



PUBLIC UTILITIES COMMISSION AGENDA

City of Brainerd, Minnesota
City Hall, 501 Laurel Street, Council Chambers
Tuesday, May 26, 2026 @ 9:00 AM

The public is invited to attend these meetings in person
Dial in by phone
[+1 469-250-2695](tel:+14692502695)
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**

2. **Roll Call**

___ M. Bayliss ___ 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 Works Director's Office)

B. **Approval of Minutes**

C. **Recommend Surplus Auction Items**

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. **Update on Generation Funding/Discussion**
 2. Authorize Staff To Negotiate An Extended Capacity Agreement

8. **Unfinished Business**
 - A. **Unfinished Business**
(See attached separate memo regarding updates on unfinished business)
 - B. **Award Contract for 2026 Galvanized Service Line Replacement Project Number 1**
 - C. **Award Contract for 2026 Galvanized Service Line Replacement Project Number 2**
 - D. **Approve Contract Amendment for Professional Services with Bolton and Menk for Design, Right of Entry Permits, and Construction Phase Services for Additional Galvanized Water Service Line Replacements related to the 2026 Galvanized Water Service Line Replacement Program**

9. **New Business**
 - A. **Approve TylerIncode Accounts Payable Software Upgrade**

10. **Staff Reports**
(Verbal: Any Updates since Packet)
 - A. **Council Liaison Report**
 - B. **City Administrator Report**
 - C. **HR Director Report**
 - D. **Public Works Director Report**
 - E. **Electric Director Report**
 - F. **Water/Wastewater Manager Report**
 - G. **Finance Manager Report**

11. **Commission Member Reports**

12. **Adjourn**

Visit Brainerd Public Utilities website at www.bpu.org

MISSION

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



BRAINERD PUBLIC UTILITIES

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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 April 28, 2026.

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

Commission Roll Call

President Mike Angland – Present
Misty Bayliss – Absent

Vice-President Dolly Wussow – Present
Cory Jay – Present

Utility Staff Present

Public Utilities Director
Finance Manager
Operation Manager
Water/Wastewater Manager
Business Office Supervisor
Recording Secretary

Paul Sandy
Danny Loch
Trent Hawkinson
Charlie Gammon
Jana Pernula
Becky Ridlon

Others in Attendance

City Council Liaison
City Administrator
HR Director
City Engineer
Bolton & Menk
Bolton & Menk

Jeff Czczok
Nick Broyles
Brittney Kummet
Jessie Dehn
Mac Graupmen
Bryan Drown

Commissioner Angland opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

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

Approval of Consent Items

Motion by Commissioner Wussow and seconded by Commissioner Jay to approve the minutes from March 31st, 2026, regular monthly meeting and minutes from special meeting April 17, 2026, current month's bills, and to approve request from customers for credit of wastewater treatment and collection charges. There was a unanimous roll call vote in favor of the motion. Motion carried.

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Public Forum

None

Commission Committee Reports

Personnel Committee Report

Wussow stated there wasn't a meeting held for the month of April but is anticipating they will be meeting in the month of May due to the newly approved organization chart that will be implemented.

Finance and Operations Committee

Jay stated nothing to report for this month.

Sandy discussed the possibility of establishing standing meetings for the Personnel Committee and the Finance and Operations Committee, like the City Council's committee structure. The proposed meeting would take place the week before agenda packets are distributed so committee members could review and discuss items in advance. It was suggested that recurring dates be placed on calendars ahead of time, even if meetings are ultimately canceled when there are no agenda items to address. Angland agreed that the idea could improve consistency and planning, and Wussow and Jay also was in support in moving forward after potential meeting dates are considered.

City Council Liaison Czczok requested to be invited to these meetings when set up, Sandy said they will add him to the invite.

Unfinished Business

Memo - See board packet for updates.

Approve FY 2027-2029 Professional Engineering and Architecture Services Pool (On-Call Roster) - see board packet for report.

Public Utilities Director Paul Sandy presented.

Discussion included: Czczok asked whether the fee schedule requires consultants to notify the organization if their fees change. In response, Sandy explained that consultants were asked to provide estimated fees for the 2027 season, since the pool of services applies to contracts entered into for that year. Although the master services agreement remains in place annually, consultants are required each year to submit an updated fee schedule for the following season. Sandy noted that if contracts are issued for 2027, updated fee schedules for 2028 would be requested when planning and service requests begin for the 2028 season. City Engineer Jessie Dehn added that the city is developing a standardized master services agreement for all consultants. Currently, each consultant submits its own agreement for staff and city attorney review after contract award. A standard agreement would streamline and speed up the process.

Wussow asked about whether consultants in the service pools could repeatedly decline projects after being selected. Staff explained that consultants occasionally decline work due to workload capacity, although it happens infrequently because firms often reallocate staff from other offices to meet project needs. Staff added that if a consultant consistently declines work, the issue would be addressed during the next pool selection process before they are considered again.

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Motion by Commissioner Wussow and seconded by Commissioner Jay to Approve FY 2027-2029 Professional Engineering and Architecture Services Pool (On-Call Roster) and Authorize Staff to Enter into a Master Service Agreement with the Consultants. There was a unanimous vote in favor of the motion. Motion Carried.

Approve Draft City Code Chapter VII Public Utilities — Section 705 - Water System - see board packet for report.

Public Utilities Director Paul Sandy presented.

Czeczok reviewed the submitted Q&As and appreciated the additional time provided to evaluate the ordinance materials. Noted the benefit of having extra time to consider questions and comments, which helped clarify details and address concerns before moving forward.

Commissioner Wussow asked for clarification on Section 705.32, specifically whether the provision applies to commercial customers as well as residential customers. Loch clarified that the ordinance applies to both residential and commercial properties and clarified that delinquent bill provisions under Section 705 apply equally to both residential and commercial customers.

Sandy explained that if the commission forwards the ordinance, the first reading will occur at the May 4 City Council meeting, followed by a public hearing and final reading at a later meeting. If approved, the ordinance is expected to be formally adopted by June.

Motion by Commissioner Wussow and seconded by Commissioner Jay to Approve Draft City Code Chapter VII Public Utilities — Section 705 - Water System as presented. There was a unanimous vote in favor of the motion. Motion carried.

Approve Tabled Amended BPU POL 2007-12 Fee for Checking Readings and Test/Change Meters

Finance Manager Loch presented.

Motion by Commissioner Jay and seconded by Commissioner Wussow to Approve Tabled Amended BPU POL 2007-12 Fee for Checking Readings and Test/Change Meters There was a unanimous vote in favor of the motion. Motion carried.

Approve Amendment to BPU POL 2005-08 Application for Service

Finance Manager Loch presented.

Wussow asked about utility disconnections involving tenants and non-responsive property owners, including when landlords are notified and whether the city is at financial risk for unpaid bills. Loch explained that landlords are notified at the time of disconnection, generally after a 15-day period, in accordance with the disconnection policy. Responsibility for unpaid balances depends on the type of service, with water and wastewater accounts tied to the landlord and electric service tied to the tenant. Loch further explained that, depending on the circumstances and applicable regulations, unpaid charges may go through a lien process or be added to the property statement.

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Motion by Commissioner Wussow and seconded by Commissioner Jay to Approve Amendment to BPU POL 2005-08 Application for Service. There was a unanimous vote in favor of the motion. Motion carried.

Approve Guaranteed Maximum Price (GMP) and Authorization to Execute Construction Phase Contract with Rice Lake Construction Group for the 2026 Water Treatment Plant (WTP) Reclamation Tank Project
Public Utilities Director Paul Sandy presented.

Czczok asked whether this type of bidding or project process had been used by the city before. Sandy explained that the project delivery method is new to the city but has become more common since state law changes in 2023 allowed municipalities to use it. The process includes competitive pre-qualification and bidding for trade partners and allows construction managers to assist during design. Sandy clarified the project falls under the commission's authority and does not require city council approval. Once approved, the contractor assumes the risk for costs exceeding the \$5.3 million maximum price. Angland noted the process was unusual but increasingly common in construction projects.

Wussow noted concern about the project scope changing from \$10 million to \$5.3 million and stressed the importance of still meeting the project's original needs. Czczok Expressed concern about what was taken out of this project due to the decrease in price.

Bolton & Menk Mac Graupman explained that the reclaim tank remains included to meet grant requirements, but major cost reductions came from removing expensive electrical and control upgrades to the existing plant, which were considered non-essential, along with other planning-related items.

Motion by Commissioner Wussow and seconded by Commissioner Jay to Approve Guaranteed Maximum Price (GMP) and Authorization to Execute Construction Phase Contract with Rice Lake Construction Group for the 2026 Water Treatment Plant (WTP) Reclamation Tank Project There was a unanimous vote in favor of the motion. Motion carried.

Approve Large Industrial Power > 5 MW Application Process and Guidebook
Operation Manager Trent Hawkinson presented.

Wussow asked about the Fee and wanted to make sure we are not undervaluing our employees' time and workload. Hawkinson explained that the \$500 pre-application fee will be reviewed annually through the commission's fee-for-service report, typically in January. They noted the fee is intended for an initial, high-level review meeting to provide preliminary guidance, while more detailed work occurs later in the formal application process. Staff said the amount is based on current experience and workload, particularly with distribution assets, and they are comfortable with it for now but open to commission feedback. They also clarified that if a project does not progress within 60 days, it expires and would require a new application and fee to restart.

Motion by Commissioner Jay, seconded by Commissioner Wussow, to approve and implement the attached documents and fee structure related to the application process for large industrial applications of 5 MW and greater. The fee structure includes a \$500 pre-application fee; tiered application fees of \$5,000 for projects from 5 MW to less than 10 MW and \$10,000 for projects from 10 MW to less than 25 MW; and, for projects of 25 MW and greater, a \$10,000 base fee plus \$250 for each additional megawatt. There was a unanimous vote in favor of the motion. Motion carried.

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New Business

Approve Resolution 2026-03 for Bond issuance 2026A. See board packet for agenda request.
Finance Manager Loch presented.

Czczok asked about the total interest over a 20-year term. Loch responded that the interest has not yet been determined because it will depend on the interest rate at the time of bond issuance. They clarified that the final rate will be set during the bond sale process following approval of the resolution.

Motion by Commissioner Wussow and seconded by Commissioner Jay to Adopt a Resolution Providing for the Issuance and Sale of General Obligation Bonds, Series 2026A in the Proposed Amount of \$5,700,000; and Consolidating Certain Assessable Improvement Projects and funding for current year projects. There was a Roll call vote in favor of the motion. Motion Carried.

Review and approve the 10-Year Capital Improvement Plan. See board packet for agenda request.
Public Utilities Director Paul Sandy presented.

Angland asked if there were any key projects the commission and council should discuss together and whether any council-priority projects needed attention during the meeting.

Sandy discussed the East River Road sanitary sewer lining project from College Drive to the main lift station, scheduled for 2027 and progressing on schedule. Future phases extending to Highway 210 are planned for later years. He noted that if charter changes are approved, the commission could become responsible for setting sewer rates, making these large infrastructure projects an important financial priority. He also highlighted efforts to coordinate galvanized service line replacements with reconstruction projects in high-density areas.

City Engineer Jessie Dehn said the focus remains on the two large sewer lining projects and coordinating reconstruction work with lead and galvanized service line replacements. He explained that while the council could choose to reduce reconstruction scope and focus only on utility patching, staff believe comprehensive reconstruction projects provide better long-term results by addressing roadway conditions, drainage, and other infrastructure needs together. He added that grouped service line replacement areas are best handled through coordinated reconstruction projects, while isolated replacements can be completed individually.

Czczok asked for clarification about timelines and costs for the projects.

Sandy stated the interceptor lining project timeline, confirming the section from College Drive to the main lift station is planned for 2027, with the extension toward Highway 210 and the Evergreen lift station targeted for 2032. He explained that the highest priority areas are near the river valley, where infiltration and inflow issues are greatest due to groundwater interaction, while northern areas have lower immediate risk. Discussion also covered the annual \$100,000 lining allocation approved by the council, which was based on current utility rates and intended to begin addressing difficult-to-access sewer lines and areas with known inflow and infiltration problems. Sandy noted that future rate studies and system condition assessments will help determine appropriate funding levels and prioritize future lining projects.

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Angland asked whether the Finance and Operations Committee may have a larger role in discussing major infrastructure projects moving forward and what the commission's expectations would be in that process. Sandy responded that recent departmental reorganization has created more integration between departments and said future committee meetings could help keep members informed on progress and updates to the 10-year capital improvement plan.

Motion by Commissioner Wussow and seconded by Commissioner Jay to Approve the proposed 2027–2036 10-Year Capital Improvement Plan and forward it to the City Council for further review and discussion. There was a unanimous vote in favor of the motion. Motion carried.

Staff Reports

City Administrator Report -see board packet for report. - see board packet for report.

City Council Liaison Report

Czeczok commented on the significance of the proposed charter change and departmental reorganization, expressing hope for unanimous support when it comes forward for a vote. He acknowledged there are no guarantees but voiced appreciation for utility and city staff, highlighting the critical work they do responding to infrastructure failures at all hours. He thanked employees for their dedication and apologized for missing the previous special meeting.

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

Public Utilities Director Report – see board packet for report.

Sandy noted that meeting packets still listed the title of Public Utilities Director, but following the reorganization the position has been changed to Public Works Director. He said updates are being made to council and commission materials and confirmed he will continue reporting to the commission in the new role.

It was announced that Jesse Dehn submitted his resignation with the last day of May 8. The city is currently recruiting a City Engineer/Deputy Public Works Director. Sandy expressed appreciation for Jesse's work both in prior consulting roles and in his current position, offered well wishes for his move to Texas, and noted that this would be his final commission meeting.

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

Loch reported that installation of the new credit card processing system has been completed, with card readers received Friday and installed Monday. The system appears to be functioning well, with no reported issues processing payments. Additional report details were included in the meeting packet, and staff opened the floor for questions.

Operations Manager Report - see packet board for report.

Hawkinson added that Star Energy will conduct utility pole inspections earlier than planned, beginning as soon as next week instead of late summer or early fall. Public notices will be issued through social media and the city website. The inspections will focus on the north side of Brainerd, roughly from the river near Gregory Park over toward the Gillis area, and residents were encouraged to contact the office with any questions. Also noted that much of the electric distribution system is already underground, with roughly two-thirds not visible to the public and emphasized that removing overhead lines would not necessarily

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eliminate all above-ground utility infrastructure. They also reported strong hydroelectric performance due to favorable water flows and all generators operating, with expectations for a solid financial outcome. Commissioner Wussow thanked staff for addressing prior concerns from a resident from last month's meeting and providing cost information related to underground utilities.

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

Discussion included:

Wussow referenced a presentation from the Otter Tail Soil and Water Conservation District about the large number of private septic systems and land application practices. She asked how septic waste handled by pumpers is currently managed since it is no longer treated by the city and questioned where that material goes now. She also asked how future regulations on pollutants entering wastewater systems might affect both homeowners and non-city residents, and what impact these changes could have on disposal practices and land application sites used by pumpers. Gammon explained that new EPA guidance is emerging around the destruction of "forever chemicals" and that biosolids are part of that regulatory focus. He noted that future rules could restrict or eliminate land application of these materials, which would require more advanced treatment technologies and potentially higher costs. He emphasized that wastewater contains household and industrial chemicals and that treatment approaches will need to evolve over time to meet stricter standards. He added that septage handling and land application practices vary by jurisdiction and will likely face increasing regulation. While acknowledging potential broader regional impacts, he said the utility's primary responsibility is serving its own ratepayers, residents, and industries

Commission Members – Report

Wussow expressed appreciation for Loch and Sandy's testimony at the Capitol, stating pride in their representation of Brainerd. She emphasized the importance of advocating for greater Minnesota, noted concerns about rural communities being overlooked, and thanked them for taking the time to speak on the city's behalf.

Jay inquired about the resignation of commissioner Higgins. Sandy stated he will collaborate with necessary personnel and will follow up with commissioners.

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 10:23 AM.

Mike Angland, Commission President

Danny Loch, Finance Manager/Secretary

Online Auction Request

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

Contact information

Department/Agency:	BRAINERD PUBLIC UTILITIES		
Contact Name:	ANNMARIE LAMSER		
Address:	8027 HIGHLAND SCENIC RD, BAXTER, MN, 56425		
Email:	ALAMSER@BPU.ORG		
Phone:	218-825-3233		
Item Location:			
Deposit Info Vendor Number:		Remittance Address:	

Lot Information

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

LOT 1

Year		Make	First Aid supplies	Model	
VIN/Serial Number					
Mileage		Condition	New	Reserve Price (optional)	\$
Remarks: Any known Defects and options the unit may have	Surplus first aid supplies and box of XL Vinyl gloves. Unopened glove box contains 10 boxes of 100 pair. First aid supplies contained first aid books, 36 pair of scissors, 52 packs of 5 burn cream that expire 5/2027, and 38 Burnshield 4"x4" gel compresses that expire 5/2027, and a bag of cpr face shields.				

LOT 2

Year	Mid-90's	Make	Mercury	Model	Tracker
VIN/Serial Number					
Mileage		Condition	Like-new	Reserve Price (optional)	\$
Remarks: Any known Defects and options the unit may have	Boat motor from the mid 90's. Used twice a year to put buoys in and take them out at our Hydro facility. Comes with empty gas can.				





