



BRAINERD PUBLIC UTILITIES

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The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on January 30, 2024.

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

Commission Roll Call

Mike Angland – Present
Tad Johnson – 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

Todd Wicklund
Trent Hawkinson
Charlie Gammon
Danny Loch
Jana Pernula
Mandy Selisker

Others in Attendance

Interim City Administrator
HR Director
Bolton & Menk
Widseth
City Liaison

Patrick Wussow
Kris Schubert
Morgan Salo, PE
Bill Westerberg, PE
Jeff Czczok

Commissioner Matten opened the meeting with the Pledge of Allegiance.

Election of 2024 Officers

Commissioner Matten requested nominations for 2024 Commission President and Vice President.

Motion by Commissioner Johnson and seconded by Commissioner Angland to nominate Commissioner Matten as 2024 Commission President. There was a unanimous vote in favor of the motion. Motion carried.

Motion by Commissioner Johnson and seconded by Commissioner O’Day to nominate Commissioner Angland as 2024 Commission Vice President. There was a unanimous vote in favor of the motion. Motion carried.

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Approval of Agenda Items

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve the agenda. There was a unanimous vote in favor of the motion. Motion carried.

Approval of Consent Items

Motion by Commissioner O'Day and seconded by Commissioner Johnson to approve the minutes of the regular monthly meeting of December 19, 2023, approval of current month's bills, and approval of partial pay request No. 3 received from Minger Construction for \$498,503.00 for Directional Drilling Forcemain River Crossing Project (see attached payment application). There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

Commission Committee Reports

Personnel

Commissioner O'Day reported that he and Commissioner Matten met with the joint work group for the hiring of the Public Utilities Director position. Commissioner O'Day reviewed the following: Recommendation from the work group was to move Step 6 of the wage grid (\$151,875) to Step 4, noting there was a split vote. The City Council Personnel & Finance Committee further decided to make Step 6 \$140,000. The same joint work group is set to review applications on February 12th.

Commissioner Matten noted that the revised job description was approved and requested a review of the timeline of the next steps. HR Director Schubert reported the following tentative dates:

- February 8th: Start reviewing applications.
- February 12th: Selecting applicants to interview.
- Week of February 19th: Conduct interviews
- Mid-April: Target starting date for new Public Utilities Director

HR Director Schubert reported that as of January 25th there were three applicants. Commissioner Matten also verified that the Commission Personnel Committee will be part of the interview process.

Finance

Commissioner Johnson reported the following:

- Correspondence took place on reviewing and discussing credit card transaction fees.
- Commissioner Johnson and Commissioner O'Day assisted in reviewing bids for the advertised backwash reclamation project.

Appointment of Commission Committees

Commissioner Matten requested recommendations for the Personnel and Finance Committees. Commissioner O'Day and Commissioner Johnson were both in favor of leaving the existing committees in place. Commissioner Matten confirmed the committees will remain as:

- Personnel: Commissioner O'Day and Commissioner Matten
- Finance: Commissioner Angland and Commissioner Johnson

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Unfinished Business - *See board packet for staff memo.*

The following significant unfinished business items were noted and presented by Public Utilities Director Wicklund and Finance Manager Loch:

Roberts Gravel Pit Purchase

Field work has been completed by the appraisers and a phone conversation with Mr. Robert's has taken place.

Hydro Generation/Automation

Loch noted BARR Engineering was expecting to have numbers to review by February 16th to be able to review at next month's Commission meeting. Discussion included:

- Commissioner O'Day inquired if BARR Engineering was currently getting paid for work while waiting for estimates. Wicklund explained that there is likely an apparent delay due to several things; noting a crane system for future ease of repairs and access to the other pits and looking into a second pit to determine if there are additional efficiencies to upgrade two generators simultaneously.
- Commissioner Matten inquired if the Commission could get a quarterly budget performance to assess budget to help analyze spending vs. results.
- Operations Manager Hawkinson reported that part of this project is also building BPU's portfolio for the 2040 Carbon Free initiative. Renewable energy is not going to be the same price as current energy prices but essential for future generation goals and regulations. Commissioner Matten inquired on potential partnerships and joint projects to work towards the Carbon Free mandate. Hawkinson highlighted the following: Joint projects with another community could have potential with a future solar project. Pricing on Renewable Energy Credits (REC) would be another option, but pricing is high and will continue to rise as we near 2030 and 2040.

