

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on March 28, 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
Line Supervisor

Todd Wicklund
Scott Magnuson
Sharon Jensen
Trent Hawkinson

Others in Attendance

Public Power Energy Services
Brainerd Dispatch
Brainerd Riverfront Committee
Brainerd Riverfront Committee
Brainerd Riverfront Committee
SEH

Mike Kumm
Spenser Bickett
Rod Osterloh
John Forrest
Don Gorham
Jeff Ledin

Approval of Minutes

Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to approve the minutes of the February 28, 2017 regular monthly meeting and to approve payment of the March 2017 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

Brainerd Riverfront

Rod Osterloh, Brainerd Riverfront Committee member updated the Commission on the history, progress and future plans for the Brainerd Mississippi riverfront. The City of Brainerd was awarded a Difference Maker grant from the Brainerd Lakes Area Community Foundation to begin the process of implementing some of the recommendations in the Plan. The Brainerd HRA is managing the grant on the City’s behalf.

The two-mile plan area includes recommendations for active and passive improvements. The vision for the riverfront includes public gathering area, improved river access as well as possible redevelopment opportunities. One of the goals is to create a destination place where residents and visitors can easily access the natural scenery year round keeping in mind Brainerd’s history as a “railroad and paper mill town.”

Mr. Osterloh stated that during Brainerd History Week in June a kayak/canoe tour of the River is planned. He inquired about the canoe portage at the Hydro dam and if it is being maintained. He also discussed the concept of an elevated trail along the River between Laurel and Washington Street.

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President's Report

None

Other Commissioners' Reports

Commissioner Wroolie attended the APPA Legislative Conference in Washington D.C. last month as part of the MMUA delegation. Wroolie noted that after eight years he will be retiring from the MMUA board this August.

City Administrator Report

City Administrator Jim Thoreen's written report was noted.

Secretary's Report

Review of February 2017 Financial Information

	Two Month Period Ended February 28,					
	Electric		Water		Wastewater	
	2017	2016	2017	2016	2017	2016
(Amounts in Thousands)						
Operating Revenue	\$ 3,191	\$ 3,165	\$ 348	\$ 331	\$ 401	\$ 410
Operating Expenses						
Purchased Power	2,167	1,914	-	-	-	-
Depreciation	278	229	114	112	234	232
Other Operating Expenses	613	628	269	227	337	297
Total Operating Expenses	3,058	2,771	383	339	571	529
Operating Income (Loss)	133	394	(35)	(8)	(170)	(119)
Nonoperating Revenue (Expense)	(50)	(29)	(11)	(7)	124	108
Transfers to City	(121)	(121)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ (38)	\$ 244	\$ (46)	\$ (15)	\$ (46)	\$ (11)
Meters in Service	7,990	7,961	4,675	4,638	4,630	4,591

Public Power Energy Services, LLC

Mike Kumm, Public Power Energy Services (PPES) met with Commissioners Nesheim and Matten to discuss future potential generation opportunities. He also discussed BPU's potential need to obtain five megawatts (MW) of capacity for 2019. He stated there may be an opportunity for BPU to register its generation with MISO and that this generation could meet the five MW need. A draft proposal was received from SEH that would determine if existing backup generators BPU currently owns could be made compliant to MAT standards and therefore be registered with MISO. Superintendent Magnuson stated that staff has not had time to review the proposal.

Kumm stated that a few Minnesota municipal utilities are interested in developing long term strategies for generation and with current interest rates are evaluating whether to purchase 9 MW natural gas generators. He inquired if BPU had any interest in pursuing that option. Commissioners O'Day and Nesheim volunteered to meet with Kumm in the coming weeks to discuss generation.

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Economic Development Rate (EDR) Accounts

The Commission discussed the economic development rate (EDR) that was approved in 2016 with a start date of December 1, 2015. There was discussion as to whether the EDR rates should apply only to new businesses within the city limits of Brainerd. Wicklund clarified that it was for all new load and that BPU service territory includes Brainerd, parts of Baxter and surrounding townships.

Performance Evaluations

Wicklund provided the Commission with the performance evaluation forms for himself and Superintendent Magnuson. The actual evaluation will occur at the April meeting during closed session.

Ratify IBEW contract

Wicklund presented the IBEW 2017-2018 contract for ratification by the Commission. He stated that the clean-up language had just been completed.

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to ratify and sign the 2017-2018 IBEW contract. There was a unanimous roll call vote in favor of the motion. Motion carried.

Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints – none
- Filtration Plant
 - Working on updating controls for one train of the plant
- Projects
 - Airport Extension and Airport Project – not going well, issues with failed pressure tests and broken and loosely connected pipes. Anderson Brothers and Airport will be connecting once the leaks are repaired.
 - Flushing – getting ready for Spring flushing
 - Generator – close to being completed

Wastewater Treatment Department

- WWTF/Projects
 - Plant is running excellent
 - MWOA – BPU is hosting a MWOA meeting on April 11th
 - Sludge Hauling – rigs are checked out and ready to start soon

Electrical Department

- Outages/Interruptions/Complaints
 - High winds earlier this month and a pole broke on the North side. New outage tracking software is proving itself.

Hydro Department

- Projects
 - A Hydraulic line was replaced by staff
 - AmJet- meeting scheduled for April 4th.
 - FERC annual inspection scheduled for May 17th

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- Apron – discussed the merits of the different bid types “best value” or “lowest responsible bid” or a hybrid combination of both. The hybrid method includes bidder qualification criteria within the lowest responsible bid document.

Motion by Commissioner O’Day and seconded by Commissioner Wroolie use the hybrid method for preparing the bid documents related to the apron repair project. There was a unanimous vote in favor of the motion. Motion carried.

Administration Department

- Technology Supervisor – extended an offer pending pre-employment review, candidate would begin May 1st.
- Wastewater Operator – interviews completed making a decision today.
- Crow Wing Power – discussions continue related to service territory
- Small Cell Antenna – League of Minnesota Cities is still working on issue at the Legislature.

Old Business

None

New Business

None

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to meet in closed session to consider or develop offers or counteroffers for the purchase of Roberts property located next to water plant and property owned by Crow Wing Power near the fairgrounds pursuant to Minnesota Statutes Section 13D.05, subd. 3(c)3. There was a unanimous vote in favor of the motion. Motion carried at 10:23 AM.

There was an eight minute recess before the Commission went into actual closed session at 10:31 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 11:02 AM.

Adjournment

President Matten adjourned the meeting at 11:02 AM.