

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY (EDA) MEETING
December 16, 2024

MEMBERS PRESENT: President Julie Lux, Vice President Tom Schulzetenberg, Mayor Kevin Lewis, Brian Bezanson

MEMBERS ABSENT: Council Member Bob DeRoche, Catherine Lancrain, and Suzanne Erkel

ALSO PRESENT: Matt Look, City Administrator
Eric Larson, City Attorney
Rodney Sanow, Fire Chief
Aaron Berg, Community Development Director
Nate Ayshford, Public Works Manager
Carrie Frost, Administrative Coordinator
Mike Jeziorski, Deputy City Administrator/Finance Director

1.0 – Call to Order

President Lux called the regular meeting of the EDA to order at 7:00 pm.

2.0 – Adopt Agenda

President Lux noted that the approval of the meeting minutes from the May 20, 2024, EDA meeting needs to be added to the agenda.

Bezanson moved and Schulzetenberg seconded to approve the agenda as amended. Lux asked any discussion? To the motion, all in favor say aye. **All in favor.** Lux asked any opposed? That motion passes. **Motion passes unanimously.**

3.0 – Approval of Meeting Minutes

Bezanson noted that in item 8.0 of the May 20, 2024, meeting minutes, he seconded the motion not Look.

Schulzetenberg commented that the discussion regarding the levy and how it pertains to the City Administrator's salary and the City's budget may need to be elaborated on.

Bezanson moved and Schulzetenberg seconded to approve the May 20, 2024, meeting minutes as amended. Lux asked any discussion? To the motion, all in favor say aye. **All in favor.** Lux asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 – Midco Update

Look updated on the acceptance of the Midco Broadband Grant Agreement that was approved by the City Council on December 9, 2024. Look noted that Midco had submitted an application for dollars that included the cities of East Bethel, Bethel, and Linwood. Look stated that the County agreed to grant the money to a single city and that one city would take the reins on managing the project with a joint powers agreement with the other 2 cities. Look updated that the City Council will be reviewing to approve the joint powers agreement and cost share agreement with Midco at their December 23, 2024, City Council meeting. Look noted that the project must be completed by the end of 2026.

President Lux asked if Midco had a map of the expansion areas that they would be serving. Look presented the map to the EDA.

5.0 – Met Council Thermal Effluent Reclamation – Resource Recovery Concept

Look stated that there are 2 elementary schools on Sims Road and Highway 65, East Bethel Elementary and Cedar Creek Elementary, that both have failing septic systems, and the wells are pumping

questionable water. Look noted that they met with the school district and they are very interested in hooking up to City water and sewer service.

Look stated they have been helped by Representative Peggy Scott and Senator Cal Bahr to put a bill together last legislative session where they are asking for \$10.5 million to put a well, water tower, and treatment plant near the Post Office on land that the City owns to connect the 2 schools up.

Kyle Colvin, Manager of the Waste and Water Planning and Community Programs Group, presented information including a broad overview of the regional wastewater system, development guide, Water Policy Plan, Thermal Recovery Project, and the regional system in East Bethel.

Mr. Colvin discussed the heat recovery at their treatment plants and how the flow is controlled to utilize the heat for their own purposes.

Mr. Colvin presented a diagram showing how the wastewater is diverted out of their interceptor pipes.

Lux asked for clarification if what they are discussing is creating their own mini-energy district that would be distributed along those lines. Lux asked if there is a minimum percentage of users that would need to hook up along the lines to make it cost-effective. Mr. Colvin stated that they would need to talk to the City to investigate further to figure out regulatory and legal details.

Mr. Colvin stated that the level of financial involvement for the Met Council is based on a determined regional benefit. He added that the regional wastewater benefit can be widely interpreted and is evolving.

Schulzetenberg asked for clarification on how this would benefit the City, considering its size. Mr. Colvin explained that these thermal recovery projects are capital-intensive projects that need the flow to capture enough to make it economically feasible. Mr. Colvin stated that at 35 gallons of intermittent flow that the City is seeing right now, it would be difficult to come up with a project that would help support the thermal heat augmentation to a business.

Look noted that the concept of geothermal heat capture has intrigued him. Look stated he wanted to talk about using the heat from this project to attract businesses.

Look added that from an Economic Development perspective, one area that has been at the forefront of everyone's mind is Osborne's property, which he is looking to develop.

Look stated that this included thinking outside of the box for right now because once everything is developed, trying to tear everything up and do this later would be cost-prohibited.

Lux added that companies that are looking more toward sustainability efforts would be interested in this project.

Lux asked if there is a heat loss the further away you get from the source. Mr. Colvin stated that the further you go away from the source, the lower the temperature and the pipe is, but the pipe is buried below the frost line, so it would not be susceptible to freezing.

Jen Kostrewski clarified that the District Energy System loop that connects to industry and the energy source, which in this case is the East Bethel wastewater treatment plant, are two different components that are complimentary to each other. Ms. Kostrewski stated that the loop itself is the investment that opens the door to bringing in new industry to the City.

Lux thanked Mr. Colvin and Ms. Kostrewski for their informational presentation.

Look stated that they will continue to work with the Met Council. Look noted that the initial bond was for \$10.5 million, but the discussion is to increase it to \$15 million. Look stated that \$10.5 million is for the City project, \$2 million for the reserve capacity loan, and \$2.5 million to study and determine the next steps.

Bezanson stated that is not sure that he wants to see the City sign onto a \$10 million bond. Bezanson stated that it is a brand-new technology, and it is interesting, but \$10 million is a significant amount of money for a city like East Bethel.

Look clarified that the \$10.5 million bond is a State bond for hooking the schools up to the City sewer and water, building a water tower and treatment plant, and stubbing that off so that it can feed the newly created industrial park.

Bezanson stated that he does not have a problem with the study. Bezanson asked how many BTUs can be extracted.

Ms. Kostrewski stated that they discharge 170 million gallons per day from the Metropolitan wastewater treatment plant and that water year-round is around 60-70 degrees Fahrenheit. Ms. Kostrewski stated that District Energy engineers said that the effluent from the Metropolitan wastewater treatment plant could cover the energy needs of all of District Energy's customers.

6.0 – City Council Report

Look updated that City Council is wrapping things up for the year. Look stated that for the next year they want to set a list of priorities.

Look stated that the City Council is working to understand the challenges businesses are having. Look noted they are trying to figure out if the City Code is too restrictive or if ordinances should be changed to allow for more flexibility.

Look stated that they are also discussing whether the City should take a more proactive approach to buying parcels that they know are going to be key to development along that corridor. Look noted that maybe the EDA could also work on these things.

Schulzetenberg asked if the surveys done with businesses could be brought to the EDA so they can discuss and make some priorities based on the responses.

Lewis stated that they should deliberately advertise East Bethel as a business destination.

Lux stated that a number one goal for her is to figure out how to communicate better with their businesses to see how they can help them.

Look noted that the levy was approved in December, and they are the 5th lowest in the County with 2.94%.

Look stated that at their December 23, 2024, meeting, the City Council will discuss the Cannabis Ordinance that cities are being forced to get on the books before licenses are given out.

7.0 – Adjournment

Lewis moved and Bezanson seconded to adjourn at 8:27 pm. To the motion, all in favor say aye.
All in favor. That motion passes. **Motion passes unanimously.**

Submitted by:

Lilian Rokosz

TimeSaver Off Site Secretarial, Inc.