Current Open Positions at BPU

Loch noted the three approved positions that are waiting to be posted. HR Director Schubert noted that the wage for these positions have not been agreed upon with the union and until wages are agreed upon, the positions cannot be posted. Wages were presented to the Union in October. Schubert also noted that mediation with IBEW 31 is scheduled for February 8th.

Commissioner Angland inquired on how BPU is doing as an organization with these vacancies. Wicklund and Hawkinson both agreed it is not working and has been a challenge. Wicklund noted that the revised Organization Chart last year formed groups with positions critical to make these groups work. Some positions have been approved and vacant since May of 2023 and it has been frustrating. Hawkinson noted that it really speaks to the resiliency of BPU's current staff and their willingness to step up, noting many employees are stepping up and filling roles but noted staff are getting burnt out.

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Organizational Restructuring

HR Director Schubert provided the following updates:

- HR Assistant Boser helped complete the first draft of changes after the recent reorganization.
- Water/Wastewater Manager Gammon and Schubert met to review the job description for Gammon's position and those Gammon directly supervises at the water plant.
- Schubert hopes to meet with Hawkinson in the next couple weeks related to job descriptions.
- Schubert inquired if the Commission would like to see the revised job descriptions before being approved by the council. Commissioner Matten stated that she would appreciate seeing a draft before it moves onto City Council for approval.

Commissioner Angland inquired on the expected timeline for updates to be completed, noting it would be nice to have these finalized by the time the new Public Utilities Director is on board. Schubert noted that the goal is to have those ready for the February Commission meeting.

Schedule of Authority Roles of Commission and Council in Operation of BPU

Loch noted that this was addressed at the joint session, but it was not really discussed. Commissioner Matten agreed and noted that this conversation will need to be continued.

Directional Drilling Forcemain River Crossing Project

Loch noted that the Forcemain has been operational and in use since December 13, 2024. Bill Westerberg, PE discussed that they are negotiating some extras and then waiting until Spring to do the turf restoration and landscaping. Commission agreed to remove this item from the unfinished business agenda.

Electric Transmission Service to Brainerd

Commissioner Angland inquired if this is related to Crypto Mining load or more related to the one-time curtailment event last summer by Minnesota Power (MP). Discussion occurred relating to MP load curtailment and sizing of substation that was added in 2008, and increased capacity from this sizing that made BPU appealing to the miners.

Crypto Mining Activity

Loch provided the following update:

- JFK is ramping up to 20MWs.
- VCV is having some ongoing discussions with BPU staff.

Credit Card Transaction Fees

Loch provided the following update:

- A great deal of information is being received regarding credit card fees and what can be charged for different transactions. Staff are working through all of this.
- There is a specific utility billing rate which is not being received by BPU currently from Global Payments (credit card processing company).

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- A utility company cannot receive this reduced rate if a convenience fee is being charged.
- BPU staff is working with Global Payments to complete paperwork to get further information on the utility billing rate and potential savings. The process of getting this information from Global Payments has been a struggle for staff.
- Bremer Bank consultants noted that it would be a savings but unsure of how much.
- The Utility Billing Rate is a negotiated rate between all credit card processors (VISA, Mastercard, etc.) and further based on their specific card types.

New Business

Accept the Resignation of Water Plant Relief Operator Tanner Josephson

Motion by Commissioner O'Day and seconded by Commissioner Angland to recommend to City Council to accept with regret the resignation of Tanner Josephson effective January 30, 2024. There was a unanimous vote in favor of the motion. Motion carried.

Approval of Engineering Services Request for Proposals (RFP)

- Loch presented that the BPU Commission Finance Commission along with BPU staff met to discuss the five bids that were received for the reclamation and backwash integration project. Recommendation from the Finance Committee and BPU staff is to accept the proposal from Bolton & Menk, low bidder at \$390,494. Wicklund noted that there were five good proposals from five good firms. The final decision came down to pricing. Commissioner O'Day noted that Commissioner Angland is normally on the Finance Committee but requested Commissioner O'Day step in on his behalf to ensure there was no conflict on interest.

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve the proposal from Bolton & Menk for \$390,494 for the water reclamation and backwash integration project. There was a unanimous vote in favor of the motion. Motion carried.

