



BRAINERD PUBLIC UTILITIES

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

Water/Wastewater Manager

Finance Manager

Business Office Supervisor

Recording Secretary

Mitch Lachelt

Ryan Miller

Todd Wicklund

Trent Hawkinson

Charlie Gammon

Danny Loch

Jana Pernula

Mandy Selisker

BPU Journeyman Lineworker

BPU Journeyman Lineworker

Others in Attendance

City Administrator

HR Director

City Council Liaison

Bolton & Menk

Theresa Bourke

BJ Allen

Sue Sterling

Jennifer Bergman

Kris Schubert

Jeff Czczok

Morgan Salo, PE

Brainerd Dispatch

R5DC

BPU Residential Customer

Commissioner Wussow opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

Commissioner Angland proposed amending the agenda by adding the additional two items under New Business.

9E. Discussion regarding proposal for Strategic Planning Services

9F. Grant Opportunity

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Motion by Commissioner O'Day 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 Matten and seconded by Commissioner O'Day to approve the minutes of the regular monthly meeting of August 29, 2023, and September 26, 2023, approval of current month's bills and approval of Pay Request No. 23 received from Magney Construction for \$22,785.75 for Water Tank Storage Project (see attached payment application). There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

Resident, Sue Sterling from 217 SW 4th Street, addressed her concern with the unfluorinated tap currently being turned off.

Commission Committee Reports

Personnel

Commissioner O'Day noted the recognition of Lineworker, Ryan Miller, on completing his Apprenticeship.

- Operations Manager Hawkinson congratulated Ryan on completing the Journeyman Lineman Program through Northwest Lineman College. Ryan logged over 8,200 hours in the areas of overhead and underground construction, substations, and metering.

Finance

None

Unfinished Business - See board packet for staff memo.

The following unfinished business items were noted:

Roberts Gravel Pit Purchase

Recommendation to Brainerd City Council to authorize Brainerd City Council to authorize the City Attorney to begin eminent domain process for gravel pit property owned by Roberts Sand & Gravel which are identified by parcel numbers 41361080 and 41361081.

Motion by Commissioner O'Day and seconded by Commissioner Matten to recommend to City Council to authorize the City Attorney to begin the eminent domain process for the gravel pit property parcels 41361080 and 41361081 currently owned by Roberts Sand & Gravel. There was a unanimous vote in favor of the motion. Motion carried.

Unfluorinated Tap at Water Plant.

Public Utilities Director Wicklund noted that the City Council has requested that the unfluorinated tap be turned back on. Wicklund also noted BPU staff would need to increase testing frequency from one time per week to twice weekly and the decision is ultimately up to the Commission.

Motion by Commissioner Johnson and seconded by Commissioner O'Day, to turn back on the unfluorinated tap. There was a roll call vote with Johnson voting aye and O'Day, Angland, Matten and Wussow voting nay. Motion denied.

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Commissioner Johnson noted he is strongly in favor of having the tap on mentioning that there are a lot of households that are outside of the City of Brainerd that don't have access to safe drinking water that use this service and it is an important public service to be able to provide at low marginal costs.

Commissioner O'Day inquired if this tap would be chlorinated. Public Utilities Director Wicklund verified no. It would be as it was before, raw water, with no fluoride or chlorination. The process to chlorinate this tap would be a large capital project. Commissioner Johnson and O'Day were both in agreement that the tap should be labeled as such. Commissioner O'Day also expressed concern with what kind of liability that BPU would have and what is BPU's responsibility.

Commissioner Wussow requested Water/Wastewater Manager Gammon's concerns. Gammon expressed the importance of notifying the public that it is non-potable and drink at your own risk. Gammon discussed possible options of posted signage, liability waivers, or a permitting process and that to ensure the safety of this water is almost impossible. Gammon also noted that when a contamination happens the tap is hand dosed with chlorine to disinfect and then tested.

Commissioner Matten inquired that if testing is occurring twice weekly and contamination would occur, how does that notice reach the public, noting that she would like to get an attorney's opinion on the subject and if signage would be enough.

