

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on May 23, 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
Recording Secretary
Accounting Supervisor
Line Supervisor

Todd Wicklund
Sharon Jensen
Julie Batters
Trent Hawkinson

Others in Attendance

Brainerd Dispatch

Spenser Bickett

Approval of Minutes

Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to approve the minutes of the April 25, 2017 regular monthly meeting and to approve payment of the May 2017 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

Commission President Matten provided a summary of the performance reviews of Superintendent Magnuson and Finance Director Wicklund which were completed at the April meeting. Matten stated that "Both Magnuson and Wicklund are at or above expectation and she thanked Wicklund for his 15 years of service."

Other Commissioners' Reports

Commissioner O'Day reported that he had met with Mike Kumm along with Commissioner Nesheim, Wicklund and Magnuson and that Mr. Kumm would be making a capacity recommendation at the June meeting.

City Administrator Report

None

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
May 23, 2017**

Secretary's Report

April 30, 2017 Summary of Financial Operations

<i>(Amounts in Thousands)</i>	Four Month Period Ended April 30,					
	Electric		Water		Wastewater	
	2017	2016	2017	2016	2017	2016
Operating Revenue	\$ 6,262	\$ 6,098	\$ 707	\$ 700	\$ 817	\$ 818
Operating Expenses						
Purchased Power	4,111	3,750	-	-	-	-
Depreciation	556	525	228	225	468	463
Other Operating Expenses	1,226	1,095	536	462	665	601
Total Operating Expenses	5,893	5,370	764	687	1,133	1,064
Operating Income (Loss)	369	728	(57)	13	(316)	(246)
Nonoperating Revenue (Expense)	(79)	(108)	134	(12)	300	218
Transfers to City	(226)	(227)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 64	\$ 393	\$ 77	\$ 1	\$ (16)	\$ (28)
Meters in Service	8,003	7,971	4,693	4,659	4,645	4,611

Review of April 2017 Financial Information

Wicklund reported that there are over 8,000 electric meters in service. Power costs are approximately \$361,000 higher or 9.6% than previous year.

Westwood Mobile Home Park Utility Waiver Request

Wicklund presented a request from Susan Rock, representing Westwood Mobile Home Park, to waive a portion of Westwood's wastewater treatment and collection charges. Westwood has experienced major water leaks in 2016 and 2017. The last time Westwood was granted a waiver due to leaks was in November 2011. Staff recommendation is to grant one-half of the potential waiver adjustment for a total of \$1,119.95 (\$709.70 for wastewater treatment and \$486.25 for wastewater collection).

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve staff recommendation to grant Westwood Mobile Home Park in the amount of \$1,119.95 (\$709.70 for wastewater treatment and \$486.25 for wastewater collection). There was a unanimous roll call vote in favor of the motion. Motion carried.

Commissioner O'Day stated that the trailer parks just don't seem to be fixing their water leaks in a timely matter and have requested waivers of wastewater charges. Stoneybrook requested a waiver in October 2016 and they were informed that it would be the last one granted. Commission President Matten mentioned the State of Minnesota has jurisdiction of water supplies in trailer parks.

Motion by Commissioner O'Day and seconded by Commissioner Wroolie that no further waiver requests will be granted to any Mobile Home Park. There was a unanimous vote in favor of the motion. Motion carried.

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Water Department Capital Improvement Projects

Wicklund reviewed the major capital improvement projects scheduled for years 2018 through 2022. A proposal was filed with the Minnesota Department of Health to add the South Brainerd elevated water tower, replacement ground storage reservoir and a backwash collection and reclamation system for the Water Plant projects to the 2018 Drinking Water Revolving Fund Project Priority List. The Commission discussed the cost of the projects and bonding.

Public Power Energy Services, LLC

Wicklund informed the Commission that Mike Kumm will be presenting an amendment for capacity next month.

CliftonLarsonAllen

Mary Reedy, CliftonLarsonAllen, will present the 2016 audit at the June meeting.

Service Territory Update

Wicklund updated the negotiations with Crow Wing Power (CWP) for the south one half of the Mills property that consists of approximately 275 acres and the approximate 430 acres located in the northwest corner of the City of Brainerd surrounding the Wise Road. These two areas are currently served by CWP. Terms would be 30 mils for a period between ten and fifteen years.

HR Report

Wicklund briefed the Commission on the report submitted by Kris Schubert, HR Coordinator, regarding staffing concerns. BPU's organizational chart outlined the potential retirements/replacements anticipated in the next few years.

Baxter

Brainerd City Attorney is working with Baxter's Attorney to schedule the meeting regarding annexation of BPU property. Commissioners expressed their displeasure with the delays and want some action to move the process forward. Commission President Matten mentioned the letter sent by Baxter regarding the deadfall trees on BPU property to the east of the Service Center. She requested that staff send a response to Baxter.

Retirement Party

Scott Sjolund's retirement party is Friday, May 26th. The Mayor will present Scott the Tower Award for 30 years of service to BPU/City of Brainerd.

Superintendent's Report

Superintendent Magnuson submitted a written report. Wicklund reported on the following on his behalf:

- Water – Boil order update - Staff is working on improving the phone notification to customers and the need for updated phone numbers. Matten commended staff on response to the mandate.
- Hydro – Bid document should be ready to publish on Thursday
- Wastewater – There has been another failed impeller on the pumps at the SBR building. The affected SBR tank is being drained and the contents transferred to another tank in order to assess the damage to impeller and to replace. Two impellers are on order.

Old Business

Commissioner Nesheim stated that she wants action on the annexation issue.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
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New Business

None

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to meet in closed session to consider or develop offers or counteroffers for the purchase of Crow Wing Power property located at the southeast corner of the intersection of County Road 45 and Thiesse Road pursuant to Minnesota Statutes Section 13D.05, subd. 3(c)3. There was a unanimous vote in favor of the motion. Motion carried at 10:03 AM.

Those present at the closed session included Commissioners Matten, Nesheim, Samuelson, O'Day, Wroolie, and Secretary/Finance Director Wicklund.

The Commission reconvened into open session at 10:22 AM.

Adjournment

President Matten adjourned the meeting at 10:23 AM.