

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on March 29, 2016.

Commission Vice President Dolly Matten called the meeting to order.

Commissioners Roll Call

Lucy Nesheim –Present
Don Samuelson - Present
William Wroolie – Present

Mark O’Day – Arrived at 9:05
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, LLC
Kennedy-Graven
Barbato Consulting, LLC
Spaulding Consultants, LLC

Jim Thoreen
Gary Scheeler
Spenser Bickett
Mike Kumm
Jim Strommen (arrived 9:40)
George Barbato (arrived 9:40)
Doug Spaulding (arrived 9:40)

Approval of Minutes and March 2016 Bills

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve the minutes of the February 23, 2016 regular monthly meeting the March 17, 2016 special meeting and to approve payment of the March 2016 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President’s Report

Commission President O’Day stated that he was asked by Councilmember Bevans to attend the Brainerd City Council meeting regarding the impact of the council decision to proceed with all four phases of the Airport utilities extension.

Other Commissioners’ Reports

None

BRainerd PUBLIC UTILITIES COMMISSION MEETING
March 29, 2016

City Administrator Report

Brainerd City Administrator Jim Thoreen updated the Commissioners on Brainerd Lakes Regional Airport water and sewer expansion and the bills presented in the Minnesota Senate and House of Representatives.

Thoreen noted that staff from the City of Brainerd and Brainerd Public Utilities attended a course on Continuous Improvement. The course is sponsored by the State of Minnesota Enterprise Learning Management System. Todd Wicklund and Kris Schubert will conduct a training session with BPU and City Supervisors tomorrow.

Secretary's Report

Secretary Wicklund reported the following significant items:

February 29, 2016 Summary of Utility Operations

<i>(Amounts in Thousands)</i>	Two Month Period Ended February 29,					
	Electric		Water		Wastewater	
	2016	2015	2016	2015	2016	2015
Operating Revenue	\$ 3,165	\$ 3,291	\$ 331	\$ 357	\$ 410	\$ 391
Operating Expenses						
Purchased Power	1,914	1,882	-	-	-	-
Depreciation	229	236	112	106	232	229
Other Operating Expenses	628	573	227	224	297	321
Total Operating Expenses	2,771	2,691	339	330	529	550
Operating Income (Loss)	394	600	(8)	27	(119)	(159)
Nonoperating Revenue (Expense)	(29)	(61)	(7)	(2)	108	117
Transfers to City	(121)	(109)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 244	\$ 430	\$ (15)	\$ 25	\$ (11)	\$ (42)
Meters in Service	7,961	7,931	4,638	4,621	4,591	4,576

AEP Energy Partners, Inc.

Wicklund presented for Commission approval the First Amendment to the agreement with AEP Energy Partners, Inc. regarding purchase of 30 megawatts of capacity for the planning years 19/20 through 21/22 with the option to purchase up to 30 megawatts for planning years 22/23 through 24/25.

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve the First Amendment to AEP Energy Partners, Inc. market based rate full requirements agreement. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Power Energy Services Work Order Authorization #2

Mike Kumm, Public Power Energy Services (PPES) presented the scope of services for this phase of power supply options. The scope of services will include the following.

- Evaluate the rate increases in current power supply agreement with Minnesota Power
- Transition to new power supply agreement
- Evaluate renewable options
- Evaluate environmental considerations

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
March 29, 2016**

- Identify and evaluate capacity opportunities
- Discuss potential opportunities for generation ownership
- Discuss transmission options

Motion by Commissioner Nesheim and seconded by Commissioner Matten to approve Public Power Energy Services Work Order #2. There was a unanimous roll call vote in favor of the motion. Motion carried.

CliftonLarsonAllen 2015 Audit

Auditors from CliftonLarsonAllen will be conducting the annual financial audit the week of April 11 – 15.

Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints – None
- Filtration Plant – Catalyzer bed ready to fill and test next week
- Projects
 - 13th Street – 4 to 5 hydrants will be moved or replaced
 - Parks & Recreation – Memorial ball park restroom and concession project

Wastewater Treatment Department

- WWTF/Projects
 - Recirculation pumps on order
 - Sludge hauling will begin soon
 - Checking on options for replacement of the 1995 tractors for sludge hauling

Electrical Department

- Outages/Interruptions/Complaints – Transformer failed, affected 2 houses and trees
- Projects
 - Northeast Brainerd – Close to completion and move to other side of Mill Avenue
 - APPA Lineworkers Rodeo – National event held in Shakopee this Saturday. BPU has 1 team of 3 Lineworkers and 2 Apprentice Lineworkers competing.

Hydro Department

Projects

- AmJet - AmJet turbine will be on display at the Hydro Convention in Minneapolis at the end of July before installation at the Hydro Dam.
- FERC – 50% design package – waiting for approval to move ahead with design

Administration Department

- Summer help – 2 college students will be hired to mow and assist in maintenance of BPU properties.

Old Business

None

New Business

None

Motion by Commissioner Wroolie and seconded by Commissioner Neishem to meet in closed session for the purpose to consider potential litigation on hydroelectric dam apron repair project 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 10:10 AM.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING
March 29, 2016

Those present at the closed session included the five BPU Commissioners present, Wicklund, Magnuson, Scheeler, George Barbato, Doug Spaulding, and Attorney Jim Strommen.

The Commission reconvened into open session at 11:05 AM.

Adjournment

Motion by Commissioner Neishem and seconded by Commissioner Wroolie to adjourn the meeting at 11:06 AM. Meeting adjourned.