Commissioner Johnson authorized to amend his motion to add in subject to due diligence of staff to work with legal guidance on proposed signage. Commissioner O'Day was not in favor of the amendment. Amendment to motion failed.

Motion by Commissioner O'Day and seconded by Commissioner Matten to table the discussion until the next Commission meeting, to have staff seek answers to the concerns that have been brought forward which include a permitting process, signage, and approval from the Minnesota Department of Health (MDH). There was a unanimous vote in favor of the motion. Motion carried.

Insurance Claims Related to the August Boil Advisory

Public Utilities Director Wicklund noted that the League of Minnesota Cities Insurance Trust provided an update on Friday. The Insurance adjuster's recommendation is that there is no liability on behalf of BPU/City of Brainerd and they will be notifying the claimants of the denial of the claims. There were approximately 13 claims filed.

Lead Service Line (LSL) Inventory Assessment

Public Utilities Director Wicklund noted a meeting occurred last week to discuss. There is an assessment of all service lines needed for both commercial and residential and identifying the type of materials used. This is needed to identify both lead and galvanized service lines. BPU has engaged Bolton & Menk to help with potential grant opportunities. Information will be communicated to customers on the upcoming inventory as BPU knows more. Water/Wastewater Manager Gammon noted the average cost to replace a service line is \$44,000 each. Granting will be important for the residents. Wussow noted he will be looking for an update at the next meeting.

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Directional Drilling Forcemain River Crossing Project

A new pipe is now under the river. November meeting will have the first pay request for this project. Water/Wastewater Manager Gammon provided a brief update which included the contractor noted difficulty with the west bank collapsing and needing to do some additional trenching. Gammon also noted that in the process of increasing the size of the crystallization pond, the contractor ran into some contaminated soil, so they needed to excavate and get it tested. Gammon noted Minger Construction has been good to work with.

Corrosion Control Plan to the Minnesota Department of Health (MDH)

A plan must be submitted to the MDH by November 6, 2023, describing the intended plan for dealing with copper corrosion. A one-page letter was drafted to the MDH noting the intention to feed and maintain orthophosphate into the distribution system and in conjunction, continue to chlorinate per the MDH's recommendation. BPU will continue monitoring and testing through the implementation process. This letter was noted as the initial phase of the plan.

Motion by Commissioner O'Day and seconded by Commissioner Johnson to authorize submitting the letter to the Minnesota Department of Health. There was a unanimous vote in favor of the motion. Motion carried.

Electric Transmission Service to Brainerd and Crypto Mining Activity

Commissioner Wussow encouraged staff to continue to work with Minnesota Power on this, noting contracts have been negotiated with Crypto Mining customers on excess capacity. When demand peaks, Minnesota Power (MP) is unable to provide the power to us as needed. Operations Manager Hawkinson is actively working on this. Hawkinson also noted that MP is the Regional Transmission Operator (RTO).

New Business

Discuss Job Offer for Electric Distribution Supervisor – see board packet for agenda request.

HR Director Schubert discussed the offer that was originally presented to Mitch Lachelt as well as what the offer would look like with Mr. Lachelt's scheduled standby taken into consideration.

Motion by Commissioner O'Day and seconded by Commissioner Matten to recommend to City Council to include scheduled standby pay as required by the union contract into consideration for initial step placements for promoted employees, to recommend approval of a conditional job offer to Mitch Lachelt for the Electric Distribution Supervisor position at Step 6 (\$55.41 per hour) with his promotion being effective November 7, 2023, and to authorize staff to begin the hiring process to backfill the Lineworker position. There was a unanimous vote in favor of the motion. Motion carried.

Commissioner Matten expressed appreciation for staff working together, noting it was an extremely good compromise.

Accept the Retirement of Hydro Operator/Mechanic, Bradley Holtz

Motion by Commissioner O'Day and seconded by Commissioner Matten to accept with regret, the retirement of Bradley Holtz effective December 31, 2023, and to authorize Mr. Holtz's severance pay per city policy manual and the USW Hydro Union Contract. There was a unanimous vote in favor of the motion. Motion carried.

