JOINT POWERS BOARD MEETING MINUTES

CITY OF BIG LAKE AND BIG LAKE TOWNSHIP

CITY COUNCIL CHAMBERS

AUGUST 3, 2026

1. CALL TO ORDER

Mayor Knier called the meeting to order at 5:00 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. ROLL CALL

Council Members present: Ken Geroux, Ken Halverson, Paul Knier, Kim Noding, and Paul Seefeld.

Town Board Supervisors present: Larry Alfords, Bruce Aubol, Dean Brenteson, and Laura Hayes. Town Supervisor absent: Mark Hedstrom.

Also present: City Administrator Hanna Klimmek, City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, Community Development Director Marie Popp, Chief of Police Sam Olson, Community Development Coordinator Tara Kohl, and Township Clerk Brenda Kimberly-Maas.

4. ADOPT PROPOSED AGENDA

Council Member Seefeld motioned to adopt the proposed Agenda as presented. Seconded by Town Supervisor Hayes, unanimous ayes, Agenda adopted.

5. BUSINESS

5A. Consider Letter of Intent to Acquire Real Estate – PSBX Real Estate LLC for Parcel No. 65-00590-0110

Marie Popp reviewed PSBX Real Estate, LLC is seeking approval of a Letter of Intent (LOI) to purchase a 2.25-acre parcel located in Phase II of Big Lake Industrial Park East to construct a new cannabis grow and processing facility. The first phase is estimated at 4,200 square feet with four full-time positions. The site will have room for expansion, estimated to be around 33,000 square feet at full build out. Popp explained, if the Joint Powers Board approves the LOI, the Contract for Private Development will be finalized and brought back to a future joint meeting for review and approval. The final site and building plans will need to be submitted and approved by the

Architectural Review Board and City prior to the land sale. Popp also reviewed if the LOI is approved, the sale of the designated parcel within the Big Lake Industrial Park will result in a purchase price of $0.00. The estimated market value of the property is $78,400, based on Sherburne County valuation data. The public purpose of the financial assistance, in the form of a forgivable loan, is to support business growth within the City, strengthen the local tax base, and ensure long-term employment stability. As part of the proposed agreement, the developer will commit to maintaining at least four (4) full-time equivalent positions. These positions must be sustained for a minimum period of one (1) year once the employment requirement has been met.

Supervisor Brenteson asked if there will be an impact to surrounding properties with this type of growing facility. Tony Wilson, owner of PSBX Real Estate LLC reviewed it will be an indoor cultivation facility so there won't be any odors emitting from their facility, noting there is no exhaust going outside so there should be no concern for exterior odors. Wilson reviewed their overall processes, explaining they will grow plants from seeds, and cultivate the blooms through a vegetative process. They will use an irrigation system to feed the plants through their 12-week cycle. Wilson reviewed the plants first 2-4 weeks is the timeframe for growing the plant, and during the final 8 weeks they use a light source to produce flowers (buds). They will dry and cure in a separate room, which will then be sent to a lab testing facility to ensure there aren't any dangerous contaminants. Their final product will be wholesale sold to different operators in the state. They will not generate a lot of runoff by-product that would negatively affect surrounding properties. Wilson discussed regulations in place, which are overseen by the State of MN Office of Cannabis Management (OCM), and noted they do not intend to be a nuisance in this community.

Council Member Halverson asked if we have talked to any other cities to find out potential impacts on our wastewater treatment facility. Wilson responded there will be limited discharge in regard to quantity. Halverson stated we should ask communities where these facilities are already located. Wilson reviewed they are a national operator, but this will be their first build-out in Minnesota. Halverson reiterated he is concerned about our wastewater treatment facility.

Chair Aubol asked how these plants will be grown. Wilson discussed the hydroponics growing system they will use, which will include the use of coco. Aubol asked if the water and nutrients that get introduced to the plants have an effluent flow, and asked if that will leave the building or simply evaporate. Wilson discussed that any discharge from the plant is limited. They plan to have a filtration system as well for anything that would leave their facility and go to the water treatment facility.

Supervisor Alfords asked what happens to the unused part of the plant. Wilson explained the waste byproduct is controlled, noting they have to leverage services to get rid of the waste approved by the OCM. In the interim, it would be contained within the facility and then transported when the time is necessary.

