

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 September 24, 2024.

Commission President Matten called the meeting to order at 9:02 AM.

Commission Roll Call

Mike Angland – Absent

Tad Johnson – Present

Dolly Matten – Present

Mark O'Day – Present

Tad Erickson - Present

Utility Staff Present

Public Utilities Director

Finance Manager

Operations Manager

Water/Wastewater Manager

Business Office Supervisor

IT Supervisor

Recording Secretary

Christopher Evans

Danny Loch

Trent Hawkinson

Charlie Gammon

Jana Pernula

Aaron Andersen

Mandy Selisker

Others in Attendance

HR Director

Community Development Director

City Liaison

Bolton & Menk

Widseth

Block Metrix

Citizen

Kris Schubert

James Kramvik

Jeff Czczok

Morgan Salo, PE

Bill Westerberg, PE

Clark Swanson

Brian Timmers

Commissioner Matten opened the meeting with the Pledge of Allegiance.

Approval of Agenda Items

Motion by Commissioner O'Day and seconded by Commissioner Erickson 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 Erickson to approve the minutes from the August 27th, 2024, regular monthly meeting, current month's bills, and authorization of bid advertisement and solicitation for the Reclaim tank. There was a unanimous roll call vote in favor of the motion. Motion carried.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 24, 2024

Public Forum

None

Commission Committee Reports

Personnel

None

Finance

Commissioner Johnson reported meeting to discuss the Blockmetrix contract.

Operations Policy Committee

Commissioner O'Day reported on the potential IT integration. A joint City/BPU IT meeting was scheduled for September 16th but had been delayed. Both City IT and BPU IT Supervisors are not in favor of the departments combining. The same was reported on the Finance Departments.

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

Rewrite of Brainerd City Code Section 705 – Water System

President Matten inquired on the status, noting a delay since the topic has been identified as unfinished business. Water/Wastewater Manager Gammon added that there was a recent discussion with City Engineer Dehn on a related item and acknowledged that staff need to continue to move forward on this to aid in the authority they have within the Drinking Water Supply Management Areas (DWSMA) and regarding the Wellhead Protection Plan. The discussion started back with former Public Utilities Director Wicklund.

Customer Communications Policy

Finance Manager Loch provided an update that staff are finalizing settings and after-hours communications with Twilio and Agent511 before written policy is finalized. A recent meeting took place with the provider as well. Project is still ongoing.

Credit Card Transaction Fees

President Matten inquired on the completed status of this. Finance Manager Loch confirmed that this will be included in the rate study and discussion has been completed.

Approve Rotating Apparatus Wicket Gate Quote- see board packet for quote

Finance Manager Loch reported on the following for Generator 3 after going out for bids:

- One quote was received from advertised Request for Proposals (RFP) from Rotating Apparatus Co. for \$150,832. This wicket gate replacement was not budgeted. There was roof and turbine decking replacement that was budgeted and will not occur until next year. Staff suggest reclassifying the budget for this item to be able to move forward with replacement

Commissioner Johnson inquired about the status of the rest of the gates and potential future replacements. Operations Manager Hawkinson reported that more maintenance will eventually need to happen. With the Generator 4 replacement, some parts can be removed and repurposed on Generator 5.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

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Motion by Commissioner O'Day and seconded by Commissioner Johnson to approve bid received from Rotating apparatus Co for \$150,832 for the wicket gate replacement. There was a unanimous roll call vote in favor of the motion. Motion carried.

Approve contract with Blockmetrix

Public Utilities Director Evans reported on the following:

- During the September 17th EDA meeting, plans submitted were approved subject to approval of the commission. The Finance committee met and recommended moving forward with the drafting of a contract that would extend the 25MW capacity through September of 2025. Discussion occurred related to the history of the contract to date.

Motion by Commissioner Erickson and seconded by Commissioner O'Day to approve and allow staff to draft a contract that would extend the 25 MW capacity through September 2025.

Additional discussion continued; Commissioner Johnson expressed he was still in favor of allowing JFK to expand if there is available capacity.

Commissioner Matten inquired about the property at 1911 Thiesse Drive being strictly used for crypto mining in the future. Kramvik confirmed that the purchase and development agreement states that if the city were to take it back that they would need to sell it to someone else to complete what is proposed for the design, which is crypto mining. Matten noted that for this reason, she would like to see this move forward, so the city is not potentially left with an empty lot.

