

The regular meeting of the Brainerd Public Utilities Commission was held at 9:08 AM on October 25, 2016.

Commission President Mark O'Day called the meeting to order.

Commissioners Roll Call

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

Mark O'Day – Present
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 Council Member
Brainerd Dispatch

Gary Scheeler
Spenser Bickett

Approval of Minutes and October 2016 Bills

Motion by Commissioner Nesheim and seconded by Commissioner Matten to approve the minutes of the September 27, 2016 regular monthly meeting and to approve payment of the October 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 is meeting with John Forrest, Brainerd Rotary tomorrow.

Other Commissioners' Reports

None

City Administrator Report

None

Secretary's Report

Operating/Capital Budget and Cost of Service Study Presentations

Staff will be presenting the 2017 Operating and Capital budgets at the November 29th Commission meeting. There will also be the "Cost of Service" study presentation by Utility Financial Solutions.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
October 25, 2016**

Meeting with Crow Wing Power – Service Territory

Wicklund reported that staff had met with Crow Wing Power last week to discuss development of new electric service territory agreement since existing agreement expired in February 2016. Different parcels currently outside of BPU's service territory which are now part of City of Brainerd were discussed.

September 30, 2016 Summary of Utility Operations

	Nine Month Period Ended September 30,					
	Electric		Water		Wastewater	
	2016	2015	2016	2015	2016	2015
(Amounts in Thousands)						
Operating Revenue	\$ 14,062	\$ 14,102	\$ 1,772	\$ 1,736	\$ 1,897	\$ 1,800
Operating Expenses						
Purchased Power	9,602	8,738	-	-	-	-
Depreciation	1,215	1,118	521	480	1,051	1,032
Other Operating Expenses	2,674	2,744	1,088	1,070	1,329	1,364
Total Operating Expenses	13,491	12,600	1,609	1,550	2,380	2,396
Operating Income (Loss)	571	1,502	163	186	(483)	(596)
Nonoperating Revenue (Expense)	(254)	(262)	(26)	(26)	566	499
Transfers to City	(523)	(459)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ (206)	\$ 781	\$ 137	\$ 160	\$ 83	\$ (97)
Meters in Service	7,972	7,936	4,802	4,781	4,619	4,619

A.L.S. Properties (Stoneybrook) Waiver Request

Wicklund presented a waiver request for a portion of wastewater treatment and collection charges from A.L.S. Properties/Stoneybrook South. Stoneybrook experienced a major water leak during the months of June through September. This customer has a history of water leaks in which the Commission has granted a waiver of a portion of utility charges. The total calculated adjustment for the two meters is \$4,701.95.

Motion by Commissioner Matten and seconded by Commissioner Nesheim to adjust the waiver request in half (\$2,350.98) due to the delay in repairing the leak also the motion was amended to include that this in the final adjustment for this account. There was a unanimous vote in favor of the motion. Motion carried.

Wastewater Management Board

Wicklund provided history relating to the establishment of a "Wastewater Management Board" (WMB). During the new wastewater treatment plant pre-construction meeting between the cities of Brainerd and Baxter there was discussion of establishing a WMB consisting of two council members from both cities and the chair would be the BPU Commission President. It was to be advisory only and meet once a year to discuss wastewater treatment plant operations and other significant issues. The WMB was incorporated into the Sewer Use and Capacity Agreement between the two cities on November 27, 2007.

Motion by Commissioner Matten and seconded by Commissioner Samuelson to send a letter to both City Councils requesting them to define their members. There was a unanimous vote in favor of the motion. Motion carried.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

October 25, 2016

Date Selection for Closed Meeting

A closed meeting date to discuss Union contract negotiations will need to be set for November 14-16. The first negotiation meeting with IBEW 31 is November 10th. The Commission will meet in closed session on November 16th at 9:00 AM.

Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints – None to report
- Filtration Plant – Generator is ready to be set.
- Projects
 - Business 371/South 6th Street – complete replacement has been moved to 2018
 - Airport Extension – moving forward with some leaks and issues at the Lum Park lift station
 - Airport Booster Station ready to hook-up
 - Airport Property Utility Project – Ryan Construction is ready for pressure tests.

Wastewater Treatment Department

- WWTF/Projects
 - Sludge hauling will continue unless rainfall is heavy.
 - 1 of the 3 chemical storage tanks is cracked
 - The grinder in the Headworks building has stopped working

Electrical Department

- Outages/Interruptions/Complaints
 - Downtown - one transformer failed
 - Excavator hit overhead line in NE Brainerd
 - Underground hit at Airport on Friday - 250 customers affected, power restored to them but the Airport was out for 3 hours.
- Projects
 - NE Brainerd/West of Mill Avenue- setting poles for rebuilding line
 - Generator at Central Station
 - New house Construction
 - 4 in Brainerd Oaks
 - 2 in North Town with the contractor requesting power for 14 more lots
 - 2 group homes in North Town
 - 2 on Riverside Drive
 - Building 3 phase transformer bank for Jordan Road lift station

APPA Technical/Operators Conference and APPA Lineman's Rodeo is in San Antonio next year. Need to discuss as part of next year's budget sending a crew to compete and attend the conference. MMUA has offered to transport gear necessary for competition.

Hydro Department

- Projects
 - Buoys were removed from the River
 - Amjet – Old turbine was removed and Graycon design work needs to be completed
 - FERC – design for remaining apron repair to FERC by the end of November

Old Business

Commission President O'Day inquired about a report of a sewer line north of Oak Street that is made of wood.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
October 25, 2016**

New Business

Annexation of BPU Property into the City of Brainerd

The Commission discussed the history regarding the annexation of BPU property into the City of Brainerd. The options discussed included continuing negotiations between the cities or initiate necessary proceedings to annex the property to Brainerd through filing of Property Owner Petition for Concurrent Detachment and Annexation with the Office of Administrative Hearings at the State Municipal Boundary Adjustment Unit. Commission President O'Day stated he would prefer to wait until the November meeting to discuss the issue and wondered who should file the petition the City or BPU? Commissioner Nesheim noted that it is time to move forward with the annexation and that Baxter has charged BPU significant amounts in building permit fees that would not have been the case if the property was within the City of Brainerd.

Motion by Commissioner Nesheim and seconded by Commissioner Samuelson to request the Brainerd Council to initiate necessary proceedings to annex the property to Brainerd through filing of Property Owner Petition for Concurrent Detachment and Annexation with the Office of Administrative Hearings at the State Municipal Boundary Adjustment Unit. There was a unanimous roll call vote in favor of the motion. Motion carried.

Adjournment

Motion by Commissioner Matten and seconded by Commissioner Nesheim to adjourn meeting until November 16, 2016 at 9:00 AM at the BPU Commission Room to consider union negotiation strategies with IBEW No. 31. All or portions of the meeting will be closed to the public pursuant to M.S. Section 13D.03, Subd. 1(b). There was a unanimous vote in favor of the motion. Motion carried at 10:02 AM.