



BRAINERD PUBLIC UTILITIES

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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

Czczok 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