Public Utilities Commission Agenda Request

MEETING DATE: May 26, 2026

TITLE OF ITEM: Update on Generation Funding/Discussion

ACTION REQUESTED: Discussion Item

ESTIMATED TIME (MIN): 5

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Trent Hawkinson, Electric Director,
Danny Loch, Finance Manager

SUMMARY OF ISSUE:

Staff provided the Commission with an update regarding the outcome of the 2026 State Legislative Session and utility-related bonding requests via email. As part of that update, Marty Seifert reported that approximately 70% of statewide funding requests were ultimately not included in the final bonding bill. Significant discussion at the Capitol centered around large-scale appropriations associated with the proposed sports arena and improvements to Roy Wilkins Auditorium in Saint Paul, which were largely supported by the Governor's office. Those projects consumed tens of millions of dollars in available bonding capacity, with estimates discussed in the range of approximately \$50 million to \$60 million that otherwise may have been available for infrastructure and utility-related projects statewide.

Following discussion with the Finance Committee, additional conversation occurred regarding the long-term direction and future planning associated with the utility's generator assets. Committee members expressed interest in obtaining further clarification and policy direction from the Commission regarding the role, investment strategy, and long-term future of those assets as part of ongoing financial and capital planning discussions.

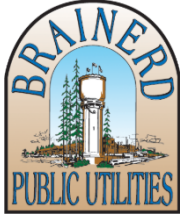
ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: As part of ongoing discussion staff are researching/monitoring:

- Self-funding replacement or addition of a single generator asset. Preliminary discussion estimated financing of approximately \$7.5 million amortized over a 20-year period at an estimated interest rate of 4.25%. This option would provide long-term local generation capacity while requiring evaluation of rate impacts, debt service obligations, operating costs, and long-term generation strategy.
- Pursuing development of a peak shaving generation facility. While this type of facility may not fully satisfy long-term renewable energy objectives or future carbon reduction considerations, it could provide operational flexibility and assist in mitigating future regional capacity constraints and peak demand exposure. This option may also help improve system reliability during high-demand periods while potentially reducing exposure to capacity market cost increases.

- Continuing to monitor future state and federal funding opportunities, bonding appropriations, and grant programs that may assist in offsetting capital costs associated with future generation or reliability-related infrastructure investments.

RECOMMENDED ACTION/MOTION: No Commission action at this time, staff are researching additional questions from Committee for a future presentation.

FINANCIAL IMPACT:



Public Utilities Commission Agenda Request

MEETING DATE: May 26, 2026

TITLE OF ITEM: Authorize Staff To Negotiate An Extended Capacity Agreement

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 5

SUBMITTED BY: Danny Loch, Finance Manager,
Trent Hawkinson, Electric Director

PRESENTER: Danny Loch, Finance Manager, Trent
Hawkinson, Electric Director

SUMMARY OF ISSUE:

Vince from AEP, informed BPU that it is currently well-positioned to meet its MISO capacity obligations through May 2030 due to long-term capacity contracts secured in 2016 and 2017. Those contracts totaled 30 MW and were purchased at an average cost of approximately \$3.83/kW-month, which has remained favorable compared to more recent market pricing. Vince has approached BPU with the opportunity to purchase 10 years of additional capacity from 2030 to 2040.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

Vince explained that historical MISO capacity auction prices between 2017 and 2021 were significantly lower than current market conditions, with auction prices generally clearing near \$0.15/kW-month during that time period. In contrast, recent MISO auction pricing has increased substantially due to tightening supply conditions and increasing regional demand. Vince noted that recent auctions have cleared at approximately \$4.62/kW-month for Planning Year 2025/2026 and \$3.84/kW-month for Planning Year 2026/2027, with PJM market pricing reaching approximately \$9.89/kW-month.

Staff noted that BPU's current contract pricing equates to approximately \$133.80/MW-day, or approximately \$4.01/kW-month. Based on BPU's approximate 35.5 MW capacity obligation, the current contract pricing equates to roughly \$142,500 per month in capacity costs.

As part of ongoing market discussions, Vince outlined a potential long-term capacity purchase opportunity that would allow BPU to procure up to 30 MW of capacity for a 10-year term at an estimated cost of approximately \$7.50/kW-month. At that proposed pricing level, 30 MW of capacity would equate to an estimated monthly cost of approximately \$225,000 for the capacity component. This would be a monthly increase of approximately \$105k per month in capacity costs. Through the electric cost of service study we can begin to build this cost increase into rates now so that customers do not feel the increase at a single point in time.

Vince indicated that while the proposed long-term contract pricing is higher than both BPU's historical contracts and current contract-equivalent pricing, it may provide a longer-term hedge against future

market volatility and continued increases in capacity pricing. Vince also noted that approximately five years ago, prior to recent market changes, a similar 15-year agreement transacted at approximately \$5.00/kW-month.

For comparison purposes, Vince further explained that constructing a behind-the-meter peaking generation facility, such as a gas or diesel-fired plant qualifying as a MISO capacity resource, could provide local reliability benefits and a longer-term capacity hedge. However, the estimated installed cost for that option was noted to be substantially higher at approximately \$12.00/kW-month.

It is important to note that the pricing discussed relates specifically to capacity charges only. BPU’s overall wholesale power costs also include separate transmission and energy charges. Capacity costs represent the reservation or availability of generating resources to meet reliability requirements and peak demand obligations, while transmission charges cover delivery infrastructure costs and energy charges reflect the actual electricity consumed.

The average increase weighted by customer class based on the increase in costs occurring in 2030 based on December 2025's customer count would equate to:

Rate Class	Annual kWh	Customers	Annual Increase per Customer	Estimated Monthly Increase per Customer
Residential	54,764,187	7,014	\$56.98	\$4.75/month
Commercial	40,603,917	1,255	\$236.04	\$19.67/month
Medium & Large Service	67,709,276	768	\$643.09	\$53.61/month
City of Brainerd	2,062,733	50	\$301.18	\$25.10/month
BPU	7,042,020	40	\$1,289.63	\$106.96/month
Total	172,182,133			

RECOMMENDED ACTION/MOTION: Based on the information presented, staff recommend authorizing Director Hawkinson to negotiate a long-term capacity agreement for additional capacity resources at pricing not to exceed \$7.50/kW-month, with final agreement terms to be brought back to the Commission for review and approval as appropriate.

FINANCIAL IMPACT: \$105,000 Monthly increase in Capacity costs \$1,260,000 annualized beginning in 2030.

**Brainerd Public Utilities
BPU Commission Unfinished Business
May 2026**

A. Hydro Generation (1/31/23)

Procurement evaluation for the hydro generation replacement project remains ongoing. Following identification that previously reviewed generator models were no longer in production, staff and Barr Engineering continued evaluation of alternative generation options that would be compatible with the existing facility and operational requirements. Barr Engineering identified a feasible replacement model, and staff received a formal quotation indicating an estimated generator cost of approximately \$1.5 million. This represents a significant increase from the previously identified option estimated at approximately \$750,000. Updated project cost information was incorporated into the state funding request materials.

With the close of the 2026 legislative session, staff were informed that the project funding request will not move forward during the current legislative cycle. Staff have continued discussions regarding potential future funding opportunities and legislative strategy moving forward. Additional discussion related to the hydro project funding status and legislative updates has been included as part of the committee update discussion materials within this month's Commission packet.

B. Strategic Planning (04/24/2025)

Former Director Evans initiated and presented a strategic planning session along with supporting documentation. Following the onboarding of Director Sandy, integration discussions with the City resumed and will continue through the remainder of 2025 as the Charter Commission and City Council consider potential Charter amendments. Because these changes could directly affect strategic planning, the planning process was paused to ensure that all City departments can ultimately be aligned under a single, comprehensive plan. This pause remains in effect.

Once integration discussions are complete and there is a clear understanding of how the Utility and the City will function operationally, strategic planning efforts will resume under the direction of the Public Works Director, Electric Director and the City Administrator. Long-range planning sessions with City staff have begun and are anticipated to be a one- to two-year process. The goal of these sessions is to develop long-range sanitary sewer and water distribution plans, integrate asset management activities—including long-range capital improvement planning—and identify strategies to better align capital improvement projects across the City's divisions.

C. EV Charging Policy

Practices related to electric vehicle (EV) charging vary widely across utilities, including municipal utilities, cooperatives, and investor-owned providers. At the direction of the Commission, the Finance/Operations Committee reviewed this topic to evaluate whether a formal policy or additional guidance was warranted.

Following discussion, the Committee did not identify a clear need for a formal policy at this time. Current practices will remain in place, and no further action is recommended. Staff will continue to monitor industry trends, customer usage patterns, and potential impacts to the utility system, and will bring forward recommendations if future conditions warrant additional review.

Completed in 2024:

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

Completed in 2025:

1. Customer Communications Policy – GoldCross
2. Commissioners Health Insurance – Tabled
3. Website Updates: Solar Distributed Energy Resources – Posted on Website
4. Schedule of Authority Roles of Commission and Council in Operation of BPU
5. Electric Transmission Service to Brainerd – Interconnection Study v. Building Capacity
6. Reclamation and Backwash CMAR Project Selection – Rice Lake Construction
7. Crypto Mining Activity

Completed in 2026:

1. ClimaVision Radar – Awaiting Construction
2. Main Lift Station Painting – Holding off due to planned 2027 Main Lift Station Reconstruction
3. Water Code 705 – Approved by City Council on 5/18/2026
4. Development of Plan to be Carbon Free by 2040
5. Lead Service Line Inventory Assessment and Replacements – First replacement project in 2026. On-going PPL and IUP maintenance activities for future replacement projects.
6. Waterworth Continuous Rate Management – Implementation in 2026
7. Crypto Mining Activity – Second Amendment to Just for Krypto (JFK) contract
8. Wastewater Treatment Facility (WWTF) Plan Submission to MPCA
9. Professional Engineering and Architectural Services Pool
10. Large Industrial Power Customer Application and Guidebook
11. 2027 Lead and Galvanized Water Service Line PPL and IUP Submissions
12. Review of proposed 10-Year Capital Improvement Plan for Streets and Utilities
13. Comprehensive Policy Review
 - a. BPU_POL_2005-07 – Inactive Accounts
 - b. BPU_POL_2005-10 – Disconnection of Service
 - c. BPU_POL_2003-05 – Fees for Water Meters
 - d. BPU_POL_2024-01 – Frozen Water Lines
 - e. BPU_POL_2025-01 – Leaking Water Service Line Policy
 - f. BPU_POL_2003-04 – Unauthorized Use of Utility Meters
 - g. BPU_POL_2008_13 – Access to Premises
 - h. BPU_POL_2007_11 – Utility Service Turn on Fee

Acronyms:

WASTEWATER:

MPCA – Minnesota Pollution Control Agency
WWTF – Wastewater Treatment Facility
NPDES – National Pollutant Discharge Elimination System
EPA – US Environmental Protection Agency
CWA – Clean Water Act
WQS – Water Quality Standard
TMDL – Total Maximum Daily Load
WLA – Waste Load Allocation
BMP – Best Management Practice
SCADA – Supervisory Control and Data Acquisition
CWRF – Clean Water Revolving Fund
PSIG – Point Source Implementation Grant
SSTS – Subsurface Sewage Treatment System
ADW – Average Dry Weather Flow
AA – Average Annual Flow
AWW – Average Wet Weather Flow
PDF – Peak Daily Flow
PHWW – Peak Hourly Wet Weather Flow
PIWW – Peak Instantaneous Wet Weather Flow
GPD – Gallons per Day
GPCD – Gallons per Capita per Day
MGD – Million Gallons per Day
PPM – Parts per Million
PPB – Parts per Billion
I & I – Inflow and Infiltration
CBOD₅ – Carbonaceous Biochemical Oxygen Demand

WATER:

MDH – Minnesota Department of Health
EPA – Environmental Protection Agency
SDWA – Safe Drinking Water Act
DWRF – Drinking Water Revolving Fund
AWWA – American Water Works Association
DWSMA – Drinking Water Supply Management Area
WPA – Wellhead Protection Area
PWS – Public Water Supply
MCL – Maximum Contaminant Level
TDS – Total Dissolved Solids
TSS – Total Suspended Solids
pH – Measure of acidity/alkalinity
CL₂ – Chlorine
Mn – Manganese

BOD₅ – Biochemical Oxygen Demand
PFAS – Polyfluoroalkyl and Perfluoroalkyl Substances
PFOS – Perfluorooctane Sulfonate
PFOA – Perfluorooctanoic Acid
TSS – Total Suspended Solids
TDS – Total Dissolved Solids
pH – Measure of acidity/alkalinity
NH₃-N – Total Ammonia Nitrogen
TKN – Total Kjeldahl Nitrogen
TN – Total Nitrogen
NO₃ – Nitrate
NO₂ – Nitrite
TP – Total Phosphorus
DO – Dissolved Oxygen
DMR – Discharge Monitoring Report
SIU – Significant Industrial User
MCC – Motor Control Center
SBR – Sequencing Batch Reactor
AS-BNR – Activated Sludge – Traditional Biological Nutrient Removal
IFAS – Integrated Fixed-Film Activated Sludge
MBR – Membrane Bioreactor
BAF – Biologically Aerated Filters
UV – Ultraviolet
WAS – Waste Activated Sludge
GBT – Gravity Belt Thickener
VFD – Variable Frequency Drive

Fe – Iron
HAA – Haloacetic Acids
PFAS – Polyfluoroalkyl and Perfluoroalkyl Substances
PFOS – Perfluorooctane Sulfonate
PFOA – Perfluorooctanoic Acid
VFD – Variable Frequency Drive
SCADA – Supervisory Control and Data Acquisition
MCC – Motor Control Center
GAC – Granular Activated Carbon
RO – Reverse Osmosis
PPM – Parts per Million
PPB – Parts per Billion

GENERAL INFRASTRUCTURE:

MnDOT – Minnesota Department of Transportation
CEAM – City Engineers Association of Minnesota
APWA-MN – American Public Works Association of Minnesota
MnPFA – Minnesota Public Facilities Authority
MPCA – Minnesota Pollution Control Agency
MDH – Minnesota Department of Health
MMUA – Minnesota Municipal Utilities Association
GIS – Geographic Information Systems
CIP – Capital Improvement Plan
ROW – Right of Way
ADA – Americans with Disabilities Act

RFP – Request for Proposals
RFQ – Request for Quotes
PVC – Polyvinyl Chloride (pipe)
HDPE – High Density Polyethylene
DIP – Ductile Iron Pipe
DR – Dimension Ratio (pipe)
C900 – Watermain Pipe Specification
RCP – Reinforced Concrete Pipe
RC – Reinforced Concrete
CIPP – Cured in Place Pipe
OD – Outside Diameter
ID – Inside Diameter

ENVIRONMENTAL:

NPDES – National Pollutant Discharge Elimination System
MnDNR – Minnesota Department of Natural Resources
SWCD – Soil and Water Conservation District
MPCA – Minnesota Pollution Control Agency
SWPPP – Stormwater Pollution Prevention Plan
MS4 – Municipal Separate Storm Sewer System
WCA – Wetland Conservation Act

BMP – Best Management Practice
TMDL – Total Maximum Daily Load
ESA – Environmental Site Assessment
EAW – Environmental Assessment Worksheet
EIS – Environmental Impact Statement
NEPA – National Environmental Policy Act
MEPA – Minnesota Environmental Policy Act
VOC – Volatile Organic Compounds

ELECTRIC:

MP – Minnesota Power
MISO – Midcontinent Independent System Operator
AEP – American Electric Power
AEP Energy Partners – American Electric Power Energy Partners an AEP Company

kWh – Kilowatt hour
MWh – Megawatt hour (1,000 times larger than a kWh)
kW – Kilowatt
MW – Megawatt
JFK – Just for Krypto

HYDRO:

FERC – Federal Energy Regulatory Commission
SHPO – Minnesota State Historic Preservation Office
Project – Brainerd Hydro Electric Project
CRMP - Cultural Resources Management Plan
ARS - Archaeological Research Services

HPMP - Historic Properties Management Plan
NRHP - National Register of Historic Places
APE - Area of Potential Effects
ACHP - Advisory Council on Historic Preservation
THPO - Tribal Historic Preservation Officer



Public Utilities Commission Agenda Request

MEETING DATE: May 26, 2026

TITLE OF ITEM: Award Contract for 2026 Galvanized Service Line Replacement Project Number 1

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 5 Minutes

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

SUMMARY OF ISSUE: Bids were solicited and advertised for the 2026 Galvanized Water Service Line Replacement Project No. 1, which involves replacing galvanized water service lines as part of the City of Brainerd's 2026 street reconstruction and resurfacing program.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: Bids were opened and read aloud on Tuesday, May 12, 2026. Three bids were received for the project from DeChantal Excavating, Levanen Underground, and Urban Companies in the amounts of \$646,412.05, \$683,530.50, and \$1,051,025.00, respectively. The Engineer's Estimate of Probable Cost for the project is \$689,260.00. The apparent low bid, submitted by DeChantal Excavating at \$646,412.05, comes in \$42,847.95 — or 6.2% — below the Engineer's Estimate.

RECOMMENDED ACTION/MOTION: Staff recommends awarding the 2026 Galvanized Water Service Line Replacement Project to DeChantal Excavating in the total contract amount of \$646,412.05 and authorizing the appropriate signatures on the contract documents.

