



BRAINERD PUBLIC UTILITIES

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The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on March 31, 2026.

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

Commission Roll Call

President Mike Angland – Present
Mike Higgins – Present
Misty Bayliss – Present

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
HR Director
Bolton & Menk
Bolton & Menk
Eden Renewables
Eden Renewables
Citizen
Citizen

Jeff Czczok
Brittney Kummet
Morgan Salo, PE
Bryan Drown
Thomas Cosby -Virtual
Robert Long
Reid Thiesse
John Forrest

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 amended agenda adding the surplus auction request to City Council. There was a unanimous vote in favor of the motion. Motion carried.

Approval of Consent Items

Czczok requested an amendment to the minutes of February's meeting for a spelling correction of Representative Stauber's name

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Motion by Commissioner Wussow and seconded by Commissioner Higgins to approve the amended minutes from March 31st, 2026, regular monthly meeting, current month's bills, approve the Annual Distributed Energy Reporting (DER) Board Report and Filing, and to approve Advertisement for Sealed Bids for Hydro Dam Powerhouse Roofing Project and surplus auction items. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

John Forrest addressed the commission, A longtime Brainerd resident (nearly 50 years) praises BPU for reliable service, especially during storms. Drawing on decades of community involvement, especially with parks and riverfront development, he emphasizes that attractive parks help drive economic growth and attract young families.

His main concern: overhead power lines. He argues they hurt the city's appearance, increase storm-related risks and costs, and may deter newcomers. He urges BPU to create a long-term (e.g., 10-year) plan to gradually bury power lines, starting with areas like West Brainerd and along Highway 210, especially with upcoming road construction.

President Angland and Commissioner Jay thanked the speaker for his comments and long-standing community involvement.

Angland acknowledges Mr. Forrest's suggestion about burying power lines and says the idea will be added to the finance and operations committee agenda to explore feasibility, including further discussion with staff.

Commission Committee Reports

Personnel Committee Report

President Angland appointed Bayliss to Personnel committee.

Finance and Operations Committee

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

The finance and operations committee discussed a rise in large power requests (5+ megawatts), including data centers and energy-intensive computing like crypto mining. These projects require major coordination with the local utility and the broader grid.

To manage this, staff proposed creating a formal application process and framework for large industrial users—from initial inquiry to final power agreements. The goal is to streamline evaluation, ensure serious applicants, and recover staff costs. A draft application and process outline were presented, with flexible placeholder fees, and a pre-application step to filter out non-serious inquiries.

Bayliss asked whether applicants would need financial safeguards (like milestone payments or a letter of credit) to ensure existing customers don't bear costs. Staff confirmed yes—the goal is that all project costs, including system upgrades, are fully paid by the applicant, not current ratepayers.

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Commissioners discussed the proposed large load application process and fee structure. Commissioner Jay expressed concern with the open-ended pricing for projects over 25 MW, noting that “to be determined” lacks clarity and suggested a more defined structure or scope of work. Staff acknowledged the concern and explained that costs vary significantly based on project size and complexity, particularly due to coordination with regional grid operators. Staff noted that final pricing would be established by the Commission and indicated support for adding more structure, such as a base fee with additional cost components.

Liaison Czczok asked when inquiries would require a formal application. Staff responded that projects at or above 5 MW would be directed into the formal application process, while smaller projects could be handled internally, and this application process would start as soon as it was approved by Commission.

Commissioner Wussow supported the inclusion of early governing body approval and asked whether additional details, such as water use or chemical usage, should be required. Staff indicated those items would be addressed later through other permitting and regulatory processes.

The Commission and staff also discussed adding timelines to the process. Staff supported establishing review timelines to keep projects moving, suggesting approximately 90 days per phase and potential expiration of incomplete applications after a defined period. Staff noted that timelines must align with city requirements and that portions of the process involving regional grid operators are outside local control and may extend significantly.

Motion by Commissioner Jay and seconded by Commissioner Higgins to Move forward with the Large Industrial Power Customer Application for Service and Transmission Study Process. There was a unanimous vote in favor of the motion. Motion carried

Review Eden Renewables Solar Development Purchase Power Agreement Proposal. Public Utilities Director Paul Sandy presented.

