



BRAINERD PUBLIC UTILITIES

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The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on February 25, 2025.

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

Commission Roll Call

Mike Angland – Present
Dolly Matten – Present

Mark O’Day – Absent
Mike Higgins – Present

Utility Staff Present

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

Christopher Evans
Danny Loch
Trent Hawkinson
Charlie Gammon
Jana Pernula
Mandy Selisker
Becky Ridlon

Others in Attendance

HR Director
Public Works Director
Community Development Director
Technology Director
City Council Liaison
Bolton & Menk
Bolton & Menk
Widseth
City of Baxter
City of Baxter
Citizen
Citizen

Kris Schubert
Mike Habighorst
James Kramvik
Shawn Strong
Jeff Czczok
Morgan Salo, PE
Mac Graupman
Bill Westerberg, PE
Brad Chapulis
Trevor Walters
Brian Timmers
Heidi Anderson

Commissioner Angland opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

Commissioner Angland added three new business items into the agenda.

- C. Discuss backfilling of line worker position.
- D. Discuss business district incentives recommendation.
- E. Discuss Frozen water lines.

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

Approval of Consent Items

Motion by Commissioner Higgins and seconded by Commissioner Matten to approve the minutes from January 28th, 2025, regular monthly meeting and current month's bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

Commission Committee Reports

Personnel

None

Finance/Operations Committee

Commissioner Higgins presented

- Discuss ClimaVision Lease:

Higgins expressed interest in building in reimbursement of staff time into the lease and reviewing Right-Of-Way (ROW) disclosures. Operation Manager Hawkinson discussed minimal staff time during the installation due to having a 3rd party overseeing the installation. ClimaVision indicated that this cost could potentially be incorporated into the lease.

The consensus of the Commission board is to have the City attorney review lease language and draft lease to be reviewed by operation policy committee and commission for final review.

Motion by Commissioner Higgins and seconded by Commissioner Matten to authorize staff to move forward with negotiating a lease between the commission and ClimaVision for the installation and attachment of a weather radar at the state hospital site. There was a unanimous vote in favor of the motion. Motion carried.

Public Utilities Director Christopher Evans presented report

- Discuss AEP Updates and Approve Sale of Excess Capacity.

Motion by Commissioner Higgins and seconded by Commissioner Matten to move forward with staff recommendations of selling the excess capacity prior to reaching the open market and coordinating the sale with AEP to secure the guaranteed price.

Approve Baxter Wholesale Rate - See board packet for agenda request.

Commissioner Higgins presented report

Motion by Commissioner Higgins to approve Staff recommendation coming out of committee to maintain simplicity for billing and achieve the committee's desire is to bill Baxter's use at \$4.92/1,000 gallons and credit any usage through October 1st up to 89 million gallons at \$1.60/1,000 (equating to a \$3.32/1,000 wholesale rate). This credit payment would be paid out by December 31, 2025. If Baxter did

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not use 89 million gallons, the rate would remain at \$4.92. There was no second in favor of the motion. Motion failed.

Discussion:

Matten disagreed with the 89-million-gallon requirement, and the proposed rate. Angland agreed he as well was concerned about tying up their cash flow. Matten would be open with negotiating a fairer rate that aligns with the City of Baxter selling rates of \$3.86/per thousand gallons. Higgins expressed concern with the increased stress on our current infrastructure and wells.

Evans explained the initial rate calculated (\$3.32) includes a percentage for fund reserves, operating margin, consumer price index adjustment, and debt service above the production cost.

Trevor Walter's from the City of Baxter Discussed a potential start date of May, as well as the minimum requirement of 89 million gallons was not a concern of theirs.

Motion by Commissioner Matten (Angland passed the gavel to Higgins) and seconded by Commissioner Angland to approve selling water at a wholesale rate of \$3.32 per thousand gallons with no minimums or maximums. There was a vote with Matten and Angland in favor and Higgins opposed. Motion carried.

Schedule Public Hearing: Project Priority List (PPL) Request Main Lift Station Improvements.
Public Utilities Director Christopher Evans presented report

Motion by Commissioner Higgins and seconded by Commissioner Matten to approve staff recommendations of moving forward with the submission to the PPL by March 7, 2025, for main lift station improvements, and to schedule a public hearing which will be held at the next regularly scheduled commission meeting.

Discuss Twilio Outage Notification Roll Out.
Finance Manager Loch presented report

- Hawkinson reiterated this is for residential customers not commercial customers at this time.
- Loch noted the financial impact for this initial roll out will be a minimal cost of \$500.00 dollars for outage updates only.
- Hawkinson noted this will be for customers that receive the bill and would be getting the updates unless they opt out.
- Higgins and Angland noted they are in favor of educational updates for customers. Hawkinson clarified that Twilio will be tied into the electric metering system but other options for education can be utilized for the future.

Unfinished Business - See board packet for staff memo.

Bolton & Menk Morgan Salo, PE presented presentation.

- Accept Bolton and Mink inc. proposal related to 20-year Wastewater Assessment – See board packet for presentation.

