

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 June 25, 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

Interim Public Utilities Director

Finance Manager

Operations Manager

Water/Wastewater Manager

Electric Distribution Supervisor

Business Office Supervisor

Recording Secretary

Business Office Intern

Patrick Wussow

Danny Loch

Trent Hawkinson

Charlie Gammon

Mitch Lachelt

Jana Pernula

Mandy Selisker

Chris Gratke

Others in Attendance

City Administrator

HR Director

Community Development Director

Brainerd Fire Department – Fire Chief

City Liaison

Bolton & Menk

Bolton & Menk

Climavision

Lakeland News

Rotary Member

Nick Broyles

Kris Schubert

James Kramvik

Tim Holmes

Jeff Czczok

Morgan Salo, PE

Angie Smith

Emily Pawsat

Peter Nelson

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.

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Approval of Consent Items

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve the minutes from the May 28th, 2024, regular monthly meeting, and the current month's bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Wellhead Protection Plan Presentation– Bolton & Menk - see board packet for presentation

Presentation by Angie Smith - Environmental Planner.

Next steps identified in presentation:

- Plan document is currently in the 60-day public review period which ends July 3rd, 2024.
- Public hearing to be held on July 15th, 2024, at the City Council Meeting.
 - Once completed, the plan will be submitted to Department of Health for approval.

Climavision - see board packet for presentation

Presentation by Emily Pawsat.

- Partnership would be with City of Brainerd, Brainerd Public Utilities, and Climavision. This would include a new weather radar to be installed on an existing water tower.
- Discussion included lease terms and length, effect on water tower warranty, liability, and radiation in relation to drinking water protection.

Motion by Commissioner O'Day and seconded by Commissioner Angland to support moving forward with the project. There was a unanimous vote in favor of the motion. Motion carried.

Public Forum

None

Commission Committee Reports

Personnel

Commissioner Erickson provided an update on the Public Utilities Director Search. The work group met on June 20th, 2024, with GMP Consultants and reviewed the top eight recommended applicants, which were then narrowed to four to have interviews conducted on July 10th, 2024.

Finance

Commissioner Johnson noted that the Finance committee reviewed and approved the final copy of the 2023 audit.

Commissioner O'Day inquired on the status of capacity purchasing with AEP. Interim Public Utilities Director Wussow noted that there was discussion with AEP and they typically provide this in the fall.

Operations Policy Committee

None

Unfinished Business - See board packet for staff memo.

- Email update provided by and included in the packet from Bolton & Menk and Widseth for the current outstanding and ongoing projects.

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New Business

Fee Schedule

Finance Manager Loch presented the following updates:

- Reconnect Fees:
 - Average 53 events per month with associated fee.
 - Annual revenue generated is \$32,000-\$37,000.
 - Discussion around number of staff involved with various scenarios.
- Bulk Water Sales Charge (per 1,000 gallons):
 - Increased to match the residential rate.
- Eliminate the check meter rate
 - Has not been used for many years
- Eliminate the after-hours reconnect fee
 - No longer offer after hours reconnects unless in an emergency.
- Hourly employee rate
 - Updated to \$70 for regular/\$105 for overtime, with an annual increase of 1% per year unless evaluated differently by staff during annual review.

Motion by Commissioner Johnson and seconded by Commissioner O'Day to approve the 2024 Schedule of Fees. There was a unanimous roll call vote in favor of the motion. Motion carried.

Artificial Intelligence (AI) Use Discussion

Finance Manager Loch reviewed recent conference updates and continuing education information of using AI in the workplace and incorporating language from the League of Minnesota Cities into a policy potentially into the existing IT policy. The recommended language is:

“Employees may use low-risk data with Artificial Intelligence (AI) technology to perform their work. Low-risk data is defined by Minnesota Statutes Chapter 13 as “public” and is intended to be available to the public. If you are unsure whether the data you enter into AI applications is classified as public data, consult your City’s responsible authority or designee prior to using AI technologies. All data created with the use of AI is to be retained according to the City’s records retention schedule.”

Motion by Commissioner O'Day and seconded by Commissioner Johnson to recommend to City Council the League of Minnesota Cities (LMC) verbiage related to the use of AI. There was a unanimous vote in favor of the motion. Motion carried.

Consider Resolution Approving Central Business District Incentive Policy – see board packet for memo

Community Development Director, James Kramvik, presented on the following:

- Existing policy and Rivers to Rails district.
- Options for expanding the incentive district further than originally proposed and the potential for mixed-use development.

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- Recommendation from the Economic Development Authority (EDA) to expand the incentive district to include all properties along Washington St/Hwy 210 from the Eastern limits of the City to the Western limits of the City and South 6th Street to Buffalo Hills Lane East.
 - The program would align with existing policy to waive all SAC/WAC fees and would expire in 2029.

