

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on May 26, 2015.

Commission President Lucy Nesheim called the meeting to order.

Commissioners Roll Call

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

Mark O'Day – Arrived 9:09 AM
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
CliftonLarsonAllen

Patrick Wussow
Gary Scheeler
Mary Reedy

Approval of Minutes and May 2015 Bills

Motion by Commissioner Wroolie and seconded by Commissioner Matten to approve the minutes of the April 28, 2015 regular monthly meeting and to approve payment of the May 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 reported he participated in MMUA planning session for 2016.

City Administrator Report

City Administrator Wussow informed the Commission about his retirement party this coming Thursday at City Hall. There is a special Council meeting on Wednesday regarding the City Administrator selection and job offer to Patrick Christopherson.

The Council has also begun the 2016 budget process.

2014 Audit Presentation by CliftonLarsonAllen LLP

Mary Reedy from CliftonLarsonAllen presented the results of the 2014 audit. Ms. Reedy summarized the 2014 BPU financial audit noting that an unqualified auditor's opinion was issued and there were no findings to report to the Office of the State Auditor. The following items were noted:

- All three departments had positive change in Net Position.
- Electric revenues increased significantly due to change in rates as well as the power cost adjustment.

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- All other revenues and expenses stayed fairly consistent from year to year.
- BPU had positive cash flow from operations, and also overall cash increased approximately \$2.35 million.
- Additions to capital assets were approximately \$6.2 million mostly due to the acquisition of the hydroelectric dam.

Motion by Commissioner Wroolie and seconded by Commissioner O’Day to approve the 2014 Audit by CliftonAllenLarson LLP. There was a unanimous vote in favor of the motion. Motion carried

Commissioners Wroolie and Nesheim commented on the good report and complimented BPU staff.

Secretary’s Report

Secretary Wicklund reported the following significant items:

April 30, 2015 Financial Summary

<i>(Amounts in Thousands)</i>	Four Month Period Ended April 30,					
	Electric		Water		Wastewater	
	2015	2014	2015	2014	2015	2014
Operating Revenue	\$ 6,213	\$ 5,672	\$ 688	\$ 631	\$ 776	\$ 762
Operating Expenses						
Purchased Power	3,527	4,005	-	-	-	-
Depreciation	481	431	213	166	459	460
Other Operating Expenses	1,157	840	472	450	629	625
Total Operating Expenses	5,165	5,276	685	616	1,088	1,085
Operating Income (Loss)	1,048	396	3	15	(312)	(323)
Nonoperating Revenue (Expense)	(128)	(77)	(9)	2	194	167
Transfers to City	(202)	(210)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 718	\$ 109	\$ (6)	\$ 17	\$ (118)	\$ (156)
Meters in Service	7,947	7,888	4,646	4,651	4,597	4,600

Review of Other April 2015 Financial Information

- Wicklund noted that due to the recent rain events there was significant inflow and infiltration (I/I) into the City’s sewer system of approximately 400,000 gallons per day. One of the lift stations affected is at Walnut and Pine.
- Council member Scheeler inquired if the local option sales tax (LOST) collection was keeping with the wastewater debt repayment. Wicklund will present an updated LOST sources and uses projection schedule at an upcoming Commission meeting.
- City of Baxter wants to meet to discuss the Wastewater Treatment Plant.

Status Update of Power Supply Review Process

Wicklund reported that staff is meeting with Minnesota Power (MP) in early June. MP is one of the options available for future power supply purchases.

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MN-OSHA Staff Training

MN-OSHA is scheduled to conduct staff training on June 2nd from 7:00 AM to 9:00 AM. Wicklund requested that the Service Center close during that time to allow all staff members to attend the training.

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to close the Service Center on June 2nd from 7:00 AM to 9:00 AM for MN-OSHA training. There was a unanimous vote in favor of the motion. Motion carried

Employee Retirement

Matt Cooper, Material Control, is retiring effective June 11th. The position has been posted.

June 2015 Commission Meeting

Wicklund reminded the Commissioners that the June meeting is on Tuesday, June 23rd.

