

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on October 31, 2017.

Commission President Dolly Matten called the meeting to order.

Commissioners Roll Call

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

Mark O'Day – Absent
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

None

Approval of Minutes and Consent Items

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve the following:

- **Minutes of the August 29, 2017 regular monthly meeting**
- **Minutes of reconvened regular meeting of September 18, 2017**
- **Minutes of the September 26, 2017 regular monthly meeting**
- **Approve payment of the October 2017 bills**
- **Completion of 6 month probation period for Technology Supervisor, Aaron Andersen and move to 90% of base effective November 1, 2017**

There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

None

Other Commissioners' Reports

None

City Administrator Report

City Administrator Thoreen submitted a written report.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
October 31, 2017**

Secretary's Report

September 30, 2017 Summary of Financial Operations

	Nine Month Period Ended September 30,					
	Electric		Water		Wastewater	
	2017	2016	2017	2016	2017	2016
(Amounts in Thousands)						
Operating Revenue	\$ 14,699	\$ 14,062	\$ 1,835	\$ 1,772	\$ 1,963	\$ 1,897
Operating Expenses						
Purchased Power	9,523	9,602	-	-	-	-
Depreciation	1,258	1,215	528	521	1,060	1,051
Other Operating Expenses	2,830	2,674	1,276	1,088	1,478	1,329
Total Operating Expenses	13,611	13,491	1,804	1,609	2,538	2,380
Operating Income (Loss)	1,088	571	31	163	(575)	(483)
Nonoperating Revenue (Expense)	(157)	(254)	219	(26)	654	566
Transfers to City	(511)	(523)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 420	\$ (206)	\$ 250	\$ 137	\$ 79	\$ 83
Meters in Service	8,014	7,972	4,829	4,802	4,659	4,619

Review of September 2017 Financial Information

Wicklund reviewed the September financials and it was noted that since the beginning of the Conservation Incentive Program (CIP) approximately 40 million kWh's have been saved due to energy saving changes implemented by customers.

MCR Performance Solutions, LLC - Proposal

Wicklund presented a proposal from MCR Performance Solutions, LLC to review Minnesota Power's (MP) transmission formula rate costs. MP's MISO charges are increasing approximately 12% a year and are 19% of total MP bill for 2017. MCR will review the bills going back to 2015, the benefit for BPU is to insure that we are being billed correctly.

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve the proposal to review the MISO transmission formula rates for \$25,200.00 from MCR Performance Solutions, LLC . There was a unanimous roll call vote in favor of the motion. Motion carried.

Baxter Franchise Fee

Wicklund reported that it appears Baxter cannot obligate BPU to collect and pay the fees without a written franchise agreement. Wicklund also noted the storm water fees that have been paid to Baxter since 2006.

HR Coordinator's report

HR Coordinator's written report was noted it includes the 2018 Health Insurance Election form.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
October 31, 2017**

Superintendent's Report

Water Department

- Leaks/Breaks/Complaints – Water main break near Riverside School crews waited to repair after hours to repair as per School District request.
- August leak survey – Found 7 hydrant leaks and 1 service leak on S. 6th Street
- Filtration Plant – No changes
- Projects
- Airport Extension and Airport Project
 - Final walk thru with Contractor and City - Pressure test were conducted for each section
 - Turf restoration and curb settling near Lift Station
 - 2 year warranty after last payment
 - 9 water meters are installed at the Airport.

Wastewater Treatment Department

- WWTF Projects
 - Plant is running well
 - Sludge Hauling – Down to 1 truck, not able to find a tanker that could be rented, will order replacement tanker once settlement with insurance is settled.

Electrical Department

- Outages/Interruptions/Complaints
 - October 9th – Bad connector
 - October 19th – Contractor hit the marked underground conductor near Pan-O-Gold store. The store was hooked up to a generator until conductor could be repaired.
 - October 27th – West Brainerd wind and snow
- Energy Insight – Met with Energy Insight to discuss CIP program. BPU has been using Minnesota Power website and WECC to process the CIP rebates. Staff would like to make the process more BPU customer friendly and have the information and forms available on our own website.

Hydro Department

- Projects
 - Apron- Phase 1 concrete pour starts at 9:00 today/Phase 2 pour is Thursday – Water levels are still high.
 - Apron – Pay request No. 4 for \$253,450.79 received from ECI.

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve payment of the progress billing received from ECI for \$253,450.79. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Amjet Turbine-purchase demo unit – The contract stated Amjet needed to provide a price, per kilowatt, for the unit before it was installed. In 2014 the price mentioned was \$1,800 per kW, now the letter received on October 2nd shows a price of \$2,860 per kW. With so many changes in the design and information about Amjet “changing focus” to smaller units and not the 63 inch prototype being installed here BPU Staff recommendation is to not purchase the generator before installation and testing.

Motion by Commissioner Wroolie and seconded by Commissioner Samuelson not to purchase the Amjet generator before installation and testing at the Brainerd Hydro Dam. There was a unanimous vote in favor of the motion. Motion carried.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
October 31, 2017**

Administration Department

- Wastewater Operator – Discussed the candidates interviewed for the Wastewater Operator position. Staff would like to hire two Wastewater Operators if the Commission and budget numbers agree.

Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to hire two Wastewater Operators as per staff request. There was a unanimous vote in favor of the motion. Motion carried.

- Crow Wing Power Service Territory Agreement – Presented the Service Territory agreement with Crow Wing Power for the “Mills property on the south side of Brainerd and the property on northwest part of Brainerd around Wise Road including integration expenses.

Motion by Commissioner Samuelson and seconded by Commissioner Nesheim to approve and sign the Service Territory agreement with Crow Wing Power as presented. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Water Service Worker Tim Holtz 6 month probation completed October 17th.

Old Business

None

New Business

None

Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to meet in closed session to consider or develop offers or counteroffers for the purchase of property located near the southeast corner of the intersection of County Road 45 and Thiesse Road pursuant to Minnesota Statutes Section 13D.05, subd. 3(c)3. There was a unanimous vote in favor of the motion. Motion carried at 10:25 AM.

Those present at the closed session included Commissioners Matten, Samuelson, Nesheim and Wroolie Superintendent Magnuson and Secretary/Finance Director Wicklund.

The Commission reconvened into open session at 10:40 AM.

Adjournment

President Matten adjourned the meeting at 10:40 AM.