

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 July 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 - Absent

Utility Staff Present

Interim Public Utilities Director

Finance Manager

Operations Manager

Water/Wastewater Manager

Business Office Supervisor

IT/Data Analyst - Acting Recording Secretary

Patrick Wussow

Danny Loch

Trent Hawkinson

Charlie Gammon

Jana Pernula

Abby Sova

Others in Attendance

City Administrator

HR Director

Community Development Director

City Liaison

Widseth

Bolton & Menk

Winkleman Solar Development/Rotary Club

Citizen

Nick Broyles

Kris Schubert

James Kramvik

Jeff Cieczok

Bill Westerberg, PE

Mac Graupman

David Winkleman

Brian Timmers

Commissioner Matten opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

Commissioner Matten noted that there was a request to add an item (F) under New Business. This will be the Bolton & Menk Wastewater Engineering Services.

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

Approval of Consent Items

Motion by Commissioner Johnson and seconded by Commissioner Angland to approve the minutes from the June 25th, 2024, regular monthly meeting, current month's bills, Pay Application #6 received from

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Minger Construction for \$47,867.76, out of state travel for the MMUA Conference, and surplus auction items. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

Commission Committee Reports

Personnel

None

Finance

Commissioner Johnson reported a phone meeting occurred to discuss credit card fees and VCV, all of which will be covered later in the agenda.

Operations Policy Committee

None

Unfinished Business - See board packet for staff memo.

Electric Vehicle (EV) Charging Stations

Interim Public Utilities Director Wussow reported on a memo that will be discussed at the upcoming Department Head meeting. Currently the desired location for an EV charging station is in the City Hall parking lot. Once the location is chosen, more relevant costs can be determined.

Credit Card (CC) Transaction Fees

Finance Manager Loch reviewed options explored by BPU and included quotes were received from four different CC processors. Discussion occurred resulting in Commissioner Johnson noting that with the current and upcoming rate studies, to make sure the consultants are aware of the current CC transaction fees, and their recent growth. Johnson stated that he would prefer to build the cost into the standard utility costs rather than adding an additional line item to the utility bill. Commissioner O'Day and Angland agreed.

Crypto Mining Activity - see attached First Amendment to the Large Industrial Power Agreement

Just for Krypto, LLC (JFK). is requesting an amendment to their load definition under their current agreement which would increase the power and energy capacity to move from a not to exceed of 20 MW to 25MW.

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

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New Business

Rotary Solar Project

Interim Public Utilities Director Wussow presented updates on the solar project in rotary park. Discussion occurred.

Motion by Commissioner O'Day and seconded by Commissioner Johnson to recommend approval of the Rotary Solar Project to the Park Board and to authorize funding for the project from Brainerd Public Utilities. There was a unanimous roll call vote in favor of the motion. Motion carried.

VCV Digital – Crypto Mining

Interim Public Utilities Director Wussow presented. Discussion included:

- VCV has requested a special meeting with the EDA and BPU Commission and a workshop is scheduled for August 6th, 2024, at 5:00 pm at City Hall.
- VCV, via a memo, indicated that they intend to build a warehouse on North Parcel for bitcoin or AI and are requesting a timeline extension for bitcoin to the end of 2025 and an extension to the end of 2026 for AI. The current agreement was to be using 25 MW by the end of 2024.
- Community Development Director Kramvik noted that on July 1st, 2024, the City Council denied an interim use permit for outdoor storage containers. This is the new proposal that has come after that denial.
- Commissioner Johnson inquired on the Commissions intent to continue further with VCV.
 - Commissioner O'Day noted that the EDA is the one moving forward and BPU is still here to sell electricity.
 - Commissioner Johnson is content with a local business using the extra capacity and the potential it may allow for another entrepreneur.
 - Commissioner Matten mentioned future contracts like this and reconsidering and looking more closely at rates built into specialized contracts.
 - Wussow noted that there have been several interruptions to JFK this year and another user will increase the number of interruptions.

Public Recordings

Finance Manager Loch presented. Consistent with other City of Brainerd Departments, Loch is requesting direction on whether the access to the Public Utilities Commission meeting recordings should be posted publicly. Discussion occurred, and Commission agreed that if no expenses were incurred to posting of the public recordings that they be added to the website starting with the current meeting.