Midwest Hydro User Meeting

Wicklund, Superintendent Magnuson and Mark Levig, BPU hydro employee, attended the Midwest Hydro User meeting in Duluth. The meeting included a tour of MP's Thomson Hydro station. Thomson Hydro was severely damaged during the record flood of June 2012 and is in the process of having all generators being recommissioned.

Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints
 - Received a few complaints about water while the Crews were flushing hydrants. Commissioner Matten stated she was concerned about the hydrant flushing when she observed water blowing into traffic.
- Filtration Plant –
 - Two brand new VFD's put in service during the well conversion last year have failed however they are under warranty.
 - Waiting to hear from the MN Department of Health regarding fluoride levels.
- Projects
 - Repairing and lowering standpipes and gate valves.
 - Water tower at former BRHSC is scheduled to be painted soon and the paint color will be the same as the Downtown Tower. The cost to paint Brainerd on the side is \$9,460.

Motion by Commissioner Wroolie and seconded by Commissioner Matten to paint Brainerd on the BRHSC Water Tower for \$9,460. There was a unanimous vote in favor of the motion. Motion carried.

Wastewater Treatment Department

- WWTF/Projects
 - Sludge hauled for 1 ½ weeks then rained out. 40 fields are available for sludge application.

Electrical Department

- Outages/Interruptions/Complaints
 - Osprey nest building still causing outages. Staff is checking with Brothers Motorsports about setting a pole and nest platform.
 - Tree down near Whitley Creek caused outage.
- Norgard lift station- completed/converted.
- Northeast Brainerd – ongoing thru the Summer.

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- Tree crew is still working.

Hydro Department

- HUG Meeting – Noted that at the Hydro Users Group meeting BPU staff popular after being identified as “new owners”.
- West gate – Opened a little with no effect on west apron.
- FERC – Phone call scheduled soon.
- AMJET – AMJET is waiting for funding they have requested for the installation of generator. The DOE grant paid for construction not installation.
- Hydro Physical Model/Study – Reviewed the proposals for a physical model and study of the hydro dam. Utah State was the lowest proposal at \$159,500 and the 1-30 scale model of the Dam would be built in their lab and tests would be run on site by Utah State staff.

Motion by Commissioner Wroolie and seconded by Commissioner O’Day to approve Utah State proposal for the Hydro physical model study for \$159,500, subject to review by legal counsel. There was a unanimous vote in favor of the motion. Motion carried.

Administration Department

- Retirement – Kurt Peterson, Groundman/Truck Driver retirement date is June 9, 2015 he worked at BPU for 40 years. Dallas Moorhouse, Lineworker submitted his resignation effective June 8th he accepted a position at Crow Wing Power.
- Line Supervisor Upgrade – Wage increase recommendation due to the new responsibilities assigned to Line Supervisor Hawkinson.

Motion by Commissioner O’Day and seconded by Commissioner Wroolie to approve staff recommendation to increase Line Supervisor wage to \$7,803.85 per month due to new responsibilities. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Safety Manual – Commission approval of additions/changes to BPU Safety Manual.

Motion by Commissioner O’Day and seconded by Commissioner Matten to approve staff recommendation for updates to the Safety Manual. There was a unanimous vote in favor of the motion. Motion carried.

- Surplus Sale – Items identified for disposal include four trucks, generators, wood poles, concrete street light poles, chairs and misc. tools. The 1983 AgGator is also being sold.

Motion by Commissioner O’Day and seconded by Commissioner Matten to for disposal of surplus items as identified by staff. There was a unanimous vote in favor of the motion. Motion carried.

- History Week Request - Checking with FERC regarding request for Hydro tours during Brainerd History week and depending on Brainerd Industrial Center (BIC) participation.

Public Forum

None

Old Business

None

New Business

Commissioner Matten asked if the generation output numbers from the Hydro dam could be reported in the newsletter.

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Motion by Commissioner Samuelson and seconded by Commissioner Wroolie to meet in closed session pursuant to Minnesota Statutes Section 13D.05, subdivision 3(a) to evaluate the performance of Secretary/Finance Director Wicklund and Superintendent Magnuson. There was a unanimous voice vote in favor of the motion. Motion carried at 10:39 AM.

The Commission reconvened into open session at 11:40 AM.

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner Matten to adjourn the meeting at 11:41 AM. Meeting adjourned.