FINANCIAL IMPACT: The total contract amount of \$646,412.05, along with associated engineering and construction administration expenses, is expected to be fully reimbursed from the \$2,675,000 allocated by MPFA for Brainerd's 2026 replacement projects.



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May 13, 2026

Brainerd Public Utilities Commission
City of Brainerd
501 Laurel Street
Brainerd, MN 56401

RE: Bid Review and Award Recommendation
2026 Lead Service Line Replacement Project 1
BMI Project No.: 25X.141702.000

Utility Commission members:

Pursuant to authority of the Brainerd Public Utilities Commission and after required legal advertisement, bids for the above referenced project were opened and read aloud at Brainerd City Hall at 10:00 A.M. on Tuesday, May 12, 2026. Three bids were received:

Contractor	Bid Total
DeChantal Excavating	\$646,412.05
Levanen Underground	\$683,530.50
Urban Companies	\$1,051,025.00
Engineer's Estimate	\$689,260.00

The apparent low bid is submitted by DeChantal Excavating of Brainerd, MN in the amount of \$646,412.05. No mathematical errors were found in the bids received. Attached please find the Bid Abstract listing and verifying a breakdown of the unit prices submitted.

We recommend a contract be awarded to DeChantal Excavating of Brainerd, MN, the lowest responsive and responsible bidder, in the amount of \$646,412.05.

Sincerely,

Bolton & Menk, Inc.

Bryan G. Drown, PE
Municipal Project Manager | Associate

Cc: Paul Sandy, PE – Public Works Director

Attachments: Bid Abstract

BID ABSTRACT

City of Brainerd - 2026 Lead Service Line Replacement Project 1

Owner: City of Brainerd

Solicitor: Bolton & Menk, Inc. - Baxter, MN

Bid Date: 05/12/2026 10:00 AM CDT

Line Item	Item Description	Unit	Quantity	Engineer Estimate		DeChantal Excavating LLC		Levanen Underground		Urban Companies	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	MOBILIZATION	LUMP SUM	1	\$35,000.00	\$35,000.00	\$59,541.00	\$59,541.00	\$40,000.00	\$40,000.00	\$106,000.00	\$106,000.00
2	TRAFFIC CONTROL	LUMP SUM	1	\$10,000.00	\$10,000.00	\$8,500.00	\$8,500.00	\$6,950.00	\$6,950.00	\$15,000.00	\$15,000.00
3	CLEARING & GRUBBING	EACH	10	\$1,000.00	\$10,000.00	\$940.00	\$9,400.00	\$2,500.00	\$25,000.00	\$1,800.00	\$18,000.00
4	REMOVE & REPLACE CURB AND GUTTER	LIN FT	330	\$50.00	\$16,500.00	\$43.75	\$14,437.50	\$25.00	\$8,250.00	\$100.00	\$33,000.00
5	REMOVE & REPLACE CONCRETE SIDEWALK	SQ FT	1197	\$25.00	\$29,925.00	\$14.25	\$17,057.25	\$26.00	\$31,122.00	\$20.00	\$23,940.00
6	REMOVE & REPLACE BITUMINOUS DRIVEWAY	SQ FT	67	\$10.00	\$670.00	\$21.65	\$1,450.55	\$65.00	\$4,355.00	\$25.00	\$1,675.00
7	REMOVE & REPLACE CONCRETE DRIVEWAY	SQ FT	874	\$30.00	\$26,220.00	\$24.35	\$21,281.90	\$44.00	\$38,456.00	\$25.00	\$21,850.00
8	REMOVE & REPLACE GRAVEL DRIVEWAY	SQ FT	90	\$10.00	\$900.00	\$15.00	\$1,350.00	\$32.00	\$2,880.00	\$6.00	\$540.00
9	REMOVE & REPLACE BITUMINOUS STREET PAVEMENT	SQ FT	707	\$15.00	\$10,605.00	\$22.55	\$15,942.85	\$70.00	\$49,490.00	\$20.00	\$14,140.00
10	REMOVE & REPLACE CONCRETE STEP	EACH	3	\$750.00	\$2,250.00	\$1,550.00	\$4,650.00	\$1,500.00	\$4,500.00	\$3,000.00	\$9,000.00
11	SALVAGE AND REINSTALL FENCE	LIN FT	75	\$100.00	\$7,500.00	\$50.00	\$3,750.00	\$100.00	\$7,500.00	\$125.00	\$9,375.00
12	SALVAGE AND REINSTALL RETAINING WALL	SQ FT	42	\$40.00	\$1,680.00	\$35.00	\$1,470.00	\$56.00	\$2,352.00	\$150.00	\$6,300.00
13	EXPLORATORY EXCAVATION	HR	17.5	\$300.00	\$5,250.00	\$610.00	\$10,675.00	\$259.00	\$4,532.50	\$1,000.00	\$17,500.00
14	TELEVISION & LOCATE SANITARY SERVICE	EACH	35	\$1,100.00	\$38,500.00	\$550.00	\$19,250.00	\$250.00	\$8,750.00	\$1,000.00	\$35,000.00
15	CASTING ASSEMBLY SPECIAL	EACH	5	\$500.00	\$2,500.00	\$445.00	\$2,225.00	\$100.00	\$500.00	\$1,000.00	\$5,000.00
16	1" PE WATER SERVICE PIPE	LIN FT	2049	\$100.00	\$204,900.00	\$26.00	\$53,274.00	\$90.00	\$184,410.00	\$50.00	\$102,450.00
17	2" POLYSTYRENE INSULATION	SQ YD	200	\$40.00	\$8,000.00	\$90.00	\$18,000.00	\$56.00	\$11,200.00	\$30.00	\$6,000.00
18	CONNECT TO EXISTING CURB STOP	EACH	35	\$150.00	\$5,250.00	\$2,450.00	\$85,750.00	\$520.00	\$18,200.00	\$5,000.00	\$175,000.00
19	CONNECT TO EXISTING WATER SERVICE - INDOOR	EACH	35	\$1,500.00	\$52,500.00	\$885.00	\$30,975.00	\$1,250.00	\$43,750.00	\$6,000.00	\$210,000.00
20	PLUMBER	EACH	35	\$1,000.00	\$35,000.00	\$1,150.00	\$40,250.00	\$590.00	\$20,650.00	\$2,500.00	\$87,500.00
21	ELECTRICIAN	EACH	35	\$1,000.00	\$35,000.00	\$445.00	\$15,575.00	\$650.00	\$22,750.00	\$500.00	\$17,500.00
22	WATER PITCHER AND FILTER	EACH	35	\$60.00	\$2,100.00	\$150.00	\$5,250.00	\$110.00	\$3,850.00	\$100.00	\$3,500.00
23	TURF ESTABLISHMENT	SQ YD	1851	\$10.00	\$18,510.00	\$32.00	\$59,232.00	\$8.00	\$14,808.00	\$5.00	\$9,255.00
24	EROSION CONTROL	EACH	35	\$300.00	\$10,500.00	\$775.00	\$27,125.00	\$265.00	\$9,275.00	\$100.00	\$3,500.00
25	CONSTRUCTION ALLOWANCE	LUMP SUM	1	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00
Base Bid Total:					\$689,260.00		\$646,412.05		\$683,530.50		\$1,051,025.00



Public Utilities Commission Agenda Request

MEETING DATE: May 26, 2026

TITLE OF ITEM: Award Contract for 2026 Galvanized Service Line Replacement Project Number 2

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 5 Minutes

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

SUMMARY OF ISSUE:

Bids were solicited and advertised for the 2026 Galvanized Water Service Line Replacement Project No. 2, which involves replacing galvanized water service lines on Gillis Avenue, 1st Avenue NE, and 2nd Avenue NE.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

Bids were opened and read aloud on Tuesday, May 12, 2026. Three bids were received for the project from DeChantal Excavating, Tretter Excavating, and Urban Companies in the amounts of \$1,098,207.15, \$1,115,479.00, and \$1,725,850.00, respectively. The Engineer's Estimate of Probable Cost for the project is \$1,129,205.00. The apparent low bid, submitted by DeChantal Excavating at \$1,098,207.15, comes in \$30,997.85 — or 2.7% — below the Engineer's Estimate.

RECOMMENDED ACTION/MOTION:

Staff recommends awarding the 2026 Galvanized Water Service Line Replacement Project to DeChantal Excavating in the total contract amount of \$1,098,207.15 and authorizing the appropriate signatures on the contract documents.

FINANCIAL IMPACT:

The total contract amount of \$1,098,207.15, along with associated engineering and construction administration expenses, is expected to be fully reimbursed from the \$2,675,000 allocated by MPFA for Brainerd's 2026 replacement projects.



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May 13, 2026

Brainerd Public Utilities Commission
City of Brainerd
501 Laurel Street
Brainerd, MN 56401

RE: Bid Review and Award Recommendation
2026 Lead Service Line Replacement Project 2
BMI Project No.: 25X.142000.000

Utility Commission members:

Pursuant to authority of the Brainerd Public Utilities Commission and after required legal advertisement, bids for the above referenced project were opened and read aloud at Brainerd City Hall at 10:30 A.M. on Tuesday, May 12, 2026. Three bids were received:

Contractor	Bid Total
DeChantal Excavating	\$1,098,207.15
Tretter Excavating	\$1,115,479.00
Urban Companies	\$1,725,850.00
Engineer's Estimate	\$1,129,205.00

The apparent low bid is submitted by DeChantal Excavating of Brainerd, MN in the amount of \$1,098,207.15. No mathematical errors were found in the bids received. Attached please find the Bid Abstract listing and verifying a breakdown of the unit prices submitted.

We recommend a contract be awarded to DeChantal Excavating of Brainerd, MN, the lowest responsive and responsible bidder, in the amount of \$1,098,207.15.

Sincerely,

Bolton & Menk, Inc.

Bryan G. Drown, PE
Municipal Project Manager | Associate

Cc: Paul Sandy, PE – Public Works Director

Attachments: Bid Abstract

BID ABSTRACT

City of Brainerd - 2026 Lead Service Line Replacement Project 2

Owner: City of Brainerd

Solicitor: Bolton & Menk, Inc. - Baxter, MN

Bid Date: 05/12/2026 10:30 AM CDT

Line Item	Item Description	UofM	Quantity	Engineer Estimate		DeChantal Excavating LLC		Tretter Trucking & Excavating		Urban Companies	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	MOBILIZATION	LUMP SUM	1	\$50,000.00	\$50,000.00	\$110,146.00	\$110,146.00	\$60,000.00	\$60,000.00	\$165,000.00	\$165,000.00
2	TRAFFIC CONTROL	LUMP SUM	1	\$10,000.00	\$10,000.00	\$8,500.00	\$8,500.00	\$2,000.00	\$2,000.00	\$15,000.00	\$15,000.00
3	CLEARING & GRUBBING	EACH	24	\$1,000.00	\$24,000.00	\$940.00	\$22,560.00	\$1,000.00	\$24,000.00	\$1,800.00	\$43,200.00
4	REMOVE & REPLACE CURB AND GUTTER	LIN FT	616	\$50.00	\$30,800.00	\$43.75	\$26,950.00	\$45.00	\$27,720.00	\$100.00	\$61,600.00
5	REMOVE & REPLACE CONCRETE SIDEWALK	SQ FT	2899	\$25.00	\$72,475.00	\$14.25	\$41,310.75	\$16.00	\$46,384.00	\$20.00	\$57,980.00
6	REMOVE & REPLACE BITUMINOUS DRIVEWAY	SQ FT	421	\$10.00	\$4,210.00	\$21.65	\$9,114.65	\$16.00	\$6,736.00	\$25.00	\$10,525.00
7	REMOVE & REPLACE CONCRETE DRIVEWAY	SQ FT	137	\$30.00	\$4,110.00	\$24.35	\$3,335.95	\$20.00	\$2,740.00	\$25.00	\$3,425.00
8	REMOVE & REPLACE BITUMINOUS STREET PAVEMENT	SQ FT	1336	\$15.00	\$20,040.00	\$22.55	\$30,126.80	\$19.00	\$25,384.00	\$20.00	\$26,720.00
9	REMOVE & REPLACE CONCRETE STEP	EACH	7	\$750.00	\$5,250.00	\$1,550.00	\$10,850.00	\$750.00	\$5,250.00	\$2,500.00	\$17,500.00
10	SALVAGE AND REINSTALL FENCE	LIN FT	98	\$100.00	\$9,800.00	\$50.00	\$4,900.00	\$20.00	\$1,960.00	\$125.00	\$12,250.00
11	SALVAGE AND REINSTALL RETAINING WALL	SQ FT	132	\$40.00	\$5,280.00	\$35.00	\$4,620.00	\$50.00	\$6,600.00	\$150.00	\$19,800.00
12	EXPLORATORY EXCAVATION	HR	32	\$300.00	\$9,600.00	\$610.00	\$19,520.00	\$200.00	\$6,400.00	\$1,000.00	\$32,000.00
13	TELEWISE & LOCATE SANITARY SERVICE	EACH	64	\$1,100.00	\$70,400.00	\$550.00	\$35,200.00	\$950.00	\$60,800.00	\$1,000.00	\$64,000.00
14	CASTING ASSEMBLY SPECIAL	EACH	5	\$500.00	\$2,500.00	\$445.00	\$2,225.00	\$225.00	\$1,125.00	\$1,000.00	\$5,000.00
15	1" PE WATER SERVICE PIPE	LIN FT	3168	\$100.00	\$316,800.00	\$26.00	\$82,368.00	\$140.00	\$443,520.00	\$50.00	\$158,400.00
16	2" POLYSTYRENE INSULATION	SQ YD	200	\$40.00	\$8,000.00	\$90.00	\$18,000.00	\$25.00	\$5,000.00	\$30.00	\$6,000.00
17	CONNECT TO EXISTING CURB STOP	EACH	64	\$150.00	\$9,600.00	\$2,450.00	\$156,800.00	\$100.00	\$6,400.00	\$5,000.00	\$320,000.00
18	CONNECT TO EXISTING WATER SERVICE - INDOOR	EACH	64	\$1,500.00	\$96,000.00	\$885.00	\$56,640.00	\$50.00	\$3,200.00	\$5,000.00	\$320,000.00
19	PLUMBER	EACH	64	\$1,000.00	\$64,000.00	\$1,150.00	\$73,600.00	\$1,800.00	\$115,200.00	\$2,000.00	\$128,000.00
20	ELECTRICIAN	EACH	64	\$1,000.00	\$64,000.00	\$445.00	\$28,480.00	\$750.00	\$48,000.00	\$500.00	\$32,000.00
21	WATER PITCHER AND FILTER	EACH	64	\$60.00	\$3,840.00	\$150.00	\$9,600.00	\$75.00	\$4,800.00	\$100.00	\$6,400.00
22	TURF ESTABLISHMENT	SQ YD	2930	\$10.00	\$29,300.00	\$32.00	\$93,760.00	\$2.00	\$5,860.00	\$5.00	\$14,650.00
23	EROSION CONTROL	EACH	64	\$300.00	\$19,200.00	\$775.00	\$49,600.00	\$100.00	\$6,400.00	\$100.00	\$6,400.00
24	CONSTRUCTION ALLOWANCE	LUMP SUM	1	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00
Base Bid Total:					\$1,129,205.00		\$1,098,207.15		\$1,115,479.00		\$1,725,850.00



Public Utilities Commission Agenda Request

MEETING DATE: May 26, 2026

TITLE OF ITEM: Approve Contract Amendment for Professional Services with Bolton and Menk for Design, Right of Entry Permits, and Construction Phase Services for Additional Galvanized Water Service Line Replacements related to the 2026 Galvanized Water Service Line Replacement Program

ACTION REQUESTED: Approve/Deny Motion **ESTIMATED TIME (MIN):** 5 Minutes

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

SUMMARY OF ISSUE: Upon receipt of bid results for the Galvanized Water Service Line Replacement Projects 1 and 2, staff conducted a comprehensive review of the overall project budget to plan for the pursuit of additional galvanized water service line replacements.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS: Attached to this request is a professional services proposal from Bolton and Menk, Inc. for engineering, right-of-entry coordination, and construction administration services associated with the replacement of an additional 19 galvanized water service lines. This proposal builds upon the established framework of the City's ongoing galvanized water service line replacement program.

Consistent with their role on previous and currently contracted projects, Bolton and Menk would provide the following services:

- **Right-of-Entry Coordination:** Bolton and Menk would assist the Utility in securing the necessary right-of-entry permits and agreements from affected property owners, ensuring all required access authorizations are in place prior to construction.
- **Minnesota Department of Health Certification:** Bolton and Menk would prepare and submit the required documentation to certify the additional 19 addresses with the Minnesota Department of Health (MDH), in accordance with state requirements governing galvanized water service line replacements.
- **Construction Administration:** Bolton and Menk would administer the construction contract for the additional 19 service line replacements, providing oversight to ensure the work is completed in accordance with project specifications, on schedule, and within budget.

The scope of work outlined in this proposal is consistent with Bolton and Menk's existing contracts for the City's other galvanized water service line replacement projects. Based on current estimates, the replacement of the additional 19 service lines can be completed while remaining within the overall allocated project budget of \$2,675,000. Bolton and Menk's proposed fee for these services is \$43,880, on a not-to-exceed basis.

