park Playground for residents to complete for new playground coming summer 2026.
- Donation of AED accepted for Bane Park, installation TBD.
- New signs for Hitch-Wayne Park, TBD.

Fire

February began with a unique and complex incident involving a westbound train. The fire department was dispatched to a reported locomotive fire on the tracks. Our firefighters successfully suppressed the fire and coordinated with the railroad to ensure the scene was safe. No injuries were reported, and the incident highlighted the importance of our specialized fire training. Chief Holmes had the honor of reconnecting with retired Brainerd Fire Chief Ron Johnson. Chief Johnson was the first Chief Holmes worked for when he began his fire service journey in 1995, making for a meaningful full-circle moment for the department's leadership. The station renovation project continues to be a primary focus. We are working with Nor-son Construction and Widseth to finalize the project costs, which will be presented to the city council in April.

Technology

Set-up on city-wide computer replacements has begun with rollout beginning at the end of February and extending into March. As part of the city security software posture change, the new endpoint protection has been pushed out to all devices and is being monitored. The SIEM (security information and event management) change is still in progress. The entire city network infrastructure (firewalls, switches, etc.) is also being replaced. Set-up and configuration are underway now with staging and deployment likely in early March. Research continues to be done on the best option to move away from VMware (server

virtualization) as their licensing costs have skyrocketed recently after being acquired by Broadcom. Planning stage underway for additional network integration of the public utility network and additional GIS collaboration later this year. Technology/IT support for Baxter should be wrapping up after their new hire begins on 16 Mar.

Suspense Tracker

HR Director's Report to the Public Utilities Commission

March 2026

Personnel:

- Three Public Utilities Department employees were off work intermittently with two absences due to work-related medical issues.
- The City Council approved the hiring of Rachele Schlosser as the Business Office Support Specialist at the March 2nd meeting. Rachele started with the City on March 9th and has been a great addition to the team!
- Following the approval of the Water/Wastewater Operator job description, staff have been corresponding with the Union regarding the proposed Memorandum of Agreement (MOA). We are currently awaiting a response from the Union.

Charter Work Group:

At the last joint Charter Commission and Public Utilities Commission meeting on February 19th, the Commission's reviewed the recommended revisions and discussed next steps. The Charter Commission made a motion to provide the updates to the City Council at the next Council meeting. At the March 2nd Council meeting the City Council made a motion for Staff to set up a joint Council and Charter Commission meeting to go over changes made and to provide guidance on next steps. The Council and Charter Commission are set to meet on March 26th. We appreciate the dedication and collaborative efforts of all members as we work towards improving our Charter and organizational structure.

Wellness Committee:

The *reThink Your Drink Challenge* came to an end on March 1st. The City of Brainerd's team came in fourth out of seven teams for the medium team category. Thank you to everyone who participated and great job drinking your water!

March Lunch N Learn will take place on March 25th. Jay Personius will be providing staff with information regarding ticks and other summertime bugs!

Our Annual BioMetric Screening is scheduled to take place on April 8th. Staff were provided with information on this as well as a link to sign up through. Please contact the HR Department with any questions!

Performance Evaluations:

We are almost through with our 2025 performance eval process. All signed 2025 reviews must be submitted to the HR Department for filing no later than April 3rd.

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Brainerd Public Utilities
Utilities Director Report
March 2026

Public Utilities Director Activities – February – March 2026

In addition to the discussion items on today's agenda, I have participated in numerous staff- and consultant-led meetings over the past month to advance projects currently underway. These meetings have supported ongoing coordination, project development, and planning efforts across departments and with external partners. Activities included the following:

- Weekly BPU management team meetings.
- Bi-weekly hydro coordination meetings.
- Bi-weekly staff construction coordination meetings.
- Introduction to City of Baxter staff member James Lueck
- Department Head calibration session for 2025 performance evaluations
- Meetings to discuss and submit Community Project Funding request to Congressman Pete Stauber
- Meeting to discuss potential AI datacenter development in the Brainerd Industrial Park
- Meeting to discuss new dermatology clinic in the Brainerd Industrial Park
- Meetings with staff and Kuepers to discuss oversizing cost estimates and approvals
- 2029 Oak Street Reconstruction Project PMT meeting
- Ronald/Joseph/Alley galvanized water service line replacement project agreements with residents
- Check-in meetings for 2027 Main Lift Station reconstruction project with Widseth/HR Green including 90% review meeting
- Progress meetings for 2026 lead service line replacement projects with Bolton and Menk
- Water Treatment Plant Reclaim Tank project cost model review meeting
- Meeting with HR to discuss MOA for water/wastewater operator position
- Finance and Operations Committee meeting to discuss Eden Renewables proposal, turbine at Hydro, replacement of water service truck totaled in a recent accident, and large power applications/transmission studies
- Proposal review with SEH for Mercury/FOG program
- Kuepers Voyageur Heights project preconstruction meeting
- Meetings with Vince from AEP regarding potential Eden Renewables solar development
- Staff meeting related to stormwater charges to multi-tenant buildings
- Highway 210/Washington Street preconstruction meeting and construction emergency responders meeting
- Meeting with SEH to discuss proposal for standard specifications and details
- Ronald/Joseph/Alley reconstruction and galvanized water service line replacement project coordination meeting with staff, Moore Engineering, Bolton and Menk, and J & J Excavating
- 60% design review meeting for East River Road sanitary sewer rehabilitation project
- Developer meeting for potential development along TH 210
- Staff meeting to discuss outstanding items for InControl contract at well houses, Riverside booster station, and Lum Park booster station
- Filming day for short videos at the water treatment plant
- Discussion with HR Green related to Main Lift Station contract
- Water Serviceworker interviews, Seasonal Laborer interviews, and W/WW Intern interview

- Meetings to discuss applications to Senators Klobuchar and Smith for Congressionally Directed Spending requests due March 27
- Finance/Operations Committee meeting with Vince from AEP to discuss Eden Renewables potential solar development
- Joint City Council/Charter Commission meeting on March 26
- City Council meeting on March 2 and March 16
- Facility tours set up for wastewater treatment, water treatment, and hydro facilities
- Introductory meeting with Tim Thompson and Eric Quale from Crow Wing Power

Continued Capital Construction Design Engineering Coordination

Design season is in full swing at both the City with numerous capital improvement and development-driven projects advancing simultaneously. To support effective planning, scheduling, and implementation, staff have continued regular bi-weekly coordination meetings. These meetings serve as a key forum for reviewing active and upcoming City infrastructure projects as well as private development projects currently moving through City review and approval processes.

Through this coordinated approach, staff are able to align project schedules, identify opportunities for cost savings, minimize construction conflicts, and ensure that utility improvements are integrated seamlessly with street, reconstruction, and resurfacing efforts. Coordination efforts include early design review, utility layout and conflict resolution, sequencing of construction activities, permitting considerations, and communication planning to reduce impacts to residents, businesses, and other stakeholders.

Projects currently being coordinated with City staff across multiple departments include the following (please note that this list is not all-encompassing):

- Ronald and Joseph Alley construction coordination
- Highway 210 Reconstruction Project
- Lead service line replacement projects, both in conjunction with planned reconstruction and resurfacing projects and as standalone utility projects
- Southeast Brainerd Reconstruction Project
- 2026 Street Resurfacing Project
- Main Lift Station design and planning
- Backwash/Reclaim CMAR Project
- East River Road trunkline rehabilitation project
- Kuepers development project south of Woodland Hills Lane
- Country Manor construction project
- Coordination on 2027 street reconstruction/resurfacing projects

Coordination on these projects spans multiple City divisions, including engineering, utilities, public works, planning, and administration, and encompasses a wide range of activities such as design integration, construction phasing, budget alignment, and long-term asset management considerations. This ongoing collaboration continues to be robust and effective, ensuring that City investments are strategically aligned, regulatory requirements are met, and infrastructure improvements are delivered efficiently and with minimal disruption to the community.

2026 Public Utilities Director Priorities

Pursuant to my last report, I have identified several opportunities for improvement that I plan to pursue in 2026 and updates from the previous meeting. Some of these priorities and projects include:

1. Bluebeam PDF Software – Procurement of the software has been completed, and staff attended a training session to review its capabilities. Sessions are scheduled for multiple ongoing City projects, including developer-led and consultant-led initiatives. As staff become more familiar with Bluebeam,

the software's tools are expected to streamline project coordination and enhance communication across projects.