Discussion included:

- Commissioner Matten confirmed the amount for SAC/WAC fees are \$3,300 per unit. Matten expressed concern that if a recommendation is made how is an exception granted when infrastructure is needing to be updated and the fees are needed to support those upgrades.
- Commissioner Angland was inquiring on the number of incentives and amounts waived through the current policy and program.
- City Liaison Cieczok expressed caution to the commission with waiving.
- Commissioner O'Day reminded the Commission of the Economic Development Rate (EDR) that was previously established as an incentive for new businesses.
- Commissioner Matten was leery to waive SAC/WAC fees for the entire project area.
- Commissioner O'Day was not supportive of the proposal as presented noting that each project is different. Commissioner Erickson agreed with Commissioner O'Day.
- Water/Wastewater Supervisor Gammon was in favor of using other alternatives for attracting business.

The consensus of the Commission was that they were not in favor of the current recommendation for expanding and waiving. The Commission wanted more information on current Rivers to Rail policy and success, consideration of a case-by-case scenario of waving SAC/WAC fees, and to review the current EDR policy in place.

The recommendation was made by Commissioner O'Day and Commissioner Erickson to hold this discussion over to next months' meeting. No action was taken.

Staff Reports

City Administrator Report

City Administrator Broyles reported on the following:

- South Brainerd Road Project
 - Approximately 50% complete with a completion date of end of October but hoping closer to Labor Day.
- Star Tribune
 - Mayor, City Administrator and Community Director Kramvik attended a listening session at the library. The goal is to expand the readership outside the metro and into northern Minnesota.
- Highway 210 Project
 - City Council member Stenglein noted increased questions about the project are coming from the public.

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- A member from the Alexandria Economic Development Council attended the last EDA meeting and provided updates after a recent MNDOT project going through their community. The presentation provided lessons learned and the information will help shape communications and potential work groups.
- VCV Digital – Crypto Project
 - The sound report will be presented to the City Council followed by a vote on the Interim Use Permit (IUP).
- Senator Smith
 - A staff member from the Senator’s office reached out and expressed interest in energy and housing – connected with HRA Staff and Interim Public Utilities Director.
- Strike Contingency Work Group
 - Met June 24th and will meet again in two weeks. The group is close to finalizing their formal report. An executive summary was provided in the board packet.

City Liaison Report

Czczok reported on the following:

- Thanked the Commission members on the Strike Contingency Work Group for their attendance and participation.
- Inquired on status of clarification on Solar Leases.

Public Utilities Director’s Report – *see board packet for report.*

Wussow also reported:

- Roberts Property
 - A document was submitted by the Roberts to the Attorney and is being reviewed.
 - Once purchase agreement is finalized, BPU needs to bring back to City Council the information on the Wellhead Protection Grant Money. The City Council wanted to leave open the option to potentially develop the property. The grant funding may play a factor in this.
- Business Office Intern
 - Chris Gratke, Business Office Intern, was introduced.

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

Managers Reports

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

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

Hawkinson also reported:

- Meeting with ZEF Energy on EV Charging stations.
 - BPU is a candidate, but location would need to be selected as the next step.
 - The Parking Commission has not yet identified a location.
 - Grant funding could be an option. The deadline for the grant application would be June 2025.
 - If owned by BPU, the revenue would come to the utility, which was presented as a best-case scenario.

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- Commissioner Johnson requested Operations Manager Hawkinson recirculate the three locations identified by BPU next month to be able to send a recommendation on.
 - Public Utilities Director Wussow suggested three large parking lots downtown and partnering with EDA over the next month to work through details and be able to provide a recommendation.

Water/Wastewater Report – see board packet for report.

Commissioner Matten expressed thanks to Water/Wastewater Manager Gammon for the recent tour of the Water and Wastewater facilities. She also commended Maintenance Electrician, Brent Yaunick, for the work he has done with automation with the Water Plant.

Commission Members – Reports

Commissioner Angland reported on the following:

- Discussed with Peter Nelson, Rotary Club, that meetings are occurring to keep the progress moving forward with the Rotary Park Solar Project.

Commissioner Matten reported:

- Attended the MESERB Summer Conference
- Water/Wastewater Manager Gammon presented to the Rotary Club

Next Board meeting is scheduled for July 30, 2024.

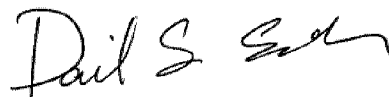
Adjournment

Motion by Commissioner Matten and seconded by Commissioner Erickson to adjourn to closed session pursuant to Minn. State Statutes 13D.05 subd 3 section d to discuss security upgrades. Motion carried at 11:20 AM.

Motion by Commissioner O’Day and seconded by Commissioner Johnson to adjourn the meeting. Motion carried at 11:52 AM.



Dolly Matten, Commission President



Danny Loch, Finance Manager/Secretary