Finance Manager Loch reviewed what was discussed at the Finance committee meeting.

- Changing contract to reflect name change and extending the timeline through September 2025.
- This would not be a new contract but rather amending the current one.
 - Commissioner Johnson noted to be aggressive in amending.
- Loch noted that the contract was recently rewritten in March.

Commissioner Erickson amended his motion.

Motion by Commissioner Erickson and seconded by Commissioner O'Day to amend the existing contract that would extend the 25MW capacity through September 2025 based on the EDA approving the plans submitted by Blockmetrix. There was a unanimous vote in favor of the motion. Motion carried.

New Business

Approve Updated Schedule of fees for September Rate Increases-see board packet for schedule of fees

- Finance Manager Loch reviewed the following: In May of 2023, the electric rate schedule was approved for 2023 and 2024. In June of 2024, the Commission approved an updated schedule of fees With the electric rate changes that took effect September 1, 2024, there are two electric fees that need to be updated to reflect the new rates on the previously approved fee schedule.

Motion by Commissioner O'Day and seconded by Commissioner Erickson to approve the schedule of fees to reflect the September 1st rate increases. There was a unanimous vote in favor of the motion. Motion carried.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 24, 2024

Schedule Strategic Planning workshop

Commissioner O'Day reported the following: This was recently discussed at the Operations Committee meeting. Now that Public Utilities Director Evans is on board, the timing would be good to pursue this. Additionally, Evan's volunteered to lead the planning session during the committee discussion. The first meeting to take place on October 1st, 2024 at 10:00am. Commission will adjourn to this session.

Staff Reports

City Administrator Report

None

City Liaison Report

Czeczok reported on the following:

- Thank you to Commission President Matten on the report last month from the MMUA conference attended.
 - Budget item to include 10% of City Administrator's salary in the BPU budget. Czeczok noted that he forgot to bring this up at the last City Council meeting. Czeczok requested that prior to the next Council meeting on October 7th, or to be included in the next Commission meeting agenda, a memo from Public Utilities Director Evans or the Commission may carry more of an impact and be given more consideration than a verbal update. Commissioner O'Day asked for clarification on what the 10% is based on, salary or salary and benefits. Finance Manager Loch stated the request was for \$19,613 which is 10% of the personnel services budget.
 - The end consensus was to not bring it up to Council, but Czeczok noted that he likely would still mention it in his report.

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

Public Utilities Director's Report

Public Utilities Director Evans gave a verbal introductory report on the happenings in his first month.

- First month has included meeting and integrating with employees and staff. Attended the MN AWWA conference in Duluth and is making the necessary partner contacts.

Managers Reports

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

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

Operations Manager Hawkinson reported on the following:

- Lineworker interview is scheduled for September 26th.
- Commissioner Matten inquired on the Lead Service Line Inventory. Hawkinson reported that they are still collecting data, but the required reporting has been submitted to the Minnesota Department of Health in accordance with their required timelines. Final reports are due in October.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 24, 2024

Water/Wastewater Report – see board packet for report.

Water/Wastewater Manager Gammon reported on the following in addition to the written report:

- Reviewed importance of SIU's
 - Collection line-item charges on the BPU bill go directly back to the City for the sanitary sewer line within the Street and Sewer department. This averages about half a million dollars annually. This does not financially aid in upgrades to lift stations, which are considered collections.
 - Commissioner Johnson made a request for BPU staff to work with the City Administrator on figuring out this charge. Johnson noted that the charges should directly relate to the services rendered. Staff can provide any updates to the Finance committee.

Commission Members – Reports

Commissioner Matten reported on the following:

- Employee Appreciation Event occurred on September 19th.
 - Awards given included Exceptional Service (Charlie Gammon) and Innovation (Mitch Lachelt).
- The Wellness Committee to host a Chili Cookoff in October.

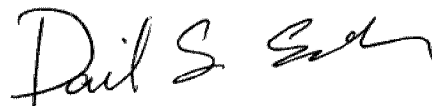
Next Board meeting is scheduled for October 29, 2024.

Adjournment

Motion by Commissioner O'Day and seconded by Commissioner Johnson to adjourn to Strategic Planning Workshop on October 1st at 10:00am at the BPU Service Center. There was a unanimous vote in favor of the motion. Motion carried at 10:34 AM.



Dolly Matten, Commission President



Danny Loch, Finance Manager/Secretary