

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on October 27, 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 – Present  
Dolly Matten – Present

**Utility Staff Present**

Secretary/Finance Director  
Superintendent of Utilities  
Recording Secretary  
Line Supervisor

Todd Wicklund  
Scott Magnuson  
Sharon Jensen  
Trent Hawkinson

**Others in Attendance**

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

Gary Scheeler  
Jim Thoreen  
Todd Hegwer  
Patrick Mullen  
Jason Risdall  
Spenser Bickett

**Approval of Minutes and October 2015 Bills**

**Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve the minutes of the September 29, 2015 regular monthly meeting, approve minutes of reconvened regular meeting of October 6, 2015 and to approve payment of the October 2015 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**President's Report**

Commission President Nesheim reported that the Brainerd City Council had approved the purchase agreement for the adjacent property and that the closing is anticipated to happen in the near future.

**Other Commissioners' Reports**

Commissioner Samuelson stated that he had attended the Brainerd City Council meeting along with Commissioner Nesheim regarding the property purchase.

**City Administrator Report**

Brainerd City Administrator Jim Thoreen updated the Commission on the process of filling the vacancy created by the death of Mayor James Wallin. The City Council will interview the applicants on November 30, 2015.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING  
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Council and City staff is still working on the 2016 budget. The Fire Department transition layoff of five fulltime employees has been good for the budget but not for the Community.

BLADAC continues to pursue economic development opportunities.

**Special Presentation-Minnesota Power**

Pat Mullen, Vice-President of Marketing with Minnesota Power (MP) discussed the current energy contract proposal. He stated that MP has served BPU as a power provider since 1912 and that MP would like to continue that relationship. He also stated that BPU was the only wholesale municipal customer who has not signed the contract extension. Commissioners questioned Mr. Mullen as to why there was no market participation piece in the current proposal and that is why it was rejected by the Commission at the last board meeting.

**Secretary's Report**

Secretary Wicklund reported the following significant items:

October 31, 2015 Financial Summary

	Ten Month Period Ended October 31,					
	Electric		Water		Wastewater	
	2015	2014	2015	2014	2015	2014
<b>(Amounts in Thousands)</b>						
Operating Revenue	\$ 15,592	\$ 15,007	\$ 1,905	\$ 1,769	\$ 1,997	\$ 1,947
Operating Expenses						
Purchased Power	9,580	10,312	-	-	-	-
Depreciation	1,254	1,111	537	416	1,151	1,150
Other Operating Expenses	3,002	2,401	1,188	1,155	1,488	1,487
Total Operating Expenses	13,836	13,824	1,725	1,571	2,639	2,637
Operating Income (Loss)	1,756	1,183	180	198	(642)	(690)
Nonoperating Revenue (Expense)	(296)	(357)	(28)	3	555	516
Transfers to City	(505)	(513)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 955	\$ 313	\$ 152	\$ 201	\$ (87)	\$ (174)
Meters in Service	7,954	7,954	4,657	4,657	4,623	4,611

Operating/Capital Budget Review

Presentation of the 2016 operating and capital budget will be at the November 24<sup>th</sup> Commission meeting. The approved budget will be presented to the City Council on December 7<sup>th</sup>.

13021 Eagle Drive

The purchase of the property at 13021 Eagle Drive adjoining the BPU Service Center property will be completed soon.

Status Update of Power Supply Discussions with Minnesota Power

Todd Hegwer Public Power Energy Services, LLC, updated the Commission on the current proposal with Minnesota Power (MP). Discussed the different options available to BPU and mentioned the other 14 municipals got a good deal from MP due to Brainerd's efforts but efforts continue in getting a better deal with MP.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING  
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1718 Linden Lane

Wayne Gutzman, 1718 Linden Lane requested a refund of sanitary sewer charges due to a burst hot water heater. BPU staff determined that 90,000 gallons of water did not enter the City's sanitary sewer system. Recommendation to refund sanitary sewer charges of \$299.62.

**Motion by Commissioner O'Day and seconded by Commissioner Matten to approve Wayne Gutzman, 1718 Linden Lane sanitary sewer refund in the amount of \$299.62. There was a unanimous vote in favor of the motion. Motion carried.**

**Superintendent's Report**

Superintendent Magnuson reported on the following:

**Water Department**

- Leaks/Breaks/Complaints - none to report
- Filtration Plant – Generators will be handled by staff
- Projects
  - DNR - Water supply plan – formerly called Conservation/Emergency Plan is due for 10 year renewal next year.
  - Wellhead protection-Superintendent Magnuson appointment at Wellhead Protection Plan Manager

**Motion by Commissioner O'Day and seconded by Commissioner Wroolie to appoint Superintendent Magnuson as BPU Wellhead Protection Plan Manager. There was a unanimous vote in favor of the motion. Motion carried.**

- Hydrant flushing – Fall flushing of hydrants
- AMR continues

**Wastewater Treatment Department**

- WWTF/Projects
  - Sludge hauling until freeze up

**Electrical Department**

- Outages/Interruptions/Complaints – No major outages to report
- Projects
  - Northeast Brainerd – Work continues

**Hydro Department**

- Projects –
  - Marker buoys were removed from the river
  - FERC coring plan
- Hydro Physical Model/Study – The 3rd round of testing is planned for mid-November.

**Administration Department**

- Maintenance Mechanic – Position has been posted
- Water Crew Chief – Mike Koering, Water Crew Chief is retiring November 30, 2015.

**Public Forum**

None

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**  
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**Old Business**

None

**New Business**

None

**Motion by Commissioner Samuelson and seconded by Commissioner Wroolie to adjourn meeting.**  
**There was a unanimous vote in favor of the motion. Motion carried at 10:57 AM.**