Discussion included:

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- PFAS (Per- and polyfluoroalkyl substances) within the bio-solids process.
- Timeline for facility planning, Process to apply for funding and Capitol bonding request.

Motion by Commissioner Matten and seconded by Commissioner Higgins to accept staff recommendations, accepting the final draft of the proposed 20-year wastewater use and needs assessment and to direct staff to schedule a Joint Wastewater Management Board meeting to discuss the findings of the report.

Commissioner Angland and Water/Wastewater Manager Gammon discussed reviewing the assessment report with the Joint Wastewater Management Board and the City of Baxter before accepting and moving forward.

Matten withdrew her motion, Higgins agreed, no action taken.

Further discussion included:

- Total project costs range from \$60-\$100 million, with cost sharing between BPU and the City of Baxter.
- The current budget for engineering costs and intent for fee structure to the City of Baxter, will be discussed at the Joint Wastewater Management Board meeting.
- Higgins and Angland stressed the urgency for this project and future planning.

Motion by Commissioner Matten and seconded by Commissioner Higgins to adjourn to the Joint Wastewater Management Board Meeting to occur in March once date is set with public notice given. There was a unanimous vote in favor of the motion. Motion carried.

New Business

Authorize Change in Bank Signers -See board packet for agenda request.

Finance Manager Danny Loch Presented

Motion by Commissioner Matten and seconded by Commissioner Higgins to authorize staff to change the authorized signers with the bank removal of Commissioner Matten and adding Commissioners Angland and O'Day. There was a unanimous vote in favor of the motion. Motion carried.

Consider Customer Credit Request- See board packet for agenda request.

Finance Manager Danny Loch presented the report.

Motion by Commissioner Higgins and seconded by Commissioner Matten to authorize staff to credit the treatment and collection fees for the water pumped not entering the collection or treatment system. There was a unanimous vote in favor of the motion. Motion carried.

Backfill lineman position

Public Utilities Director Christopher Evans referred to HR Director Kris Schubert for an update.

- Schubert discussed already budgeted positions don't need to get approval from the commission.
- Non budgeted, new positions can have a recommendation from the Commission to City Council.

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Business district incentive recommendation - See board packet for agenda request.

Discussion included:

Community Development Director Kramvik reviewed recent changes to the Central District Incentive Policy.

- The current policy waives all SAC (Sewer Availability Charges) WAC (Water Availability Charges) fees. Concerns previously raised by commission were discussed but not incorporated into the policy. A formal motion was recommended by Kramvik to bring to City Council.
- Matten expressed concern with not seeing a map of the affected area to fully understand the financial impact.
- Matten reiterated that she is not an advocate of just waiving fees. Maintenance of current infrastructure and potential upgrades are all needed to be considered in this policy.
- Angland emphasized that in addition to providing a motion with their recommendation a conversation and financial report may be beneficial.

Higgins abstained. Angland passed the gavel to Higgins.

Motion by Commissioner Angland and seconded by Commissioner Matten to recommend to Council to allow the Commission the opportunity to discuss waiving SAC/WAC fees on a project that exceeds \$150,000 There was a vote with Matten and Angland in favor. Motion carried.

Discuss Frozen water service lines Policy 2024-01-See board packet for agenda request.

Finance Manager Danny Loch reviewed policy.

- City Council Liaison Jeff Czczok asked why this approved policy is being brought to the attention of the commission? Loch stated concerns from customers is the reason to bring to commission board to review.
- Evans stated in this policy running water to prevent water pipes from bursting is not reimbursed.
- Higgins agreed with this policy and would like to educate our customers more if needed.
- Hawkinson discussed the new installation when we inspect the new service lines, we need to make sure the contractors have the lines installed to the proper depths.

BPU property owner, Heidi Anderson at 9303 Virginia Street addressed the Commission.

Anderson expressed concern that in prior years BPU or a Plumber would be able to assist with frozen lines. Anderson wants to know what her options are.

- Option purpose was running a temporary line connecting to a neighbor. This would be initiated through a plumber by the homeowner.
- Inspections of water line installations were conducted by City staff in the past, documentation of this can be obtained from City Hall.
- Hawkinson will be following up with Heidi Anderson after meeting today to discuss.
- Matten encouraged Anderson to assess the water line in the summer to determine preventive options for the future.

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Staff Reports

City Administrator Report

None

City Council Liaison Report

Czeczok thanked the Commission for having the meeting at the City Hall in the Council Chambers.

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

Public Utilities Director's Report – see board packet for report

Manager's Reports

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

Operations Manager Report - see board packet for report.

Commission Members – Reports -see board packet for report.

Commissioner Higgins reported on the following:

- Looking forward to taking a tour.

Commissioner Matten reported on the following:

- Requested the tours be combined as needed to make it easier on staff.

Adjournment

Motion by Commissioner Angland and seconded by Commissioner Matten to adjourn the meeting and adjourn to wastewater management board meeting, there was a unanimous vote in favor of the motion. Motion carried at 10:52 AM.



Mike Angland, Commission President



Danny Loch, Finance Manager/Secretary