

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on October 28, 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 of Utilities
Recording Secretary
Accounting Supervisor

Todd Wicklund
Scott Magnuson
Sharon Jensen
Julie Batters

Others in Attendance

Brainerd City Administrator
Brainerd City Councilmember
Brainerd Dispatch
Public Power Energy Services, LLC
Utility Financial Solutions, LLC

Patrick Wussow
Gary Scheeler
Jessie Perrine
Mike Kumm
Dan Kasbohm

Approval of Minutes and October 2014 Bills

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve the minutes of the September 23, 2014 regular monthly meeting and to approve payment of the October 2014 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

Stoneybrook South Mobile Home Park Waste Water Waiver Request

Waste water waiver request from A.L.S. Properties, owner, of Stoneybrook South Mobile Home Park at 1710 13th Street SE. Stoneybrook experienced a water leak that began in August and was fixed on September 30th. BPU Staff recommendation was to waive the waste water treatment and collection charges in the amount of \$4,535.60 as the water did not enter the City's sanitary sewer system.

Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to approve the waiver request for Stoneybrook Mobile Home Park in the amount of \$4,535.60 as recommended by Staff. There was a unanimous roll call vote in favor of the motion. Motion carried.

President's Report

Commission President Don Samuelson reported he had received phone calls regarding chlorination and they are not in favor of continuing after the water tower is completed.

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Other Commissioners' Reports

None

City Administrator Report

City Administrator Wussow stated that negotiations with IBEW #31 employees are scheduled for tomorrow.

Secretary's Report

Secretary Wicklund reported the following significant items:

Summary of Utility Operations – September 30, 2014

<i>(Amounts in Thousands)</i>	Eight Month Period Ended August 31,					
	Electric		Water		Wastewater	
	2014	2013	2014	2013	2014	2013
Operating Revenue	\$ 11,804	\$ 11,567	\$ 1,415	\$ 1,447	\$ 1,565	\$ 1,517
Operating Expenses						
Purchased Power	8,443	8,846	-	-	-	-
Depreciation	879	811	333	319	920	921
Other Operating Expenses	1,833	1,612	917	923	1,203	1,170
Total Operating Expenses	11,155	11,269	1,250	1,242	2,123	2,091
Operating Income (Loss)	649	298	165	205	(558)	(574)
Nonoperating Revenue (Expense)	(152)	(141)	2	3	395	387
Transfers to City	(417)	(445)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 80	\$ (288)	\$ 167	\$ 208	\$ (163)	\$ (187)
Meters in Service	7,920	7,865	4,757	4,773	4,600	4,611

Manufacturers Week

Wicklund stated that he had visited two of the Utility's large customers Lakeland Mold and Lexington during a spotlight on manufacturers sponsored by the City of Brainerd.

Status Update Bond Issuance for Water Improvements

Wicklund reported that the bond rating call will be in early January relating to bond issuance for water improvements (water tower, well house improvements and ground storage).

Midwest Hydro User Group Conference

Wicklund will attend the Midwest Hydro User Group Conference in Wausau WI in November.

Park Construction Pay Request

Wicklund presented Park Construction pay request #1 for \$147,991.00

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve Park Construction pay request #1 in the amount of \$147,991.00. There was a unanimous roll call vote in favor of the motion. Motion carried.

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2015 Operating and Capital Budget

The 2015 Operating and Capital budgets presentation to the Brainerd City Council is on December 1st. Presentation to the Commission will be at the November 25th meeting.

IDS #181 Insurance Claim

Wicklund informed the Commissioners of the decision from the League of MN Cities Insurance Trust (LMCIT) regarding the Brainerd School District claim for expenses incurred during the “boil order”. LMCIT conclusion was that the City of Brainerd did not act negligently in the operation of the water distribution system and therefore denied the request for reimbursement of bottled water expenses.

Superintendent’s Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints –
 - Several calls asking BPU not to continue chlorination.
- Filtration Plant – Well project is complete
- Projects
 - Flushing hydrants for winter
 - AMR
- Water Tower – Water tests are being conducted starting today we need two 24 hour negative tests in a row to put the tower back in service
- SEH – Plan to attend the November meeting to present the water reservoir, backwash reclamation and water model to the Commission.

Wastewater Treatment Department

- WWTF/Projects
 - Sludge Hauling 427 loads to date 2.1 million gallons. First opportunity to clean out and inspect #4 SBR.

Electrical Department

- Outages/Interruptions/Complaints
 - New Dollar Tree store a truck hit the brand new \$14,000 transformer.
- Projects
 - NE Brainerd/Lum Park
 - Winter tree trimming will be Daryl’s crew this year

Hydro Department

- Apron Repair – Hoping to pour concrete on Friday-dewatering is working-December 6th substantial concrete work is to be completed with one shift they are considering a second shift.
- Turbine pit #6 – Cleaned out pit and took measurements. Waiting for the grant before the old turbine/water wheel is removed.

Administration

- Employee Probation - Dallas Moorhouse, Lineworker, and Andy Moody, Laborer will complete their 6 month probation on November 5, 2014.

Old Business

Chlorination of Brainerd’s Water Supply

Magnuson reviewed the pros and con’s relating to permanent chlorination of the Brainerd water system. The Commission discussed the options and the need to prepare for the possibility of chlorinating the water in the future and will be discussed with SEH.

Motion by Commissioner O’Day and seconded by Commissioner Wroolie to discontinue chlorination after the downtown water tower is back in service. There was a unanimous vote in favor of the motion. Motion carried.

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Status of Request for Proposals for Power Supply

Mike Kumm, Public Power Energy Services, LLC, reported that the Request for Proposals (RFP) is nearing completion. He said it is not unusual the way it is starting slow and that they will be sending an email to call a meeting with the other 16 municipals to inform them that BPU is going forward with the RFP. Mr. Kumm reviewed the timeline on the process. He also noted that a letter was sent to Minnesota Power (MP) regarding section 5 and that BPU is opting out of the Bison #4 Wind Project and the cost increases related to the project.

New Business

2015 Rate Study Recommendations

Dan Kasbohm, Utility Financial Solutions, LLC, reviewed the electric, water and waste water rate design process including projections and proposed rates recommendations. The Commission discussed and approved the electric, water and waste water rate adjustments effective December 1, 2014.

Motion by Commissioner O'Day and seconded by Commissioner Wroolie approved the electric, water and wastewater rates effective December 1, 2014. There was a unanimous roll call vote in favor of the motion. Motion carried.

Adjournment

Commissioner Wroolie motioned at 10:14 AM to adjourn the meeting seconded by Commissioner Nesheim. Meeting adjourned.