



BRAINERD PUBLIC UTILITIES

8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401
Business Office: 218.829.8726 ■ **Repair Service:** 218.829.2193
www.bpu.org

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on June 27, 2023.

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

Commission Roll Call

Mike Angland – Present
Tad Johnson – Present
Patrick Wussow – Present

Mark O’Day – Present
Dolly Matten – Present

Utility Staff Present

Public Utilities Director
Operations Manager
Wastewater Supervisor
Accounting Supervisor
Recording Secretary

Todd Wicklund
Trent Hawkinson
Charlie Gammon
Jana Pernula
Mandy Selisker

Others in Attendance

City Administrator
HR Director
City Liaison
Bolton & Menk
Widseth
Widseth
American Electric Power

Jennifer Bergman
Kris Schubert
Jeff Czczok
Morgan Salo, PE
David Reese, PE
William Westerberg
Victor Hoerst

Commissioner Wussow opened the meeting with the Pledge of Allegiance.

Approval of Consent Items

Motion by Commissioner O’Day and seconded by Commissioner Matten to approve the minutes from the May 30, 2023, regular monthly meeting, approval of current month’s bills, approval of the agenda and approval of Pay Request No. 19 received from Magney Construction for \$114,644.94 for Water Tank Storage Project. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 27, 2023

Commission Committee Reports

Personnel

- None

Finance

- None

Unfinished Business

- Roberts Gravel Pit Purchase: Site visit occurred, and survey is to be brought over to BPU to move forward. Intention of purchase is for wellhead protection and potential site for future wells if needed.
- Hydro Automation: Presentation related to engineering design estimate by Barr Engineering to occur at the July 25th meeting.
- Crypto Mining Projects: A recent curtailment issue with Minnesota Power (MP) arose and is occurring within MP's localized system. Based on this, JFK was curtailed significantly for a few days and with the curtailment being localized there is no MISO reimbursement, as they would typically be eligible for. JFK has requested BPU to forgo the \$125,000 security deposit in lieu of the losses or potentially delay it for six months.
 - Wicklund noted that the reason for this curtailment being requested of JFK is that they are currently the only interruptible load.
 - Hawkinson discussed if BPU were to go over the delegated 28MW threshold, MP could potentially initiate outages to other parts of the City. Hawkinson noted his due diligence throughout nighttime hours of notifying them when there is capacity available to give them additional load. Hawkinson also noted that to his knowledge this is a new scenario and that BPU has not been curtailed before, Solar production is helping, but Crypto mining is a known risky market.
 - Commissioner O'Day requested tabling the request until next month's meeting with Commissioner Wussow in agreement to schedule for July's meeting agenda and additionally requesting JFK submit this request in writing for future meeting consideration. Wussow also noted that the deposit, rates, and curtailment are separate issues.
 - A potential new rate design was also mentioned and is being reviewed with the rate consultant.

New Business

- Mississippi River Forcemain Crossing Project Authorize to Advertise for Bid: Presentation made by David Reese, PE, of Widseth. (See board packet for Engineer's memo and cost estimate). Additional discussion included:
 - Permitting process complete and ready to advertise for bids.
 - Plans and specs have been reviewed with BPU staff.
 - Estimate on cost is slightly higher than preliminary estimate.
 - Project estimated cost is \$1.54 million and the increase is due to permitting, landscaping requirements, and pricing on material and labor.
 - Construction is estimated to be starting November/December of 2023.
 - The old pipes stay in place.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 27, 2023

- Rotary Club is aware of Engineer's timeline and Engineer is aware of Rotary Clubs plans.
- Field of seeds consideration.
- Potential bridging of forcemain pipe over field of seeds before laying to minimize some of the environmental areas.

Motion by Commissioner O'Day and seconded by Commissioner Johnson to authorize to start the bidding process for the Mississippi River Forcemain Crossing as presented by Widseth. There was a unanimous vote in favor of the motion. Motion carried.