2. Pool Engineering Services – Staff is pleased to report that a total of 33 proposals were received from qualified engineering and architectural firms in response to the recent pool engineering RFP, spanning 15 distinct service categories. Staff is currently in the process of reviewing and scoring all submissions and will bring forward recommendations for Commission consideration at the April meeting.

3. Integrated Capital Improvement Planning (CIP) and Capital Asset Planning Sessions – Staff held the first long-range capital improvement planning session and established a schedule for future meetings and continued collaboration. Deliverables from these planning sessions will include long-range sanitary sewer and water system plans, with the potential for these plans to be incorporated into the City's overall Comprehensive Plan.

   The current timeline anticipates working through a number of initiatives throughout 2026, followed by more detailed modeling and planning efforts in 2027 once gaps in existing modeling information have been identified. The resulting plans will evaluate future potential upsizing of the sanitary sewer system, as well as upsizing and looping of watermains, to support future development and provide increased system redundancy.

4. City Standard Details and Specifications – The City has long recognized the need to establish a standardized set of construction details and specifications that are reviewed and updated annually to reflect lessons learned from each construction season. Historically, updates have been made on a project-by-project basis, resulting in inconsistencies across projects. In other communities where staff have experience, a standardized set of documents serves as the baseline for all projects, with modifications made only as necessary to address site-specific conditions.

   This proposal is included on the March Commission agenda for review. If approved by the Commission, it will be forwarded to the City Council for consideration at its first meeting in April.

5. Fats, Oils, and Grease (FOG) Control Program and Mercury Control Program
   Staff are coordinating with Building and Engineering to develop a comprehensive, citywide Fats, Oils, and Grease (FOG) management program for Food Service Establishments (FSEs). The program will establish consistent standards for grease trap/interceptor sizing, installation, maintenance, and reporting, along with clear compliance and enforcement measures. This effort is intended to address ongoing FOG-related issues in the sanitary sewer system, including blockages, increased maintenance, and impacts to wastewater treatment performance.

   Staff have also initiated coordination with the City of Baxter, which recently implemented a FOG program, to leverage their framework as a starting point for Brainerd with modifications for local needs. In parallel, both cities are discussing development of a Mercury Control Program in response to recent exceedances, with a focus on providing clear guidance to businesses such as dental offices on proper handling, disposal, and equipment maintenance.

   This collaborative approach would align FOG and mercury programs between the two cities, improving consistency, efficiency, and regulatory clarity for businesses. The proposal for both programs is included on the March Commission agenda.

6. City Code 705 – Water System
   Staff, in coordination with the City's legal team, have completed their review of draft City Code Section 705 and are finalizing minor revisions. The draft is included on the March Commission agenda for review. Following Commission feedback, staff will incorporate any necessary updates and forward the ordinance to the City Council for final review and adoption.

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Brainerd Public Utilities
Finance Managers Report
March 2026

Monthly Financial Statements
The December unaudited balances year-end entries are made and presented in the attached financial statement document. Staff will prepare statistical analysis when the audited balances are completed. Budget to actual expenditure comparisons are presented for current year budget tracking purposes.

2025 Audit
The 2025 audit is underway, on-site fieldwork occurred Tuesday March 3, 2026. The auditors were on-site one day this year compared to previously being 3 to 4 days. I want to thank all staff for their preparation and willingness to assist with all of the questions and interviews. Staff continue working on and responding to the questions and inquiries that remain and are working to complete the audit by the June 30 deadline.

Streetlighting/Water/Wastewater Cost Studies
The cost-of-service studies for Street Lighting, Water, and Wastewater are ongoing. Staff met with UFS to review the project timeline and coordinate the continued development of each study UFS noted that until the 2025 audit results are completed the data provided should reflect any items addressed during the audit. Once staff complete the audit and adjust for any entries identified the remaining cost of service analysis items will be prepared and provided to UFS. UFS will need approximately 12 weeks to complete and finalize the cost of service analysis when the last data is received.

Staff received two quotes for an electric cost of service study and they will be presented with the agenda packet for Commission consideration.

Payment Processing/Credit Card Transaction Fees
Staff met with Tyler Payments for an implementation meeting on the credit card processing machines and are in the process of full implementation. By May 1, 2026 the new card readers will be installed, implemented and notification of the convenience fee for use of credit cards will be announced via posted signage in the lobby, newsletter and on the website. The anticipated fee will be 3.25%.

Hydro Funding
Staff received an update from Flaherty & Hood regarding hydro funding at the state legislative level. Marty reported that the utility's bills in both the House and Senate have been drafted, assigned authors, and returned to the legislature for consideration, and are progressing through the standard legislative process.

Given that a hearing was held in the Minnesota House last year, it is not anticipated that another House hearing will occur this year, as such hearings are typically conducted on a biennial basis. However, a Senate committee hearing is expected to be scheduled during the upcoming legislative session, likely following the Easter holiday and legislative break.

Klobuchar/Smith/Stauber Funding
Staff prepared and submitted funding requests to Amy Klobuchar, Tina Smith, and Pete Stauber for Congressional Directed Spending. The requests outlined project needs and supporting justification consistent with federal requirements. The submittals included a request for $10 million in federal funding, as approved by the Joint Wastewater Management Board, to support planned wastewater infrastructure improvements that align with the recently approved wastewater treatment facility plan.

Brainerd Public Utilities
Calculation of Net Benefit of Hydro Generation
For the Year Ended December 31, 2026

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Hydro Generation - kWh	985,000	918,000											1,903,000
Blended AEP Cost	$ 0.08153	$ 0.07578											$ 0.0787
Calculated Benefit	80,307.05	69,566.04	-	-	-	-	-	-	-	-	-	-	149,873.09

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	978,000	1,001,000	12,712,000
Blended AEP Cost	$ 0.06472	$ 0.07869	$ 0.08077	$ 0.08472	$ 0.08864	$ 0.09010	$ 0.08977	$ 0.08937	$ 0.08497	$ 0.07107	$ 0.08715	$ 0.09806	$ 0.08400
Calculated Full 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	85,232.70	98,158.06	1,071,650.42

Brainerd Public Utilities, MN

Packet Summary Budget Report

Group Summary

For Fiscal: 2026 Period Ending: 02/28/2026

Account Typ…	Original YTD Budget	Current YTD Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 1 - ELECTRIC						
Revenue	5,025,847.18	5,025,847.18	2,241,030.24	4,403,043.58	-622,803.60	12.39 %
Expense	4,877,150.12	4,877,150.12	1,884,534.06	4,287,333.62	589,816.50	12.09 %
Fund: 1 - ELECTRIC Surplus (Deficit):	**148,697.06**	**148,697.06**	**356,496.18**	**115,709.96**	**-32,987.10**	**22.18 %**
Fund: 2 - WATER						
Revenue	792,832.74	792,832.74	322,313.50	632,993.47	-159,839.27	20.16 %
Expense	784,750.56	784,750.56	134,776.25	438,940.16	345,810.40	44.07 %
Fund: 2 - WATER Surplus (Deficit):	**8,082.18**	**8,082.18**	**187,537.25**	**194,053.31**	**185,971.13**	**-2,301.00 %**
Fund: 3 - WASTEWATER TREATMENT						
Revenue	896,507.92	896,507.92	587,837.57	1,160,034.14	263,526.22	29.39 %
Expense	876,356.52	876,356.52	146,654.58	385,379.94	490,976.58	56.02 %
Fund: 3 - WASTEWATER TREATMENT Surplus (Deficit):	**20,151.40**	**20,151.40**	**441,182.99**	**774,654.20**	**754,502.80**	**-3,744.17 %**
Fund: 4 - HYDRO DAM						
Revenue	2,199.12	2,199.12	390.50	390.50	-1,808.62	82.24 %
Expense	138,545.96	138,545.96	29,812.55	115,088.44	23,457.52	16.93 %
Fund: 4 - HYDRO DAM Surplus (Deficit):	**-136,346.84**	**-136,346.84**	**-29,422.05**	**-114,697.94**	**21,648.90**	**15.88 %**
Report Surplus (Deficit):	**40,583.80**	**40,583.80**	**955,794.37**	**969,719.53**	**929,135.73**	**-2,289.43 %**

