

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on December 23, 2014.

Commission President Donald Samuelson called the meeting to order.

Commissioners Roll Call

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

Mark O'Day – Present
Donald Sievek – Present

Utility Staff Present

Secretary/Finance Director
Superintendent of Utilities
Recording Secretary
Line Supervisor

Todd Wicklund
Scott Magnuson
Sharon Jensen
Trent Hawkinson

Others in Attendance

Brainerd City Councilmember
Brainerd Dispatch
Public Power Energy Services, LLC

Gary Scheeler
Jessie Perrine
Mike Kumm

Approval of Minutes and December 2014 Bills

Motion by Commissioner O'Day and seconded by Commissioner Nesheim to approve the minutes of the November 25, 2014 regular monthly meeting and to approve payment of the December 2014 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

None

Other Commissioners' Reports

Commissioner Wroolie attended a MMUA meeting in St. Cloud and stated that MMUA will be hosting the APPA Lineworker Rodeo in 2016 in Shakopee.

City Administrator Report

None

Secretary's Report

Secretary Wicklund reported the following significant items:

Newsletter-Logo Change

Wicklund presented a proposed logo change for the Utility newsletter. The Commissioners consensus was that it was a Staff decision.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
December 23, 2014**

Summary of Utility Operations – November 30, 2014

<i>(Amounts in Thousands)</i>	Eleven Month Period Ended November 30,					
	Electric		Water		Wastewater	
	2014	2013	2014	2013	2014	2013
Operating Revenue	\$ 16,510	\$ 15,804	\$ 1,931	\$ 1,996	\$ 2,149	\$ 2,106
Operating Expenses						
Purchased Power	11,523	11,842	-	-	-	-
Depreciation	1,207	1,148	477	450	1,265	1,271
Other Operating Expenses	2,399	2,206	1,268	1,255	1,639	1,605
Total Operating Expenses	15,129	15,196	1,745	1,705	2,904	2,876
Operating Income (Loss)	1,381	608	186	291	(755)	(770)
Nonoperating Revenue (Expense)	(220)	(195)	3	4	566	555
Transfers to City	(563)	(600)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 598	\$ (187)	\$ 189	\$ 295	\$ (189)	\$ (215)
Meters in Service	7,943	7,955	4,645	4,649	4,599	4,602

Review of Other November 2014 Financial Information

Commissioner O'Day inquired if inflow and infiltration remains an issue in some parts of Brainerd. Walnut and Pine street area has problems and the City is looking at possibly put a sleeve thru the pipes. County Road 45/13th Street is slated for rebuild in 2016 that should help with this issue.

Status Update Bond Issuance for Water Improvements

Wicklund reported that the \$1.7 million bond proceeds for rehabilitation of the water tower, well house improvements and ground storage are expected approximately January 15, 2015. True interest is 1.804 percent on the ten year bonds.

MMUA Legislative Conference

Wicklund stated that the MMUA Legislative Conference is early this year February 4-6 in Bloomington MN.

2015 Meeting Dates

Wicklund distributed the 2015 Commission scheduled meeting dates.

Update Power Providers Request for Proposals (RFP) and Solar Project Proposal

- *Power Providers RFP* - Mike Kumm, Public Power Energy Services, LLC, RFP was sent out on December 10th and are due January 27, 2015. There have been seven inquiries to date. Natural gas prices remain low which should be in BPU's favor.
- *Solar Project Proposal* – Mr. Kumm presented a solar project proposed by Global Investment Renewable which is owned by Panasonic. If BPU Commission were to agree to the agreement the only investment would be to provide the land to place the solar panels. One megawatt equals approximately nine acres of land. Kumm said that Panasonic wanted a non-binding letter of intent. The Commission is interested and directed Staff to research the topic and come back with a recommendation at the board meeting.

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Motion by Commissioner O'Day and seconded by Commissioner Wroolie to inform Panasonic that BPU is interested and ask for two month extension to research the solar project proposal. There was a unanimous vote in favor of the motion. Motion carried.

Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints – none to report
- Filtration Plant – Wells are functioning great
- Projects
 - Some flushing of hydrants
 - AMR

Wastewater Treatment Department

- WWTF/Projects
 - Drained No.4 SBR Basin for routine maintenance and everything looked good.
 - The drive for No.4 is at Allen-Bradley for repair work which is deemed to be covered by warranty.

Electrical Department

- Outages/Interruptions/Complaints
 - Westgate Mall transformer
 - Baxter Industrial Park fuse blew
 - Street Lights hit due to slippery roads.
- Projects
 - NE Brainerd/Lum Park – pulling wire
 - Winter tree trimming
 - Hydro Dam – Transformer pad poured

Hydro Department

- Apron Repair – Received the okay from FERC for interim plan. Next Monday Staff will review options final design of downstream portion of dam.
- Electric Conversion – Part 1 of conversion is to move 30,000 pound transformer into place
- Generators – All 5 generators are working

Pay Requests/Apron Repair-Park Construction

Magnuson presented pay request No.2 from Park Construction in the amount of \$122,612.70 progress billing for Hydro Dam/Apron repair.

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve Park Construction pay request No. 2 in the amount of \$122,612.70. There was a unanimous roll call vote in favor of the motion. Motion carried.

Magnuson presented pay request No.3 from Park Construction in the amount of \$187,650.54 progress billing for Hydro Dam/Apron repair.

Motion by Commissioner O'Day and seconded by Commissioner Wroolie to approve Park Construction pay request No. 3 in the amount of \$187,650.54. There was a unanimous roll call vote in favor of the motion. Motion carried.

Admin Department

- Engineering Technician – A conditional employment offer has been extended to a student. He could work part time while completing his course and mid-April become full time.
- Lineworker – Conditional offer to Journeyman candidate with 9 years-experience

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- Christmas Eve hours Memo – feedback from Union that can't force employees to take vacation. The Office will close for business at 1:00 PM and employees have the option of staying until 3:30 or taking vacation or no pay.

Old Business

Jeff Czeczok Request/Correspondence

Commissioner O'Day inquired about the correspondence with Mr. Czeczok regarding his data request. Wicklund replied that the July 30, 2013 closed meeting of the Utility Commission was not recorded. When attempting to make a permanent record of the meeting in the afternoon of the 30th it was discovered the meeting did not get recorded. Apparently the recording equipment failed. He further stated that Staff is looking at replacing the recording equipment. O'Day commented that he wouldn't be opposed to recording all meetings.

New Business

Election of 2015 Officers

Commission President Samuelson called for nominations for BPU Commission President at which time Commissioner Wroolie nominated Commissioner Nesheim. Nominations closed.

Nomination of Commissioner Nesheim for Commission President in 2015 was made by Commissioner Wroolie. There was a unanimous vote in favor of the motion. Motion carried.

Commission President Samuelson called for nominations for the office of Vice President at which time Commissioner Wroolie nominated Commissioner O'Day. Nominations closed.

Nomination of Commissioner O'Day for Commission Vice President in 2015 was made by Commissioner Wroolie. There was a unanimous vote in favor of the motion. Motion carried.

Adjournment

Commissioner Wroolie motioned at 9:58 AM to adjourn the meeting seconded by Commissioner Nesheim. Meeting adjourned.