

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on January 28, 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
Recording Secretary
Accounting Supervisor

Todd Wicklund
Scott Magnuson
Sharon Jensen
Julie Batters

Others in Attendance

Brainerd City Councilmember
Brainerd City Administrator
Mike Kumm

Bonnie Cumberland
Theresa Goble
Public Power Energy Service, LLC

Approval of Minutes and January 2014 Bills

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve the minutes of the December 17, 2013 regular monthly meeting and to approve payment of the January 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 reported that he attended the MMUA Board meeting held in St. Cloud in December

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City Administrator Report

City Administrator Goble:

- City Administrator Goble noted that this was her last meeting with the Commission and how much she appreciated working with the talented team at BPU. New City Administrator Patrick Wassow starts February 10th.
- The City received the Financial Award for the 20th year in a row.
- City Engineer, City Planner and Planning Commission are working on a permit draft for the decommissioning of the Wausau Mill Site.
- City has been asked by the School District if they are interested in the Whittier school building.

The Commissioners expressed that they were sorry to see Goble leave.

City Council Liaison Bonnie Cumberland:

- Patrick Wassow, new City Administrator has attended several Council meetings.
- Expressed appreciation for the updates on the potential purchase of Hydro dam.
- Noted a property owner was thankful for the assistance they had received with a frozen water service from BPU employee Mike Koering.
- Primary elections will be in August filing opens in May.

Secretary's Report

Secretary Wicklund reported the following significant items:

Industrial Discharge Permit/Crow Wing County Solid Waste Department - Wicklund presented the draft leachate agreement with Crow Wing County Solid Waste Department for the two year period February 19, 2014-2016 for Commission approval.

Motion by Commissioner Woolie and seconded by Commissioner O'Day to approve the draft leachate agreement with Crow Wing County Solid Waste Department for February 19, 2014-2016. There was a unanimous vote in favor of the motion. Motion carried.

Hydro Dam Update– Wicklund and Mike Kumm of Public Power Energy Service, LLC (PPES) discussed the following significant items related to potential purchase of Hydro dam:

- Due diligence period ends February 23rd, 2014
- Working with DNR and State Legislature on ownership issue
- Working with Minnesota Power on contract issues related to purchase of generation
- Barr Engineering working on dam structure and components memorandums
- Utilities Plus, electrical engineers, working on electric upgrade needs and costs
- Working with Wausau on utility separation for water, sewer, and heating
- Working with FERC on license transfer
- Obtaining financial information and discussing ownership issues with other Minnesota cities that own a hydro facility
- Working with League of Minnesota Cities Insurance Trust on insurance coverage
- Working with United Steelworkers Union for current dam employees
- Working with MMUA on financing of project

Comparison of Renewable Energy Sources

Mike Kumm, PPES reviewed the general cost considerations of owning solar, hydro and wind. Councilmember Borkenhagen had asked for a separate cost analysis of installing a solar farm in Brainerd from Rural Renewable Energy Alliance (RReal) of Pine River.

- Hydro – high initial capital costs but no cost fuel
- Solar – significant real estate investment and an approximate 20% efficiency rating
- Wind – not available locally need to purchase from outside the Brainerd area

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Local Option Sales Tax (LOST) – Wicklund discussed local option sales tax with St. Cloud staff and they have extended theirs three times. They stated it depends on how the language was written when it began but it probably needs to be voted on the local ballot this fall.

Summary of Utility Operations – November 30, 2013

<i>(Amounts in Thousands)</i>	Eleven Month Period Ended November 30,					
	Electric		Water		Wastewater	
	2013	2012	2013	2012	2013	2012
Operating Revenue	\$ 15,804	\$ 16,969	\$ 1,996	\$ 1,870	\$ 2,106	\$ 2,126
Operating Expenses						
Purchased Power	11,842	13,267	-	-	-	-
Depreciation	1,148	1,065	450	438	1,271	1,256
Other Operating Expenses	2,206	2,305	1,255	1,263	1,605	1,533
Total Operating Expenses	15,196	16,637	1,705	1,701	2,876	2,789
Operating Income (Loss)	608	332	291	169	(770)	(663)
Nonoperating Revenue (Expense)	(195)	(217)	4	1	555	616
Transfers to City	(600)	(709)	-	-	-	-
Capital Contributions	-	-	-	-	-	55
Net Change in Net Assets	\$ (187)	\$ (594)	\$ 295	\$ 170	\$ (215)	\$ 8
Meters in Service	7,862	7,809	4,649	4,645	4,602	4,596

Superintendent's Report

Superintendent Magnuson reported on these significant items:

Water Department

- Leaks/Breaks/Complaints – One freeze-up on BPU side and two residential. Water main break on M Street.
- Filtration Plant – Waiting for new trough for catalyzer #5 and media.
- Projects
 - AMR installations and keeping track of water temperatures on Washington Street.

Wastewater Treatment Department

- WWTF is running well
 - Seal on Jet Motive is leaking
 - Air exchanger is fixed
- MPCA Permit – MPCA reduced the number of Pfos tests by 6 but added 52 more tests for mercury, copper etc.

Electrical Department

- Outages/Interruptions/Complaints –
 - Equipment failure in Southeast Brainerd December 31st had reports of 12 water freeze-ups despite the priority to the Trailer court.
 - Transformer failure last night Gillis and Washington Streets.
- Projects
 - SE Brainerd – Crews will complete in Spring
 - NE Brainerd – Daryl's crew has started

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- Tree Trimming – Dan’s crew working on tree list from summer then will move to Lum Park.

Electric/Line Supervisor – Magnuson reported that he had received one response for the Electric Supervisor position. His recommendation was to promote Acting Electric Supervisor Trent Hawkinson to the position effective January 20, 2014 at 100%.

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve recommendation Trent Hawkinson, Electric Supervisor, effective January 20, 2014 at 100% wage. There was a unanimous roll call vote in favor of the motion. Motion carried.

Administration

- Lineman – Magnuson asked Commission approval to post open Lineman position.

Motion by Commissioner O’Day and seconded by Commissioner Wroolie to approve posting the open Lineman position. There was a unanimous vote in favor of the motion. Motion carried.

- Laborer – Post in Spring
- Technician – Early Summer post for Engineering Technician. Preference is someone with GIS experience to work with the electric model.
- Water Tower/Water Model– Reviewed the Short Elliot Hendrickson (SEH) water model, they will making a presentation at the February meeting
 - Downtown water tower sandblast inside and outside should last 15-20 years with proper coating.
 - State hospital just repaint

Old Business

None

New Business

Retirement Party Theresa Goble

Councilmember Cumberland reminded the Commission that the retirement party for City Administrator Goble is on February 7, 2014 from 4:30 to 6:30 at Yesterday’s Gone.

Adjournment

Commission President Samuelson adjourned the meeting at 10:14 AM.