

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on August 25, 2015.

Commission President Lucy Nesheim called the meeting to order.

**Commissioners Roll Call**

Lucy Nesheim – Present  
Don Samuelson - Present  
William Wroolie – Present

Mark O'Day – Present  
Dolly Matten – Present

**Utility Staff Present**

Secretary/Finance Director  
Superintendent of Utilities  
Recording Secretary

Todd Wicklund  
Scott Magnuson  
Sharon Jensen

**Others in Attendance**

Brainerd City Councilmember  
Public Power Energy Services, LLC  
Public Power Energy Services, LLC  
Brainerd Dispatch  
Kennedy-Graven

Gary Scheeler  
Todd Hegwer  
Mike Kumm  
Spenser Bickett  
Jim Strommen (arrived 9:50)

**Approval of Minutes and August 2015 Bills**

**Motion by Commissioner Wroolie and seconded by Commissioner Samuelson to approve the minutes of the July 21, 2015 regular monthly meeting and to approve payment of the August 2015 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**President's Report**

Commission President noted that Commissioners Wroolie, Matten and herself had attended the MMUA Summer Conference and that she said many beneficial topics were covered.

**Other Commissioners' Reports**

Commissioner Wroolie reported his one year term as MMUA President ended at the close of the Summer Conference however he will remain on MMUA's board for two more years. He also congratulated BPU for the following awards received at the Summer Conference:

- Trent Hawkinson, Line Supervisor was awarded MMUA Rising Star
- Todd Wicklund, Finance Director was awarded MMUA Community Award
- City of Brainerd, MMUA Innovation award for purchase of the Hydro Dam

**City Administrator Report**

None

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING  
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**Secretary's Report**

Secretary Wicklund reported the following significant items:

July 31, 2015 Financial Summary

<i>(Amounts in Thousands)</i>	Seven Month Period Ended July 31,					
	Electric		Water		Wastewater	
	2015	2014	2015	2014	2015	2014
Operating Revenue	\$ 10,720	\$ 9,964	\$ 1,298	\$ 1,201	\$ 1,386	\$ 1,363
Operating Expenses						
Purchased Power	6,422	7,323	-	-	-	-
Depreciation	863	762	372	291	803	805
Other Operating Expenses	2,211	1,548	837	807	1,062	1,054
Total Operating Expenses	9,496	9,633	1,209	1,098	1,865	1,859
Operating Income (Loss)	1,224	331	89	103	(479)	(496)
Nonoperating Revenue (Expense)	(224)	(135)	(19)	2	357	326
Transfers to City	(347)	(358)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 653	\$ (162)	\$ 70	\$ 105	\$ (122)	\$ (170)
Meters in Service	7,934	7,921	4,767	4,757	4,606	4,599

Status Update of Power Supply Review Process and Minnesota Power

Mike Kumm and Todd Hegwer, Public Power Energy Services, LLC, updated the Commission on the negotiations with Minnesota Power and the Suppliers from the RFP process undertaken earlier this year. These are the options that are currently under consideration:

- Purchase power - 50% from Supplier 1 (MISO Supplier) and 50% from Supplier 2 (MP) starting September 1, 2015
- Switch to Supplier 1 starting July 1, 2019
- Stay with Supplier 2 starting September 1, 2015 and ending December 31, 2024

Airport Utility Extension

Wicklund gave the Commission information regarding utility service rates outside the City limits.

Sales Tax Distribution Agreement Cities of Brainerd and Baxter

Wicklund mentioned a Sales Tax Distribution Agreement between the Cities of Brainerd and Baxter is in the process of being approved by both Cities.

NJPA Health Insurance Increase

Wicklund noted that last Friday National Joint Powers Authority (NJPA) informed the City of Brainerd and BPU that health insurance premiums were increasing approximately 20% for 2016.

# **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

## **August 25, 2015**

### **Superintendent's Report**

Superintendent Magnuson reported on the following:

#### **Water Department**

- Leaks/Breaks/Complaints
  - Repaired broken valve
- Water Tower
  - East Water Tower – Back in service
  - Downtown Water Tower – Annual inspection this week

#### **Wastewater Treatment Department**

- WWTF/Projects
  - Generator insurance claim waiting for invoice for UV bulbs
  - Sludge hauling as fields become available

#### **Electrical Department**

- Outages/Interruptions/Complaints
  - July 12<sup>th</sup> storm after effects - trees still falling from the storm
  - NE Brainerd outage caused by Crow Wing County employee hit underground primary
- Northeast Brainerd – Work continues

#### **Hydro Department**

- Hydro Physical Model/Study – Model ready for 1<sup>st</sup> of 3 rounds of testing which is scheduled to start August 26<sup>th</sup>
- FERC – Annual inspection was completed and looks good.
- Barr Engineering/Hydro Model – Checking out work order #4 estimate request for \$46,000.
- Hydro Driveway Repair – Still waiting for Tri-City proposal.

#### **Administration Department**

- Engineering Tech – Jake Lipski, probation ends Labor Day
- Lab Tech - Gregg Kropp-MWOA Operator of the Year-Award for Labs
- Retirement – Mike Koering, Water Crew Chief retirement date November 30th.
- Maintenance Electrician – Interviews are Friday and Monday

### **Public Forum**

None

### **Old Business**

Commissioner Matten asked if there was an update on the pole attachment agreement with Charter to assist the City of Brainerd regarding the issue of old abandoned BPU poles which are still being used by Charter in North Brainerd. Superintendent Magnuson noted the Joint Use Pole Attachment Agreements with both Charter and CenturyLink discuss transfer of ownership of poles once BPU is off the pole.

Commissioner Matten inquired if staff had communicated with City of Brainerd regarding the trucks BPU had on the surplus sale. Magnuson said City was informed.

### **New Business**

Commissioner Matten inquired if BPU has considered putting wraps around utility boxes. She noted that in Minneapolis they had wrapped the boxes in some of the parks. Superintendent Magnuson said that the stickers need to be visible and access must be maintained. Commissioner Matten will do more research.

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Councilmember Scheeler reported that during budget discussions it was mentioned that if the Council changes health insurance benefits that the BPU commission should change also.

**Motion by Commissioner Wroolie and seconded by Commissioner Matten to meet in closed session pursuant to Minnesota Statutes Section 13D.05, subdivision 3(b), for attorney – client privilege to discuss potential court action relating to the hydroelectric dam. There was a unanimous voice vote in favor of the motion. Motion carried at 9:57 AM.**

All individuals mentioned above were present at the closed session except for Spenser Bickett of the Brainerd Dispatch.

The Commission reconvened into open session at 11:25 AM.

**Adjournment**

**Motion by Commissioner Wroolie and seconded by Commissioner Samuelson to adjourn the meeting at 11:25 AM. Meeting adjourned.**