Fund Summary

Fund	Original YTD Budget	Current YTD Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
1 - ELECTRIC	148,697.06	148,697.06	356,496.18	115,709.96	-32,987.10
2 - WATER	8,082.18	8,082.18	187,537.25	194,053.31	185,971.13
3 - WASTEWATER TREATMENT	20,151.40	20,151.40	441,182.99	774,654.20	754,502.80
4 - HYDRO DAM	-136,346.84	-136,346.84	-29,422.05	-114,697.94	21,648.90
Report Surplus (Deficit):	**40,583.80**	**40,583.80**	**955,794.37**	**969,719.53**	**929,135.73**

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Brainerd Public Utilities
Operations Manager Report
March 2026

Minnesota 2040 Carbon-Free Standard update

Minnesota has a 100% carbon-free electricity standard by 2040. That is broader than renewables, because “carbon-free” can include resources like wind, solar, hydro, and nuclear, and the state is also treating storage and other clean-firm options as part of the pathway. The law sets interim targets of 80% carbon-free by 2030 for investor-owned utilities, 60% by 2030 for other electric utilities such as many co-ops and municipal systems, 90% by 2035 for all electric utilities, and 100% by 2040 for all electric utilities. Separately, Minnesota also raised its renewable standard to 55% by 2035.

For municipal utilities, the key takeaway is that they are subject to the law but were given a less stringent initial requirement in 2030 compared to large investor-owned utilities. The statute defines “electric utility” to include both municipal power agencies and city-owned electric utilities, meaning municipalities are not exempt and must still meet the 100% carbon-free standard by 2040.

Implementation details continue to evolve. The law authorizes the Minnesota Public Utilities Commission to adjust or defer a utility’s obligations if compliance would result in significant rate impacts or pose reliability, technical, siting, equipment, or transmission challenges. The Commission has also clarified that utilities may demonstrate partial compliance by accounting for the carbon-free share of their net annual purchases from the Midcontinent Independent System Operator (MISO). Beginning in 2026, utilities are required to submit annual carbon-free preparedness and compliance reports. Additionally, in January 2026, the Commission adopted a fuel life-cycle analysis framework to guide how certain resources are evaluated for compliance.

In practical terms, this raises the question: what approaches are other municipal utilities taking?

Most municipal utilities are pursuing a combination of five primary strategies:

1. **Locking in long-term wind and solar PPAs.**

Rochester Public Utilities (RPU) is a clear example. In 2025, RPU said it was pursuing wind, solar, and storage contracts specifically to comply with the Minnesota Carbon Free Standard and stated that the contracted portfolio would represent over 58% of RPU’s energy needs and provide a compliance path through 2041.

2. Working through joint-action agencies instead of going alone.

A lot of municipal systems buy wholesale power through agencies such as SMMPA (Southern Minnesota Municipal Power Agency) or MRES (Missouri River Energy Services). SMMPA announced its “SMMPA 2.0” plan to retire its share of Sherco 3 located in Becker, Minnesota and replace that supply primarily with wind and solar, targeting about 80% carbon-free energy in 2030 and a roughly 90% reduction in CO2 emissions from 2005 levels. For many member cities, that wholesale portfolio shift is the main compliance strategy.

3. Using RECs / carbon attributes where allowed.

Moorhead is the best-known example. Moorhead Public Service has said its customers receive 100% clean, carbon-free energy through REC purchases, and its 2023 materials described an underlying power supply that was about 82% carbon-free without RECs and 100% net-zero carbon when RECs are applied.

4. Adding storage and planning for clean-firm resources.

The Minnesota Department of Commerce says the 2040 law will require expanded deployment of clean firm resources, including short- and long-duration storage, hydropower, nuclear, and possibly other firming technologies. Rochester has already advanced battery storage agreements as part of its long-term plan.

5. Pushing transmission and reliability upgrades.

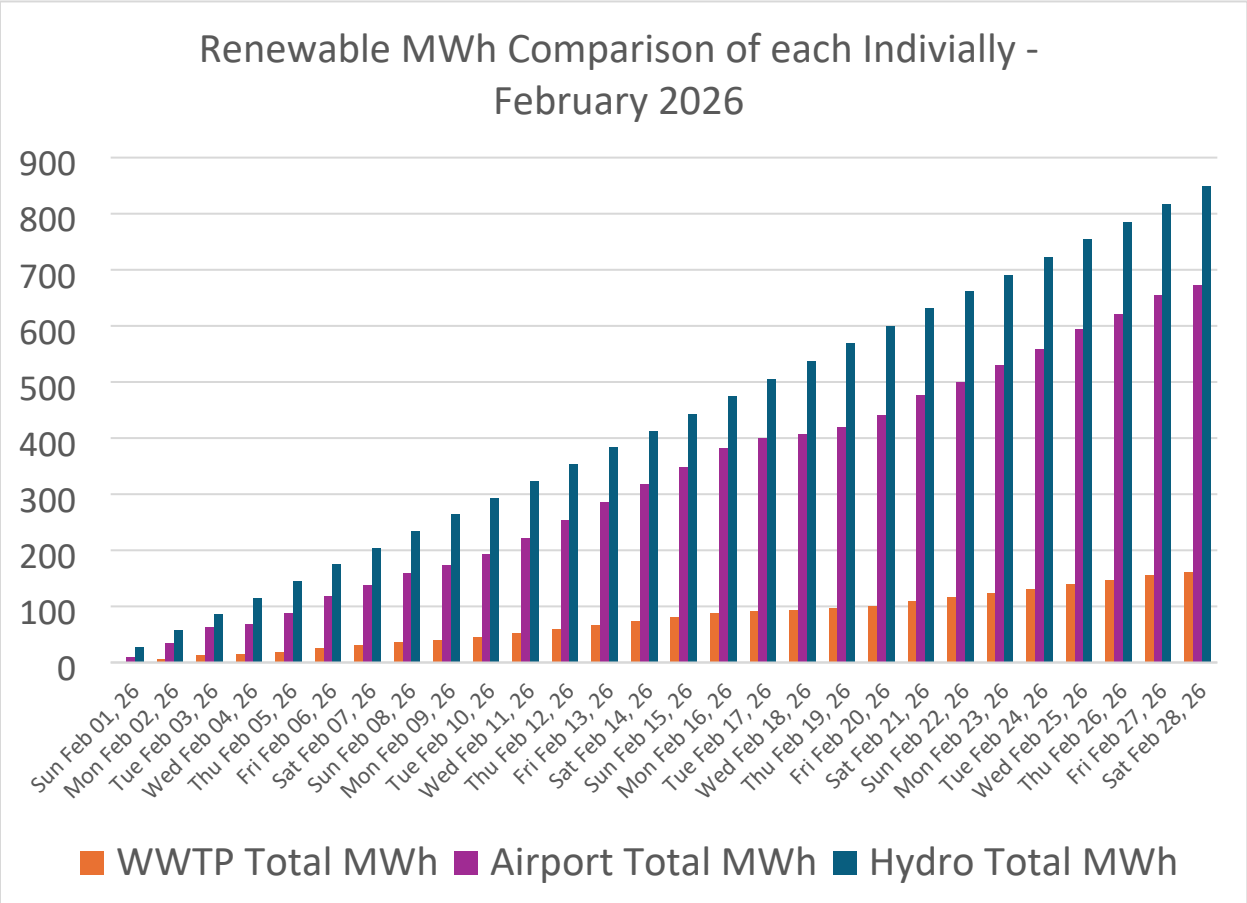
Municipal and regional utilities are also supporting significant transmission expansion to enable more renewable generation to reach load centers. Missouri River Energy Services and others have backed projects in Minnesota and South Dakota aimed at improving reliability and increasing the ability to deliver renewable energy as older fossil-fueled units are retired.

