

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on July 26, 2016.

Commission President Mark O'Day 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 City Councilmember
Brainerd Dispatch
Brainerd Industrial Center

Jim Thoreen
Gary Scheeler
Tamara Horton
Mike Higgins

Approval of Minutes and July 2016 Bills

Motion by Commissioner Nesheim and seconded by Commissioner Matten to approve the minutes of the June 28, 2016 regular monthly meeting and to approve payment of the July 2016 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

Mike Higgins, Brainerd Industrial Center (BIC) thanked the Commission for approving the economic development rate for new businesses. He said it has been a great marketing tool for BIC. He also said that working with BPU staff has been amazing. Commissioners Matten and Nesheim expressed their appreciation to Mr. Higgins for his participation during Brainerd history week.

President's Report

None

Other Commissioners' Reports

None

City Administrator Report

Brainerd City Administrator Jim Thoreen reported on the Airport utilities extension weather challenges and change order requests. He also stated the Airport Commission has started on the on campus water and sewer connections.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
July 26, 2016**

Mr. Thoreen thanked BPU Finance Director Wicklund for his research for a data request regarding BPU and HRA Commission compensation. The pre-1946 Brainerd City Council minutes had been placed on micro-fiche and the originals sent to the State Historical Society. Wicklund had found the data needed in the Commission meeting minutes from 1908 to 1911. Commissioner Nesheim stated that at the time compensation was approved by resolution for the BPU commission the Councilmembers and Commissioner were paid the same \$50 per year. Nesheim stated that she feels that members of all City Commissions should be compensated for their time.

As per the Charter, Brainerd City Council President, Chair of Personnel & Finance Committee, City Administrator and City Finance Director met yesterday to discuss the preliminary 2017 budget goals. There appears to be no significant increase to local government aid in 2017. The goal is to limit levy adjustment to three percent increase for 2017.

Secretary's Report

June 30, 2016 Summary of Utility Operations

	Six Month Period Ended June 30,					
	Electric		Water		Wastewater	
	2016	2015	2016	2015	2016	2015
(Amounts in Thousands)						
Operating Revenue	\$ 9,022	\$ 9,074	\$ 1,106	\$ 1,073	\$ 1,237	\$ 1,178
Operating Expenses						
Purchased Power	5,601	5,356	-	-	-	-
Depreciation	783	736	338	319	695	688
Other Operating Expenses	1,721	1,849	726	705	892	910
Total Operating Expenses	8,105	7,941	1,064	1,024	1,587	1,598
Operating Income (Loss)	917	1,133	42	49	(350)	(420)
Nonoperating Revenue (Expense)	(149)	(186)	5	(16)	349	299
Transfers to City	(331)	(292)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 437	\$ 655	\$ 47	\$ 33	\$ (1)	\$ (121)
Meters in Service	7,972	7,913	4,794	4,757	4,631	4,596

Minnesota Power True-up

Minnesota Power (MP) bill for July will include a \$242,000 true-up amount due for the fiscal year ended June 30, 2016. Wicklund noted that in the 1910 minutes the utility had the same issues BPU has today dealing with power supply, street lights, and water production and services.

Public Power Energy Service, LLC (PPES)

Wicklund stated that Mike Kumm, PPES was here last week and that the final 15,000 kW of capacity is close to being attained. Kumm has received inquiries regarding investment in generation.

MMUA 2016 Summer Conference

MMUA 2016 Summer Conference is August 15-17 at Cragun's Resort.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

July 26, 2016

Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints – 15th Avenue and M Street water service break
- Filtration Plant – 1 catalyzer bed has a plugged drain which will be cleaned this Winter
- Projects
 - Flushing
 - Standpipe/Gate valve repairs
 - Tom's Backhoe work on booster station near Lum Park

Wastewater Treatment Department

- WWTF/Projects
 - Sludge application curtailed due to recent rains
 - Wastewater flows increased to 5 million gallons per day up from the average 2.2 mgd

Electrical Department

- Outages/Interruptions/Complaints
 - BPU had no outages during the July storm and two crews assisted Crow Wing Power for five days.
 - Fuse failure due to heat at Essentia Health Clinic
 - 1200 Block of Maple – blown fuse, one block out of power
- Projects
 - NE Brainerd – Work on west side of Mill Avenue continues
 - Well No. 8 – Conversion work

Hydro Department

- Projects
 - FERC representative was at Hydro on July 12th for his annual inspection which was the day after the record rainfall event of July 11th. He was able to observe high water and commented on how well the facility was operating under high flow conditions.
 - Staff as a precaution sand bagged the doors as the water was rising
 - Road – Completed road and trench drain but rock was needed during the big rain
 - Amjet – Gracon, the generator installation contractor will be visiting the site later this morning.
 - Water levels are set by FERC and are maintained at 1182.2 feet headwater gauge height. During the recent ten inch rain event BPU did not shut the gates to cause flooding in other communities as was the rumor.

Administration Department

- Verizon contract and Interstate Transport & Broadband – Verizon contract is still under negotiation and BPU has received a request from Interstate Transport & Broadband. This will be reviewed by BPU Attorney Kaela Brennen.

Old Business

None

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July 26, 2016

New Business
None

Adjournment
Motion by Commissioner Wroolie and seconded by Commissioner Matten to adjourn the meeting at 9:45 AM. Meeting adjourned.