



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 April 30, 2024.

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

Commission Roll Call

Mike Angland – Present

Tad Johnson – Present

Dolly Matten – Present

Mark O’Day – Present

Tad Erickson - Present

Utility Staff Present

Public Utilities Director

Interim Public Utilities Director

Finance Manager

Water/Wastewater Manager

Electric Distribution Supervisor

Business Office Supervisor

Recording Secretary

Todd Wicklund

Patrick Wussow

Danny Loch

Charlie Gammon

Mitch Lachelt

Jana Pernula

Mandy Selisker

Others in Attendance

City Administrator

HR Director

City Engineer/Public Works Director

Community Development Director

City Liaison

Bolton & Menk

Widseth

Region 5 Development Commission (R5DC)

Lakeland News

Nick Broyles

Kris Schubert

Jessie Dehn

James Kramvik

Jeff Czczok

Morgan Salo, PE

Bill Westerberg, PE

BJ Allen

Commissioner Matten opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

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

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

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Approval of Consent Items

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve the minutes from the March 26th, 2024, regular monthly meeting, the current month's bills, and change orders received from Minger Construction related to road access. There was a unanimous roll call vote in favor of the motion. Motion carried.

Region 5 Grant Presentation Hydro Electric Facility Generation Improvement

BJ Allen reviewed the goals and purpose for the Region 5 Development Commission (R5DC) and recent partnership with Brainerd Public Utilities. There was a need identified in the region to seek resources to fund energy related projects for local governments. Brainerd Public Utilities has been working with R5DC since November of 2023. A few projects that have been identified so far with BPU are:

- Excess Biogas Generation at the WWTP
 - Technical assistance was received from the DOE related to a feasibility study to help turn the excess biogas into both electricity and thermal energy.
- Local Energy Action Plan
 - Technical assistance received from the DOE to assist in the creation of this.
- Hydro Electric Project
 - There was a recent opportunity to apply for some Congressionally directed spending. The application for \$3.65 million was submitted last Friday, April 26th. \$3.65 million. This potential funding would assist with the upgrades identified for the Hydro.

Commissioner Matten and Angland both expressed their gratitude for this partnership and the work being done from both sides. A thank you was also extended from Commissioner Angland to those community members who submitted letters of support for Brainerd Public Utilities. Some of those supporters include the City of Baxter, YMCA, and Brainerd HRA.

Public Forum

None

Commission Committee Reports

Personnel

None

Finance

Commissioner Angland reported on working diligently on the recent grant applications with staff.

Operations Policy Committee

Finance Manager Loch presented that the Committee and staff discussed inactive meters that are currently not being billed a service charge. A policy will be drafted and presented to the Commission for consideration.

Unfinished Business - See board packet for staff memo.

Memos were included in the packet with project status updates from Bolton & Menk and Widseth.

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Crypto Mining Activity

A revised agreement was presented for consideration.

Motion by Commissioner O'Day and seconded by Commissioner Johnson to ratify the updated contract with VCV Digital. There was a unanimous vote in favor of the motion. Motion carried.

New Business

Land Grant Purchase – Wellhead Protection

Finance Manager Loch presented on the following:

- As part of the Wellhead Protection Plan and the purchase of the Robert's Property, there is an available grant for protection of the public drinking water system. Using grant funds for the purchase requires BPU to set the property aside as undevelopable. Discussion with BPU and City staff led to a recommendation to set aside 10 acres to be excluded from the grant application for future use. This would include but not be limited to future wells, future facility expansion, or movement of distribution or collection lines on the property.

Motion by Commissioner Johnson and seconded by Commissioner Erickson to recommend to City Council to approve the pursuit of the wellhead protection grant opportunities excluding 10 acres of the purchase. There was a unanimous vote in favor of the motion. Motion carried.

Joint Wastewater Board Recommendation – Quote for 20-year plan

Finance Manager Loch discussed the joint meeting and the outcome of which the recommendation was to present and request quotes for a 20-year use and feasibility study for future projects at the Wastewater facility. The previous study and projections are 20 years old and in need of an update.

Motion by Commissioner Angland and seconded by Commissioner Erickson to approve request for quotes for a joint water and wastewater 20-year use and feasibility study related to future projects for the purpose of aiding in rate studies, future project costs and potential design of changes to the water and wastewater facilities. There was a unanimous roll call vote in favor of the motion. Motion carried.

Utilities Outside City Limits in Service Area

Community Development Coordinator Kramvik presented a memo, current City policy, and recent connection discussion in relation to Riverside Drive.

Invitation to MMUA Interacting on the Issues: June 13th, 2024, 5PM-7 PM

Finance Manager Loch and Commissioner Matten reviewed the invitation and registration requirement.

Motion by Commissioner Johnson and seconded by Commissioner Angland to adjourn to the June 13th, 2024, MMUA Utility Leader Workshop at the Greater Lakes Association of Realtors building from 5-7PM. There was a unanimous vote in favor of the motion. Motion carried.

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Strike Contingency Plan Work Group Appointment

Finance Manager Loch noted there was a work group formed for strike contingency planning and two City of Brainerd Public Utilities Commission members were requested to be appointed to said work group. Commissioner Matten would like to appoint Commissioner Erickson and Angland to the Work Group with Commissioner O'Day being an alternate if one of them would be unable to attend a meeting.