RECOMMENDED ACTION/MOTION: Staff recommends approving the scope and fee amendment with Bolton and Menk for the 2026 Galvanized Water Service Line Replacement Project No. 2, authorizing an additional not-to-exceed fee of \$43,880.

FINANCIAL IMPACT: The \$43,880 in additional engineering fees associated with Project No. 2 are expected to be fully reimbursed through the \$2,675,000 in funding allocated by the Public Facilities Authority (PFA) for the galvanized water service line replacement work.



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Bolton-Menk.com

May 20, 2026

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

RE: 2026 Lead Service Line Replacement – Engineering Proposal
Adding Services to 2026 Lead Service Line Replacement Project 2 (NE Brainerd)
Brainerd Public Utilities

Dear Paul,

BPU included three project areas on their request for placement on the 2026 PFA Intended Use Plan (IUP). The IUP was released on January 9, 2026 and BPU has been awarded \$2,675,000 of funding towards Lead Service Line Replacements (LSLR) through the Minnesota Public Facilities Authority (PFA). BPU has bid three separate Lead Service Line Replacement Projects in 2026 summarized as follows:

	Project 1	Project 2	Project 3
	2026 Reconstruction & Resurfacing Project Areas	NE Brainerd	Alley Between South 6th Street and South 7th Street
Construction Bid Amount:	\$646,412.05	\$1,098,207.15	\$157,000.00
Engineering:	\$152,620.00	\$191,750.00	\$36,540.00
Total Project Cost:	\$799,032.05	\$1,289,957.15	\$193,540.00

The sum of the project costs is \$2,282,529.20, which is \$392,470.80 below the funding allocated to the City of Brainerd for Lead Service Line Replacements in 2026. Based on the average cost per service the city could pursue replacing an additional 19 galvanized services with funding it has been allocated. We have been in contact with Corey Mathisen, the Lead Service Line Replacement Program Manager at the Minnesota Department of Health (MDH) and he has indicated the city needs to supply the addresses of the additional services to MDH and is able to add additional work via change order to one of the existing projects.

We understand BPU would expand Project 2 and include an additional 14 services on 2nd Ave NE from F Street N to H Street N and 5 galvanized water services throughout the city that are known to be leaking for replacement. The addresses to add to Project 2 are:

- 2nd Ave NE – F Street to G Street
 - 602, 605, 608, 611, 617, 620
- 2nd Ave NE – G Street to H Street
 - 701, 708, 710, 711, 715, 716, 717, 718
- Identified Leaking Galvanized Services
 - 1109 9th Ave NE, 405 3rd Ave NE, 615 6th St. N, 310 5th N, 524 9th St. S

Task 1: Project Certification

Upon authorization we will submit the above addresses to MDH and PFA. We will assist with necessary submittals to MN PFA and MDH to comply with funding requirements and add these services to the project certification.

Task 2: Right of Entry Acquisitions

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

1. Contact each property owner to make them aware of the galvanized water service replacement program and obtain a signed agreement form allowing work by the city contractor on private property.
2. Meet with individual residents on the project along with BPU staff, to go over the agreement form, determine best method of replacement, and gather existing condition information inside the home.

Task 3: Construction Bid Phase – Not Applicable

Task 4: Construction Phase

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

1. Prepare change order adding work to 2026 Lead Service Line Replacement Project 2.
2. Review shop drawing submittals and confirm materials meet Buy America Build America requirements.
3. Field document and record the water services that are replaced.
4. Prepare contractor progress pay applications.
5. Review certified payroll reports for compliance with PFA requirements.
6. Review all funding documentation from the contractors once the work is completed.
7. Assist BPU in submitting for reimbursement through PFA.

Fees

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

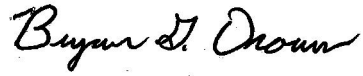
TASK	DESCRIPTION	Estimated Fee
1	Project Certification	\$3,280
2	Right of Entry Agreements	\$11,630
3	Construction Bids	\$0
4	Construction Services	\$28,970
	Total:	\$43,880

Paul Sandy, PE
Brainerd Public Utilities
May 20, 2026
Page 3

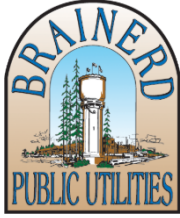
Thank you for the opportunity to work with you on this project. Please feel free to contact me anytime with questions. You can reach me at 218-821-5242 or by email at bryan.drown@bolton-menk.com.

Sincerely,

Bolton & Menk, Inc.

A handwritten signature in black ink that reads "Bryan G. Drown". The signature is written in a cursive, flowing style.

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



Public Utilities Commission Agenda Request

MEETING DATE: May 26, 2026

TITLE OF ITEM: Approve TylerIncode Accounts Payable Software Upgrade

ACTION REQUESTED: Approve/Deny Motion

ESTIMATED TIME (MIN): 4

SUBMITTED BY: Danny Loch, Finance Manager

PRESENTER: Danny Loch, Finance Manager

SUMMARY OF ISSUE:

Staff is introducing a proposal from Tyler Technologies for implementation of an automated Accounts Payable (AP) approval workflow within the Tyler Incode system. The proposed process would modernize and streamline invoice routing and approvals by transitioning away from the current paper-based process that requires physical movement of invoices between departments and approvers.

ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:

Staff received a demonstration of the proposed system and agreed the platform could significantly improve and streamline the approval process. The workflow would digitize invoice routing and approvals, provide electronic tracking and documentation of approvals for audit purposes, and improve visibility and accountability throughout the approval process.

The proposed system would allow invoices to be electronically routed to the appropriate department heads and staff for review and approval, including areas such as IT, Electric, and Public Works, rather than relying on approval by a single individual. In addition, the workflow would allow invoices to be reviewed and approved individually as they are received instead of relying primarily on the current batch approval process. Staff believes this would improve efficiency, provide greater control over invoice review and timing, and reduce delays associated with moving paper invoices between departments.

Staff also believes implementation of the automated workflow would more closely align utility approval procedures with processes already utilized by other City departments, helping provide consistency for department heads and strengthening internal controls and documentation practices. With the recent departmental reorganization and changes in department head responsibilities, staff feels it is increasingly important to have a system capable of efficiently routing invoices through multiple levels of review and approval. The proposed workflow would allow for those multiple signoffs in a more efficient and trackable manner.

Additionally, staff anticipates the improved workflow and timeliness of approvals could help address prior audit findings related to delayed invoice processing and late payment of invoices. Preliminary

implementation timelines provided by Tyler estimate the system could be operational within approximately six to eight weeks following authorization to proceed.

RECOMMENDED ACTION/MOTION: Staff recommend approving the AP Automation Capture Only suite at a cost of \$4,725 for a streamlined and digital approval process for invoices.

FINANCIAL IMPACT: \$4,725



Billing Address:

BRAINERD PUBLIC UTILITIES, MN
 8027 HIGHLAND SCENIC ROAD
 BOX 373
 BRAINERD MN 56401-0373
 Danny Loch
 +1 (218) 825-3213
 dloch@bpu.org

Shipping Address

Brainerd Public Utilities
 8027 Highland Scenic Rd

 Baxter MN 56425-8345

Quoted By Ethan Reynolds
 Quote Expiration 9/26/26
 Quote Name AP Automation

Tyler Annual Software – SaaS	
Description	Annual
ERP Pro	
ERP Pro 10 Financial Management Suite AP Automation Capture Only	\$ 4,725
TOTAL:	\$ 4,725

Summary	One Time Fees	Recurring Fees
Total SaaS		\$ 4,725
Total Tyler Services		
Summary Total	\$ 0	\$ 4,725

Comments

Work will be delivered remotely unless otherwise noted in this agreement.

Expenses associated with onsite services are invoiced as incurred according to Tyler's standard business travel policy.

SaaS is considered a term of one year unless otherwise indicated.

AP Automation Capture Only

A fully automated vendor payment system, including an automated invoice capture system, invoice approval system, AP Invoice Access. Tyler Software may include artificial intelligence ("AI") features that are provided as an administrative convenience, designed to analyze data or make suggestions, subject to changing laws applicable in your local jurisdiction. Client is responsible for independently validating the accuracy of data analyzed or suggestions provided via AI features and using such features only to the extent permissible under applicable law.

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms, subject to payment terms in an agreement, amendment, or similar document in which this sales quotation is included:

- License fees for Tyler and third-party software are invoiced upon the earlier of (i) delivery of the license key or (ii) when Tyler makes such software available accessible.
- Fees for hardware are invoiced upon delivery.
- Fees for year one of hardware maintenance are invoiced upon delivery of the hardware.
- Annual Maintenance and Support fees are first payable when Tyler makes the software accessible to the Client, and SaaS fees, Hosting fees, and Subscription fees are first payable on the first day of the month following the date this quotation was signed (or if later, the commencement of the agreement's initial term). Any such fees are prorated to align with the applicable term under the agreement, with renewals invoiced annually thereafter in accord with the agreement.

Fees for services included in this sales quotation shall be invoiced as indicated below.

- Implementation and other professional services fees shall be invoiced as delivered.
- Client has six months to use the services. If Client does not use the services within six months, Tyler may remove the unused services or issue a new quote to provide services at then-current rates.
- Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.

- Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, Tyler will invoice Client the actual services delivered on a time and materials basis.
- Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
- If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
- Notwithstanding anything to the contrary stated above, the following payment terms shall apply to fees specifically for migrations: Tyler will invoice Client 50% of any Migration Services Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any Project Management Fees listed above upon the go-live of the first product suite. Annual SaaS Fees will be invoiced upon availability of the hosted environment.

Any SaaS or hosted solutions added to an agreement containing Client-hosted Tyler solutions are subject to Tyler's SaaS Services terms found here: <https://www.tylertech.com/terms/tyler-saas-services>.

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held for six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____
 Print Name: _____ P.O.#: _____

MEMORANDUM

TO: Mayor Badeaux and City Councilmembers
FROM: Nick Broyles, City Administrator
DATE: 18 May 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 20 April 2026.

Community Engagement

20 Apr: City council meeting
21 Apr: WWTP discussion w/Baxter; staff discussion re: Rotary Park solar
22 Apr: HRA board meeting
24 Apr: Staff discussions re: org chart
28 Apr: PUC meeting; department head meeting; park board
29 Apr – 1 May: MCMA annual conference
1 May: Staff discussions re: WWTP agreement; Chief Davis retirement event
4 May: Pre-con meeting for BFD renovation; city council meeting
5 May: City EOC virtual connection test
6 May: Staff visit w/streets and parks personnel; meet w/sourcewell re: LMC annual conference; staff discussion re: grid/step placement of employee; delivery of flag retirement box to city hall; special park board meeting
7 May: Airport commission meeting; staff discussions re: permit fees; lunch w/council president O'Day; APWA community project at Bane Park
8 May: Staff discussions re: annex lease agreement; farewell event for City Engineer Dehn
11 May: Community focus radio show at WJYY
12 May: Met w/local builder to discuss some issues
13 May: Staff visit w/water distribution personnel; road construction weekly meeting
14 May: Interview w/auditing team from CLA; staff discussions re: union contract negotiations; Oak Street monthly PMT; media event for flag retirement box at city hall
15 May: Interviews for public services director

Charter Update

The draft charter was unanimously approved by council on 4 May and will be in effect after 90 days.

Finance

- **Audit:** Audit is ongoing.
- **Election:** 2026 is an election year with the primary on 11 Aug and the general election on 10 Nov. Staff have reached out to secure the polling locations and have begun the recruiting process for election judges.

Human Resources

- **Annual Performance Reviews:** Staff have one remaining appeal scheduled for the end of May. Once that appeal is completed, the 2025 evaluation process will be fully concluded.
- **Staffing Update:** Staff have been actively conducting interviews for several full-time positions across the city. We anticipate presenting hiring recommendations to the council over the upcoming meetings.

Streets

- Complete spring street sweeping
- Remove beaver dams from storm sewer ponds
- Jet sanitary sewer grease lines
- Begin scheduled sanitary sewer maintenance (NE between Gillis and Mill)
- Remove snow removal implements and conduct MNDOT inspections
- Patch potholes
- Layout and recover traffic control for street closures.

Recreation

- Concessions open this weekend at Bane Park for tournaments
- 16 May - fishing clinic
- Softball leagues Mondays-Thursdays
- Pickleball begins 26 May
- Jaycees concessions open 30 May for tournaments
- 5 Jun - movies in the park

Parks

- Getting parks, park buildings, and athletic fields ready for spring and summer
- Spring mulching and mowing
- DNR outdoor recreation grant submitted for Memorial Park playground replacement
- Epoxying concessions and restrooms at Memorial Park (restrooms), Lyman P. White (restrooms), Lions Park at Buffalo Hills (restrooms), Kiwanis Park (restrooms), and Jaycees Park (concession) dates TBD.
- Batting cages are to be installed this spring at Jaycees Park and Bane Park, date TBD.

Transit

- 2027 operating grant application period through MnDOT is now open. Staff are actively preparing the application packet, which is due 30 Jun. The current projected maximum total project cost allowance from MnDOT is \$1,601,600.
- April 2026 total ridership was 3,660 passengers, with approximately 75% of trips occurring within Brainerd; up 6% from 3,454 passengers in April 2025.
- April 2026 averaged 166 passengers per operating day; up 6% from 157 passengers per operating day in April 2025.
- On-time performance continues averaging 95%+, exceeding MnDOT's target of 90%.
- Ongoing use and promotion of the rider app and web booking portal to improve customer convenience and operational efficiency.
- Transit staff attended the RTAP/MnDOT Spring Workshop for training and presentations related to public transit operations and best practices.
- Staff continue ongoing professional development and recently completed the CTAA training course "Americans with Disabilities Act (ADA): Changes, Challenges & Reasonable Modifications."
- Replacement of an aging, end-of-life diesel bus with a new ADA-accessible transit van remains scheduled for summer 2026.
- Ongoing contractor oversight continues, including performance monitoring, billing review, and service quality management.
- Continued coordination with community partners, including Central Lakes College, to support transit accessibility and mobility throughout the service area and improve transportation access for students utilizing public transit.

Fire

The past month saw a consistent, average call volume for the fire department. While emergency responses remained steady, the department was exceptionally active in community engagement, specialized regional training, and preparations for upcoming infrastructure improvements. Our firefighters participated in several high-visibility events this month, focusing on community support and public safety education.

- MN Polar Plunge: Provided logistical support, including filling the plunge tank.
- Day of the Young Child: Engaged with families at the Warrior Early Learning Center.
- YMCA Healthy Kids Day: Promoted wellness and fire safety to local youth.
- Chamber of Commerce Leadership Academy: Hosted emerging local leaders to discuss public safety operations.
- Participated in the Lakes Area Heroes banquet at the Northern Pacific Center.

Training remains the cornerstone of our readiness. This month's curriculum focused on both specialized technical skills and core fireground operations.

- Technical Rope Rescue: Conducted our 2nd Quarterly training at Camp Ripley. This was a collaborative session with several regional public safety partners, focusing on:
 - Rappelling techniques for victim rescue
 - Foundational knot work
 - Complex mechanical advantage systems
- EMS & Medical Readiness: Practiced skills for medical emergencies and patient packaging.
- Rapid Intervention Team (RIT): Practiced search techniques and medical aid specifically for the rescue of a downed firefighter.
- Several staff members attended facilities tours hosted by Brainerd Public Utilities (BPU) to better understand local infrastructure.

The Fire Marshal continues to ensure community safety through rigorous code enforcement and proactive inspections. Ongoing inspections for new and existing developments. Completed safety inspections for food trucks ahead of the busy spring/summer season. Conducted various annual licensing inspections for local businesses. In preparation for the upcoming renovation of the fire station, crews worked on moving out of Station #1 the end of the first week of May. Renovation project began on 11 May; you will start seeing significant demolition in the next few weeks.

Technology

- Migration of city public domain from ci.brainerd.mn.us to brainerdmn.gov is underway, website deadline is 1 Jun but has already been implemented. Dotgov domain is also in place for email with plans to switch over in the works, tentatively July 1. Lots of work to do with updating existing documents, etc. Applications and websites that use single sign on (SSO) are being prepped for the change from ci.brainerd.mn.us to brainerdmn.gov.
- Beginning implementation of helpdesk, asset management, project tracking platform
- All city network infrastructure (firewalls, switches, etc.) is being replaced, phase one - core switches are complete, phase two - replacement of all access switches underway, phase three - firewall replacement/cutover in May.
- Ongoing planning for total network integration of the public utility network, anticipated late Aug.
- Numerous new fiber connections made to various utility locations adding them to the SCADA network and allowing the addition of security cameras and access control.
- As part of a security software change, a new endpoint protection has been pushed out to all devices. A new SIEM (security information and event management) has also been rolled out and is being monitored/tested.
- Wrapping up city-wide computer replacements.

Suspense Tracker



HR DIRECTOR REPORT

In this report:

- Mid-Year Benefit Meetings
- Performance Reviews
- Wellness Committee
- Personnel

Mid-Year Benefit Meetings

Staff met with Bill Dehmer from Integrity Benefits on May 20 for a mid-year check-in and to discuss anticipated updates on supplemental benefits ahead of preparation for the 2027 open enrollment.