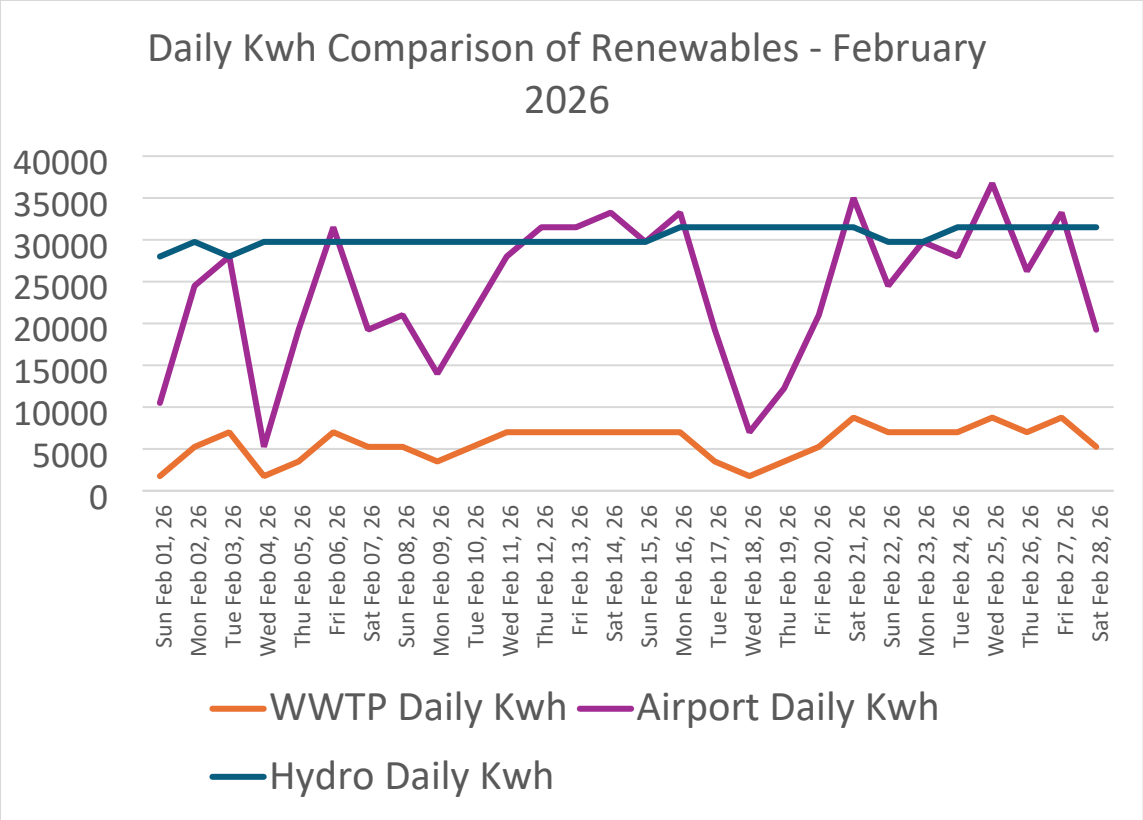
At the same time, challenges are becoming more apparent. Organizations representing public power utilities and cooperatives have raised concerns about transformer lead times, equipment shortages, rising costs, and the difficulty of reliably meeting winter peak demand using intermittent resources alone. Minnesota Municipal Utilities Association has specifically linked supply chain constraints to the pace of transitioning to carbon-free power, while smaller utilities have emphasized that achieving the final step from 90% to 100% is the most complex and costly portion of the transition.

Key takeaways of these strategies as Municipals strive to the 2040 mandate and are responding by:

- buying more long-term wind/solar,
- leaning on wholesale power agencies to reshape portfolios,
- using RECs or other compliance tools where permitted,
- studying or adding storage,
- and preparing to seek flexibility from the PUC if reliability or affordability becomes a problem.

For a municipal utility, the real questions are less “Do we comply?” and more: What is our wholesale supply path, what is our local reliability backstop, what will count toward compliance, and what will it do to rates? Those are the issues municipals are working through right now. The following charts and figures have been BPU’s response to date to meet the demands and goals of the 2040 mandate.



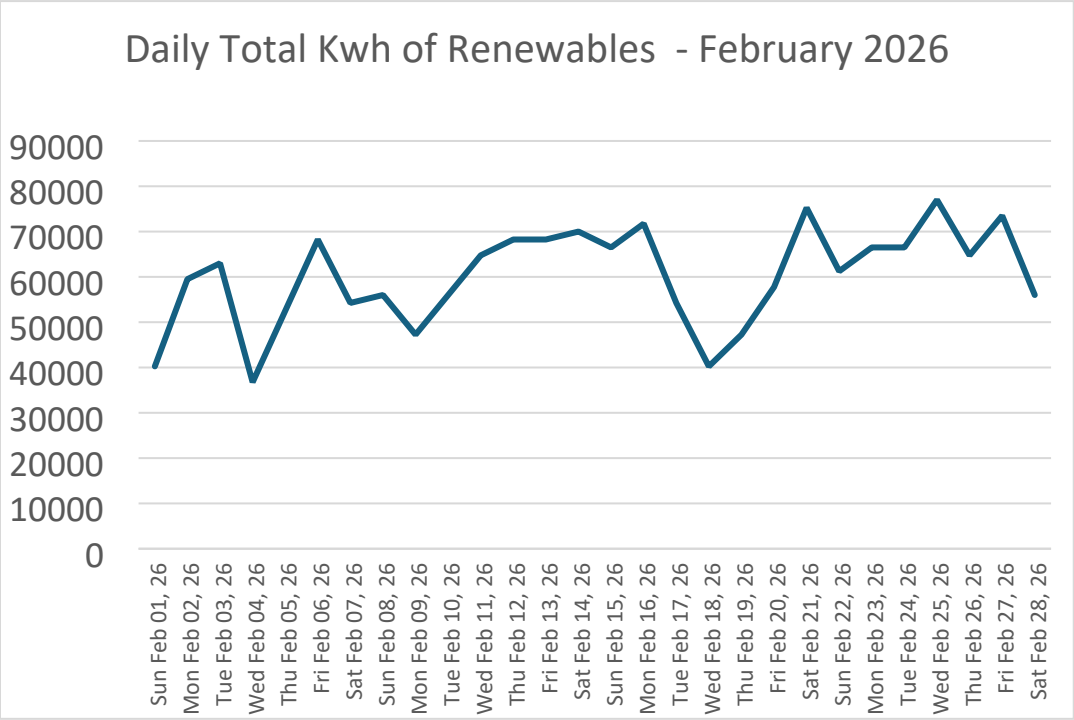


Hydropower remained the largest contributor in February 2026, producing 848.75 MWh, or approximately 13.8% of typical residential meter usage. Airport Solar generated 673.75 MWh (10.9%), while WWTP Solar produced 161 MWh (2.6%).

Compared to January 2026, hydropower production decreased by 38.5 MWh, while both solar facilities experienced notable increases. WWTP Solar increased by 64.75 MWh, and Airport Solar increased by 260.75 MWh, reflecting improving seasonal solar conditions.

Installed capacities remain as follows: Airport Solar – 5.7 MW**,** WWTP Solar – 1.372 MW, and Hydro – 3.1 MW.

Daily kWh comparisons of renewable production for February 2026 are provided in the figures below.

