

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on September 27, 2016.

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

Commissioners Roll Call

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

Mark O'Day – Present
Dolly Matten – Arrived @ 9:08

Utility Staff Present

Secretary/Finance Director
Superintendent of Utilities
Recording Secretary

Todd Wicklund
Scott Magnuson
Sharon Jensen

Others in Attendance

Brainerd City Administrator
Brainerd Dispatch
Crow Wing County Fair Manager
Crow Wing County Fair Secretary

Jim Thoreen
Spenser Bickett
Gary Doucette
Sharron Ryappy

Approval of Minutes and September 2016 Bills

Motion by Commissioner Wroolie and seconded by Commissioner Nesheim to approve the minutes of the August 30, 2016 regular monthly meeting and to approve payment of the September 2016 bills. There was a roll call vote Commissioner Nesheim, O'Day and Wroolie voted in favor of the motion, Commissioner Samuelson voted nay, Commissioner Matten was absent for vote. Motion carried.

Public Forum

Crow Wing County Fair

Gary Doucette, Manager, Crow Wing County Fair Assn. asked the Commission to reconsider the billing policy of 200% water and sewer charges for accounts outside the city limits. He stated that the Crow Wing County Fair attendees and events held throughout the year provide income to the community and that they should not be penalized by double rates. Commission President O'Day said that if the double charge were eliminated for the fairgrounds it would set a precedent and other properties outside the city limits could argue that the policy should be changed for them too. If someone wants city services, they should be in the City. Commissioner Nesheim concurred. If Doucette wants a change he will need to bring the matter to the City Council as it is their policy and BPU has been directed to follow it.

President's Report

Commission President O'Day stated he had been contacted by John Forrest, Brainerd Rotary requesting a meeting and as for now does not know what it concerns.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 27, 2016

Other Commissioners' Reports

Commissioner Wroolie reported that he and Commission Matten had attended a meeting in Minneapolis on September 19 with Attorney Jim Strommen regarding the Hydro.

City Administrator Report

Brainerd City Administrator Jim Thoreen reported that the City of Brainerd 2017 preliminary budget was set at 3% increase with the "truth in taxation" meeting set for December 12th and final budget adopted on December 19th.

Thoreen reported that the Airport utilities extension project and the separate utility project at the Airport are moving along.

Thoreen presented the Commissioners with a copy of the annexation letter that he and Mayor Ed Menk hand delivered to Baxter City Council. The reaction by Baxter to the request for a discussion was unexpected as they went into a closed session. The Commission discussed the history and potential option of submitting a request to the Municipal Boundary Adjustment Unit of the State Office of Administrative Hearings. Commission President O'Day requested the issue be put on the agenda for the October meeting.

Secretary's Report

August 31, 2016 Summary of Utility Operations

<i>(Amounts in Thousands)</i>	Eight Month Period Ended August 31,					
	Electric		Water		Wastewater	
	2016	2015	2016	2015	2016	2015
Operating Revenue	\$ 12,893	\$ 12,459	\$ 1,577	\$ 1,527	\$ 1,692	\$ 1,601
Operating Expenses						
Purchased Power	8,493	7,365	-	-	-	-
Depreciation	1,051	991	452	426	926	918
Other Operating Expenses	2,338	2,470	960	952	1,171	1,183
Total Operating Expenses	11,882	10,826	1,412	1,378	2,097	2,101
Operating Income (Loss)	1,011	1,633	165	149	(405)	(500)
Nonoperating Revenue (Expense)	(223)	(244)	(5)	(23)	489	431
Transfers to City	(459)	(405)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 329	\$ 984	\$ 160	\$ 126	\$ 84	\$ (69)
Meters in Service	7,964	7,934	4,802	4,772	4,638	4,610

APPA-Public Power Week

Wicklund stated BPU will be participating in American Public Power Association's "Public Power Week", October 2-8, 2016. There will be coffee and cookies along with displays in the front lobby. On October 13th BPU will have a bucket truck and provide BPU "hardhats" to kids at the Brainerd Fire Department Open House.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING September 27, 2016

Superintendent's Report

Superintendent Magnuson reported on the following:

Water Department

- Leaks/Breaks/Complaints – One customer water service break
- Filtration Plant – Generator conduit is in, slab will be poured soon, and delivery date of new generator is expected to be October 26th
- Projects
 - Water Supply Plan – Required to be filed every 10 years - online version now available. Average household uses 100 gallons per day (gpd) and State goal is to reduce to 75 gpd. Brainerd current average is 44 gpd.
 - Airport Extension – End of week all pipe in the ground, one more crossing with bacT and pressure tests. Booster station scheduled to arrive next week
 - Airport Property Utility Project – Project starts Tuesday and anticipated to be 20 to 45 day project. 5 customers hook-ups as for now and stubs will be installed to all buildings.

Wastewater Treatment Department

- WWTF/Projects
 - Sludge hauling began last week and all storage units are full

Electrical Department

- Outages/Interruptions/Complaints
 - Another incident involving a squirrel
- Projects
 - NE Brainerd – West of Mill Avenue
 - Well No. 8 – Conversion

Hydro Department

- Projects
 - Amjet – Graycon is the contractor and the diver took final measurements last week. Turbine was removed and is being disassembled. The end of October is install date for new prototype AmJet generator.

Administration Department

- Verizon Contract – Waiting for signatures from Verizon
- Interstate Transport and Broadband – will use Verizon agreement as a template
- Railroad crossings/leases – BPU has eight contracts with Burlington Northern, staff is researching the old contracts and goal is to eliminate a few of them. The Legislature approved lifetime maximum for each lease of \$1,250.

Old Business

None

New Business

None

Motion by Commissioner Wroolie and seconded by Commissioner Neshiem to meet in closed session for the purpose to discuss potential litigation on hydroelectric dam apron repair project pursuant to Minnesota Statutes Section 13D.05, subdivision 3(b), for attorney – client privilege. There was a unanimous roll call vote in favor of the motion. Motion carried at 9:49 AM.

Those present at the closed session included the five BPU Commissioners, Wicklund, Magnuson, and by telephone Attorney Jim Strommen.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
September 27, 2016**

The Commission reconvened into open session at 10:04 AM.

Motion by Commissioner Neshiem and seconded by Commissioner Wroolie to meet in closed session for the purpose to discuss union negotiation strategies with IBEW Local No. 31 pursuant to Minnesota Statutes Section 13D.03, subdivision 1(b). There was a unanimous roll call vote in favor of the motion. Motion carried at 10:05 AM.

Those present at the closed session included the five BPU Commissioners, Wicklund, Magnuson, City Administrator Thoreen, and Human Resource Coordinator Kris Schubert.

The Commission reconvened into open session at 10:50 AM.

Motion by Commissioner Wroolie and seconded by Commissioner Matten to adjourn the meeting at 10:50 AM. Meeting adjourned.