

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on January 24, 2017.

Commission President Dolly Matten 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 Administrator  
Brainerd Mayor  
Brainerd Dispatch

Jim Thoreen  
Ed Menk  
Spenser Bickett

**Approval of Minutes**

**Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to approve the minutes of the December 20, 2016 regular monthly meeting and to approve payment of the January 2017 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**Public Forum**

None

**President's Report**

Commission President welcomed Mayor Ed Menk the new Brainerd City Council liaison. Committee assignments are:

Human Resource  
Don Samuelson  
Lucy Nesheim

Finance  
Mark O'Day  
Bill Wroolie

**Other Commissioners' Reports**

None

**City Administrator Report**

City Administrator Jim Thoreen stated that the new council members are transitioning well and learning how the City operates. There will be a Council retreat with staff on February 11<sup>th</sup> to discuss current and future city projects.

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Thoreen said that during negotiations with bargaining units they agreed to meet and discuss the possibility of PTO and that he would be working on that project. The current pay structure is also being reviewed and hiring a consultant to assist with that will be looked into this year. Commissioner O'Day inquired who the City compares wage to, the private sector or other cities. Thoreen replied that they will use the list of other cities that has been used in the past. Commissioner Matten asked if there is a problem retaining qualified employees. Thoreen stated that it could become an issue with the Police department future staffing as not many are entering the field.

### **Secretary's Report**

#### Review of December 2016 Financial Information

Wicklund reported that the December 2016 financial information is not available as he is working on year end journal entries.

#### 2017 Debt Service Schedule

Wicklund reported debt service payments for 2017 for the three department's amount to approximately \$4.4 million.

#### Hydro Generation

Wicklund reported total 2016 kWh generation at the Hydro was 21 million kWh which is equal to 11.75% of BPU's total needs.

#### Billing Adjustment Request

Received a billing adjustment request for 121 Gillis Avenue which is owned by Erling Nedberg. On December 2<sup>nd</sup> staff contacted Mr. Nedberg informing him that the water consumption was high. He had a plumber investigate and found no problem; on December 28<sup>th</sup> he was called again and this time the plumber noted that the hot water heater was leaking into the dirt floor basement. Wicklund recommendation was to grant the wastewater treatment and collection waiver request for \$325.53 as the water did not enter the sanitary sewer system.

**Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve the wastewater treatment and collection waiver request in the amount of \$325.53 for 121 Gillis Avenue. There was a unanimous vote in favor of the motion. Motion carried.**

Commissioner Matten complimented staff about contacting customers.

#### 2017 Commission Meeting Date Change

Updated the 2017 Commission meeting schedule to change the May meeting from the 30<sup>th</sup> to the 23<sup>rd</sup>.

#### MMUA Legislative Conference

Wicklund and Magnuson are scheduled to meet with the local representative at the Legislative Conference January 31 – February 1, 2017 to discuss utility issues.

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After Hours Reconnects Policy

Wicklund presented the following updated after-hours reconnect policy no. 2016-20 for adoption.

**RECONNECTION OF ELECTRIC AND WATER SERVICE**

In order to have electric and/or water service restored after a customer has been disconnected for non-payment of a utility bill, the customer is required to pay their bill in full and a reconnect fee will have to be paid for each service that is disconnected in accordance to Policy No. 2005-10 – Disconnection of Utility Services.

Payment will have to be paid to Brainerd Public Utilities (BPU) Business Office by 3:00 p.m., Monday through Friday, in order to get service(s) reconnected the same day as disconnection of service occurs.

For any payment made after 3:00 p.m., service(s) will not be reconnected until the following business day.

This policy is in effect for all 12 months in the calendar year.

**Motion by Commissioner Wroolie and seconded by Commissioner O’Day to approve Brainerd Public Utilities Policy No. 2016-20 Reconnection of Electric and Water Service. There was a unanimous vote in favor of the motion. Motion carried.**

Ratify USW Agreement

Wicklund presented the USW (Hydro employees) 2017-2018 agreement for ratification and signature.

**Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to approve USW 2017-2018 agreement with Brainerd Public Utilities. There was a unanimous vote in favor of the motion. Motion carried.**

2017 Rate Study Recommendations

Wicklund reviewed the electric, water and wastewater treatment rate recommendations prepared by Utility Financial Solutions, LLC. The Commission discussed and approved the following electric, water and wastewater rate adjustments effective February 1, 2017.

