

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on September 23, 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 City Councilmember
Brainerd Dispatch

Patrick Wussow
Gary Scheeler
Dolly Matten
Jessie Perrine

Approval of Minutes and September 2014 Bills

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve the minutes of the August 26, 2014 regular monthly meeting, minutes of the September 8, 2014 emergency meeting and to approve payment of the September 2014 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

Commission President Don Samuelson reported he had received phone calls regarding chlorination.

Other Commissioners' Reports

Commissioners Wroolie and Nesheim stated they had both received calls from residents not wanting BPU to chlorinate the Brainerd water system.

City Administrator Report

None

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
September 23, 2014**

Secretary's Report

Secretary Wicklund reported the following significant items:

Summary of Utility Operations – August 31, 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

Update Bond Issuance Hydro Dam

City Council approved issuance of \$6,070,000 Electric Utility Revenue Bonds, Series 2014A at September 15th Council meeting. The closing is scheduled for October 9, 2014.

Rate Design Study-Utility Financial Solutions

Wicklund said that Utility Financial Solutions will be at the October 28th meeting to present the electric, water and wastewater treatment rate recommendations.

APPA-Public Power Week

"Public Power Week" is October 6-10, 2014. BPU will have coffee and cookies available from 8:00 AM to 2:00 PM daily in the Lobby. A line truck will also be on display in the parking lot.

Minnesota Power (MP) Update

The first draft of Hydro Generation Power Purchase Agreement prepared by MP has been received by BPU and has been forwarded to Public Power Energy Services (PPES) for their comment and review. PPES is the energy consulting firm used by BPU in energy supply matters.

Power Supply-Update

Wicklund noted there has not been much response from the other 16 other Northern municipals who also are wholesale customers of MP regarding contract negotiations with MP and he asked the Commission for direction.

Motion by Commissioner O'Day and seconded by Commissioner Wroolie to pursue alternate sources to purchase power when the Minnesota Power contract expires in 2019. There was a unanimous vote in favor of the motion. Motion carried.

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Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints –
 - Two service leaks on S 6th Street for a total of 4 this summer, 6th Street is scheduled to be rebuilt in 2017.
 - Smelly water due to chlorine (now at 1 part per million)
- Filtration Plant – Electric upgrades are almost complete for Well# 6 and Well #7 electric will begin soon.
- Projects
 - Flushing system (distribute chlorine)
 - AMR
 - Standpipe repair
- Water Tower – On schedule for completion end of October. Color will be gray with blue lettering and a 20 plus year warranty with inspections in 5 and 10 years.
- SEH – Will attend the October board meeting.

Wastewater Treatment Department

- WWTF/Projects
 - Sludge Hauling

Electrical Department

- Outages/Interruptions/Complaints
 - September 4th storm all crews worked well
 - One tree on a service line
 - 1/2 power Downtown appears to have been caused by a squirrel
- Projects
 - SE Brainerd
 - NE Brainerd
 - Well Houses – Line crew is done

Temporary Electric Service Fee Policy

Magnuson presented a temporary electric service fee proposed by Staff. The cost of providing a temporary electric service is not covered by the current practice of billing a service charge plus kW used.

**BRAINERD PUBLIC UTILITIES
POLICY NO. 2014-18
ADOPTED September 23, 2014
FEE FOR TEMPORARY ELECTRIC SERVICE**

Effective October 1, 2014 Brainerd Public Utilities (BPU) will charge a fee of \$150 for temporary electric service requests for both commercial and residential customers. If a line extension is needed, additional costs may apply. In addition to the temporary service fee, the customer will also be charged the required electric meter service charge and for all kilowatt hours that are used.

Motion by Commissioner O'Day and seconded by Commissioner Wroolie to adopt Brainerd Public Utilities Policy No. 2014-18 as proposed. There was a unanimous vote in favor of the motion. Motion carried.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING
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Hydro Department

- FERC inspection –BPU's 1st annual FERC inspection was on September 16th every 5 years an outside consultant reviews.
- Apron Repair – A change in the dewatering plan was submitted to Barr, Mead & Hunt and to FERC for approval (high water/safety concern). The contractor in confident they will finish the project this fall.
- Turbine pit #6 – Amjet was able to take their last measurements to design the generator for install

Old Business

30 day Chlorination

Commissioner O'Day inquired if the Commission has the authority to chlorinate the water system beyond the 30 days. Magnuson stated that the BPU Commission has the authority as per City Charter.

City of Brainerd 2015 Street Projects

City Councilmember Scheeler informed the Commission that the City of Brainerd 2015 street projects will be 28th Street and 13th Street SE/County Highway 45.

New Business

None

Adjournment

Commissioner Nesheim motioned at 9:40 AM to adjourn the meeting seconded by Commissioner Wroolie. Meeting adjourned.