Staff recommended approving the PPA framework and letting them finalize terms before bringing it back for final approval. The proposal includes a 35-year agreement at 8.75¢/kWh with about \$500,000 in interconnection costs.

The project is expected to break even around years 13–14 and then produce long-term savings, potentially around \$10 million, while helping stabilize rates and support renewable energy goals. There is some uncertainty around future energy prices and state mandates, but the agreement provides a hedge against those risks.

Discussion emphasized the value of long-term price stability and increased local power generation. Higgins was initially opposed during the committee conversation changed position after revisions, supporting the project due to guaranteed output, projected savings, and overall long-term benefits for the community.

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Motion by Commissioner Higgins to approve the proposed PPA framework and authorize Director Sandy to negotiate the final term sheet and complete legal review of the agreement, based on a 35-year term at \$0.0875 per kWh and estimated \$500,000 interconnection cost.

Jay seconded the motion with an amendment moving forward with a non-binding letter of intent added into the motion.

Angland Abstained from this item.

Amended Motion by Commissioner Higgins and seconded by Commissioner Jay to move forward with a non-binding letter of intent -the proposed PPA framework and authorize Director Sandy to negotiate the final term sheet and complete legal review of the agreement, based on a 35-year term at \$0.0875 per kWh and estimated \$500,000 interconnection cost. There was a unanimous vote in favor with one abstention of the motion with Angland abstaining. Motion carried.

Approve Replacement and Payout of Totaled Water Distribution Truck
Finance Manager Loch presented.

Czeczok asked about equipment status after a transmission failure, He also asked about new truck purchases and whether parts from older vehicles would be salvaged. Loch confirmed it is currently being replaced. Hawkinson confirmed that usable components will be reused whenever possible.

Hawkinson explained that staffing is increasing for water service crews, and with upcoming major work on Highway 210, additional trucks are needed. One older truck will be repurposed into a utility flatbed with upgraded equipment, and that conversion is already included in the current budget.

Higgins expressed hesitation about the high cost of purchasing two new trucks but ultimately supported the purchase due to the heavy workload ahead, including the Highway 210 project and long-term lead service line replacement work. He emphasized the importance of giving crews proper equipment to do their jobs well.

Motion by Commissioner Jay and seconded by Commissioner Higgins to approve the amendment to 2026 budget purchasing both vehicles in 2026. There was a unanimous vote in favor of the motion. Motion carried.

Unfinished Business

Memo -See board packet for updates.

Review City Code Section 705-Water System
Public Utilities Director Paul Sandy presented.

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The commission reviewed a draft policy document and discussed next steps for revisions. Staff explained they had already made some changes based on feedback, including clarifying definitions like “property owner” versus “customer” and ensuring service line responsibility stays with the property owner.

Several commissioners said they hadn’t had enough time to fully review the document and preferred to send written comments rather than decide immediately. Staff agreed and noted there was some urgency due to a city codification process but supported extending review time.

Commissioners asked for two weeks to submit feedback by April 15, to Director Sandy, and then bring a revised version back to the next meeting.

Approve BPU POL 2007-11 amended Utility Service Turn on Fee

Finance Manager Loch presented.

Staff presented a redlined update to the policy. The main changes include expanding it from just a water turn-on fee to a general utility service turn-on fee, removing specific fee amounts from the policy, and instead referencing the official fee schedule.

The goal is to keep things consistent across all utilities (water, electric, wastewater) and avoid updating fees within the policy itself. Staff noted that a finalized fee schedule will be developed later, likely after all policy reviews are complete. Additional edits align the document with the approved 2026 policy template.

Motion by Commissioner Wussow and seconded by Commissioner Higgins to approve Amended Policy BPU POL 2007-11 Utility Service Turn on Fee as presented. There was a unanimous vote in favor of the motion. Motion carried.

Approve BPU POL 2007-12 Fee for Check Readings and Test/Change of utility Meters

Finance Manager Loch presented.

Higgins raised concern that the proposed policy changes might conflict with state law. Staff confirmed that, at least on the electric side, there could be a statutory issue.

As a result, the commission decided to table the item for now, do further legal review, and revisit it at a future meeting with no recommendation made at this time.

Motion by Commissioner Wussow and seconded by Commissioner Higgins to Table the updated Policy BPU POL 2003-05 Fees for Water Meters as amended. There was a unanimous vote in favor of the motion. Motion carried.