In addition, staff have scheduled a mid-year check-in meeting with Adam Olson from North Risk Partners and Suzanne Lindsay from the Better Health Collective for June 2 to discuss anticipated updates on our medical insurance ahead of preparation for the 2027 open enrollment.

Performance Reviews

Staff has one remaining appeal scheduled for the end of May. Once that appeal is completed, the 2025 evaluation process will be fully concluded.

Wellness Committee

The Wellness Committee hosted a “Walk in the Park” for the May Lunch N Learn. The Wellness Committee would like to thank all that participated.

For the Month of June the Wellness Committee will be providing Senior Center Donuts to all departments. The Committee is aware that donuts may not be the healthiest choice but feel that the exception can be made for national Donut Day!

Personnel

New Hires/Promotions for City/HRA/Airport:

Farewell to:

Nicole Torrence - Administrative Specialist - Payroll (05/29)

Current Job Opportunities:

Deputy Public Works Director/City Engineer - Interviews took place on May 18th and an offer has been made.

Public Services Director - Interviews took place on May 15th and an offer has been made.

Business Office Supervisor - Interviews are scheduled to take place on May 21st.

Journey Electrical Lineworker - Staff is going through applications and will be scheduling interviews in the near future.

Water/Wastewater Operator - Posting closes on May 26th.

Police Officer - Two offers have been made and were accepted. Candidates are going through pre-employment process

Police Records Management Tech - Offer has been made and accepted. Candidate is going through pre-employment process.

Airport Operations Manager - Posting closes on May 27th.

HRA - ROSS Resident Services Coordinator - Open until filled.

Parks Seasonal Maintenance Worker - Open until filled.

Umpire - Adult Softball - Open until filled.

Weekend Ball Field Maintenance - Open until filled.

There are currently eight City/HRA/Airport employees with Family & Medical Leave Act (FMLA) issues. Four of those cases are for intermittent leave when needed.



BRAINERD PUBLIC UTILITIES

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Brainerd Public Utilities Public Works Director Report May 2026

Public Works Director Activities – April – May 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 Brainerd Public Utilities (BPU) management team meetings
- Bi-weekly construction coordination meetings with staff
- 2029 Oak Street Project Management Team meetings with City staff and Council members
- Bi-weekly progress meetings with developer and staff for the Voyageur Heights project
- Tour of the St. Peter Water Treatment Plant as part of the Water Treatment Plant and Well Siting Study (Bolton & Menk)
- Interview process for City Engineer/Deputy Public Works Director, including application scoring
- Coordination with the Fire Department on the Fire Department remodel project
- Organizational transition discussions and project handoffs from the City Engineer
- Main Lift Station coordination meetings with HR Green and Widseth
- Review of all Public Works position descriptions with HR for City Council approval, based on the revised organizational chart
- Transition planning following the resignation of City Engineer Jessie Dehn
- Department Head meetings
- MMUA-led Regional Emergency Preparedness Tabletop Exercise with Crow Wing County, emergency services, and utility partners across the County
- Preconstruction meeting for the Beech Street/Oakridge Road and Wright Street/S. 10th Street Reconstruction Projects
- Weekly progress meetings for the Beech Street/Oakridge Road and Wright Street/S. 10th Street Reconstruction Projects
- Meeting with Baxter staff regarding the existing WWTF Agreement between the two cities
- Coordination meetings with Bolton & Menk and Rice Lake regarding the 2026 Reclamation Tank CMAR Project
- Coordination meetings with Bolton & Menk for the Water Treatment Plant and Well Siting Study
- Safety and Public Works Committee and Brainerd City Council meetings on May 4 and May 18, 2026
- Bid opening for the 2026 SE Brainerd Reconstruction Project
- Bid opening for the 2026 Resurfacing Project
- Weekly progress and coordination meetings for the TH 210 Reconstruction Project
- Coordination meeting with Moore Engineering regarding the Ronald/Joseph/Alley Reconstruction Project
- Coordination of a community project with APWA-MN for painting of the hockey boards at Bane Park
- Onboarding of new Water Service Worker Matt Poythress
- Onboarding of W/WW Intern and Water Service Worker interns
- Bid openings for Galvanized Water Service Line Replacement Projects 1 and 2
- Meeting with Monty Jensen regarding outstanding items related to the Brainerd Oaks development, Outlot F Project, and Serene Pines drainage issues

PUBLIC WORKS DIRECTOR REPORT MAY 2026 (CONTINUED)

- Coordination with Bolton & Menk on funding strategy for WWTF Phase 1 improvements and the new Water Treatment Plant
- Project finalization meeting with SEH for the South Brainerd Sanitary Sewer modeling study
- Coordination meeting with Bolton & Menk to discuss annual LCRR certifications and additional LSL work to be completed in 2026
- Kickoff meeting with SEH for the 2026 creation of City Standard Details and Specifications
- Interviews for Business Office Supervisor

Continued Capital Construction Design Engineering Coordination

Design and construction activities are actively underway across both City-led capital improvement projects and private development initiatives, with multiple efforts progressing concurrently. To maintain effective planning, scheduling, and execution, staff continue to hold regular bi-weekly coordination meetings. These meetings provide a structured forum to review the status of active projects, anticipate upcoming work, and coordinate efforts across City infrastructure and development projects currently in the review and approval process.

This coordinated approach allows staff to better align project timelines, identify cost-saving opportunities, reduce the potential for construction conflicts, and ensure that utility improvements are efficiently integrated with street reconstruction and resurfacing projects. Key coordination efforts include early design review, utility layout and conflict resolution, construction sequencing, and permitting. Proactive communication planning is also emphasized to minimize impacts to residents, businesses, and other stakeholders.

Current projects being coordinated across multiple City departments include, but are not limited to:

- Beech Street/Oakridge Road and Wright Street/S 10th Street Reconstruction Projects
- Ronald and Joseph Alley construction coordination
- Highway 210 Reconstruction Project
- Lead service line replacement projects (both in conjunction with planned reconstruction/resurfacing 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 related to 2027 street reconstruction and resurfacing projects

Coordination across these efforts involves multiple City divisions, including engineering, utilities, public works, planning, and administration. Activities include design integration, construction phasing, budget alignment, and long-term asset management. This collaboration remains strong and effective, ensuring City investments are strategically aligned, regulatory requirements are met, and infrastructure improvements are delivered efficiently with minimal community disruption.

2026 Bonding Bill

The Minnesota Legislature passed a \$1.24 billion capital investment bill on May 17, 2026, just before the midnight deadline. The legislation passed by a 122-11 margin in the House and a 50-7 margin in the Senate. The bill's size exceeded both Governor Walz's \$907 million recommendation and the \$700 million bonding law passed in 2025, reflecting the large volume of statewide requests, which totaled \$3.19 billion — nearly three times the final package.

PUBLIC WORKS DIRECTOR REPORT MAY 2026 (CONTINUED)

The Cuyuna Lakes State Trail – East Segment Brainerd received \$2 million in the bill, consistent with what the City had requested. This funding will support the trail extension of the trail from the east side of the NP Center to 28th Street. Lawmakers approved \$15 million statewide for lead pipe replacement, far short of the \$100 million request that advocates said was needed to keep the state's lead removal goals on track. This is relevant to Brainerd's ongoing lead service line replacement work, as the statewide program funds that cities can tap into are significantly underfunded relative to need. Roughly one-third of the bill — \$420 million — will help local governments build or upgrade wastewater and drinking water plants, including at least \$272 million in direct earmarks to local government projects. Additional major appropriations included \$47 million for local road improvement grants, \$25 million for local bridge replacement, and \$75 million for the University of Minnesota.

2026 Public Works 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 – Following review and approval by the Utilities Commission, the Park Board and City Council also reviewed the FY 2027–2029 Professional Engineering and Architectural Services Pool and approved the same recommendation. Staff continue to work with legal counsel to finalize a master services agreement for all consultants within the approved pool.
3. Integrated Capital Improvement Planning (CIP) and Capital Asset Planning Sessions – Staff conducted the initial long-range capital improvement planning session and established a schedule for ongoing meetings and continued collaboration. Key deliverables from this effort will include long-range sanitary sewer and water system plans, with the potential for incorporation into the City's Comprehensive Plan.

The current schedule anticipates advancing several planning initiatives throughout 2026, followed by more detailed system modeling and analysis in 2027 once existing data gaps and modeling needs have been identified. These efforts will support evaluation of potential future sanitary sewer capacity upgrades, as well as watermain upsizing and looping to accommodate future development and improve system redundancy and reliability.

4. City Standard Details and Specifications – A kickoff meeting was held with SEH on May 19, 2026 to discuss project deliverables and schedule. The project team elected to pause development until early August, when the new City Engineer/Deputy Public Works Director joins the City. Given the significant influence this position will have on the development of these standards, staff would like them involved in the process from the outset.
5. Fats, Oils, and Grease (FOG) Control Program and Mercury Control Program – A kickoff meeting with SEH is scheduled for May 22, 2026 to formally launch this project. The full program is anticipated to take approximately six months to complete, with an intended implementation date of FY 2027.
6. City Code 705 – Water System – The final draft of City Code Section 705 was reviewed by the City Council, with the first reading held at the May 4, 2026 Council Meeting. The final reading and adoption were approved at the May 18 City Council Meeting. Following publication of the summary ordinance, the final ordinance will be incorporated into City Code and submitted as part of the codification process.



BRAINERD PUBLIC UTILITIES

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Brainerd Public Utilities Electric Director's Report May 2026

First, I want to recognize Dave Nelson for earning his Meter Technician Certification through Northwest Lineman College. This achievement reflects his commitment to professional growth and continued development in the utility industry. Congratulations to Dave on this accomplishment and on expanding his technical knowledge and skills.

The 2026 pole inspection program has been completed. This year's inspection efforts encompassed approximately 635 poles throughout the Brainerd Public Utilities electric distribution system. Inspections included core drilling, sounding, and detailed visual evaluations to assess overall pole condition, structural integrity, and remaining service life.

Through this process, 38 poles were identified for replacement due to internal deterioration and heart rot discovered during core drilling activities. These conditions are not always visible externally and highlight the importance of maintaining a proactive inspection and maintenance program to ensure long-term system reliability and public safety.

The identified poles have been incorporated into the 2026 pole replacement program and will be scheduled for replacement as crews, materials, and operational priorities allow throughout the construction season. BPU will continue to utilize inspection data to prioritize asset replacement planning and maintain the reliability and integrity of the distribution system infrastructure.

The first half of the 2026 electrical testing and maintenance program has been completed. This work is focused on protective relay testing, breaker testing, and substation transformer testing to verify proper protection settings, mechanical operation, and overall system reliability.

Testing activities at the Oak Ridge Substation and the Hydro Plant have been completed successfully. The relay and breaker testing program is part of BPU's routine preventative maintenance practices and is performed on a five-year cycle to help ensure reliable system performance and identify potential issues before failures occur.

The remaining testing activities at the Downtown and St. Joseph Substations are scheduled to be completed this fall. This work has intentionally been scheduled during the system shoulder-loading months to minimize operational impacts and reduce risk during periods of higher seasonal electric demand.

Staff have been actively analyzing river flow conditions and generation performance data with the goal of maximizing hydroelectric generation and capturing as much potential energy production as possible under varying flow conditions.

Through ongoing operational review and analysis, staff is identifying opportunities to optimize generator loading and improve overall plant efficiency during changing river conditions. As operational knowledge and historical flow data continue to expand, BPU is developing refined operational guidelines and flow prediction practices to better anticipate river behavior and support more efficient hydro plant operations.

This analysis has also led staff down the path of researching the potential addition of governors to Generator #5 and potentially Generator #4. The addition of governors could allow these units to operate on a more automated and continuous 24/7 basis during favorable flow conditions, improving operational flexibility and increasing renewable energy production opportunities.

Staff will continue refining this evaluation, reviewing operational and cost considerations, and will provide future updates on findings and potential next steps as the project develops.

With multiple road construction projects planned throughout the Highway 371 and 210 corridors over the next several years, staff has been evaluating the impacts associated with these infrastructure improvements and related utility coordination efforts. These projects will require utility relocation work, which has prompted BPU to further review service territory boundaries and our long-term ability to serve customers within these developing areas while also understanding the financial impacts associated with required system modifications and relocations.

As project planning and development continue to mature, staff expect to gain a better understanding of the overall financial impacts and infrastructure requirements associated with these relocations. Initial concerns include significant capital investments associated with re-establishing electric feeds under Highway 371 and looping infrastructure around the Lake Region property area.

In conjunction with this review, staff has also been evaluating existing service territory arrangements. Crow Wing Power has served certain electric loads within BPU's assigned service territory for many years through historical agreements and mutual operational understandings. This prompted BPU staff to meet with Crow Wing Power to discuss current service arrangements, future development considerations, and opportunities for long-term system alignment.

Both parties expressed a desire to continue fostering a cooperative working relationship between the utilities while evaluating opportunities to improve operational efficiency and reduce long-term infrastructure costs.

During discussions, Crow Wing Power identified interest in serving areas currently within their assigned territory that are presently served by BPU due to historical service arrangements. This includes several residential accounts north of Brainerd associated with long-standing service history, as well as one account operating under a Service by Exception agreement. Crow Wing Power also noted they are currently replacing failing underground cable infrastructure along County Road 3 north of Brainerd and are evaluating opportunities to align service boundaries with ongoing infrastructure investments.

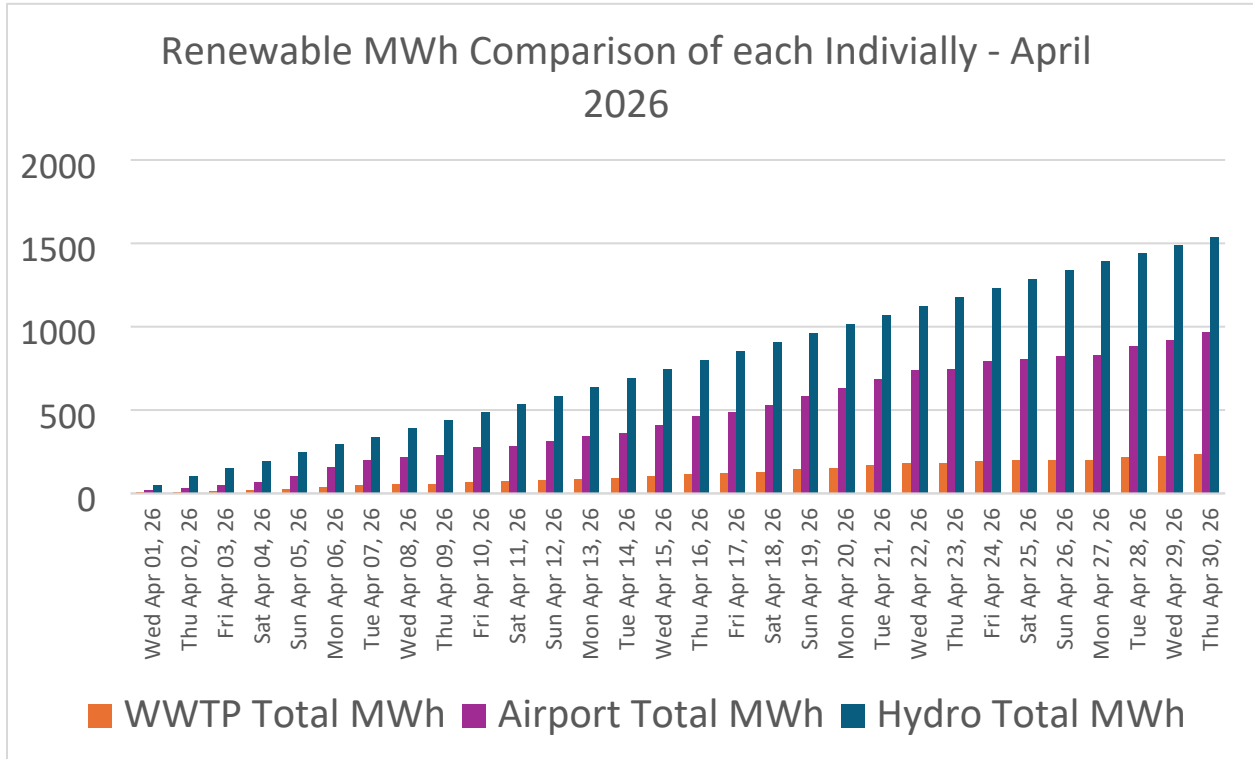
BPU also identified areas where Crow Wing Power is currently serving load within BPU's assigned territory, including an account along State Highway 25 and several accounts located near the northwest corner of Highway 371 and Highway 210.

General discussion included the possibility of future service territory swaps or boundary adjustments were mutually beneficial. Both parties expressed openness to exploring practical solutions outside of formal legislative proceedings where appropriate. Topics discussed included evaluating whether exchanging territory in the City of Baxter for territory near Ahrens Hill Rd could provide cleaner and more cost-effective long-term service boundaries.

Additional discussions involved future roadway development planned in Baxter in 2027 and the possibility of utilizing future road corridors or major highways such as Highway 371 and Highway 210 as clearer territory demarcation lines to simplify future utility planning and operations.

Renewable Comparison – April 2026

Below are graphs illustrating Brainerd Public Utilities’ renewable energy production for April 2026.



In April, BPU renewables produced 2,737 MWh, which represents approximately 44.4% of typical residential meters.