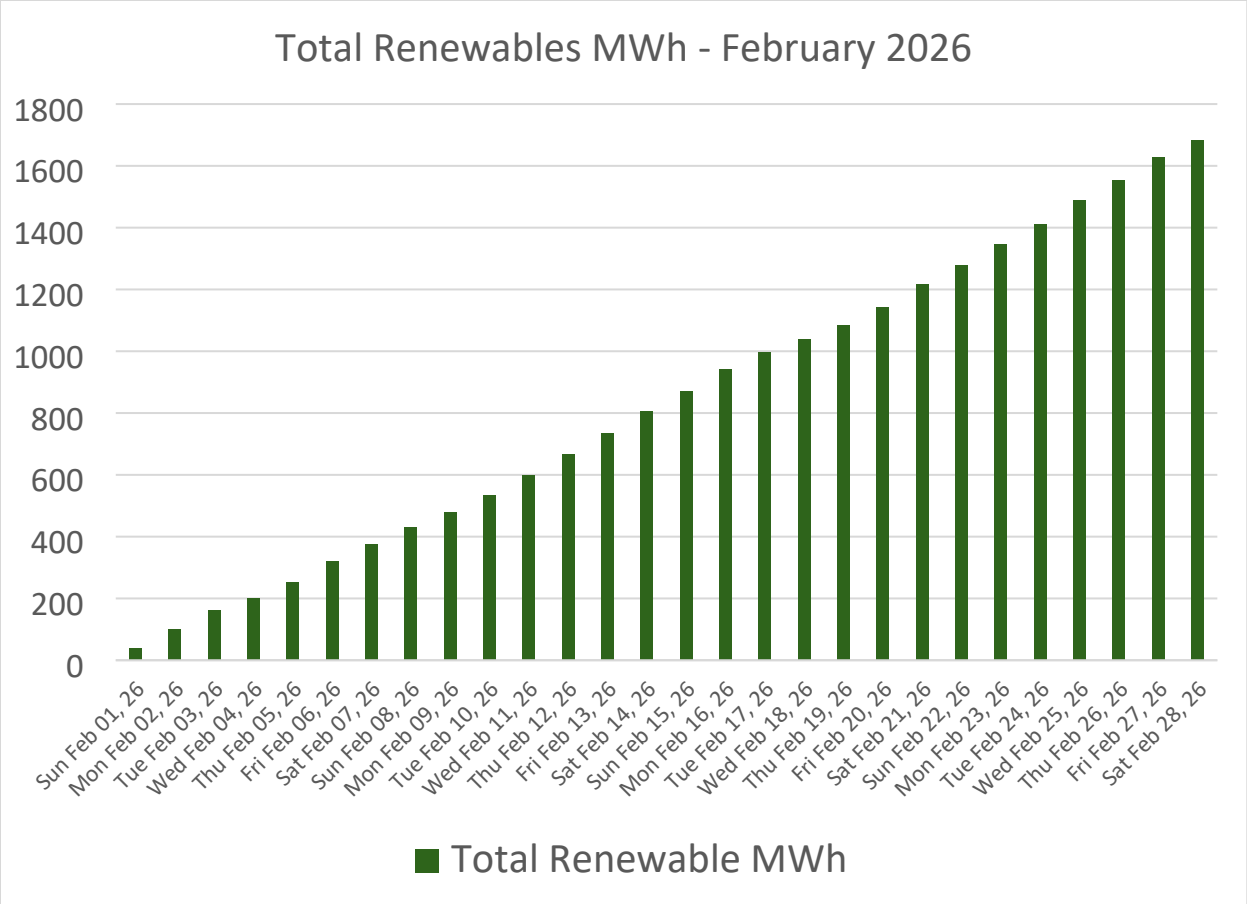


Last Month

Together, BPU Renewables produced 1,396.5 MWh **(**↑288 MWh this month) or approximately 22.6% **(**↑4.7% this month**)** of Typical Residential Meters

Residential meter kWh usage was based on approximately 800–1,000 kWh per meter.

BPU had 6,974 Residential meters in February 2026 *(count updated every 3 months)*



Together, BPU Renewables produced 1,683.5 MWh, or approximately 27.3% of Typical Residential Meters**,** in February 2026

Electric Distribution

Vegetation management efforts have continued through March. Crews will remain focused on hazard tree removal as part of a risk-based approach to reduce outage exposure. Corrective trimming activities have been discontinued due to seasonal conditions, as trees will soon be entering a sap flow period and additional trimming could negatively impact tree health.

Water Distribution

The water distribution team continues valve exercising, hydrant inspections, and GIS mapping verification to ensure asset accuracy and operational readiness. With several capital projects planned for the 2026 construction season, staff are actively preparing to ensure efficient and timely execution. Efforts are focused on refining project scopes, securing materials, coordinating contractor schedules, and aligning internal staffing resources to support construction activities. This includes final identification of Lead Service Line Replacement (LSLR) projects for the 2026 construction season, as well as initiating investigation and planning efforts for the 2027 project year.

Hydro Plant/Technical Servies

Hydropower operations continue to perform reliably as we transition into the spring season. Generator No. 3 bearing replacement has been successfully completed, and the unit has been returned to full operation. With all units available, the hydro facility is well positioned for the upcoming spring runoff, maximizing generation capability and supporting overall system reliability.

Staff will continue to monitor river conditions and coordinate gate operations to optimize generation while maintaining compliance with regulatory and environmental requirements.

BRAINERD PUBLIC UTILITIES
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Brainerd Public Utilities
Water/Wastewater Manager's Report
March 2026

Collection System Lift Stations

2 new generators have been installed, one at Tyrol Lift Station and one at Walnut and Pine Lift Station. 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 148.25 at a cost of $7949.57 which includes weekends for the two stations that utilize pretreatment equipment. Lift Station Improvements labor were 25.5 hours at a cost of $1402.61.

Wastewater Treatment Facility Operations and Maintenance

Took SBR 4 offline and put SBR 1 online. On-going tank inspection and repairs to SBR 4 Influent valve, JMP 4 elbow. 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

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. Currently there are 1,177,000 gallons in storage.

Wastewater Lab Testing and Compliance

Sent February 2025 Electronic Daily Monitoring Report to Minnesota Pollution Control Agency (MPCA). Ongoing Mercury Minimization, Copper Minimization Plan, and PFAS Minimization Plan continue. Meeting with Keystone Automotive about PFOS results and what strategies to take to reduce PFOS. 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 Minnesota Department of Health (MDH) coliform testing requirements. Collected samples at 4 locations for Alkalinity, Orthophosphate and sent to with Minnesota Department of Health (MDH) Lab. Labor hours were 18.5 hours at a cost of $746.51.
Received 2 calls from residents concerning drinking water in February 2026.

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, Tyrol Lift, Walnut and Pine Lift. Portable 25KW, 150KW, 45KW and both Wastewater facilities generators and Godwin trash pump. Water and wastewater now have 10 stationary and 3 portable 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 the Minnesota Municipal Utilities Association Annual Required Training (MMUA). 4 water/wastewater operators attended the 42nd Annual Technical Conference March 3-5, 2026, in St. Cloud.

February 2026 Water Pumping Statistics

Water pumped to the North distribution system was 25,450,000 gallons for an average of 909,000 gallons per day. Water pumped to the South distribution system was 4,288,000 gallons for an average of 153,000 gallons per day. Chemical usage averages for the month: 2.25 gallons of fluoride per day, 4.64 gallons of caustic soda per day, 5.78 gallons of orthophosphate per day, and 17.88 pounds of chlorine per day. Went through 19 filter backwash events totaling 73 hours of labor, at a cost of $2,756.55. Backwash average of 267,000 gallons for each event.

Filtration Plant

February 2026 daily test results showed an average of 0.87 milligrams per liter of iron in the unfiltered raw water and an average of 0.01 milligrams per liter of iron in the filtered finished water, which indicates the plant is achieving an average of 98.3% 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.

February 2026 daily test results showed an average of 0.5 milligrams per liter of manganese in the unfiltered raw water and an average of 0.019 milligrams per liter of manganese in the filtered finished water which indicates 96.3% 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.

Met with representatives from Tonka water treatment company in the filter plant so they could verify size and layout of components for Catalyzer basin # 2. They are finalizing design of the concrete forms for the rehabilitation of the underdrain of that basin and will begin production soon.

Operations staff discovered collapsed underdrain blocks in Coke # 2 filter basin. They have adjusted backwashing flows to not to do any more damage to the bed and it will continue to function almost as usual. We have started the process of getting prices for materials and labor to fix the underdrain in the future.

Wells
Water production staff has been replacing corroded flange bolts and preparing piping surfaces for paint in Well house # 6.