Approve BPU POL 2008-13 Access to Premises

Finance Manager Loch presented.

Motion by Commissioner Bayliss and seconded by Commissioner Higgins to approve updated BPU POL 208-13 Access to Premises. There was a unanimous vote in favor of the motion. Motion carried.

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Approve Resolution 26-02 – Approving Applications to the MN Public Facilities Authority for Lead Service Line Replacement Projects

Public Utilities Director Paul Sandy presented.

Bryan Drown from Bolton & Menk discussed participation in the galvanized service line replacement program. Out of identified properties, about 75% have agreed so far, 28 of 35 in one area and 50 of 64 in another, with ongoing efforts to reach the remaining residents through multiple methods.

There's no strict cutoff yet; staff are keeping the option open to encourage more participation. Costs are estimated at about \$20,000 per service line, but exact totals depend on bids. If not, all funds are used, they plan to expand the work to additional properties. Staff noted the process is challenging due to uncertain costs and inconsistent participation.

Motion by Commissioner Higgins and seconded by Commissioner Bayliss to Approve Resolution 26-02- Approving Applications to the MN Public Facilities Authority for Lead Service Line Replacement Projects. There was a unanimous vote in favor of the motion. Motion carried.

New Business

Approve Professional Services Agreement with SEH for the Development of City Standard Details and Specifications. See board packet for agenda request.

Public Utilities Director Sandy presented.

Higgins supports creating a more consistent development "playbook," noting that the current process has often been unclear and inconsistent. Commissioners believe aligning with what Baxter is doing is a smart approach that could save time and money. However, they caution against overcomplicating things or reinventing processes that are already defined by state and federal regulations, emphasizing that additional mandates could make development more difficult. Overall, they think the proposal is long-term, well-positioned as is, and worth supporting.

Jay asked about costs, with a not-to-exceed \$40,000 fee that staff and consultants jointly manage.

Staff said the goal is to avoid unnecessary spending while completing the work efficiently, with any scope changes requiring discussion.

Questions were raised about overlap with past work, which staff say will be incorporated into the new standards, and about where files will be stored. The long-term plan is to integrate City and utility networks so all parties can access shared files.

Overall, the proposal is seen to save time, reduce confusion, limit repeated consultant expenses, and make the community more developer friendly.

Motion by Commissioner Higgins and seconded by Commissioner Bayliss to approve SEH's proposal, in an amount not-to-exceed \$40,000, and authorization to execute a Professional Services Agreement,

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contingent upon City Council approval. There was a unanimous vote in favor of the motion. Motion Carried.

Approve Professional Services Agreement with SEH for the Development of the City of Brainerd Fats, Oils, and Grease (FOG) Management and inspection Program and Development of a Mercury Minimization Management and Inspection Program in conjunction with the City of Baxter. See board packet for agenda request.

Public Utilities Director Paul Sandy presented.

Sandy clarified the city isn't "paying to copy" Baxter, but sharing work: about \$7,500 adapts Baxter's FOG program, while roughly \$25,000 goes toward developing a new mercury program, handled by consultants with relevant expertise. The partnership is seen as cost-effective and avoids duplicating effort.

Jay asked whether they ever obtain additional quotes for this, or if they always rely on that one option due to existing relationships.

Sandy clarified staff chose SEH due to prior work with Baxter and SEH's specialized experience, rather than seeking multiple bids.

On enforcement- existing businesses are largely grandfathered in, with no immediate upgrade costs. Instead, the focus is on monitoring grease trap maintenance through required logs and increasing enforcement over time. Overall, the effort aims to improve wastewater management, reduce long-term issues, and align standards between the two cities.

Motion by Commissioner Wussow and seconded by Commissioner Bayliss to Approve the Professional services agreement with SEH for an hourly, not-to-exceed amount of \$48,000 for the 2026 Mercury Minimization and FOG Program Updates project. There was a unanimous vote in favor of the motion. Motion Carried.

Approve Professional Services Agreement with Dave Berg Consulting LLC Electric Utility Cost of Service and Rate Study- See board packet for agenda request.

Finance Manager Loch presented.