Wicket Gate Bid

Operations Manager Hawkinson presented. Hawkinson discussed that the Generator 3 inspection proved that the wicket gates are nearing potential failure. Generator 3 has the potential for a long life with ongoing maintenance and staff feels it is a good investment.

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Motion by Commissioner O'Day and seconded by Commissioner Angland to approve the sealed bid process for wicket gate installation on Pit 3. There was a unanimous vote in favor of the motion. Motion carried.

Approve Substation Bus Upgrade Service

Motion by Commissioner O'Day and seconded by Commissioner Angland to approve the BUS upgrade for the Oakridge Road Substation. There was a unanimous vote in favor of the motion. Motion carried.

Bolton & Menk Wastewater Professional Engineering Services

Motion by Commissioner O'Day and seconded by Commissioner Johnson to approve the quote presented by Bolton & Menk for Wastewater Professional Engineering Services. There was a unanimous vote in favor of the motion. Motion carried.

Staff Reports

City Administrator Report

City Administrator Broyles reported on the following:

- Public Utilities Director Search
 - A conditional job offer was extended to Christopher Evans. The job offer is contingent upon ratification by the City Council. The tentative start date is August 26, 2024.
- Strike/Arbitration
 - Attorneys are working with both parties to agree on a summary of issues that will then be sent to the Bureau of Mediation Services. Once approved, then a strike is off the table and arbitration has been initiated. Some additional movement is anticipated this week.
- Camping Ordinance
 - The first reading occurred, and second reading is to occur on August 5, 2024. There have been many public comments surrounding this proposed ordinance.

City Liaison Report

Czczok reported on the following:

- Collection for Sanitary Sewer is City owned and operated until it enters the treatment facility where it is treated. Czczok is looking into funds for the collection fee and how those funds are allocated.

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

Commissioner Matten inquired if advertising for the open positions is occurring.

- HR Director Schubert confirmed that they are advertising for Lineworker positions only using the 2023 wage grid. The other open positions do not have a settled wage grid to be able to advertise yet.

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

Discussion occurred around investing in infrastructure, equipment and training.

Managers Reports

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

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Commissioner O'Day inquired on the status of Robert's Property. Interim Director Wussow updated with the following:

- The surveyor sent information to the attorneys, and it was discovered that a portion of what was previously negotiated was excluded. The status currently is that both parties are working to correct this.

Operations Manager Report – see board packet for report.

Interim Public Utilities Director Wussow requested the outage report include the number of staff that were called out. Commissioner Angland inquired on the electrical team with the recent resignations and coverage. Hawkinson noted staff are working to cover extra on-call shifts and making it work. Commissioner Angland extended his thanks to the team.

Water/Wastewater Report – see board packet for report.

Gammon reported starting to reseal the anaerobic digestors and will be open to the atmosphere. The process takes about 1-2 weeks and typically is done about every 10-20 years. There may be some odors during this process.

Commission Members – Reports

Commissioner Johnson reported on the following:

- Requested a new power extension agreement with AEP. Finance Manager Loch reported that they reached out to AEP and those come annually in October. Interim Public Utilities Director stated that they are not willing to make an offer at this time.

Commissioner Angland reported on the following:

- Sincere thanks for the weed maintenance situation that was brought via public forum being addressed promptly.
- Encouraged staff to continue to work with resources, such as Region 5, to aid in keeping projects well defined.

Commissioner O'Day reported on the following:

- Inquired who is spraying weeds and brush on Riverside Drive. Areas around structures are turning brown. Operations Manager Hawkinson will look into it.

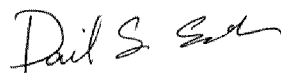
Next Board meeting is scheduled for August 27, 2024.

Adjournment

Motion by Commissioner O'Day and seconded by Commissioner Angland to adjourn to the EDA workshop on Tuesday, August 6th at 5:00. Motion carried at 10:11 AM.



Dolly Matten, Commission President



Danny Loch, Finance Manager/Secretary