Hydro produced the most at 1,534.75 MWh, or approximately 24.9% of typical residential meters.

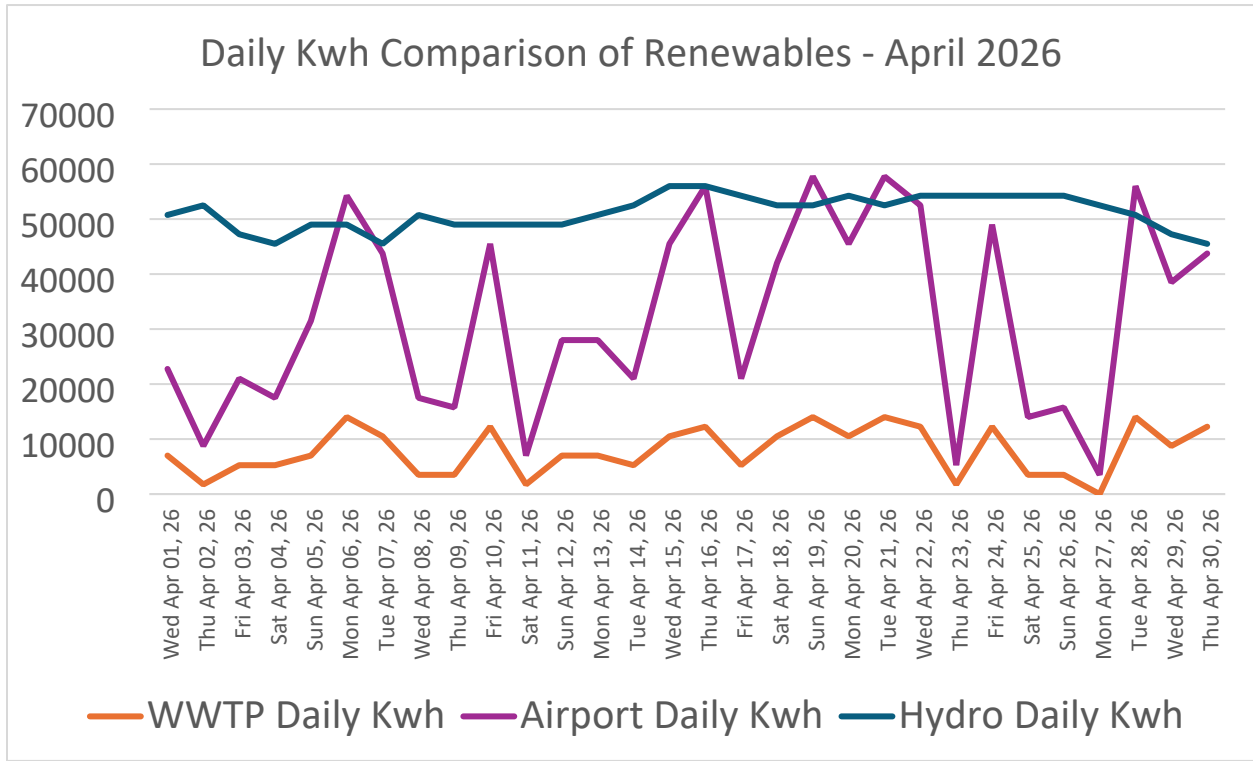
WWTP Solar produced 236.25 MWh, or approximately 3.8%.

Airport Solar produced 966 MWh, or approximately 15.7%.

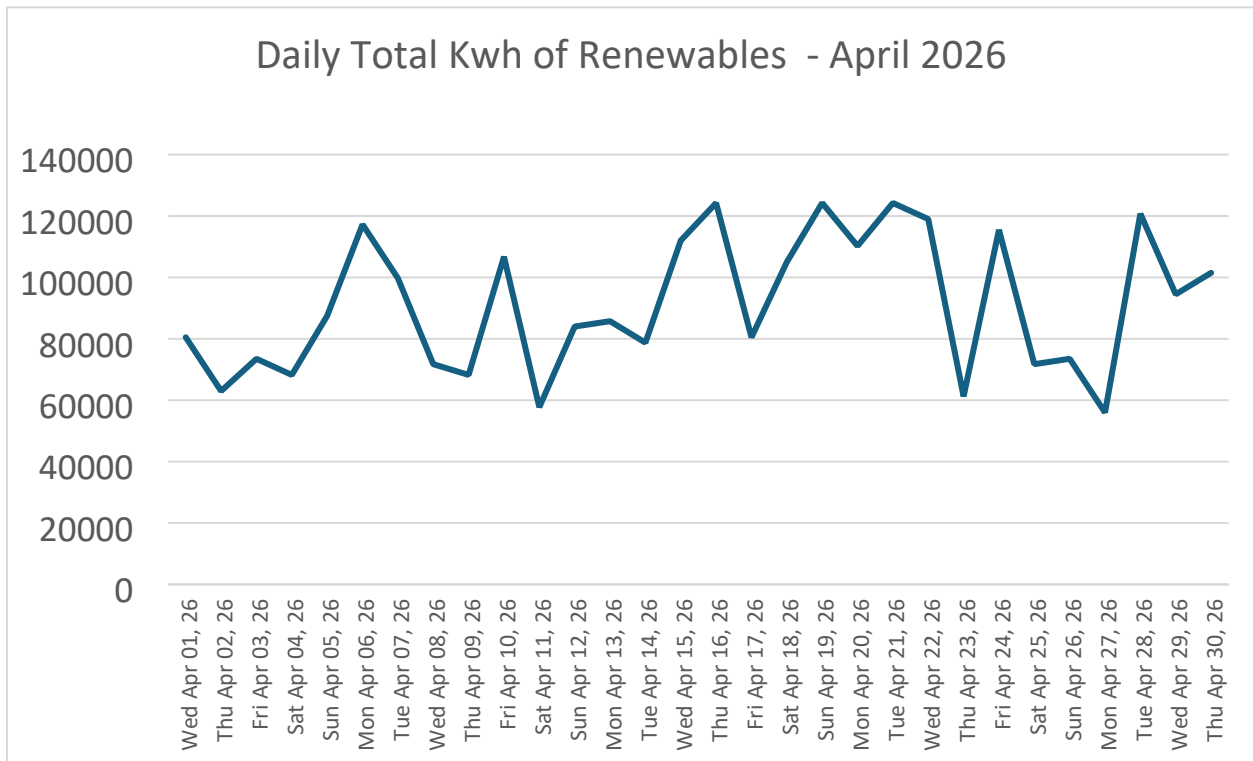
Compared to March: Hydro increased by 686 MWh, WWTP Solar increased by 75.25 MWh, and Airport Solar increased by 292.25 MWh.

Installed capacity: Airport Solar – 5.7 MW; WWTP Solar – 1.372 MW; Hydro – 3.1 MW.

Daily Kwh Comparisons of Renewables – April 2026



Daily Total Kwh of Renewables – April 2026



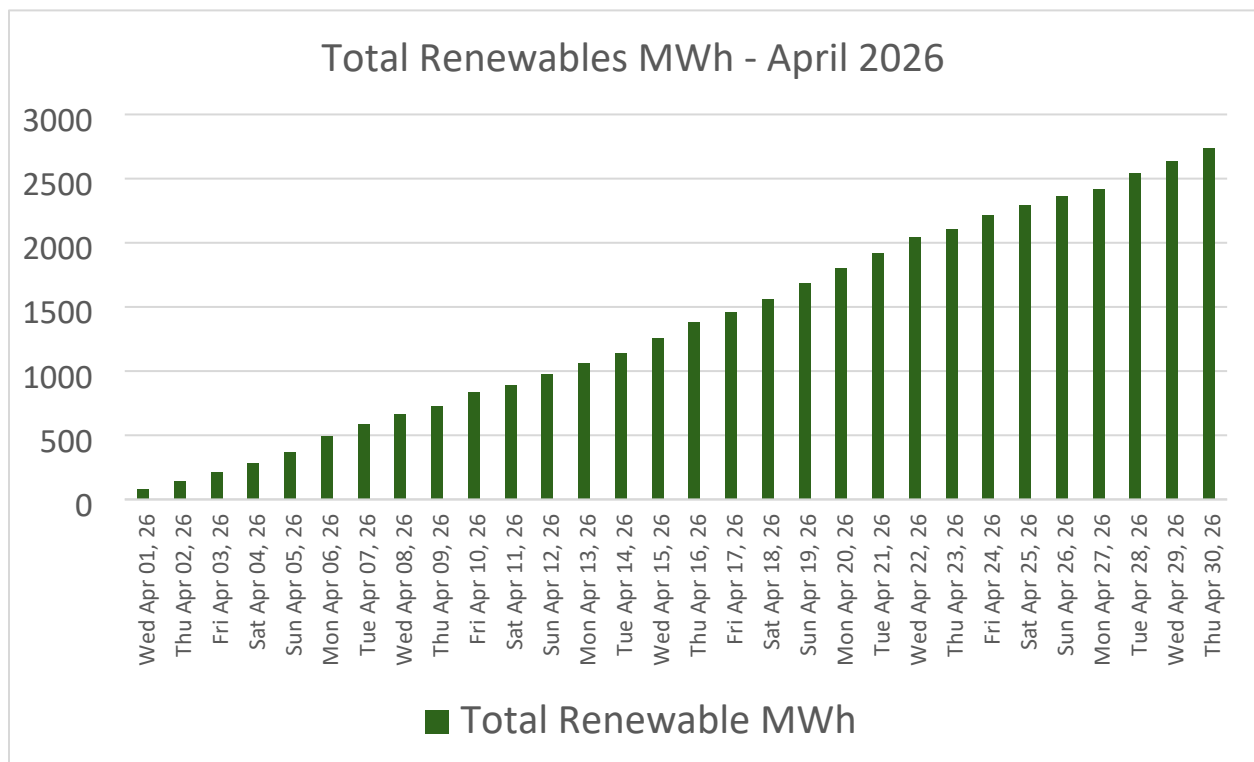
Last Month

In March, BPU Renewables produced 1,683.5 MWh, representing approximately 27.3% of typical residential meters. This reflects an increase of 1,053.5 MWh and approximately 17.1% compared to the previous month.

The significant increase in renewable production was driven primarily by the Hydro facility operating with all five generators online during increased river flows, along with improved solar production due to increased sunlight hours.

Residential meter usage was estimated using an average consumption range of approximately 800–1,000 kWh per residential meter per month.

BPU had approximately 6,974 residential meters in April 2026. Residential meter counts are updated every three months.





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Brainerd Public Utilities Water/Wastewater Manager's Report May 2026

Collection System Lift Stations

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.

Wastewater Treatment Facility Operations and Maintenance

On-going tank inspection and repairs to Sequential Batch Reactor (SBR) number four Influent valve, jet motive pump and elbows. On-call operators tested Supervisory Control and Data Acquisition (SCADA) alarms for the Wastewater Treatment Facilities and lift stations to ensure reliability of emergency systems.

Land Application of Biosolids Program

861,000 gallons have been applied on biosolids approved sites and currently there is 700,000 gallons in storage. Will continue applying as weather permits. Working on the Minnesota Biosolids Per- and Poly-fluoroalkyl Substances (PFAS) Strategy compliance consisting of PFAS sampling, required actions include reduction efforts and communications with users. On-going and continual development of the Minnesota Biosolids PFAS Strategy program for the approved Biosolids application sites.

Wastewater Lab Testing and Compliance

Sent April 2026 Electronic Daily Monitoring Report to Minnesota Pollution Control Agency (MPCA). Ongoing Mercury Minimization Plan, Copper Minimization Plan, PFAS Minimization Plan, and Phosphorus Management Plan. Ongoing meetings with industries to address Perfluorooctanesulfonate (PFOS) and what strategies to undergo to reduce PFOS. Ongoing 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 Compliance samples throughout the distribution system required by the Minnesota Department of Health (MDH). Received 3 calls from residents concerning water quality issues of taste and odor in April 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, Southwest 6th Lift, Tyrol Lift, Walnut and Pine Lift. Portable twenty-five Kilowatt, forty-five kilowatt, one hundred fifty kilowatt and both Wastewater facilities generators and Godwin trash pump. 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 and wastewater operators toured the lime softening water treatment plant in Morris, Minnesota.

April 2026 Water Pumping Statistics

Water pumped to the North distribution system was 26,559,000 gallons for an average of 885,000 gallons per day. Water pumped to the South distribution system was 5,313,000 gallons for an average of 177,000 gallons per day. Chemical usage averages for the month: 2.07 gallons of fluoride per day, 3.82 gallons of caustic soda per day, 6.02 gallons of orthophosphate per day, and 18.05 pounds of chlorine per day. Went through 21 filter backwash events. Backwash average of 284,000 gallons for each event.

Filtration Plant

April 2026 daily test results showed an average of 0.80 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 98.6% 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.

April 2026 daily test results showed an average of 0.5 milligrams per liter of manganese in the unfiltered raw water and an average of 0.018 milligrams per liter of manganese in the filtered finished water which indicates 96.2% 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.

Staff installed a new fluoride supply pump to replace an inoperable one.
System integrators were on-site to install new well-controlled equipment and upgrade pump controls at Riverside Booster Station.
Received low water pressure concern, staff raised water tower setpoints to help low point pressure issues.
Met with pump contractors to start the process of getting quotes for North pressure zone high service pump replacement.

Chart Summary for Wastewater Treatment

April 2026-2025 Total influent Flow comparisons
2026 Combined Total Flow was 57,972,000 gallons which is up 2,400,000 gallons from the previous year.
2026 Brainerd Total Flow was 38,432,000 gallons which is up 2,037,000 gallons from the previous year.
2026 Baxter Total Flow was 19,540,000 gallons which is up 363,000 gallons from the previous year.

April 2026 Influent Daily Average Flows

2026 Combined Flow was 1,932,000 gallons.
2026 Brainerd Flow was 1,281,000 gallons.
2026 Baxter Flow was 651,000 gallons.

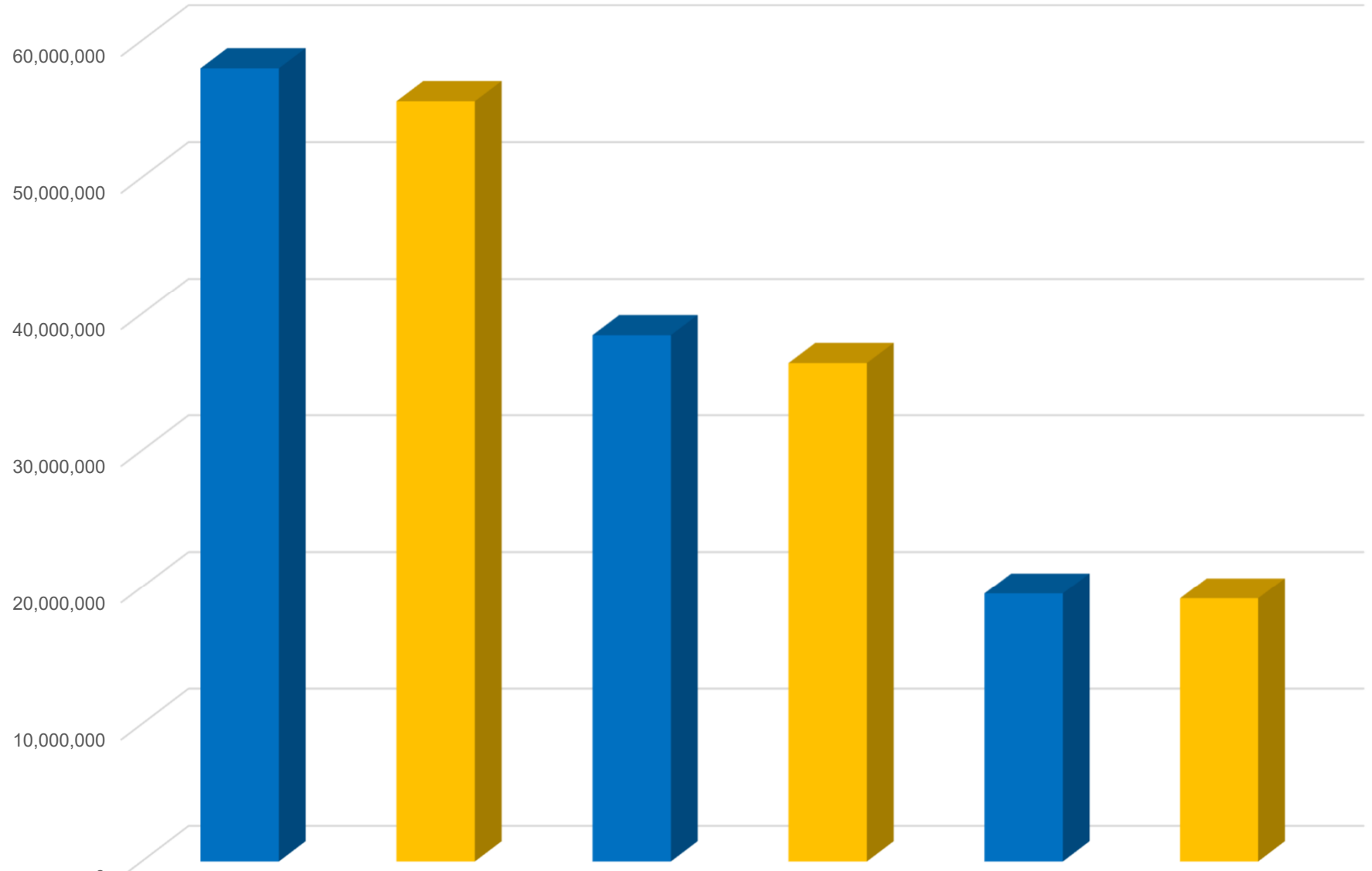
Chart Summary for Water Production

April 2026-2025 North distribution Total flow was 26,559,000 gallons which is down 201,000 gallons from the previous year.
April 2026-2025 South distribution Total flow was 5,313,000 gallons which is down 147,000 gallons from the previous year.
April 2026-2025 Baxter's Total flow was 0 gallons which is down 59,000 from the previous year.