Motion by Commissioner Johnson and seconded by Commissioner Angland to approve the appointment of Commissioner Erickson and Commissioner Angland to the Strike Contingency Plan Work Group with Commissioner O'Day as an alternate member. There was a unanimous vote in favor of the motion. Motion carried.

Surplus Auction Items

Finance Manager Loch presented the items to be listed on the MN Department of Administration Surplus Services site.

Motion by Commissioner Johnson and seconded by Commissioner Angland to approve the presented items for auction. There was a unanimous vote in favor of the motion. Motion carried.

Finance Policy

Commissioner Matten mentioned the updating of signors with the bank to follow the recent and upcoming Public Utilities Director changes. There will likely be several signatures needed for removing authorized signors and adding new ones as the internal changes take place.

Staff Reports

City Administrator Report

City Administrator Broyles reported on the following:

- The BIC Restoration project was approved by Council for the riverfront north of the dam.
- Seasonal contracts have been awarded for pavement markings and chip seal.
- A public hearing has been set for the MS4 permit on May 20th, 2024.
- EDA visited several local businesses over the last few weeks including Northland Frozen Pizza (Giovannis) and Lakes Printing.
- 805 Laurel Street and Brainerd Oaks projects
- The City Council approved a wage adjustment increase of \$10,000 to the Public Utilities Director posting. The job posting is now posted with GMP Consultants and will be live for about four weeks.
- Strike Contingency Plan Work Group formed.

Commissioner Angland inquired on the 805 Laurel Street project and when the demo of the building will be occurring. Community Development Director Kamvik noted that the developer is applying for a MN Work Force housing grant for potential match funding and should hear about that in July and anticipating a late summer/early fall for demolition.

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City Liaison Report

Czczok reported on the following:

- Environmental Class at the High School with BPU staff members Hawkinson and Gammon, Commissioners Matten and Angland, BJ Allen (R5DC), and Heidi Hall (Clean Energy Resource Teams) was very well done.
- Level Contracting was approved for a MN Work Force Housing Permit for 18 Twin Homes in Brainerd Oaks

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

Public Utilities Director's Report

Wicklund reported on the following:

- Reviewed highlights from BPU over his last 22 years. The highlights included:
 - In 2002, the assets were \$25 million across the three utilities, today they are close to \$96 million.
 - In 2002, the power bill was \$6.8 million for the year. In 2023, the annual power bill was \$13.7 million. A few years ago, there was a change in power providers from MN Power to American Electric Power (AEP). That change was projected to save approximately \$1.5 million per year.
 - The carbon free regulations for 2040. BPU could be seen on the leading edge in the state of MN with the Hydro facility and potential upgrades, solar, etc.
 - Staff numbers haven't changed drastically from 20 years ago, yet the staff is currently managing \$50 million more in infrastructure.
 - Electric customers: In 2002, there were 7,100 and currently there are 8,300.
 - Water customers: In 2002, there were 4,300 and currently there are almost 4,900.
 - Biosolids production and growth in the Wastewater plant have led to the WWTP Management board reconvening and planning for current and future growth.

Wussow reported on the following:

- 805 Laurel Street project funding
 - The grant being sought is a 2 to 1 match. The means of the City's 'one' is through SAC/WAC fees being waived. With 78 residential units plus 5 commercial units, these are significant dollars not coming back into BPU system and infrastructure.
 - Community Development Director Kramvik noted additional funding being used is redevelopment tax increment financing (TIF) and City Liaison Czczok noted \$1.3 million in work force housing, which is collected by the county on property taxes.

Managers Reports

Finance Manager's Report – *see board packet for report.*

Finance Manager Loch noted that the draft audit report has been reviewed internally by himself and Public Utilities Director Wicklund and is back with the auditors.

Operations Manager Report – *see board packet for report.*

Water/Wastewater Report – *see board packet for report.*

Water/Wastewater Manager Gammon noted that the sewer extension permit was approved by MPCA for the Country Manor.

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Commissioner Matten recognized Water/Wastewater Manager Gammon for MPCA statewide excellence in 2023, as Brainerd Public Utilities was named in their article.

Commission Members – Future Agenda Items

Commissioner Johnson requested the addition of Electric Car Chargers to Unfinished Business.

- There was a joint discussion a few years with the City’s Parking Commission for the potential addition of these to downtown Brainerd and he would like to have that topic readdressed.

Commissioner Angland extended thanks to BPU staff, City Staff, R5DC, and CERTS for attending the presentation at the Brainerd High School (BHS) which was very appreciated by the BHS staff.

Presentation of Tower Award to Todd Wicklund

Interim Public Utilities Director Wussow presented Todd Wicklund with a tower award for 22 years of service with Brainerd Public Utilities.

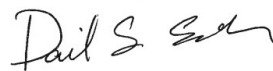
Next Board meeting is scheduled for May 28, 2024.

Adjournment

Motion by Commissioner Johnson and seconded by Commissioner O’Day to adjourn the May 6, 2024, City Council meeting. Motion carried at 9:50 AM.



Dolly Matten, Commission President



Danny Loch, Finance Manager/Secretary