**Motion by Commissioner Wroolie and seconded by Commissioner O’Day to approve Brainerd Public Utilities Electric, Water and Wastewater rates effective February 1, 2017 as presented. There was a unanimous roll call vote in favor of the motion. Motion carried.**

<b>Electric Department</b>							
<b>Current Rates</b>							
Class	Monthly Charge	All kWh	First 2500 kWh	Excess of 2500 kWh	All kW	First 8 kW	Excess of 8 kW
Residential	14.75	0.0707					
General Service	23.75	0.0771					
General Service Demand	34.00		0.0780	0.0355			16.75
LLP - Secondary	120.00	0.0287			19.00		
LLP - Primary	120.00	0.0279			17.90		
Duel Fuel	3.50	0.0488					
Off Peak Energy	3.50	0.0442					

Notes:

1. The Power Cost Adjustment will be at \$0.0125 per kWh.

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<b>New Rates</b>							
Class	Monthly Charge	All kWh	First 2500 kWh	Excess of 2500 kWh	All kW	First 8 kW	Excess of 8 kW
Residential	15.25	0.0739					
General Service	24.25	0.0830					
General Service Demand	36.00		0.0832	0.0379			17.25
LLP - Secondary	120.00	0.0307			19.50		
LLP - Primary	120.00	0.0299			18.30		
Duel Fuel	4.50	0.0495					
Off Peak Energy	4.50	0.0467					

Notes:

1. The Power Cost Adjustment will be at \$0.0145 per kWh.

<b>Water and Wastewater Treatment Departments</b>						
(In Inches) Meter Size	<b>Water</b>		<b>Wastewater Treatment</b>			
	Monthly Customer Charge		Monthly Charge -			
	Current	New	Debt Service		Customer	
			Current	New	Current	New
3/4	\$ 15.73	\$ 16.03	\$ 9.00	\$ 8.00	\$ 11.40	\$ 12.50
1	40.78	41.53	11.70	10.40	12.35	14.00
1 1/2	58.53	60.03	16.20	14.40	13.30	15.50
2	105.53	106.03	19.80	17.60	14.25	14.50
3	173.53	178.53	27.90	24.80	16.20	19.40
4	263.53	268.53	35.10	31.20	18.65	22.40
6	443.53	443.53	49.50	44.00	21.60	25.90
Hydrants	6.15	6.55	-	-	-	-
Per 1,000 Gallons	\$ 2.50	\$ 2.70			\$ 2.65	\$ 2.80

Note: Water and wastewater treatment customers outside the City limits will be charged 200 percent of the applicable rate.

**Superintendent's Report**

Superintendent Magnuson reported on the following:

**Water Department**

- Leaks/Breaks/Complaints –
  - Water main break on 14<sup>th</sup> and Rosewood leaked into the sanitary sewer system which then caused some issues in basements. Insurance claims could be incurred.
  - Some dirty water complaints
- Filtration Plant
  - Generator – will be operational once transfer switch has been installed
  - Meters in two wells – new meters were installed

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- Projects
  - Business 371/South 6<sup>th</sup> Street – working with City regarding 2018 project
  - Airport Extension – water flowing however found two leaks due to gashes in pipe - 2 year warranty on project. Commissioner Matten inquired about pressure tests and how did it pass.
  - Airport Project – flushed and conducted Bac-T tests - waiting for Anderson Brothers to hook-up
  - SEH – discussed retaining engineering firm to develop potential site and financial plan for design of new water tower in south zone. Costs associated with design study projected to between \$20,000 and \$30,000.

**Motion by Commissioner O'Day and seconded by Commissioner Wroolie to authorize SEH to develop site and financial plan for design of new water tower in south zone within a range of \$20,000 to \$30,000. There was a unanimous roll call vote in favor of the motion. Motion carried.**

- South Brainerd water tower – identifying possible site for 500,000 gallon tank. Construction costs related to the construction of this tower are estimated to be approximately \$1.5 million. New tower would eliminate the need for pressure pumps for the south zone.

Nonessential Water Usage Policy No. 2017-21

Magnuson presented the following policy no. 2017-21 dealing with regulated nonessential water usage upon critical water deficiency as authorized by Minn.Stat.§ 103G.291, subd. 1 and 2.

**POLICY NO. 2017-21**

**A POLICY regulating nonessential water usage upon critical water deficiency as authorized by Minn. Stat. § 103G.291, subd. 1 and 2.**

**Sec. 1-1. Purpose.**

This Policy establishes water conservation restrictions; and the plan will be in effect at any time the governor declares by executive order a critical water deficiency, pursuant to Minn. Stat. § 103G.291.

**Sec. 1-2. Application.**

- (a) This Policy applies to all customers of public water suppliers who own or control water use on any premises.
- (b) No person shall make, cause, use, or permit the use of water received from a public water supply for residential, commercial, industrial, governmental, or any other purpose in any manner contrary to any provision in this Policy.
- (c) Mandatory emergency conservation measures shall be implemented based upon the declaration of a critical water emergency by the governor.

**Sec. 1-3. Declaration of critical water deficiency.**

Upon the declaration of a critical water deficiency by the governor, Brainerd Public Utilities (BPU) shall immediately notify all water users via social media tools, including but not limited to radio, facebook, and website of the emergency declaration. BPU shall provide notification to the public as quickly as possible or through established water supply plans emergency response plans or procedures.

