



BRAINERD PUBLIC UTILITIES

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www.bpu.org

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on May 30, 2023.

Acting Commission President Matten called the meeting to order at 8:59 AM.

Commission Roll Call

Mike England – Absent

Tad Johnson – Present

Patrick Wussow – Absent

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

Jennifer Bergman

Kris Schubert

Jeff Czczok

Paul Saffert, P.E

Commissioner Matten opened the meeting with the Pledge of Allegiance.

Approval of Consent Items

Motion by Commissioner O’Day and seconded by Commissioner Johnson to approve the minutes from the April 25, 2023, regular monthly meeting, approval of current month’s bills, approval of the agenda and approval of Pay Request No. 18 received from Magney Construction for \$256,311.80 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

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Commission Committee Reports

Personnel

- None

Finance

Commissioner Johnson reported the finance committee met with Public Utilities Director Wicklund, Operations Manager Hawkinson, and two representatives from American Electric Power (AEP). The presentation included:

- Discussion on headwinds, renewables, and potential energy market and pricing.
- A preliminary opportunity with our 10MW capacity shortage. BPU could potentially host natural gas backup generators which would be owned by AEP, leased by BPU, and BPU could use the capacity as our own capacity. This would include a nominal lease fee paid by BPU to AEP.

Unfinished Business

- See board packet for staff report.
 - Additional discussion included:
 - Roberts Gravel Pit Purchase: Commissioner Matten requested that the BPU staff and Commission review the completed survey results before moving forward.
 - Hydro Automation: Commissioner Matten inquired on the expected timeline of project with upcoming retirements. Wicklund reported depending on the option pursued, the goal would be approximately one year out.

New Business

- Water Corrosion Control Discussion presented by Paul Saffert, PE, Bolton & Menk
 - See board packet for presentation.
 - Additional discussion included:
 - In the past, adjusting PH was used as a tool but was not as successful as they hoped.
 - The addition of chlorine would eliminate boil orders.
 - Existing infrastructure recommendations are:
 - Extensive flushing which should continue regardless.
 - In homes, quality should be seen improving, hardness that may have built up could loosen overtime from piping and water heaters.
 - Taste: Water will be different but shouldn't be strong. The amount of chlorine added is dependent upon water source. Taste is individual, but typically a strong chlorine taste is due to a different chemical reaction which the goal is to avoid.
 - Public Education: an extensive education process is recommended.
 - Commissioner Johnson reconfirmed with Paul Saffert, P.E that there are no feasible options that do not include chlorination.

Motion by Commissioner Johnson and seconded by Commissioner O'Day to authorize Bolton & Menk to proceed with a draft presentation for public education, asset inventory for water system and project proposal. There was a unanimous vote in favor of the motion. Motion carried.

- Approval of Final Electric Rate Design Recommendations.

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- See board packet for staff and Utility Financial Solutions (UFS) report.
 - Overall rate increase of 1.1%

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve rate design recommendation as presented. There was a unanimous vote in favor of the motion. Motion carried.

- Approval of Cost of Service and Rate Design Study for Water and Wastewater Treatment by UFS for a total cost of \$25,500.
 - See board packet for proposal.
 - Commissioner Johnson inquired if the City shares in part of this cost. Public Utilities Director Wicklund noted that City engages UFS for a study related to wastewater collection and stormwater costs and service separately.

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve the proposed professional services agreement for the cost of service and rate design study for Water and Wastewater Treatment. There was a unanimous vote in favor of the motion. Motion carried.

- Approval of Large Industrial Power Agreement between BPU Commission and Just for Krypto, LLC.
 - See board packet for agreement.
 - Additional discussion included:
 - The deposit will be calculated on full bill including all charges for a two-month period.
 - Main contact was confirmed as Steve Clough.
 - JFK, LLC is currently paying sales tax due to not meeting the state criteria for exemption.

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve the Large Industrial Power Agreement between Brainerd Public Utilities Commission and Just for Krypto, LLC. There was a unanimous vote in favor of the motion. Motion carried.

- Approval of 14th Amendment to Market Based Rate Full Requirements Agreement with AEP.
 - See board packet for amendment.
 - Additional discussion included:
 - Commissioner O'Day was in favor of the blend and extend methodology to reduce future risk.
 - Commissioner Johnson was not in favor of locking in that many years ahead of time and uncertainty of what rates would look like.
 - Commissioner Matten felt like the potential to minimize risk for the customers was best to extend the agreement but expressed some uncertainty.

Motion by Commissioner O'Day and seconded by Commissioner Johnson for approval of the 14th Amendment to Market Based Rate Full Requirements Agreement with AEP. Commissioner O'Day and Commissioner Matten voted in favor with Commissioner Johnson opposed. Motion carried.

- Accept the following retirements: Randy Villnow, Custodian/Groundskeeper/Store Clerk, Effective June 8, 2023; Diane Mahady, Hydro Operator, Effective June 30, 2023; Mark Levig, Hydro Lead/Relief Operator, Effective June 30, 2023.

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Motion by Commissioner Johnson and seconded by Commissioner O'Day to accept the retirements of Randy Villnow, Diane Mahady, and Mark Levig. There was a unanimous vote in favor of the motion. Motion carried.

