

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on March 24, 2015.

Commission President Lucy Nesheim called the meeting to order.

Commissioners Roll Call

Lucy Nesheim – Present
Don Samuelson - Absent
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
Public Power Energy Services
Retired DNR Forester

Patrick Wussow
Gary Scheeler
Jessie Perrine
Mike Kumm
Dean Makey

Approval of Minutes and March 2015 Bills

Motion by Commissioner O'Day and seconded by Commissioner Wroolie to approve the minutes of the February 24, 2015 regular monthly meeting and to approve payment of the March 2015 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

President's Report

None

Other Commissioners' Reports

Commissioner Wroolie attended the APPA legislative conference in Washington D.C. and a couple of the sessions attended dealt with grid security and hydro matters related to FERC and NERC. Wroolie along with Commissioner Matten attended the mediation session on March 2nd regarding billing dispute with Park Construction.

City Administrator Report

City Administrator Wussow informed the Commission about meetings with local State Representatives and setting up a date to tour the hydro dam.

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Secretary's Report

Secretary Wicklund reported the following significant items:

January 31, 2015 Financial Summary

	One Month Period Ended January 31,					
	Electric		Water		Wastewater	
	2015	2014	2015	2014	2015	2014
(Amounts in Thousands)						
Operating Revenue	\$ 1,719	\$ 1,537	\$ 193	\$ 163	\$ 206	\$ 180
Operating Expenses						
Purchased Power	920	1,099	-	-	-	-
Depreciation	118	110	53	42	115	115
Other Operating Expenses	297	203	120	104	169	157
Total Operating Expenses	1,335	1,412	173	146	284	272
Operating Income (Loss)	384	125	20	17	(78)	(92)
Nonoperating Revenue (Expense)	(36)	(15)	(1)	-	68	56
Transfers to City	(58)	(59)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 290	\$ 51	\$ 19	\$ 17	\$ (10)	\$ (36)
Meters in Service	7,947	7,897	4,627	4,655	4,579	4,607

Minnesota Power (MP) Billing Error

Wicklund informed the Commission of the Minnesota Power billing error discovered by utility staff which will result in a credit on next month's bill of \$28,667.45.

Request for Brainerd School Forest

Dean Makey, retired Minnesota DNR Forester, updated the Commission regarding the white pine, red pine, and cedar seedlings that were planted at the Service Center and Wastewater Treatment Plant as part of BPU's "tree plan". Even though he is retired he checks on the seedlings in the Fall and Spring for deer browsing and stated that they look good.

Makey requested assistance preparing an area at the Forestview School Forest for planting seedlings. He noted that the program is in its 11th year and that approximately 8 acres has been planted with seedlings. Mr. Makey requested a donation of the brush hog and operator for clearing of this year's designated planting area.

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve use of the brush hog and operator to prepare the planting area at Forestview. There was a unanimous vote in favor of the motion. Motion carried.

Central MN Housing Waiver Request

Wicklund presented a waiver request from Central MN Housing Partnership to waive wastewater charges due to a pipe that burst and water had been flowing for three days until found. BPU staff opinion is that excess water did not enter the City's sanitary sewer system therefore the recommendation is to give a wastewater adjustment in the amount of \$379.43.

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Motion by Commissioner O'Day and seconded by Commissioner Wroolie to approve staff recommendation to waive wastewater charges in the amount of \$379.43 for Central MN Housing Partnership. There was a unanimous vote in favor of the motion. Motion carried.

APPA Survey

Wicklund reviewed the 2013 APPA survey of average revenue per kWh. In comparison to other Minnesota municipals, investor-owned utilities, and cooperative, BPU's rates are lower by 9%, 7%, and 26%, respectively.

Status Update of Power Supply RFP Process

Mike Kumm, Public Power Energy Services (PPES) updated the Commission on the presentations that were held on March 4th. He stated that the information received was very informative and that PPES is ranking the proposals and forecasting the MP rates.

Commissioner O'Day said that the meeting was very overwhelming with the amount of information presented and he was disappointed that MP was not prepared. Mr. Kumm stated discussions continue with MP in developing a new electric service agreement that would allow BPU to start seeing significant savings in 2016.

Commissioner Wroolie noted that Minnesota is ahead of the nation on renewable's and that production tax credit only last ten years.

2014 Audit

Wicklund stated that Clifton Larson Allen audit is scheduled for the week of April 13th.

Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints –
 - 8 inch water main break on Charles St. near Riverside School was fixed by 11:00.
 - Cloudy water complaint received from Dal-Mar/Serene Pines where water had excess air bubbles from the break repair on Beaver Dam Rd. Crews flushed hydrants.
 - Ridge Drive water complaint water was tested again and passed.
- Projects –
 - AMR residential and commercial accounts
 - Spring flushing will begin soon
 - 20 frozen water services this Winter.

Wastewater Treatment Department

- WWTF/Projects
 - Sludge hauling will start early this season

Electrical Department

- Outages/Interruptions/Complaints
 - Cut-out failure (30 year old part)
- Projects
 - NE Brainerd/Lum Park – Dan's crew
 - Norgard lift station crews are pulling in new wire.
 - Front yard tree trimming phone notification was sent to customers on 12th Avenue. They were told to call the Line Supervisor if they had any concerns.
 - Excelsior Road – City of Baxter project only need to move one piece of line.
 - 28th Street – new street lights

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Hydro Department

- Apron Repair – Park Construction is all but done with approximately one-half day of work left. The construction crane can't be removed until road restrictions are lifted. Phone call with FERC later today. Still in mediation regarding billing dispute with Park Construction.

Public Forum

None

Old Business

It was noted that the MN Senate omnibus energy bill (SF1431) has two provisions that MMUA Staff is concerned about.

- Increasing the Renewable Energy Standard to 40% by 2030.
- Increasing the CIP goal from 1.5% to 2% for electric utilities and from 1% to 1.5% for natural gas utilities.

New Business

None

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner Matten to adjourn meeting until March 27, 2015 at 10:00 am at the BPU Commission Room to consider the payment dispute issues with Park Construction related to the hydroelectric dam apron repair project. All or portions of the meeting will be closed to the public pursuant to Minnesota Statutes Section 13D.05, subdivision 3(b), for attorney – client privilege. There was a unanimous vote in favor of the motion. Motion carried at 9:52 AM.