Surplus Auction Items –see board packet for auction request.

Loch presented the three vehicles that would be listed on the Online Auction with the Minnesota Department of Administration – Surplus Services that are beyond their useful life for BPU.

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve the surplus items presented to be sold on the Minnesota Department of Administration Surplus Services Auction. There was a unanimous vote in favor of the motion. Motion carried.

Adopt Policy 2024-01 Frozen Water Lines-see board packet for policy draft.

Loch presented the draft resolution of Frozen Water Lines. Loch reviewed the past practice going back to 2019 noting there was no official adopted policy. This draft policy was put together with research and review of other policies from MRWA (Minnesota Rural Water Association), past practices, and staff input. Commissioner O'Day requested clarification on the responsibility of the water line from the main to the house, noting the difficulty of this for homeowners should they have to replace a service line. Hawkinson

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stated the current ownership of water service lines for Commercial properties is from the water main to the meter inside the building and residential properties is from the curb stop into the house.

Commissioner O'Day stated that he is not in favor of ownership going to the main for residential properties. Hawkinson requested guidance on how to handle frozen lines as it relates to thawing service lines for customers.

City Liaison Czczok inquired on the 13 properties identified to run water are due to BPU assets and if any of those identified have frozen. Hawkinson verified no. Hawkinson briefly explained the process and having to separate the residents' pipe from BPU assets. The practice of using a welder to thaw lines was discontinued in 2015. City Liaison Czczok was also in favor of the residential properties' ownership going to the curb stop rather than the main.

Commissioner Johnson inquired on policies for Commercial properties and if they identified responsibility of main to the house. Hawkinson verified that it is main to the building on all Commercial related policies.

Commissioner Matten requested that the draft policy be reworded to clarify the differences for Commercial and Residential ownership, topics clarified, and a final draft be presented at next month's meeting.

Wastewater Management Board Meeting

Water/Wastewater Manager Gammon reported: A letter was received back from the MPCA with remarks back from the public comment that was sent in during the public notification timeframe. A joint meeting to work through the user agreement will be taking place soon. Deadline is April 1st. City Liaison Czczok inquired on the goal or desired outcome of the meeting. Gammon clarified with mercury minimization and phosphorus reduction, an agreement between the two cities to manage their systems need to further clarify enforcement action and the ability to potentially leverage fines onto another municipality. Wicklund additionally noted that the goal will be reviewing the agreement done in 2006-2007, and adding an amendment which points to each city's sewer code with delegation language and to allow enforcement action if there is a problem.

Office Closure – Safety Meeting (February 13, 2024)

Loch presented the upcoming safety meeting and to allow all staff to attend, a partial day office closure. Commissioner Matten noted to include the city for any office closures going forward. City Liaison Czczok inquired on public notification of closure. Commissioner O'Day recommended notifications via the website, Facebook, and office/door postings.

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve closing the BPU Business Office from 9:30am to 2:30pm on February 13, 2024, for an all-staff safety meeting. There was a unanimous vote in favor of the motion. Motion carried.

Customer Communications

Hawkinson reported on the following: BPU is looking towards moving away from 24-hour staffing at the water plant and looking for after-hours messaging. Notification options exist through both our billing software and mapping system for outage notifications. He noted that the billing software can also

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generate general notifications on frozen water lines and general notices. The cost from the billing software is \$0.10 per message and less within the public outage notification system. Commissioner Johnson liked the general concept discussed and outlined but would like to see a draft policy, as would staff. Commissioner Matten verified with Hawkinson that this would be an opt-in service for customers to receive messages.

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve BPU to provide text message services for customers notifying them when they are out of power and that after the business and repair offices are closed, customer calls are answer by an automatic dialer. There was a unanimous vote in favor of the motion. Motion carried.

Alley Project – Joseph to Ronald Street

Hawkinson reviewed an upcoming 2025 Street Project that City Engineer Dehn notified BPU of. Discussion occurred relating to the costs and effects the construction would have on the residents and the need of replacement with anticipated installation of 1940's era water infrastructure and the need to change lead service lines as applicable for the residents. Additionally, communication will have to occur with homeowners as if not done now, will be done in the next 10 years due to the lead service line replacement requirements. City Liaison Czczok noted that the sanitary line is at a similar depth and would be reviewed by the City Engineer.