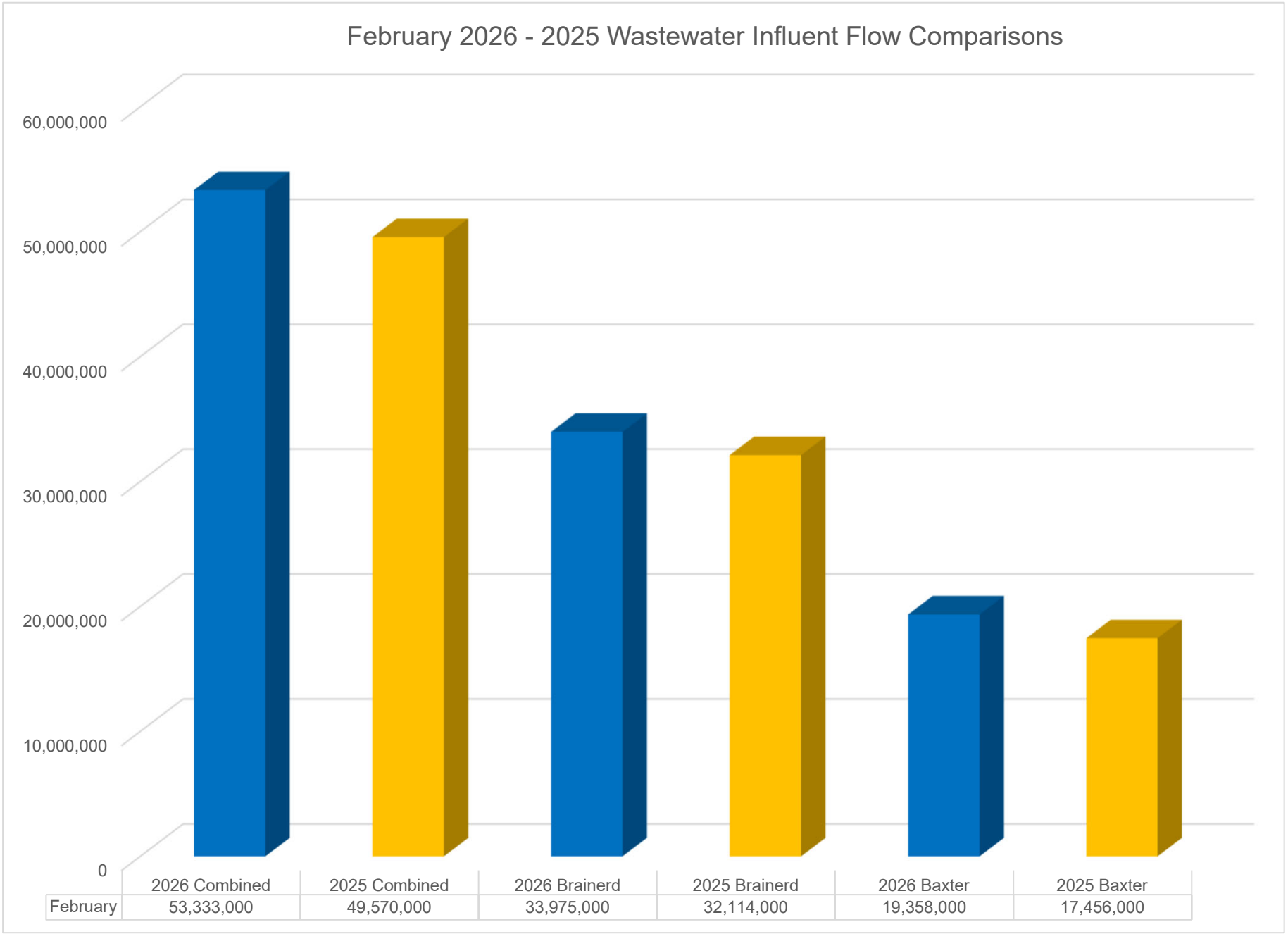
High Service Pump Room
Water production staff replaced failing rubber coupling inserts that connect the motor to the pump on both assemblies that supply water to the south pressure zone.

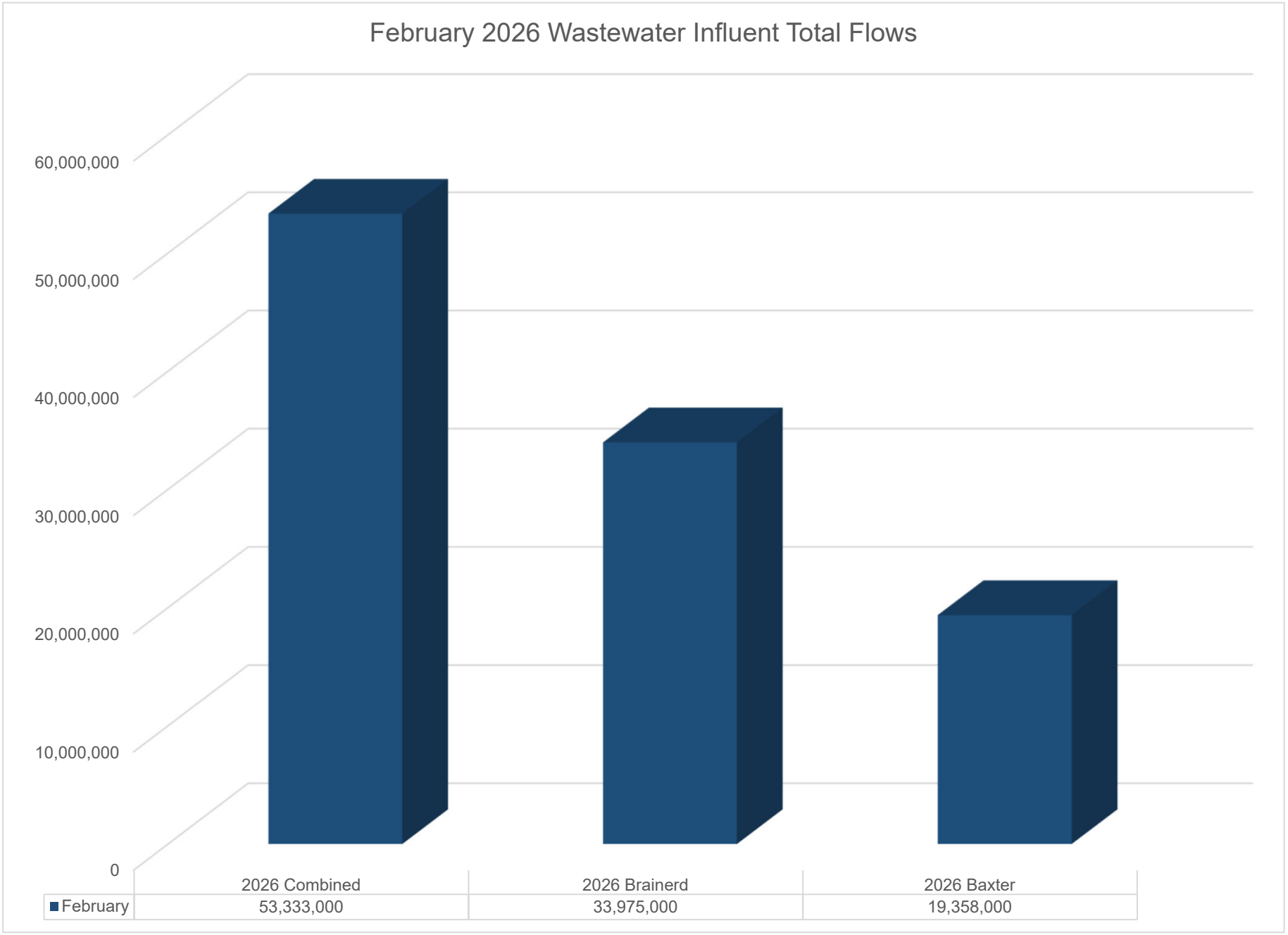
Chart Summary for Wastewater Treatment
February 2026-2025 Total influent flow comparisons
2026 Combined Total flow was 53,333,000 gallons which is up 3,763,000 gallons from the previous year.
2026 Brainerd Total Flow was 33,975,000 gallons which is up 1,861,000 gallons from the previous year.
2026 Baxter Total Flow was 19,358,000 gallons which is up 1,902,000 gallons from the previous year.