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Approval of New Water and Wastewater Treatment Utility Rates-see board packet for recommended rate changes and staff memo.

Public Utilities Director Wicklund reviewed the proposed rates, noting the following:

- An effective date for the rate change would be December 1, 2023. The primary reason for the adjustments is related to debt service requirements related to the issuance of the 2023A bonds. The impact on a residential water/wastewater treatment customer using 4,000 gallons per month would be an increase of \$3.15 per month. This would likely be an interim increase until the rate study, currently in progress, is completed.

Motion by Commissioner O'Day and seconded by Commissioner Johnson to approve proposed water and wastewater treatment rates as presented effective December 1, 2023. There was a unanimous vote in favor of the motion. Motion carried.

Approval of 14th Amendment to AEP Agreement-see board packet for draft amendment and staff memo.

Public Utilities Director Wicklund reviewed the proposed amendment. Discussion included:

- This would be for planning years starting June 1, 2025, at a cost of \$27,500 per month.
- Commissioner Johnson noted that this capacity is at a rate 25% higher than any other capacity BPU has ever bought which Commissioner O'Day noted that it will continue to increase. Wicklund noted that the way we attempt to offset this cost is additional behind the meter projects.

Motion by Commissioner O'Day and seconded by Commissioner Angland to approve the 14th Amendment to AEP agreement. There was a unanimous vote in favor of the motion. Motion carried.

Proposal for Strategic Planning

Commissioner Angland provided the proposal and discussed the following:

- A proposal was submitted by Pamela Finch with Red Ribbon Consulting, LLC. Total investment of the proposal is \$45,000 with options services of onboarding a new director (\$5,000) and presenting strategic outcomes to the Commission (\$3,500). The entire process is 18 months long and consists of 2 phases with an additional proposed service of the onboarding of the new Public Utilities Director. His recommendation is to approve and move forward with this but also has another option that he could reach out to for an additional proposal.
- Commissioner Wussow would like to see some additional options for related services, noting it is a substantial investment and suggested reaching out to the League of Minnesota Cities. Commissioner Matten also noted she would like to get a few testimonials for this company along with another estimate. Commissioner O'Day agreed with obtaining another estimate.

Commissioner Wussow summarized that the consensus is to keep it on the agenda for next month with additional alternatives, suggestions from staff on what they would like to see, as well as funding sources.

Grant Opportunity

Commissioner Angland discussed the following related to a current grant opportunity:

- BPU management staff and Commissioner Angland have met with BJ Allen, a representative of Region 5 Development Commission, who specializes in renewable energy.

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- Current grant opportunity through the Department of Energy called LEAP (Local Energy Action Program).
 - It is a \$50,000 potential grant opportunity for planning and technical assistance.
 - Could assist with the mandate of being carbon free by 2040.
 - There is an approaching application deadline of December 14th, 2023.
 - Region 5 has been allocated funding to assist, at no cost, with grant application.
 - Aids in future energy planning, noting an opportunity to capitalize on.
 - Access to other funding sources with working with BJ Allen and Region 5 on going.
 - Meeting this afternoon to keep the process moving and will provide an update at the next Commission meeting.

City Administrator Report

City Administrator Bergman reported on the following:

- Safe Routes to School for Lowell is moving forward with the project and street improvements.
- Gully project is continuing to move forward.
- Submitting transportation alternative grant for the pedestrian bridge over Highway 210 at Lum Park.
- Her Resignation as City Administrator has been submitted with her last official day being November 15, and last working day of November 9th. Bergman expressed thanks for all she has learned working with the Commission and BPU staff.
- City Council held a special meeting last Monday appointing Patick Wussow as Interim City Administrator and reviewing firms to assist in a search for a new City Administrator.

City Liaison Report

City Council Liaison Czczok reported on the following:

- Congratulated Commissioner Wussow on his Interim City Administrator position.
- Expressed thanks to City Administrator Bergman.

