

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on January 27, 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  
Accounting Supervisor  
Line Supervisor

Todd Wicklund  
Scott Magnuson  
Sharon Jensen  
Julie Batters  
Trent Hawkinson

**Others in Attendance**

Brainerd City Administrator  
Brainerd City Councilmember  
Brainerd City Attorney  
Park Construction  
Park Construction  
Best & Flanagan  
Barr Engineering  
Retired Park Construction Employee  
Brainerd Dispatch

Patrick Wussow  
Gary Scheeler  
Eric Quiring  
Jeff Carlson  
Dave Frogner  
Justin Short  
Adele Braun  
Larry Prahm  
Jessie Perrine

Commission President Nesheim motion to change the agenda to move the discussion of interim repairs at the hydro dam ahead of the public forum.

There was a unanimous vote in favor of the agenda change.

**Approval of Minutes and January 2015 Bills**

**Motion by Commissioner Samuelson and seconded by Commissioner Wroolie to approve the minutes of the December 23, 2014 regular monthly meeting and to approve payment of the January 2015 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**Hydro Interim Repair Update**

Superintendent Magnuson updated the interim hydro repair concrete is scheduled to be poured this Friday. FERC will be at the site tomorrow to inspect the progress. Commissioners inquired about the end of the project, Magnuson replied mid-February.

Jeff Carlson, President of Park Construction, wanted to inform the Commission of the concerns he has with the apron repair project. He stated that Park Construction wants to go on the record with the issues

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING January 27, 2015**

it has with the Engineers from Barr Engineering and Mead & Hunt. The project is not the same as the plan that they bid. Park is asking for payment of work completed but that was denied by Barr Engineering. Mr. Carlson asked that Adele Braun of Barr Engineering who is project manager be removed from the project as he has no respect for her and what he stated as her lack of communication.

Justin Short, attorney, Best & Flanagan, representing Park Construction stated that Park Construction felt they needed to draw media attention to the project which he said is a mess. The allegations are that the Bid documents were not correct, Mead & Hunt admitted to project design flaws, and that Barr Engineering is making decisions that Park Construction says is the responsibility of Mead & Hunt as the Engineer of Record. Mr. Short asked for payment of approximately \$554,000 which includes pay request No.4 for \$406,000 and delay claim \$148,000. Mr. Short further stated that the Park Construction needs to be paid and that this situation is heading to litigation.

Larry Prahm, retired Park Construction employee, wanted the Commission to know about his concerns as someone who had worked at the site. Mr. Prahm inquired about the potential failure mode FERC had designated for the Brainerd Dam and that he had pictures from the site he wanted the Commissioners to see. Commission President Nesheim cautioned Mr. Prahm on the need for him to be careful what he said as it was very close to being in violation of the FERC rule dealing with Critical Energy Infrastructure Information which is deemed not to be for public distribution. Mr. Prahm left the meeting in an agitated state.

Adele Braun, Barr Engineering, wanted the Commission to know that FERC regularly inspects the Brainerd Dam and there is no indication from FERC that the Dam is in any immediate danger of having an uncontrolled release of water.

Commissioner O'Day suggested that at the end of the regular meeting the Commission should go into closed session to discuss the hydro repair with the City Attorney, Eric Quiring.

### **Public Forum**

None

### **President's Report**

None

### **Other Commissioners' Reports**

None

### **City Administrator Report**

City Administrator Wussow informed the Commission that the wage agreement with United Steelworkers (USW) representing the Hydro employees was settled and the contract was extended from April 16, 2016 to December 31, 2016 to coincide with other union contracts.

### **Secretary's Report**

Secretary Wicklund reported the following significant items:

#### December 31, 2014 Financial Summary

Wicklund reported that he is working on the year end financials.

#### Infiltration/Influent (I & I)

Wicklund reviewed the wastewater graphs regarding I&I as requested by the Commission. It was noted that the area near the Walnut Street lift station is where a lot of infiltration occurs, the underground pipes go through a swamp and the City has it on the schedule for repair in 2016.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING  
January 27, 2015**

MN Power-January 29<sup>th</sup> Meeting

Wicklund and Magnuson along with Mike Kumm and Todd Hegwer from Public Power Energy Services (PPES) will meet with Minnesota Power (MP) and other municipals which are served by MP to discuss framework for components of potential future contracts. BPU's request for proposal for future power supply needs is due tomorrow. The information will not be shared with the other municipals as they declined to participate in the proposal process.

It was also noted an agreement has been reached with MP related to Section 5 of current Market Based Electric Service Agreement where MP will allow generation up to 3,345 kW nameplate output to be allowed as behind the meter in order to offset BPU's load requirement with MP. The effective date of the amendment is January 1, 2015.