- Proposal for Water Treatment Facility Asset Inventory: Presentation made by Morgan Salo, PE, Bolton & Menk regarding proposal for asset inventory at Water Treatment Facility. (See board packet for Bolton & Menk memo and proposal). Highlights of proposal included the following:
 - This process is the next step in the copper corrosion compliance schedule.
 - Asset Inventory would summarize assets by reviewing structural, architectural, HVAC mechanical and process components.
 - Wicklund noted the assessment of condition of assets should be done before the Water reclamation grant project is started.
 - Fee clarification by Morgan Salo confirmed that it is an hourly not to exceed fee structure. If the fee is fully utilized, approval would be needed before additional fees were to be billed. If inventory is done in less time, it may not incur the entire \$74,100.
 - Commissioner Johnson requested that this project be considered for the \$5 million water bonding bill, if determined to be an eligible cost.

Motion by Commissioner Johnson and seconded by Commissioner Matten to approve the asset inventory proposal at the Water Treatment Plant as presented by Bolton & Menk. There was a unanimous vote in favor of the motion. Motion carried.

- Consideration of revised Organizational Chart: (See board packet for chart). Wicklund discussed the following changes to proposed BPU organizational chart:
 - Accounting Supervisor will be renamed to Business Office Supervisor.
 - Two positions under Information Technology are quite a way out and would need job descriptions approved before moving forward.
 - The Electric Distribution Supervisor would oversee the distribution system and line workers to help assist Operations Manager.
 - Technical Services and Maintenance Services are two departments renamed to reorganize existing staff and reclassify team members to lead roles with some additional job duties.
 - Water Utility would be split with distribution and production with Wastewater Manager overseeing production as well. The job descriptions for both the Operations Manager and Wastewater Manager will need to be adjusted to reflect the additional responsibilities.

Further discussion included the following:

- Commissioner Wussow questioned the split of the Water Department. Hawkinson and Wicklund explained that currently the Operations Manager is dealing with construction related projects within both Electric Distribution and Water Distribution and in addition sharing equipment which requires coordination of the two departments. Water Production is plant operations versus construction-based work.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 27, 2023

- City Council Liaison Czczok inquired if inspections from the City and construction from BPU are equal. Commissioner Wussow stated they are separate areas, and one does not have authority over the other.
- Commissioner Matten clarified the intent for today's action was to conceptually approve the updated organizational chart. Matten inquired if this would allow them to move forward with the process of advertising and hiring for the Finance Manager position. Concern from the Commission was expressed about the amount of time this has been taking to fill the vacancy of this position. Matten inquired if outsourcing in the interim was an option. Wicklund explained with training required it may just be best to wait and put the time into training the right person.
- HR Director Kris Schubert discussed that they are still waiting on information from Flaherty & Hood for this position as BPU and the City are combined for pay equity. They need the market study completion and wage approval, once decided, from the Council for the Finance Manager position. Schubert noted that changes cause delays, but the goal is for the end of July to have the results.
- City Administrator Bergman discussed the study takes a three-prong approach: Job Analysis Questionnaires (JAQ), job descriptions, and hierarchy. Any shifts in hierarchy therefore shifts points and can change the results. The overall goal is to get it right.

Motion by Commissioner Matten and seconded by Commissioner O'Day to conceptually approve the BPU draft Organizational Chart and forward to City Council. There was a unanimous vote in favor of the motion. Motion carried.

- Approval of Implementation of Large Interruptible Power Rate Class: (See board packet for staff memo). Additional discussion included the following:
 - Commissioner Johnson inquired what is prompting the potential change? Wicklund responded that when industrial rate was first implemented the size of the crypto load was estimated and currently there are two different rate classes that don't align with actual crypto load. Rate consultant recommendation is to consolidate the different rate classes into one industrial rate class.
 - Commissioner Wussow inquired about costs. Wicklund and Hawkinson both noted that costs to manage this load have been high since startup and ongoing need regular attention. This is currently the largest BPU electric load.
 - Commissioner O'Day and Matten both expressed that they are not ready to change rates at this time with too many unknown variables and costs.

Motion by Commissioner Matten and seconded by Commissioner O'Day to not change rates for the Large Interruptible Power Rate Class at this time. There was a unanimous vote in favor of the motion. Motion carried.

City Administrator Report

City Administrator Bergman reported on the following:

- Expressed thank you for being a part of the Governor's visit to the Water Plant.
- Bonding requests were due June 16th and have been sent in. Requests included Water Treatment Plant, Pedestrian Bridge, and Cuyuna Lakes State Trail. Consultants assisting were SRF, SEH and Bolton & Menk.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 27, 2023

- Road construction project for a roundabout at South 6th Street and Willow. The contract to start design work has been awarded with a potential construction date of 2025.
- Employee Appreciation Event is scheduled for Wednesday, September 6th from 11:30 AM -1:30 PM at Lum Park and hosted by Wellness Committee. City Offices will be closed.
- Just for Krypto, LLC. (JFK) submitted a purchase agreement for the Wright Street Extension property. Potential use was for a solar project. After meeting with the City to discuss the offer, investment in infrastructure, etc. the offer was withdrawn.