April 2026 Daily Average Water North and South Distribution

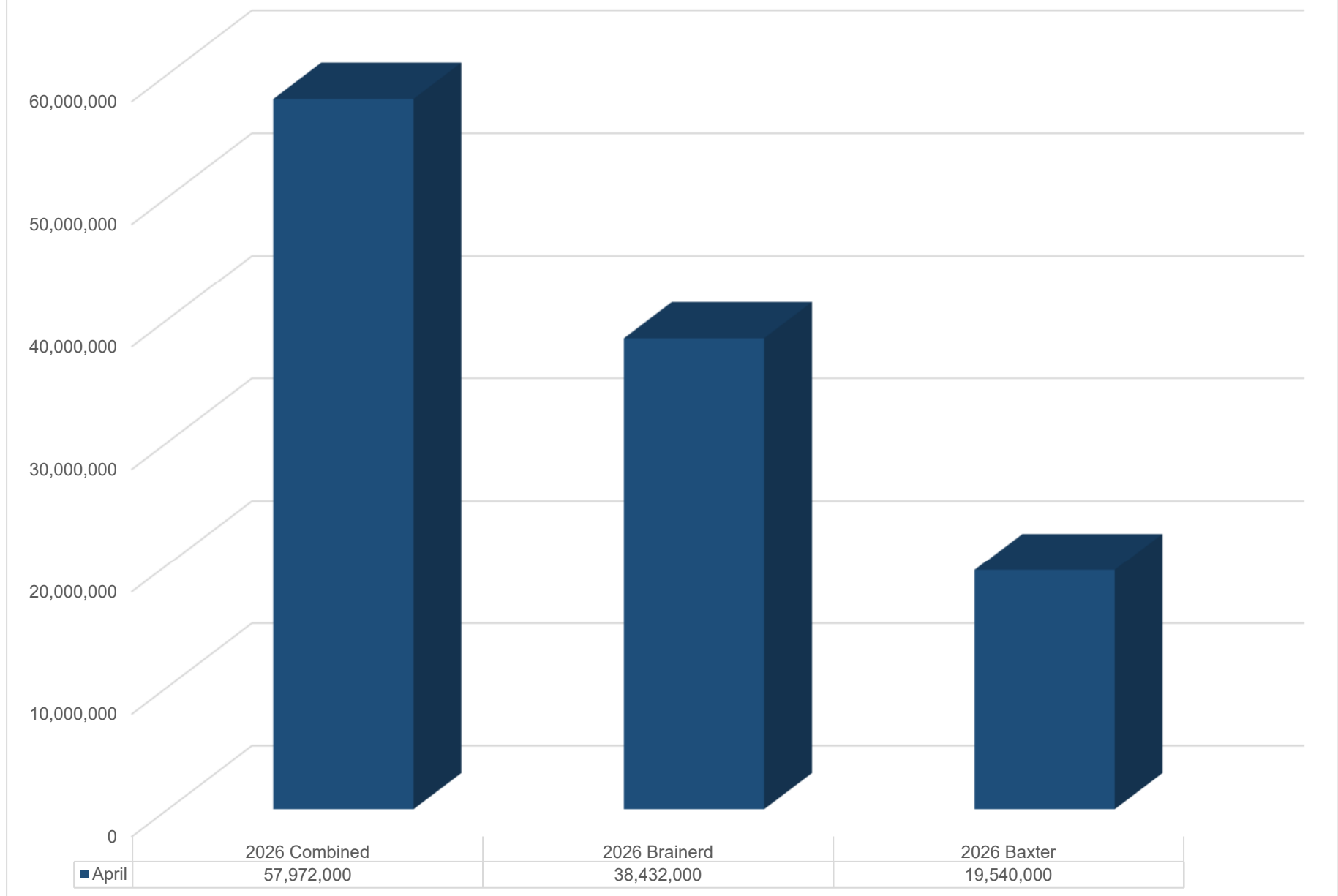
2026 North distribution average was 885,000 gallons.
2026 South distribution average was 177,000 gallons.

April 2026 - 2025 Wastewater Influent Flow Comparisons

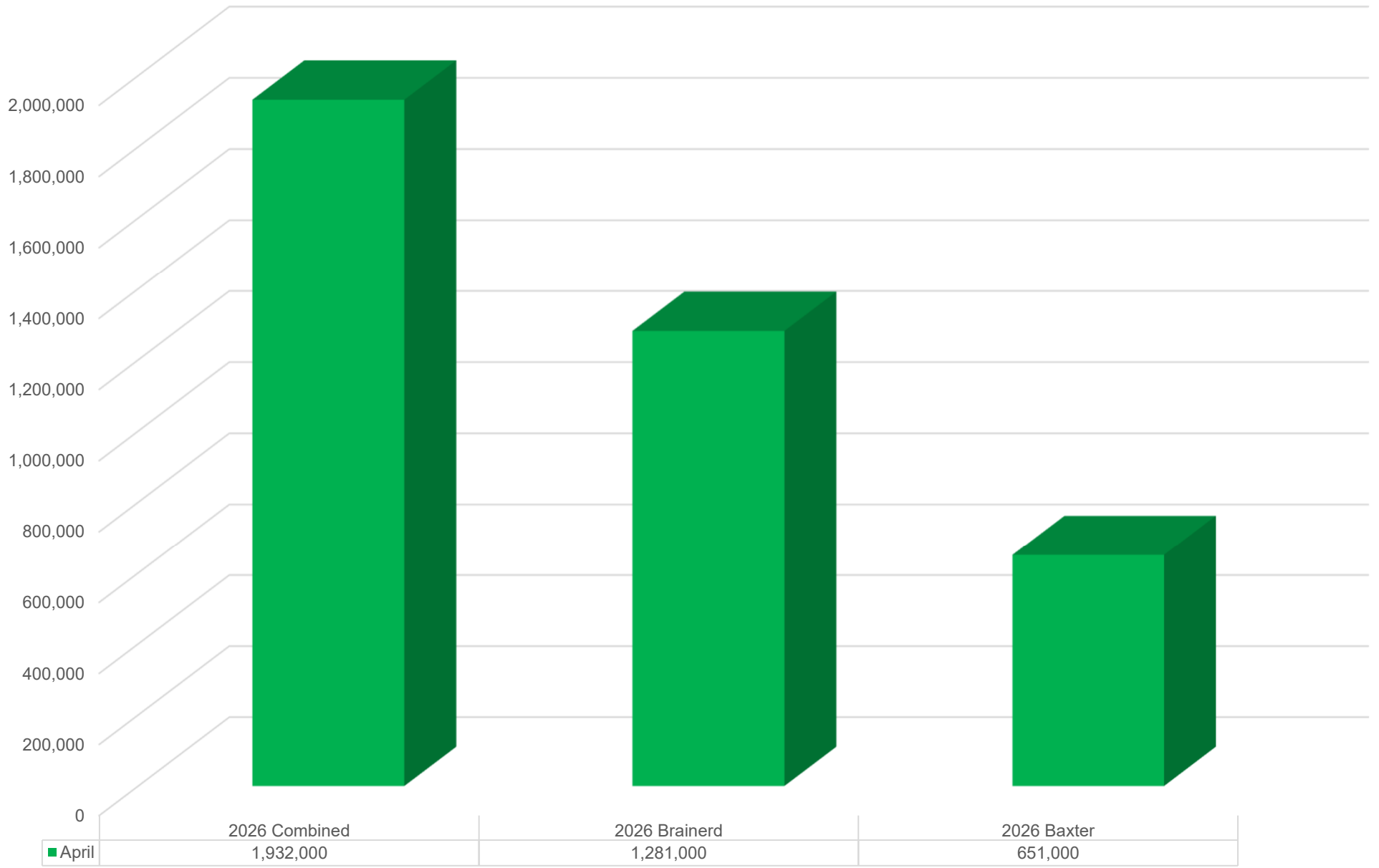


0	2026 Combined	2025 Combined	2026 Brainerd	2025 Brainerd	2026 Baxter	2025 Baxter
April	57,972,000	55,572,000	38,432,000	36,395,000	19,540,000	19,177,000

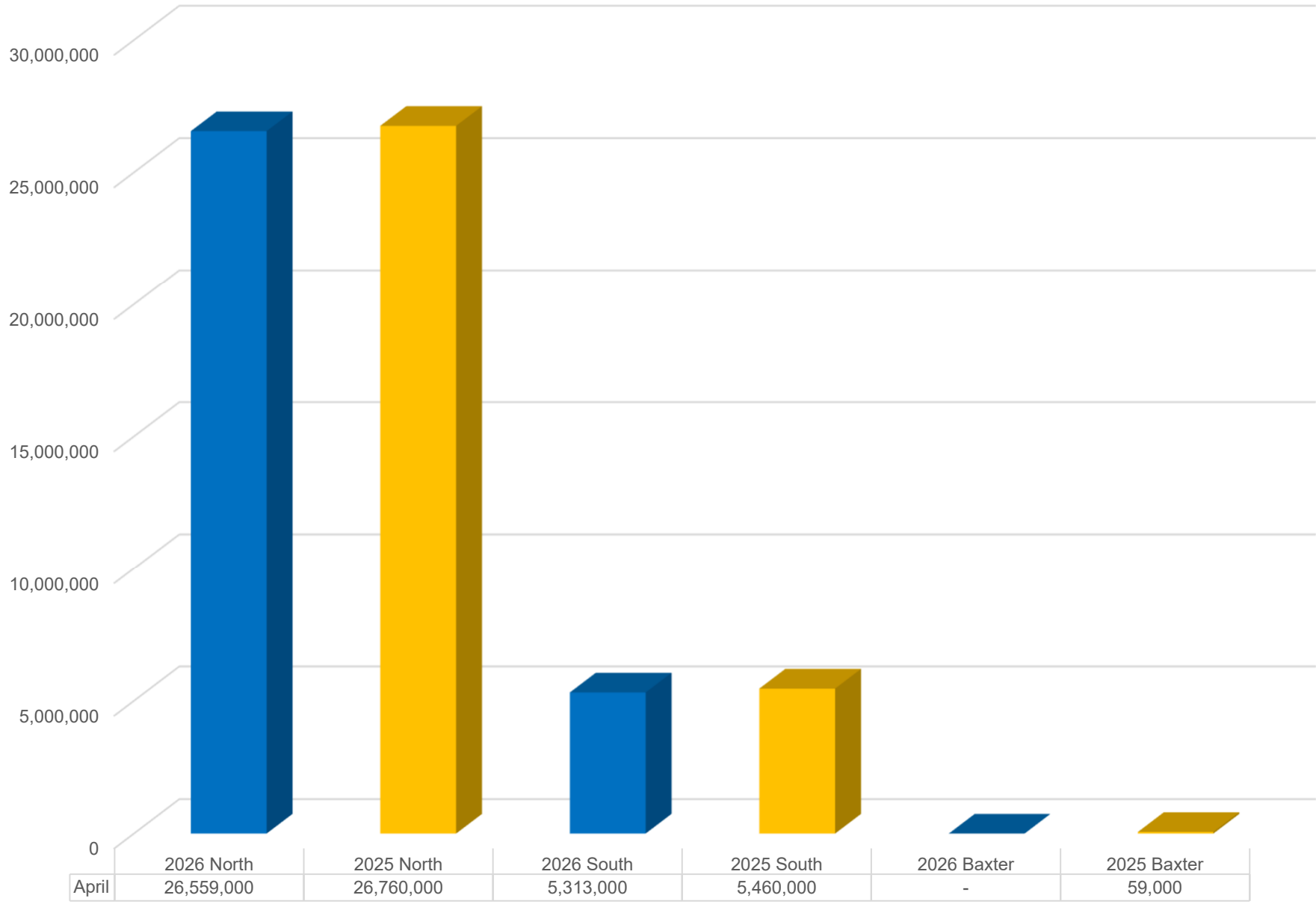
April 2026 Wastewater Influent Total Flows



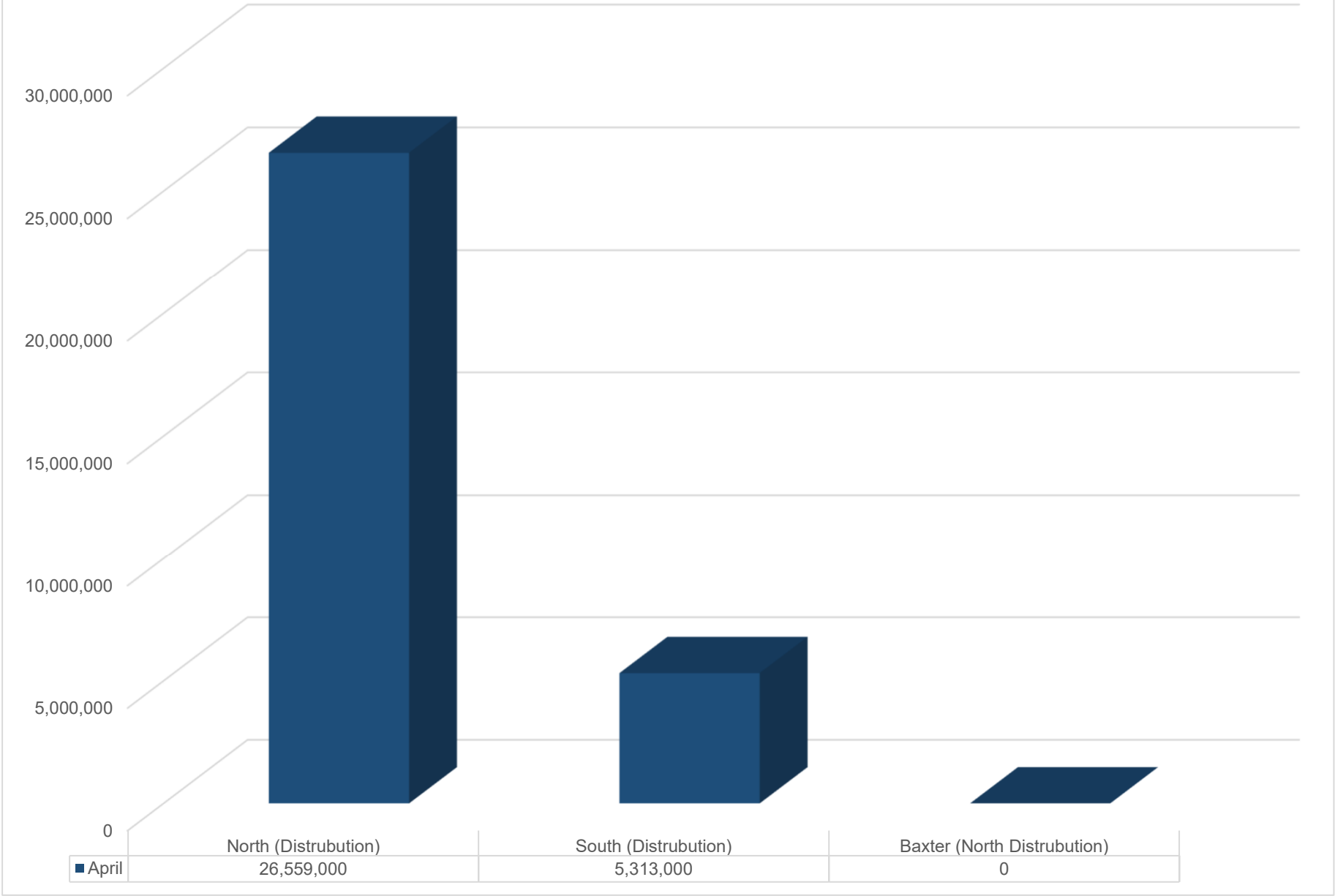
April 2026 Wastewater Influent Daily Average Flows