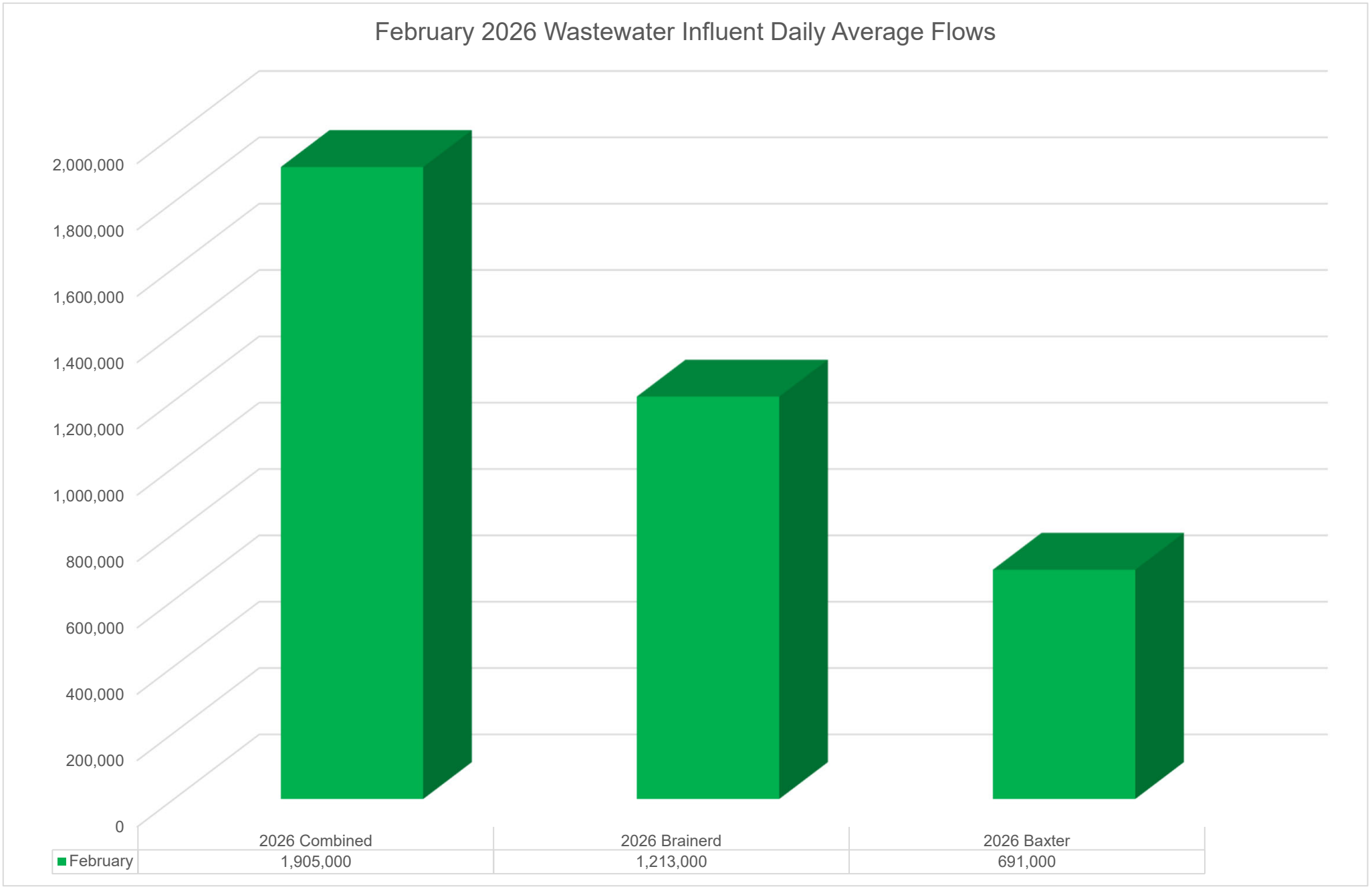
February 2026 Influent Daily Average Flows
2026 Combined Flow was 1,905,000 gallons.
2026 Brainerd Flow was 1,213,000 gallons.
2026 Baxter Flow was 691,000 gallons.

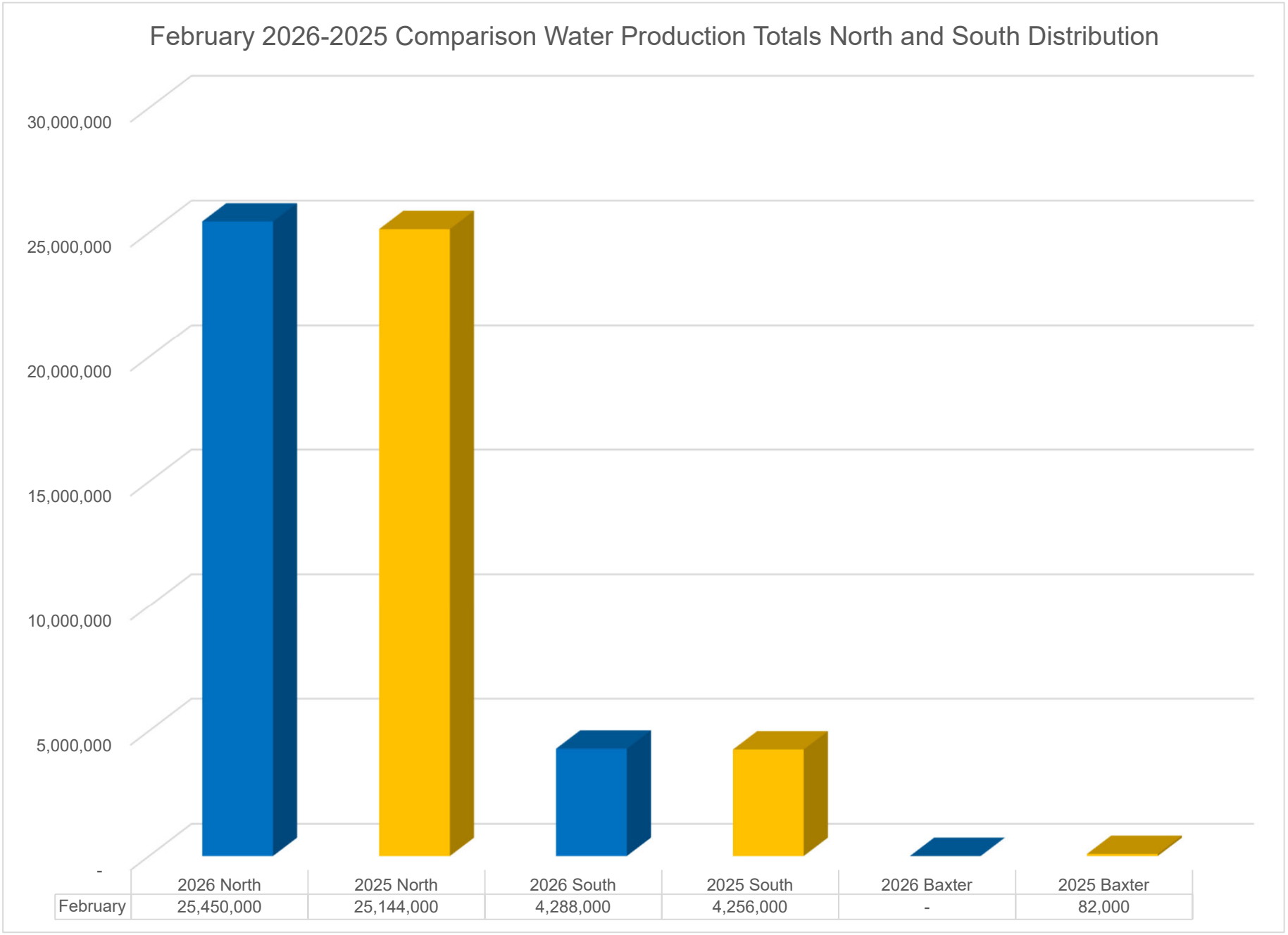
Chart Summary for Water Production
February 2026-2025 North distribution Total flow was 25,450,000 gallons which is up 306,000 gallons from the previous year.
February 2026-2025 South distribution Total flow was 4,288,000 gallons which is up 32,000 gallons from the previous year.
February 2026-2025 Baxter's Total flow was 0 gallons which is down 82,000 from the previous year.