**Sec. 1-4. Mandatory emergency water conservation measures.**

Upon declaration of a water emergency and notification to the public, the following mandatory restrictions upon nonessential water use shall be enforced:

- (1) Outdoor irrigation of yards, gardens, golf courses, parklands, and other non-agricultural land, except for those areas irrigated with reclaimed water, is prohibited.
- (2) Washing or spraying of sidewalks, driveways, parking areas, tennis courts, patios, or other paved areas with water from any pressurized source, including garden hoses, except to alleviate immediate health or safety hazards, is prohibited.
- (3) The outdoor use of any water-based play apparatus connected to a pressurized source is prohibited.
- (4) Restaurants and other food service establishments are prohibited from serving water to their customers, unless water is specifically requested by the customer.
- (5) Operation of outdoor misting systems used to cool public areas is prohibited.
- (6) The filling of swimming pools, fountains, spas, or other exterior water features is prohibited.
- (7) The washing of automobiles, trucks, trailers, and other types of mobile equipment is prohibited, except at facilities equipped with wash water recirculation systems, and for vehicles requiring frequent washing to protect public health, safety, and welfare.

**Sec. 1-5. Variances.**

BPU management is authorized to grant variances to this Policy where strict application of its provisions would result in serious hardship to a customer. A variance may be granted only for reasons involving health or safety. An applicant may

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appeal the denial of a variance within five (5) days of the decision by submitting a written appeal to BPU management. The BPU Commission shall hear the appeal at the next Commission meeting. The decision of the Commission is final.

#### **Sec. 1-6. Violation.**

(a) Violations shall be determined and cited by the BPU management. A violator may appeal the citation within five (5) days of its issuance by submitting a written appeal to the Commission. The BPU Commission shall hear the appeal at the next Commission meeting. The decision of the Commission is final. Violators may be granted an administrative waiver if evidence is provided that equipment failure was the cause of the violation. A letter from a qualified vendor or equipment invoice will be required to show proof of equipment failure.

(b) Upon discovery of a first violation, the violator shall be issued, either personally or by mail, a warning letter that sets forth the violation and which shall describe the remedy and fines for future violations.

(c) Upon subsequent violations at the same location, the violator shall be issued, either personally or by mail, a citation that sets forth the violation and shall describe the remedy.

Fines shall be added to the monthly water bill of the owner or current occupant of the premises where the violation occurred. The imposition of the fine shall in no way limit the right of BPU to pursue other legal remedies.

#### **Sec. 1-7. Enforcement.**

BPU management or his/her designee is authorized to designate city employees or law enforcement personnel to enforce the provisions of this Policy.

#### **Sec. 1-8 Severability.**

If any provision of this Policy or the application of any provision to a particular situation is held to be invalid by a court of competent jurisdiction, the remaining portions of the Policy and the application of the Policy to any other situation shall not be invalidated.

#### **Sec. 1-9 Effective date.**

This Policy becomes effective on January 24, 2017

**Motion by Commissioner O'Day and seconded by Commissioner Nesheim to adopt Policy No. 2017-21 regulating nonessential water usage upon critical water deficiency as authorized by Minn. Stat. § 103G.291, subd. 1 and 2. There was a unanimous vote in favor of the motion. Motion carried.**

### **Wastewater Treatment Department**

- WWTF/Projects
  - Plant is running excellent
  - Hiring process starting for wastewater operator
  - City needs to appoint two members to the Wastewater Advisory Management Board

### **Electrical Department**

- Outages/Interruptions/Complaints
  - Three single customer outages
  - January 19<sup>th</sup> – 222 customers affected by arrestor failure - 2 hours 43 minutes longest time a customer was out of power.
- Projects
  - NE Brainerd/West of Mill Avenue- work continues replacing over 800 poles
  - Well 8 Conversion/Cedar/Penn./Mary area

### **Hydro Department**

- Projects
  - 21 million kWh generated for 2016
  - Apron - when plans are approved by FERC then project will be bid out
  - AmJet- insurance issue has been clarified
  - Hydro model at Utah State waiting for costs for moving/delivery

### **Administration Department**

- Safety Manual - MMUA updated version will be presented for Commission approval in February
- Plaque – staff is checking out options for a bronze plaque for the turbine on display in front of the Service Center. It was originally installed at the Hydro dam in 1916 and removed in the fall of 2016 for installation of the new turbine from AmJet.

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**Old Business**

Commissioner O'Day inquired if staff had contacted Mr. Imgrund regarding his service/meter.

**New Business**

None

**Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to meet in closed session to consider or develop offers or counteroffers for the purchase of Roberts property located next to water plant pursuant to Minnesota Statutes Section 13D.05, subd. 3(c)3. There was a unanimous vote in favor of the motion. Motion carried at 9:50 AM.**

Those present at the closed session included Commissioners Matten, Nesheim, Samuelson, O'Day, Wroolie, Superintendent Magnuson and Secretary/Finance Director Wicklund.

The Commission reconvened into open session at 10:14 AM.

**Adjournment**

**Motion by Commissioner Wroolie and seconded by Commissioner O'Day to adjourn the meeting at 10:15 AM. Meeting Adjourned.**