City Liaison Report

City Liaison Czczok reported on the following:

- Consent calendar: He appreciated how Commission Wussow presents this for consideration and vote.
- Reminder to ask for opposed votes.
- Noted an email from the City Attorney was sent to Wicklund and Gammon related to exclusive use of copper material in new construction and replacement of water service lines.

Public Utility Director's Report

- See the board packet for report.
- Delegation authority letter: This is currently with the City Attorney. This letter allows compliance enforcement for BPU sewer users.
- Rewrite City Water System Ordinance: This will cover materials allowed for service lines as well as responsibility for where service line begins. Currently commercial customers are responsible to the water main whereas residential customers are responsible to the curb stop. The goal is to consolidate this standard.
- Abandoned water services need to be managed, tracked, and then collaboration with the City will need to happen to review as upcoming street projects occur.

Report from Wastewater Treatment Supervisor Gammon

- Lift Stations: Ongoing maintenance at Evergreen, Buffalo Hills and Tyrol involving pump and pipe replacement.
- Biosolids: 750,000 gallons hauled for late spring/early summer application. Equipment maintenance and cleaning to occur before fall application begins.
- Wastewater Treatment Plant (WWTP): In May, I & I was high with precipitation, however, currently back down to normal levels. Average influent at 2 million gallons per day.
- Staffing: Personnel on call 24/7, no after-hours calls in the last month. New Employee, Jason Gage, onboarded in June and transition was smooth.
- Mercury: Information packet to go out to all dental facilities in Brainerd/Baxter that is managed through the WWTP to help reduce and minimize mercury coming in.
- Toxicity Testing: Annual testing of the blend of the Mississippi river came back with passing result.
- MNDOT Highway 25 Project: 16-inch water main relocation for Stormwater catch basin went well. The sampling was sent in yesterday, once the results come back it will be put back in service.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 27, 2023

Report from Operations Manager Hawkinson

- Curtailment from MN Power: Update during the meeting from MN Power was a result of a panel down on their substation. Their hopes are to have it fixed by Friday.
- SCADA upgrades: Line crew has been installing Fiber network for upgrades to SCADA system.
- Pole transfers: During the last month approximately 125 old poles were removed once communication companies removed their attachments from them. Once a new pole is set notification is sent to other utilities requesting removal within 30 days.
- Outages: 67 outages, this includes utility customer requested maintenance as well. Only 5 registered BPU outages.
- Staffing: Congratulations to Mark Levig and Diane Mahady on their retirements.
- Hydro Pits: Pit 8 has been cleaned out. Over 130 planks were removed, valve pulled, pit drained, gate closed, and new mud valve installed. Barr Engineering is reviewing the new generation and BPU staff is working with SEL on installing relays to assist with automation on the existing generation.
- Solar: Ribbon cutting ceremony at Brainerd Regional Airport today. A goal of BPU is to install a link on the website to view generation of our solar production. Kick off meeting for the WWTP Solar project next steps will be occurring this afternoon.
- Load Control Audit: Allows BPU to better manage loads. The metering crew is conducting this and assessing dual fuel and off-peak, they have this about 60% completed.

HR Director's Report

- See the board packet for report.

Commission Members – Future Agenda Items

- Commissioner Wussow requested a memo regarding the closure of BPU on September 6th, 2023, from 11:30 AM -1:30 PM be added to the agenda for the Employee Appreciation Event to allow BPU employees to attend.
- Commissioner Angland expressed thanks to staff for putting together the organization chart, recognizing staff, talent and future leaders while having the focus on the future of BPU.

Next Board meeting is scheduled for July 25, 2023.

Adjournment

Adjournment at 10:29 AM by Commissioner Wussow to the Ribbon Cutting Ceremony at the Airport Solar Array located at the Brainerd Lakes Regional Airport today, June 27th at 12:30 PM.

Patrick Wussow, Commission President

Todd Wicklund, Commission Secretary