Council Member Seefeld asked if the internal HVAC system will control odors. Wilson discussed the facility is completely sealed. Within the building itself, there are about 5 different rooms where there will be plants that will generate smells. All of those are towards the back portion of the building. The only opportunity for odor to escape the building is from the front entry, where they will have an air curtain which will be 90% to 95% effective in treating the odor. On top of that they will have a Cannabusters solution that will have a mister on top of the air intake of the air curtain that will oxidize the molecules that cause the odor. Seefeld asked if they have any estimates on energy usage. Wilson responded the primary energy source will be electricity, noting they have been in contact with Connexus Energy who will provide a transformer for the facility. They will likely use a generator based on natural gas and they will be contacting CenterPoint Energy on that. Seefeld asked if they plan to add more employees with their future expansion. Wilson discussed their plan is to get their footing established and operating in a consistent fashion. They plan to focus on paying down debt, and once they do that, they will leverage that to collateralize the next loan for further growth. Wilson stated with future growth, they would substantially increase their workforce.

Council Member Noding asked if they feel they will need any additional security at their facility. Wilson responded he doesn't foresee any issues; however, they are taking a very proactive approach because safety is a concern for them, and security controls are required by the OCM as well. They plan to have an armed security guard for 8 hours per day while they are staffed, and are required to have security cameras and surveillance all around the building to see 20 yards out. They are also required to have remote monitoring and response to authorities if the alarm does get triggered. Noding asked if their company has plans to donate or contribute to addiction recovery programs. Wilsom responded they don't have a concrete plan at this point, but they want to be involved and/or give back in some way.

Mayor Knier asked if there is any reason for concern with the City's wastewater treatment facility, or is there no reason for concern. Wilson responded, in his opinion, there isn't a concern. The general concern would be the fact that the way operators choose to run their plant can have an impact on whether there is wastewater issues or not. Wilson noted they will share their full plan when the time is right. Mayor Knier asked Council Member Halverson what his concern is relating to the wastewater treatment plant. Council Member Halverson responded we already have one person in our city who pumped things into our plant that negatively affected our treatment process. The user should be responsible for treatment of their product; it shouldn't be the taxpayers responsibility to treat a businesses product. We don't want to have to treat bad product at our wastewater plant without covering our costs. If they are growing plants, they will be fertilizing and treating the plants, which will create runoff. They need to come up with the facts which need to be reviewed by wastewater staff. Mayor Knier discussed we do have Significant Industrial User Agreements with Lupulin Brewing and Cargill, and Halverson stressed we need to address the need for these agreements up front because once it comes, we will be playing catchup to get an agreement in place. Council Member Seefeld discussed that he talked to Dan Childs today and he said he is not overly concerned about it, but it is on his radar.

Popp discussed that once we have information on the water sewer usage projections, we may need a Significant Industrial User Agreement. The intent is to have that information before we come back with the contract. If a Significant Industrial User Agreement will be needed that can be listed as a condition in the contract. The LOI before the board tonight is meant to reflect if the boards are ok with this project moving forward, and if they are, then the land sale contract will come back to the Joint Powers Board for consideration.

Andrew Thompson, legal representative for the business owner, discussed that the idea of the LOI is to flush out any issues that might be of concern going forward. Rather than do everything all at once, they would like to address any pending issues early on. If wastewater is a potential concern that the board would like them to look into and provide more information, he believes they would be happy to provide that in the time between moving forward with the LOI and the final approval.

Council Member Seefeld asked what fertilizers and chemicals they plan to use in their growing operation. Wilson discussed that coco would be the medium the plants grow in as well as usage of nitrogen and some other commercial products that come off the shelf. They expect very limited runoff based off the process they will be using, and can provide examples of nutrients they will be using.

Council Member Halverson motioned to approve a Letter of Intent from PSBX Real Estate LLC to acquire Lot 2, Block 1 Big Lake Industrial Park East Plat Six. Seconded by Geroux, unanimous ayes, motion carried.

Council Member Halverson motioned to approve a Right of Entry Permit with PSBX Real Estate, LLC. Seconded by Council Member Noding, unanimous ayes, motion carried.

6. ADJOURN

Council Member Seefeld motioned to adjourn at 5:25 p.m. Seconded by Council Member Halverson, unanimous ayes, motion carried.

Gina Wolbeck
Recorder, Big Lake City Clerk

Approved by the Big Lake City Council on 08.19.26
Approved by the Big Lake Township Board on ________________