Motion by Commissioner Higgins and seconded by Commissioner Jay to Approve recommending Dave Berg Consulting with the specialized AMI meter analysis. There was a unanimous vote in favor of the motion. Motion Carried.

Approve Termination of the Contract for Professional Services with Widseth and authorize the Professional Services Agreement with HR Green for the Main Lift Station Reconstruction Project- See board packet for agenda request.

Public Utilities Director Sandy presented.

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Wussow asked if termination is being used instead of an amendment because the city is switching the prime consultant.

Sandy confirmed the current contract is with Widseth, but the new structure requires a direct contract with HR Green, making termination and a new agreement necessary. Widseth will continue as a subcontractor, and all warranties and responsibilities remain intact under the new contract.

Sandy stated the change is mutual and primarily administrative, shifting liability and project management to the new prime consultant as recommended by legal counsel.

Motion by Commissioner Wussow and seconded by Commissioner Jay to Approve Staff recommendation termination of the professional services contract with Widseth and authorizing the professional services contract with HR Green for the same scope of services, schedule, budget, and deliverables for the Main Lift Station Reconstruction Project subject to legal review being completed and contractual terms being agreed on by both parties. 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

At last week's special City Council meeting, members met with the Charter Commission to discuss consolidating utilities under one structure. The effort stems from a prior resolution to clarify and codify administrative roles. While progress was somewhat disappointing, there is continued hope the consolidation will move forward, he is confident the utilities can handle the added responsibilities. Concluded with wishing everyone a happy Easter.

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

Public Utilities Director Report – see board packet for report.

Czczok asked for clarification on the East River Road rehabilitation project, specifically whether the 27-inch line is considered a trunk line or an interceptor line? Sandy clarified that “trunk line” and “interceptor” mean the same thing in this context.

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

Wussow raised concerns about ongoing delays with credit card processing fees, stating the issue has cost significant money and expecting reimbursement. Loch explained that the delay has continued since April 2024, but there is no contractual basis to recover losses. Equipment is now ready, and implementation—expected to take only a few hours—is pending scheduling. Frustration remains over earlier delays, particularly since the vendor was aware of hardware issues months in advance but had not relayed that to staff.

Operations Manager Report - see packet board for report.

Hawkinson expressed appreciation for having a full commission again and thanked members for their questions, noting that engagement and direction are important for continued success.

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

Gammon thanked the commission for their questions and input, saying it helps guide and reinforce the importance of their work. Gammon wished everyone a happy Easter.

Higgins expresses concern about low biosolids storage capacity and asks about contingency plans if hauling cannot continue. Gammon respond that there is no strong backup plan beyond coordinating with other facilities, when possible, but space is limited and the situation is tight. They note ongoing efforts to manage production and prepare for immediate hauling, while acknowledging the risk and cost of transporting biosolids to places like St. Cloud.

Additional discussion highlights that hauling and treatment processes are labor-intensive and costly, including manual daily backwashing to maintain system performance and reduce buildup.

Commission Members – Report

Higgins expresses satisfaction with a full commission and overall progress, praising staff—especially Paul—for improving efficiency and streamlining operations, and closes with Easter wishes.

Wussow raises concern about the Robert’s property purchase, noting she was disappointed the commission was not fully informed that council had denied multiple attempts to pursue grant funding for the acquisition. Commission questions the lack of a clear development plan and ask what the property will ultimately be used for and whether any proceeds from future development would return to BPU.

Loch responded that the property was purchased for wellhead protection and potential future water plant and well sitting. A site study is underway to determine what land is needed for utility purposes versus what may remain. Any remaining developable portion could be sold, and proceeds would be required to return to the original funding purpose tied to the utility acquisition.

Wussow thanked staff for the clarification and wished everyone a happy Easter.

Jay thanked staff for the meeting materials and light reading over the weekend, and closes with Easter wishes.

Angland expresses appreciation for having a full, diverse commission and thanks members for their engagement and questions. He also commends staff for their workload and progress, noting the amount accomplished is impressive.

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Adjournment

Motion by Commissioner Wussow and seconded by Commissioner Higgins to adjourn to

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

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

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

There was a unanimous vote in favor of the motion. Motion carried at 11:35 AM.



Mike England, Commission President



Danny Loch, Finance Manager/Secretary