Public Utility Director's Report – see board packet for report.

Resignation of Commission President Wussow

- Public Utilities Director Wicklund inquired if Commissioner Wussow was resigning or taking a leave of absence from the Commission during his time as Interim City Administrator. Commissioner Wussow confirmed that he was resigning per the City Charter and would be happy to reapply when there is an opening again.

Welcome to Danny Loch

- Danny started on October 30, 2023, as the Finance Manager.

Budget Process

- Finance Manager Loch and Public Utilities Director Wicklund will be working on the Operating and Capital Budget for 2024.

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Street Projects

- Upcoming Street projects for 2024/2025 include:
 - Evergreen Project is scheduled for Mill and Overlay in 2024, but BPU would like to ask the Council to let BPU assess infrastructure/replace water main in conjunction with this street project.
 - The Graydon Avenue project is scheduled for Mill and Overlay in 2025. This could allow for assessment of water mains and electric underground located in this area.
 - These projects will also aid in lead service line analysis.
- BPU's concern is before streets projects are finalized, encourage the City to work with BPU to assess any infrastructure needs first and estimate costs.
 - City Liaison will be working with Council to relay the message to City Council.

Motion by Commissioner O'Day and seconded by Commissioner Wussow to recommend to City Council reconsidering the upcoming street projects for Evergreen and Graydon Avenue as potential full reclamation projects. There was a unanimous vote in favor of the motion. Motion carried.

Budget Process and Street Projects

- Commissioner Johnson strongly encouraged the City and BPU to work together to make sure that both parties are aware of each other's 5-year budgets.

Responsibility and Ownership of Service Lines

- Public Utilities Director noted that this will be brought back at the November meeting with recommended revised language.

Managers Reports

Operations Manager Hawkinson reported:

- Attended Midwest Hydro User Group (MHUG) Fall Conference in early October. The Operations and Maintenance Committee had a vacancy and Hawkinson will be taking a role.
- MMUA Regional Tree Trimming Workshop was hosted by BPU. There were approximately 40 students attending for 3 days.
- October 16, meet with SRF Consulting, on Highway 210 project. Hawkinson is hoping to see 30% plans by January.
- Insurance Audit at the Hydro occurring today.
- Two generators running currently at the Hydro.
- Still some generation at Airport Solar Project with the seasonal changes.

Operations Manager Hawkinson inquired about Lineworker, Ryan Miller's movement from Apprentice to Journeyman pay and if it is a required action of the Commission.

- HR Director Schubert noted that Ryan would be reclassified to a new position so it would need a recommendation from the Commission to the City Council with an effective date and his wage.
- Operations Manager Hawkinson noted that his effective date will be back paid since the college had to undergo an academic audit of his scores but did meet his qualifications several months ago.

Motion by Commissioner O'Day and seconded by Commissioner Johnson to recommend to City Council the reclassification of Ryan Miller to a Journeyman Lineworker. There was a unanimous vote in favor of the motion. Motion carried.

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Water/Wastewater Manager Gammon reported:

- Finished up last cropping year for biosolids with 427 trucks hauled.
- Paying special attention to school crossings with trucks while hauling
- Residential concerns with drinking water
 - Worked with 10 households for testing in October, sampled 8.
 - Worked with 11 households in September, met with 9.
- Waiting on delegation from EPA (Environmental Protection Agency)
- As part of the Wellhead Protection Program, BPU is forming a group with members of the county, MPCA, and other agencies. BPU would like to have one Commissioner to be part of this process and Commissioner O'Day volunteered.

HR Director's Report – *See board packet for report.*

Commission Members – Future Agenda Items

Commissioner Matten reported that Personnel & Finance will try to target a November date to meet regarding staffing.

Next Board meeting is scheduled for November 28, 2023.

Commission President Wussow motioned to adjourn the meeting at 10:30AM. There was a unanimous vote in favor of the motion. Motion carried.

Dolly Matten, Commission Vice-President

Danny Loch, Finance Manager