This alley was not budgeted but rather a petition that was added later so not included in the original budget and there are no estimates of cost yet. BPU proposed project would have a target date of May. Timing may come at an increased cost, but Hawkinson noted that in the last 10 years BPU has dug to repair three times and has 2 broken gate valves that need to be replaced. Interim City Administrator Wussow noted that bids could be solicited and if not meeting economies of scale, request to have street project delayed a year.

Motion by Commissioner Johnson and seconded by Commissioner Angland to approve soliciting bids for the water main replacement project for the alley of Joseph to Ronald Street. There was a unanimous vote in favor of the motion. Motion carried.

Payment of Administrator Salary

Interim City Administrator Wussow reviewed the previous City Council request to have BPU pay a portion of the City Administrator's salary. Current request is 12.5% for 2024. Interim City Administrator Wussow discussed history with billing of City Administration salary within the City departments was never done at BPU, with recent Charter change, the City Administrator's authority has changed. Noting the Economic Development Authority (EDA) is billed staff specific time for the City Administrator and City Engineer. A discussion was had related to these costs and the effects charging the inter-departmental costs can have going forward.

Commissioner Matten summarized the request to discuss the talking points and that the BPU Commission would like to negotiate and discuss further, keeping the lines of communication open. The City Administrator can track their time in 2024 and may re-request in 2025 budget. Additionally, the

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clarification of authority of roles will remain on unfinished business to further continue discussion of the BPU Commission's authority.

City Administrator Report

Interim City Administrator Wussow reported on the following:

Wussow deferred to City Liaison Czczok for an update on the City Administrator hiring process.

Thanks were expressed by the Commission for Wussow's work as Interim City Administrator.

City Liaison Report

Liaison Czczok provided an update on the City Administrator hiring process.

- City Staff and City Council ranked finalists based on interviews, resumes, and references. Individual Nick Broyles was selected and extended an offer.
- Staff are making the updating of job descriptions a priority with the goal of having them completed by Wussow's departure at the end of February.

Public Utility Director's Report

Wicklund reported on the following:

- Currently working on three different grants.

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

Managers Reports

Finance Manager Loch - Nothing additional to report.

Operations Manager Hawkinson reported on the following:

- Water Service Requests:
 - January 12th: broken service line on homeowner side – BPU equipment seems ok.
 - Commissioner Matten inquired on notifications for usage. Hawkinson noted that residents can enroll in notifications via the website for high usage.
 - January 24th: flange bolt leaking on 13th Street. Gasket maintenance done – reoccurring scenario on water lines.
 - January 26th: Standby on Mississippi Terrace dryer fire (both electric and water)
- Electric Service Requests:
 - January 13th: VFI failure on Cypress drive. Temps were -10/-20. Technology equipment part failure took down maps. Staff did excellent with restoration of just under a thousand meters.
 - Other outages included a transformer failure and house fire.

Water/Wastewater Manager Gammon reported:

- Lift Station/SW 6th Street & Riverside Booster Station:
 - Training completed and standby generation is operational.
- Outage (January 13th):
 - The outage also affected the Wastewater system with the loss of access to SCADA and staff were called out to maintain service. Excellent communication.

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Commission Members – Future Agenda Items

Commissioner O’Day reported:

- Inquired on the status of completed performance reviews.
 - HR Director Schubert reported receiving 8 to date.
 - Wicklund confirmed the rest should be received soon.
- Sought insight from Commission members on an alleged comment that was made regarding BPU Staff to former City Administrator Bergman. Commissioner Matten addressed that Bergman confirmed the comment mentioned was not made nor the indication that communication wasn’t open during the recent boil order.

Commissioner Angland reported on the following community outreach opportunities:

- Brainerd High School Eco Club is looking to have BPU staff back to speak in April.
- Environmental Science class has an opportunity for an all-day event.
- The Career Technical Education Department is also interested in having BPU make a presentation.

Commissioner Matten reported on another community event:

- Bridges Career Day at CLC - upcoming on March 8th.

Next Board meeting is scheduled for February 27, 2024.

Adjournment

Motion by Commissioner Johnson and seconded by Commissioner O’Day to adjourn to the Hector Speaks Safety Training on February 13th. Motion carried at 11:07 AM.



Dolly Matten, Commission President



Danny Loch, Finance Manager/Secretary