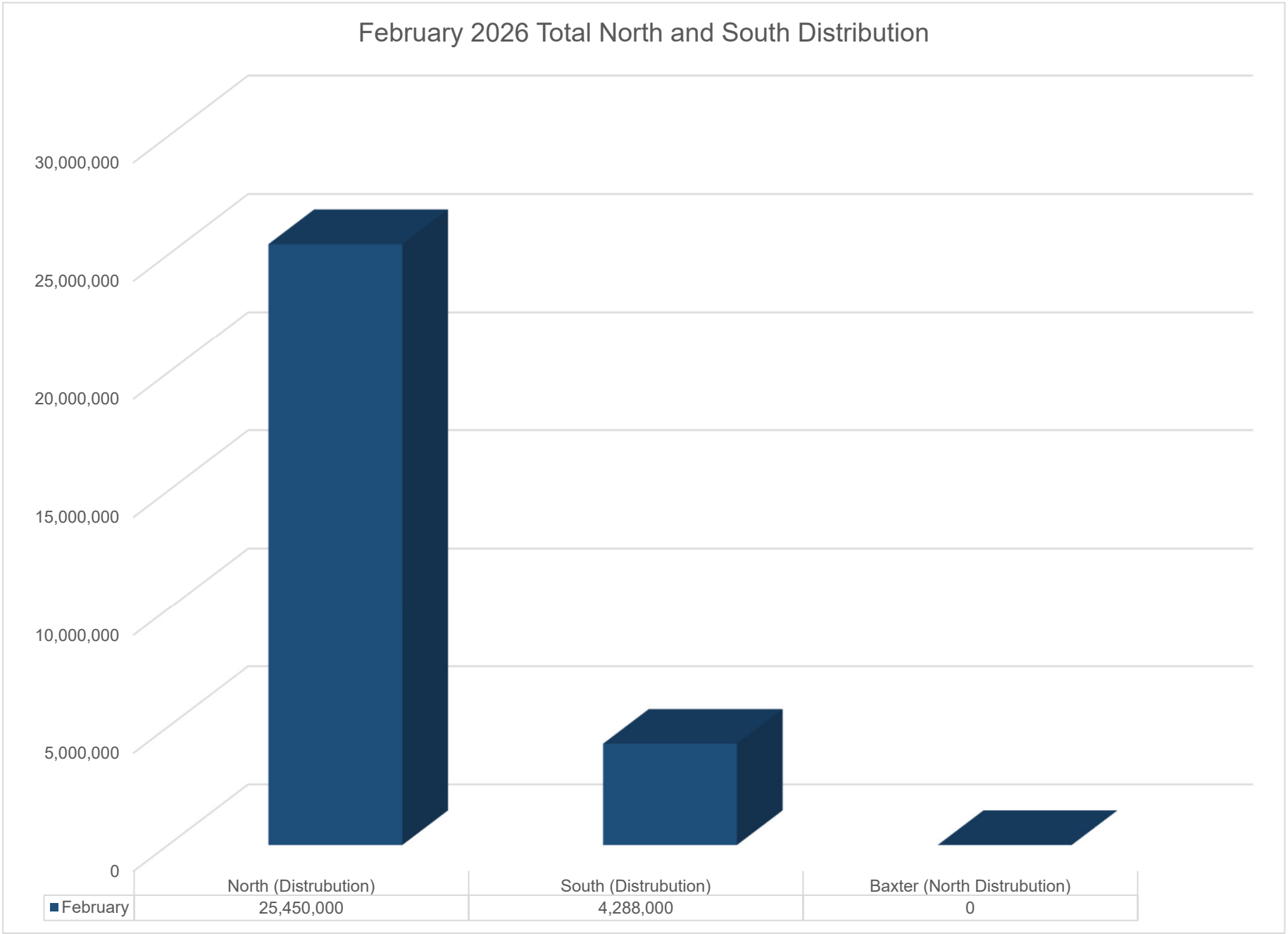
February 2026 Daily Average Water North and South Distribution
2026 North distribution average was 909,000 gallons.
2026 South distribution average was 153,000 gallons.

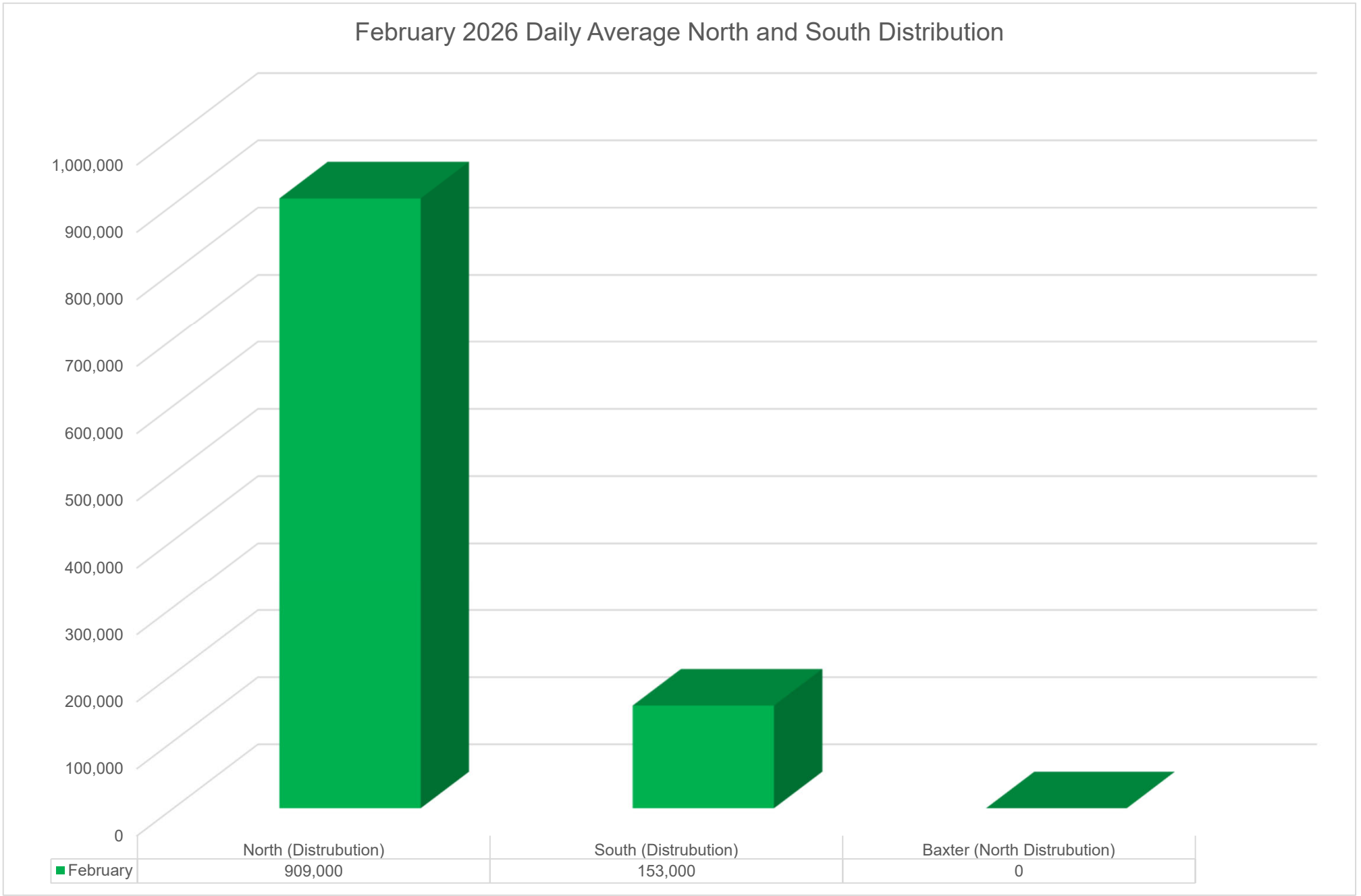

February 2026 - 2025 Wastewater Influent Flow Comparisons
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
2026 Combined
2025 Combined
2026 Brainerd
2025 Brainerd
2026 Baxter
2025 Baxter
February
53,333,000
49,570,000
33,975,000
32,114,000
19,358,000
17,456,000


February 2026 Wastewater Influent Total Flows
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
2026 Combined
2026 Brainerd
2026 Baxter
February
53,333,000
33,975,000
19,358,000


February 2026 Wastewater Influent Daily Average Flows
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
2026 Combined
2026 Brainerd
2026 Baxter
February
1,905,000
1,213,000
691,000


February 2026-2025 Comparison Water Production Totals North and South Distribution
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
-
2026 North
2025 North
2026 South
2025 South
2026 Baxter
2025 Baxter
February
25,450,000
25,144,000
4,288,000
4,256,000
-
82,000


February 2026 Total North and South Distribution
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)
February
25,450,000
4,288,000
0


February 2026 Daily Average North and South Distribution
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
North (Distrubution)
South (Distrubution)
Baxter (North Distrubution)
February
909,000
153,000
0