Solar Project Proposal

BPU staff recommendation for the Coronal Municipal Energy Services LLC (Panasonic) solar project was to not pursue this opportunity at this time due to all the other projects BPU is involved with and the potential need for BPU to find or purchase additional land.

**Motion by Commissioner O'Day and seconded by Commissioner Wroolie to decline participation in Coronal Municipal Energy Services (Panasonic) Solar Project. There was a unanimous vote in favor of the motion. Motion carried.**

MMUA Legislative Conference

Wicklund noted that he will be teaching at Central Lakes College for the MMUA First Line Supervisors training and will not be attending the MMUA Legislative Conference February 4-6 in Bloomington MN. Superintendent Magnuson and Commissioners Wroolie, Nesheim and Samuelson are attending the conference.

Policy 2014-17 Fee for Frozen Water Lines

Wicklund presented BPU policy 2014-17 Fee for Frozen Water Lines to the Commission for approval. Policy created to recover some of the costs associated with staff returning to a customer a second time for not following staff instruction for their frozen water service

**BRAINERD PUBLIC UTILITIES  
POLICY 2014-17  
January 27, 2015  
FEE FOR FROZEN WATER LINES**

Brainerd Public Utilities (BPU) will charge residential/business customers a \$150 fee if BPU staff has been to the residence/business the first time to thaw frozen water lines, informed the BPU customer to run his/her water to avoid further freeze ups, the customer neglects to follow the instructions given by BPU staff; and BPU has to make a return trip to the residence/business to thaw water lines for the second time. The \$150 charge will appear on the BPU customer's next month's utility bill.

**Motion by Commissioner O'Day and seconded by Commissioner Matten to adopt Brainerd Public Utilities policy 2014-17 Fee for Frozen Water Lines. There was a unanimous vote in favor of the motion. Motion carried.**

# **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

## **January 27, 2015**

### **Superintendent's Report**

Superintendent Magnuson reported on the following:

#### **Water Department**

- Leaks/Breaks/Complaints – Friday January 2<sup>nd</sup> on Beaver Dam Road crews repaired a 12" main where the gasket had separated, the water turn off only affected 3 customers. Service leak to a house on S 10<sup>th</sup> Street.
- Filtration Plant – Wells are able to be turned on and off inside Central.
- Projects - AMR starting some of the commercial accounts and they are more time consuming.

#### **Wastewater Treatment Department**

- WWTF/Projects
  - SBR's are providing good numbers and so good that staff is worried the phosphorus limits will be reduced.
  - Cleaning SBR No.4

#### **Electrical Department**

- Outages/Interruptions/Complaints – few service issues
- Projects
  - NE Brainerd/Lum Park – big ongoing project
  - Winter tree trimming started

#### **Hydro Department**

- Apron Repair – discussed earlier and at closed session
- Electric Conversion – Transformer was placed and turned on last week, the Dam was separated from the "Mill" site.
- Generators – Above average generation for this time of the year
- Amjet/FERC – Meeting by phone with Amjet and FERC Regional Office in Chicago regarding the generator installation scheduled. BPU has a 3.3 megawatt generation limit with the FERC license Staff is checking into what is involved if BPU wants to increase the limit. Possibly during renewal time.

#### **Admin Department**

- Lineworker – Jonathan Engholm started on January 26<sup>th</sup> he has 8-9 years of experience
- Hydro employee – Brad Holtz, Electric Tech/Laborer, will complete his 6 month probation on February 18<sup>th</sup>.
- Retirement/Hydro – notification from Hydro employee retirement on March 12<sup>th</sup>.

#### **Old Business**

None

#### **New Business**

None

**Motion by Commissioner O'Day and seconded by Commissioner Wroolie to meet in closed session for the purpose to consider the payment dispute issues related to the hydroelectric dam apron repair project and possible action on Park Construction Company's payment request pursuant to Minnesota Statutes Section 13D.05, subdivision 3(b), for attorney – client privilege. There was a unanimous roll call vote in favor of the motion. Motion carried at 10:09 AM.**

Those present at the closed session included the five BPU Commissioners, Wicklund, Magnuson, Wussow, Scheeler, Quiring, and Braun.

The Commission reconvened into open session at 12:45 PM.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**  
**January 27, 2015**

**Motion by Commissioner O'Day and seconded by Commissioner Wroolie to authorize payment to Park Construction contingent on proper documentation being provided and reviewed and approved by Barr Engineering. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**Adjournment**

**Motion by Commissioner Wroolie and seconded by Commissioner O'Day to adjourn the meeting at 12:50 PM. Meeting adjourned.**