

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on September 29, 2015.

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

Commissioners Roll Call

Lucy Nesheim – Absent	Mark O'Day – Present
Don Samuelson - Present	Dolly Matten – Present
William Wroolie – Present	

Utility Staff Present

Secretary/Finance Director	Todd Wicklund
Superintendent of Utilities	Scott Magnuson
Recording Secretary	Sharon Jensen
Line Supervisor	Trent Hawkinson

Others in Attendance

Brainerd City Councilmember	Gary Scheeler
Brainerd City Administrator	Jim Thoreen
Public Power Energy Services, LLC	Mike Kumm
Brainerd Dispatch	Spenser Bickett

Approval of Minutes and September 2015 Bills

Motion by Commissioner Wroolie and seconded by Commissioner Samuelson to approve the minutes of the August 25, 2015 regular monthly meeting and to approve payment of the September 2015 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

President's Report

None

Other Commissioners' Reports

None

City Administrator Report

Brainerd City Administrator Jim Thoreen stated he was happy to meet the Commissioners and begin to learn the relationship between the Commission and the City Council.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
September 29, 2015**

Secretary's Report

Secretary Wicklund reported the following significant items:

August 31, 2015 Financial Summary

	Eight Month Period Ended August 31,					
	Electric		Water		Wastewater	
	2015	2014	2015	2014	2015	2014
(Amounts in Thousands)						
Operating Revenue	\$ 12,459	\$ 11,804	\$ 1,527	\$ 1,415	\$ 1,601	\$ 1,565
Operating Expenses						
Purchased Power	7,365	8,443	-	-	-	-
Depreciation	991	879	426	333	918	920
Other Operating Expenses	2,470	1,833	952	917	1,183	1,203
Total Operating Expenses	10,826	11,155	1,378	1,250	2,101	2,123
Operating Income (Loss)	1,633	649	149	165	(500)	(558)
Nonoperating Revenue (Expense)	(244)	(152)	(23)	2	431	395
Transfers to City	(405)	(417)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 984	\$ 80	\$ 126	\$ 167	\$ (69)	\$ (163)
Meters in Service	7,934	7,920	4,772	4,757	4,610	4,600

Status Update of Power Supply Discussions with Minnesota Power

Mike Kumm, Public Power Energy Services, LLC, updated the Commission on the discussions with Minnesota Power (MP). In September MP presented a contract proposal to their Municipal group of customers which includes Brainerd. The proposal included an one-time credit to offset increased generation charges from September 2015 through December 2016, a contract term through 2024 that would move away from the current formula rate, however there is no market component as requested by BPU.

Motion by Commissioner Wroolie and seconded by Commissioner Matten to reject the current contract offer from Minnesota Power. There was a unanimous roll call vote in favor of the motion. Motion carried.

July 12th Storm Claim

A claim has been filed and accepted by the Minnesota Department of Public Safety in the amount of \$60,135 which 75% is eligible for reimbursement. It includes wages and materials from the July 12th storm.

Utility Financial Solutions (UFS) Proposal

A proposal was received from Utility Financial Solutions (UFS) to perform 2016 rate design study for Electric, Water and Wastewater Departments for a total of \$19,300. This study will include Hydro.

Motion by Commissioner Samuelson and seconded by Commissioner Matten for Utility Financial Solutions 2016 Rate Design Study for Electric, Water and Wastewater in the amount of \$19,300. There was a unanimous vote in favor of the motion. Motion carried.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING September 29, 2015

APPA National Public Power Week

October 5th to 9th is APPA National Public Power Week. BPU will have coffee and cookies available between 8:00 AM and 2:00 PM each day at the Service Center. There will be pictures and information displayed representing all of BPU's Departments.

SEH/Design Build Pay Request

SEH/Design Build pay request in the amount of \$392,840.00 for the rehabilitation and painting of the East Water Tower.

Motion by Commissioner Wroolie and seconded by Commissioner Matten to approve payment to SEH/Design Build in the amount of \$392,840.00 for painting and rehabilitation of the East Water Tower. There was a unanimous roll call 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 – running good
- Projects
 - Arc Flash Study – Water and Wastewater
 - Hydrant flushing – Fall flushing of hydrants

Wastewater Treatment Department

- WWTF/Projects
 - Sludge hauling to hay fields – 1,000 acres available

Electrical Department

- Outages/Interruptions/Complaints – No major outages to report
- Projects
 - Northeast Brainerd – Work continues
 - FedEx/Industrial Park – Crews set the permanent transformer today.

Councilmember Scheeler inquired about street lighting in the Industrial Park area near the new FedEx building. Magnuson said that BPU needs approval from the City Engineer to install street lighting. If BPU receives the request they will be installed.

Hydro Department

- Hydro Physical Model/Study – Commissioner Matten and staff watched the 2nd round of testing on Friday.
- Barr Engineering/Hydro Model– Barr Engineering Work order No.4 for \$46,304 includes FERC tasks.

Motion by Commissioner Wroolie and seconded by Commissioner Matten to approve Barr Engineering Work Order No.4 in the amount of \$46,304.00. There was a unanimous roll call vote in favor of the motion. Motion carried.

Administration Department

- Maintenance Electrician – Brent Yaunick started on September 21, 2015. He will assist with the Arc/Flash Study for water and wastewater employees.

Public Forum

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
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None

Old Business

None

New Business

None

Motion by Commissioner Wroolie and seconded by Commissioner Matten to meet in closed session for the purpose to consider or develop offers or counteroffers for the purchase of 1.79 acres of real property, located at 13021 Eagle Drive (old health club) pursuant to Minnesota Statutes Section 13D.05, subdivision 3(c)(3) 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 BPU Commissioners Matten, O'Day, Samuelson and Wroolie. Others present included Wicklund, Magnuson and Scheeler.

The Commission reconvened into open session at 10:30 AM.

Motion by Commissioner Matten seconded by Commissioner Wroolie to make a purchase offer to the owner of the 1.79 acres of real property located at 13021 Eagle Drive which is adjacent to BPU Service Center. There was a unanimous roll call vote in favor of the motion. Motion carried.

Motion by Commissioner Wroolie and seconded by Commissioner Matten to adjourn meeting to Tuesday October 6, 2015 at 9:00 AM. There was a unanimous vote in favor of the motion. Motion carried at 10:33 AM.