- Recommend to Council the Job Descriptions for the following positions: Finance Manager, Business Office Support Specialist, and Facilities Custodian.
 - See board packet for job descriptions.
 - Additional discussion included:
 - Commissioner Matten questioned the forklift and boilers license on the Facilities Custodian Position.
 - HR Director Schubert discussed how these are currently being used and that modifications could be made to change them from required to desirable qualifications if necessary.

Motion by Commissioner O'Day and seconded by Commissioner Johnson to recommend to Council the Job Descriptions for the Finance Manager, Business Office Support Specialist, and Facilities Custodian. There was a unanimous vote in favor of the motion. Motion carried.

City Administrator Report

City Administrator Bergman reported on the following:

- North Brainerd Construction: Project is moving along with the road in front of the Hospital complete and paved; waiting on striping and beacon flasher.
- Harrison Safe Routes to School Project: Council awarded bid to Dechantel. No current start date yet but anticipated soon.
- Bonding Bill for the Water Treatment Plant was signed by the Governor and awarded to City of Brainerd/BPU for \$5 million.
- Joint meeting tonight to discuss the Thrifty White Development Project. Project continues to move forward.
- Roberts Property: Attorney Langel confirmed that he has not seen the survey, there potentially was an access issue and septic system added. No further action is expected until the survey results are received.

City Liaison Report

City Liaison Czczok reported on the following:

- Public Forum: Verified public forum is open to anyone, not just customers of BPU.

Public Utility Director's Report

- See board packet for report.
 - Report from Operations Manager Hawkinson
 - BPU activated high water procedure at Hydro facility in April.
 - Pit 8 is leaking some water and staff have been dewatering that. Pit has been closed since 1956. Commissioner Johnson requested having Barr Engineering add this as a potential site for a generator in their upcoming project proposals.

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- Staff did electrical safety training for Anderson Brothers Construction and Brainerd Fire Department. Staff did an excellent job.
- Airport Solar Project: Ribbon cutting on June 27th, 2023.
- Wastewater Treatment Solar Project: Grading work will be happening during July and August with the goal to be completed and online after Thanksgiving.

- Outages:
 - May 11th: Arrestor failed – 49 meters out for 1 hour 29 minutes.
 - May 23rd: 2 outages caused by squirrels: 13 meters out for 45 minutes and 10 meters out for 24 minutes.

- Report from Wastewater Treatment Supervisor Gammon
 - SBR Building: difficult time sourcing pump replacements.
 - Delegation: Amended draft sewer code is back and with the City Attorney for review.
 - Inflow & Infiltration (I & I): Need to look at manholes with both Brainerd and Baxter
 - Evergreen Lift Station: Need fall protection – applying for a grant.
 - Tyrol/Buffalo Hills: Working with Streets and Sewer to bypass.
 - Land Application: Spring application resulted in 115 loads for 690,000 gallons.
 - Type IV License: Renewal every 3 years, all BPU Wastewater Plant Employees hold this license. Staff presented at local training.
 - Lead & Copper Sampling: Done for the year.

- Public Utilities Director Wicklund highlighted some changes within the organizational structure of BPU that are being reviewed. New positions that are recommended to be reviewed and updated are an Electric Distribution Supervisor and another Electrician.

Motion by Commissioner Johnson and seconded by Commissioner O’Day to approve updating and developing job descriptions for an Electric Distribution Supervisor and an additional Electrician for review and approval at the June Commission meeting. There was a unanimous vote in favor of the motion. Motion carried.

Additional items discussed included:

- Joint BPU Commission and City Council meeting is coming up on June 26th.
 - BPU restructuring could be an item on this agenda.
- The City Code related to Water System should be revised by BPU Commission and sent to Council for approval.
- BPU current electric utility customer, Dunmire’s Bar & Grill, wants to connect to City water and sewer services using material other than copper.
 - Water service in the area near the airport is already chlorinated.
 - BPU’s intention is to allow more flexibility in materials.

Motion by Commissioner Johnson and seconded by Commissioner O’Day to approve staff to rewrite the City Water System code to follow state code and guidelines to allow as much flexibility as possible with construction materials and to have revised code to be available for review and approval by next month. The rewritten code would then be forwarded to Council for final approval. There was a unanimous vote in favor of the motion. Motion carried.

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Motion by Commissioner Johnson and seconded by Commissioner O'Day to allow Dunmire's Bar & Grill to use water line construction materials as allowed by the State and approved by BPU Management. There was a unanimous vote in favor of the motion. Motion carried.

- Debt Service: Working with City with upcoming capital projects for Water and Wastewater include in potential bond issue later in 2023.
- Agenda Center: Implementation coming up in July or August

HR Director's Report

- See board packet for report.

Commission Members – Future Agenda Items

- Commissioner Johnson expressed gratitude from the Commission to all BPU staff on the recent restructuring, transition, and all the work being done.

Next Board meeting is scheduled for June 27, 2023.

Adjournment

Motion by Commissioner Matten and seconded by Commissioner O'Day to adjourn to the joint Meeting with City Council on June 26th, 2023, at 6:00 p m at the Council Chambers. Motion carried at 10:50 AM.

Patrick Wussow, Commission President

Todd Wicklund, Commission Secretary