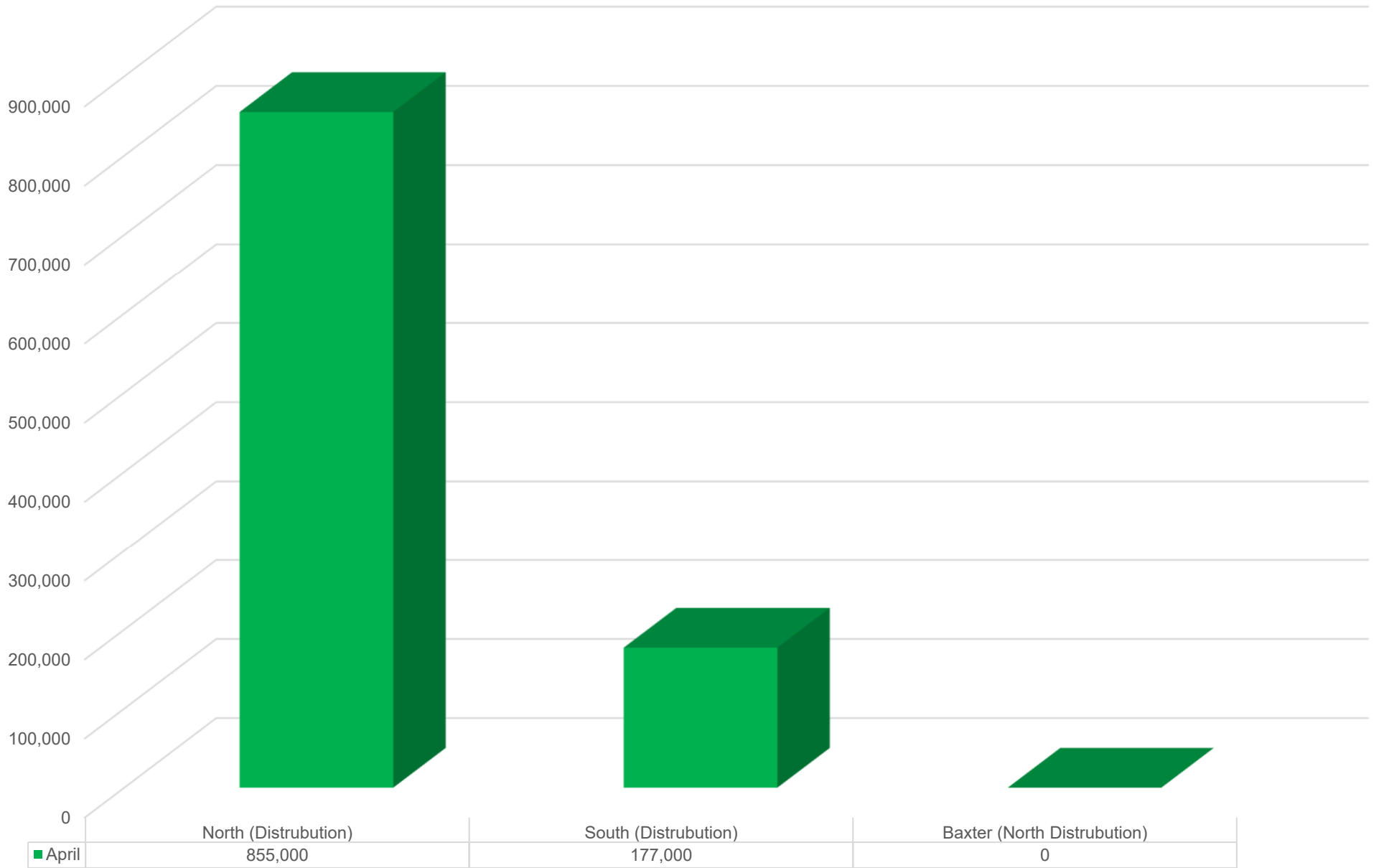
April 2026-2025 Comparison Water Production Totals North and South Distribution



April 2026 Total North and South Distribution



April 2026 Daily Average North and South Distribution





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Brainerd Public Utilities Finance Managers Report May 2026

2025 Audit

During May, the final stages of the 2025 audit process were completed. This included completion of account reconciliations, preparation and review of supporting schedules, auditor review of final financial information, and drafting of the audited financial statements and related report documents. Staff worked closely with the auditors throughout this process to review reconciliations, respond to follow-up questions, and verify final report information prior to issuance.

At this time, the audit process itself is complete and staff are awaiting receipt of the final bound audit report documents from the auditors. Once the final documents are received, staff will coordinate scheduling for the auditors to formally present the 2025 audit report and financial statements to the Commission at an upcoming meeting.

Streetlighting/Water/Wastewater/Electric Cost Studies

The cost of service studies had been temporarily placed on hold pending completion of the 2025 audit process to ensure final audited financial information would be available for use within the studies. With the audit process now complete, staff have resumed preparation work and are compiling the supporting schedules, operational data, and financial information necessary for the studies.

Staff are currently coordinating initial meetings and project scheduling related to the electric cost of service study, with work anticipated to begin in June. The finalized audit information will provide the basis for accurate allocation of revenues, expenses, and system costs as part of the overall rate study process.

Payment Processing/Credit Card Transaction Fees

Staff completed implementation of the new payment processing platform and card reader system during May. Following the transition, staff identified inconsistencies in how debit card transactions were being processed and assessed processing fees through the vendor platform. In addition, customers raised questions regarding the application of processing fees to debit card transactions and requested clarification and supporting legal documentation related to the fee structure.

Due to the inconsistent information being provided through the vendor and the need for additional clarification regarding debit card processing, staff temporarily suspended the customer processing fees while these issues were reviewed. Staff have continued working directly with Tyler Payments to address the processing inconsistencies and obtain clarification regarding transaction handling and processing fee application.

Staff have also been coordinating with the City Attorney regarding customer concerns and legal review of the processing fee structure and applicable card processing agreements. Following review of the applicable merchant and card brand agreements, the City Attorney has advised that both debit and credit card transactions may be assessed the processing fee under the current agreement structure. Staff are currently awaiting additional supporting documentation and guidance materials that can be provided to customers regarding the processing fee application and transaction process.

Finance Managers Report May 2026 (Continued)

Monthly Financial Statements/Policy Review

Due to the ongoing 2025 audit process and staff time dedicated to interviews and transition activities related to the Business Office Supervisor position, completion of the monthly financial statements has been temporarily delayed. Staff have also been coordinating year-end reconciliations and audit-related entries as part of the final audit process.

The January through April financial statements are currently in process. Staff were awaiting final approval and completion of audit adjustments prior to finalizing the January entries, consistent with standard first-quarter procedures and year-end reconciliation practices. With the audit process now complete, staff are working to finalize and bring the monthly financial reporting current. The budget analysis report reflecting current-year disbursements is included.

For the same reasons, work related to the ongoing 2026 comprehensive policy review was temporarily paused during the past month. With completion of the audit and staffing transition activities, staff anticipate resuming the policy review process and bringing additional policy revisions forward as part of next month's Commission agenda.

Hydro Funding

Staff received final updates regarding the 2026 State Legislative Session and utility-related bonding requests. As discussed in the attached packet materials, the utility's funding request was not included in the final bonding legislation. Updates provided by Marty Seifert indicated that approximately 70% of statewide requests were not funded during the session.

As part of follow-up discussions with the Finance Committee, additional conversation occurred regarding the future direction of utility generation assets and long-term capacity planning. Information included within the packet outlines several alternative options for future consideration, including potential self-funding of generation assets, peak shaving opportunities, and other long-term reliability and capacity planning considerations.



Brainerd Public Utilities, MN

Packet Summary Budget Report Group Summary

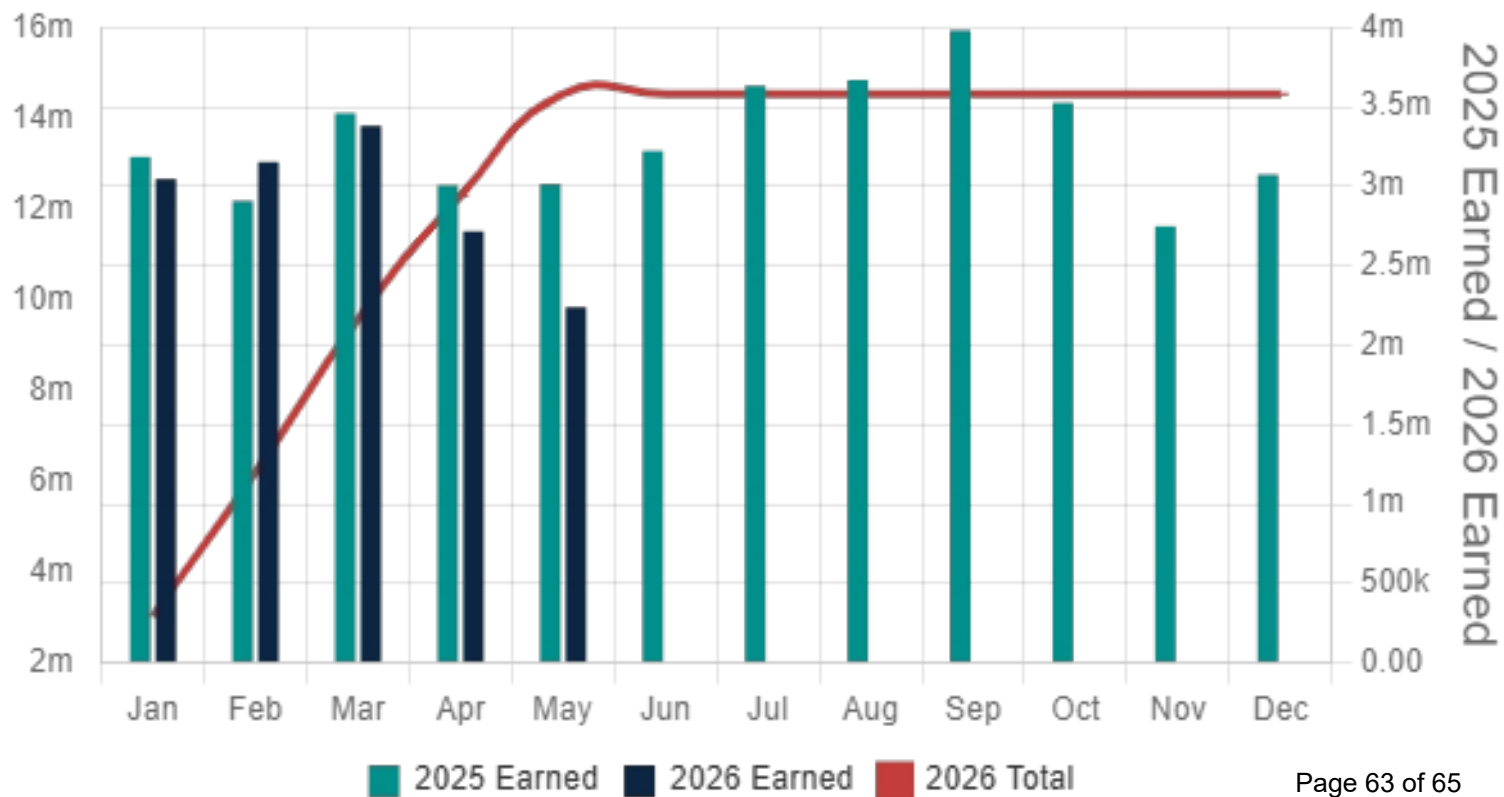
For Fiscal: 2026 Period Ending: 05/31/2026

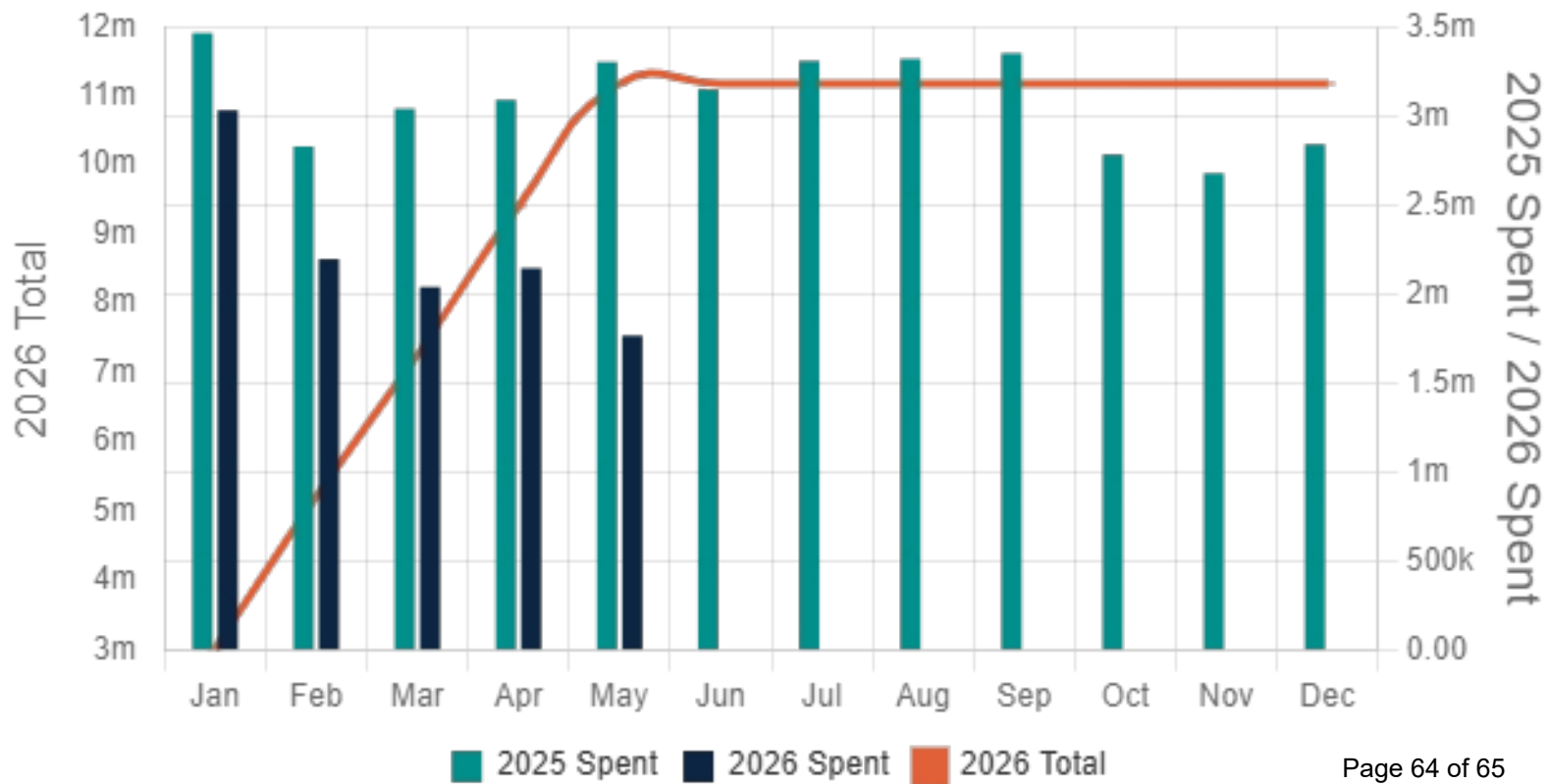
Account Typ...	Original YTD Budget	Current YTD Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 1 - ELECTRIC						
Revenue	12,564,617.95	12,564,617.95	1,566,739.64	10,002,162.83	-2,562,455.12	20.39 %
Expense	12,192,875.30	12,192,875.30	1,437,321.04	9,077,498.98	3,115,376.32	25.55 %
Fund: 1 - ELECTRIC Surplus (Deficit):	371,742.65	371,742.65	129,418.60	924,663.85	552,921.20	-148.74 %
Fund: 2 - WATER						
Revenue	1,982,081.85	1,982,081.85	267,173.34	1,558,137.69	-423,944.16	21.39 %
Expense	1,961,876.40	1,961,876.40	170,802.63	975,112.43	986,763.97	50.30 %
Fund: 2 - WATER Surplus (Deficit):	20,205.45	20,205.45	96,370.71	583,025.26	562,819.81	-2,785.49 %
Fund: 3 - WASTEWATER TREATMENT						
Revenue	2,241,269.80	2,241,269.80	404,305.27	2,968,806.87	727,537.07	32.46 %
Expense	2,190,891.30	2,190,891.30	110,883.53	835,694.25	1,355,197.05	61.86 %
Fund: 3 - WASTEWATER TREATMENT Surplus (Deficit):	50,378.50	50,378.50	293,421.74	2,133,112.62	2,082,734.12	-4,134.17 %
Fund: 4 - HYDRO DAM						
Revenue	5,497.80	5,497.80	0.00	390.50	-5,107.30	92.90 %
Expense	346,364.90	346,364.90	47,522.54	289,177.20	57,187.70	16.51 %
Fund: 4 - HYDRO DAM Surplus (Deficit):	-340,867.10	-340,867.10	-47,522.54	-288,786.70	52,080.40	15.28 %
Report Surplus (Deficit):	101,459.50	101,459.50	471,688.51	3,352,015.03	3,250,555.53	-3,203.80 %

Fund Summary

Fund	Original YTD Budget	Current YTD Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
1 - ELECTRIC	371,742.65	371,742.65	129,418.60	924,663.85	552,921.20
2 - WATER	20,205.45	20,205.45	96,370.71	583,025.26	562,819.81
3 - WASTEWATER TREATMENT	50,378.50	50,378.50	293,421.74	2,133,112.62	2,082,734.12
4 - HYDRO DAM	-340,867.10	-340,867.10	-47,522.54	-288,786.70	52,080.40
Report Surplus (Deficit):	101,459.50	101,459.50	471,688.51	3,352,015.03	3,250,555.53

2026 Total





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	1,125,000	1,608,000									4,636,000
Blended AEP Cost	\$ 0.08153	\$ 0.07578	\$ 0.09151	\$ 0.08662									\$ 0.0839
Calculated Benefit	80,307.05	69,566.04	102,948.75	139,284.96	-	-	-	-	-	-	-	-	392,106.80

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