

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on May 27, 2014.

Commission President Donald Samuelson called the meeting to order.

Commissioners Roll Call

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

Mark O'Day – Present
Donald Sievek – Present

Utility Staff Present

Secretary/Finance Director
Superintendent
Recording Secretary

Todd Wicklund
Scott Magnuson
Sharon Jensen

Others in Attendance

Brainerd City Administrator
Brainerd City Councilmember
Public Power Energy Services, LLC

Patrick Wussow
Gary Scheeler
Mike Kumm

Approval of Minutes and May 2014 Bills

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve the minutes of the April 29, 2014 regular monthly meeting and to approve payment of the May 2014 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

None

Other Commissioners' Reports

Commissioner Wroolie reported that he is attending planning meetings pertaining to 2015 MMUA conferences.

City Administrator Report

City Councilmember Scheeler stated that he has received complaints regarding old BPU poles in North Brainerd. As Charter Communications is the only utility using the old poles Scheeler inquired about the policy for removal and/or change out of these old poles. Superintendent Magnuson said that the pole attachment agreement states that BPU will notify Charter that the pole is being changed out and they have 30 days to move their attachment to the new pole or if BPU has installed underground services and the poles are no longer needed, after the 30 days the ownership of the pole is transferred to Charter. Councilmember Scheeler asked if BPU could help resolve the old pole issue with Charter. Magnuson said that he was informed by Charter that pole rehab capital funding had been received and hoped that

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work would happen this year. It was noted that the City of Brainerd has a franchise agreement with Charter and Scheeler could check on the requirements in the franchise agreement.

City Administrator Patrick Wussow reported that the negotiating committee will meet with Wausau employees United Steel Workers Union officials this afternoon.

Secretary's Report

Secretary Wicklund reported the following significant items:

Summary of Utility Operations – April 30, 2014

<i>(Amounts in Thousands)</i>	Four Month Period Ended April 30,					
	Electric		Water		Wastewater	
	2014	2013	2014	2013	2014	2013
Operating Revenue	\$ 5,672	\$ 5,902	\$ 631	\$ 620	\$ 762	\$ 728
Operating Expenses						
Purchased Power	4,005	4,493	-	-	-	-
Depreciation	431	404	166	160	460	461
Other Operating Expenses	840	802	450	468	625	599
Total Operating Expenses	5,276	5,699	616	628	1,085	1,060
Operating Income (Loss)	396	203	15	(8)	(323)	(332)
Nonoperating Revenue (Expense)	(77)	(60)	2	1	167	180
Transfers to City	(210)	(241)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 109	\$ (98)	\$ 17	\$ (7)	\$ (156)	\$ (152)
Meters in Service	7,888	7,810	4,651	4,639	4,600	4,593

Purchase of Hydropower Dam Update

Wicklund discussed the following items related to the purchase of the Hydro Dam:

- Working on financing options/resolutions for Hydro purchase with Kennedy & Graven attorney Martha Ingram and Paul Steinman of Springsted Inc.
- Negotiations with Steelworker's union this afternoon
- Hydro purchase approval legislative bill (SF 2449) was signed by Governor Dayton on May 10th.

Local Option Sales Tax (LOST) Update – The Local Option Sales Tax extension bill passed in the Legislature. Baxter and Brainerd City Councils will need to pass resolutions to put the question of extending LOST on the fall ballot. Included in the bill was the extension of water and sewer services to the Airport.

Audit – Clifton Larson Allen auditors spent one week at BPU and will attend the June Commission meeting with their presentation.

Minnesota Power Annual Wholesale Customer Meeting – MP Annual Wholesale Customers/True-Up meeting is Wednesday May 28th in Duluth. Wicklund, Magnuson and Line Supervisor Hawkinson will attend.

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Power Supply Alternatives

Mike Kumm, Public Power Energy Services, LLC, Wicklund and Magnuson went to Wisconsin to meet with General Manager of Rice Lake Municipal Utility to discuss power supply alternatives. Several Wisconsin Utilities switched power suppliers recently. Discussions included transmission, reliability, and financial savings. Mr. Kumm has been in contact with power suppliers and preliminary pricing is very encouraging. BPU's current contract with MP expires June 2019.

Superintendent's Report

Superintendent Magnuson reported the following significant items:

Water Department

- Leaks/Breaks/Complaints – So. 6th Street service and main, patching this week first with concrete then paved. So. 6th Street reconstruction is scheduled for 2017.
- Filtration Plant – Catalyzer #6 work continues.
- Projects
 - Wells rehab – Well #3 motor froze up
 - AMR installations
 - Repair bent curb stops and gate valves (winter damage)

Wastewater Treatment Department

- WWTF – Annual “Minnow Test” conducted over 4 days last week.
- Projects
 - Sludge hauling started

Electrical Department

- Outages/Interruptions/Complaints –
 - Tree on service wires over the weekend.
- Projects
 - SE Brainerd – Daryl's crew is finishing up last year's project S. 6th & S 7th area.
 - Tree Trimming – Dan's crew near Lum Park

Administration

- Water Tower – Painting Brainerd in block letters on the Tower
- Generator Presentation – BPU was contacted by a manufacturer regarding the Hydro Dam as potential site to install a prototype “new” generator. They have received a grant from the Department of Energy and Brainerd's vacant no.6 bay appears to have enough flow. The maintenance/replacement of the generator is 1-2 days compared to 6-8 weeks for the current generators.
- Surplus Sale – Magnuson asked for Commission approval to sell surplus items and vehicles no longer in service.

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to sell BPU surplus equipment. There was a unanimous roll call vote in favor of the motion. Motion carried.

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Old Business

None

New Business

None

Adjournment

Commissioner Wroolie motion to adjourn the meeting at 10:11 AM. Meeting adjourned.

Don Samuelson, Commission President

Todd Wicklund, Commission Secretary