

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on December 19, 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 – Present
Dolly Matten – Present

Utility Staff Present

Secretary/Finance Director
Superintendent of Utilities
Recording Secretary

Todd Wicklund
Scott Magnuson
Sharon Jensen

Others in Attendance

Brainerd City Administrator
Brainerd City Administrator (1/1/18)

Jim Thoreen (left @ 9:15)
Cassandra Torstenson (left @ 9:15)

Approval of Minutes and Consent Items

Motion by Commissioner Nesheim and seconded by Commissioner Wroolie to approve the minutes of the November 28, 2017 regular monthly meeting and to approve payment of the December 2017 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

Commission President Matten congratulated Todd Wicklund and Scott Magnuson for the budget presentation at the City Council meeting on December 4th.

Other Commissioners' Reports

None

City Administrator Report

City Administrator Thoreen agreed with Commission President Matten on the budget presentation that it was easy to understand and had good information.

Thoreen reported progress of the comprehensive plan, compensation study, and plans for the Mississippi Riverfront. He also thanked BPU staff for the work relationship during his tenure as City Administrator.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
December 19, 2017**

Secretary's Report

November 30, 2017 Summary of Financial Operations

	Eleven Month Period Ended November 30,					
	Electric		Water		Wastewater	
<i>(Amounts in Thousands)</i>	2017	2016	2017	2016	2017	2016
Operating Revenue	\$ 18,053	\$ 16,924	\$ 2,208	\$ 2,118	\$ 2,427	\$ 2,315
Operating Expenses						
Purchased Power	11,661	11,436	-	-	-	-
Depreciation	1,543	1,484	674	635	1,304	1,285
Other Operating Expenses	3,471	3,270	1,564	1,336	1,825	1,626
Total Operating Expenses	16,675	16,190	2,238	1,971	3,129	2,911
Operating Income (Loss)	1,378	734	(30)	147	(702)	(596)
Nonoperating Revenue (Expense)	(286)	(302)	185	(42)	852	710
Transfers to City	(618)	(627)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 474	\$ (195)	\$ 155	\$ 105	\$ 150	\$ 114
Meters in Service	8,032	7,979	4,719	4,753	4,672	4,637

Review of November 2017 Financial Information

Wicklund reviewed the November financials noting that the accounting for the Airport Utility Extension Project has not been finalized. Currently BPU is responsible for 62 percent of the related debt service. Once the final accounting is done the final percentage could change.

Summary of kWh Sold

Wicklund reviewed a schedule showing the kWh sold from January 2009 to December 2017 showing the impact of the Conservation Incentive Program (CIP) on kWh sales. During this period kWh sales for commercial and large power accounts increased 41,078,000 while CIP savings were 56,970,700 which resulted in a net decrease in kWh sales of 15,892,700.

10099 Island Drive Adjustment Request

Wicklund presented a request from Timothy Booth, 10099 Island Drive. Mr. Booth found that a hose had been left running behind the house and did not discover it until BPU biller called them regarding high water consumption. Staff recommendation is to adjust wastewater treatment (WWT) charges in the amount of \$686.88 and wastewater collection (WWC) charges in the amount of \$355.71 as the water did not enter the sanitary sewer.

Motion by Commissioner O'Day and seconded by Commissioner Samuelson to approve staff recommendation of WWT \$686.88 and WWC \$355.71 adjustments. There was a unanimous roll call vote in favor of the motion. Motion carried.

Annexation Update

Wicklund reported that written legal briefs prepared by both Brainerd and Baxter are to be delivered to administrative law judge on January 15, 2018.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING December 19, 2017

2018 Commission Meeting Dates

A tentative 2018 Commission Meeting date schedule was presented for consideration.

Superintendent's Report

Water Department

- Leaks/Breaks/Complaints - None
- Filtration Plant – Good
- Projects
 - Crews are preparing for cold weather and BPU has purchased a new tool “steam-line thawer”

Wastewater Treatment Department

- WWTF Projects
 - Plant is running well
 - Replacement Trailer has been ordered. Looking for Semi/tractor

Electrical Department

- Outages/Interruptions/Complaints
 - December 2nd – Squirrel – VFI at Tamarack 1 hour outage

Hydro Department

- Projects
 - Apron- Project is complete
 - Apron – Pay request No. 6 for \$294,343.93 received from ECI

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve payment of the progress billing received from ECI for \$294,343.93. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Hydro Model – The Hydro model from the University of Utah was damaged during shipping

Administration Department

- Solar – Attended a Regional meeting in Grand Rapids regarding State of Minnesota rules and policies regarding solar installations.
- Wastewater Operator – New Employees Starting:
 - Darrin Smith – January 3, 2018
 - Jacob Olson – January 2, 2018

Old Business

Commissioner O'Day inquired about capacity purchases and has BPU acquired what it needs. Wicklund stated all capacity needs have been taken care of other than 10 megawatts for the last year of the contract. There is sufficient time to find the right deal for this future year purchase.

Commissioner Matten asked staff to look into how WAC/SAC fees are allocated between BPU and the City.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
December 19, 2017**

**New Business
Election of 2018 Officers**

Commission President Matten called for nominations for BPU Commission President at which time Commissioner O'Day nominated Commissioner Wroolie. Nominations closed.

Nomination of Commissioner Wroolie for Commission President in 2018 was made by Commissioner O'Day. There was a unanimous voice vote in favor of the motion. Motion carried.

Commission President Matten called for nominations for the office of Vice President at which time Commissioner Nesheim nominated Commissioner Matten. Nominations closed.

Nomination of Commissioner Matten for Commission Vice President in 2018 was made by Commissioner Nesheim. There was a unanimous voice vote in favor of the motion. Motion carried.

**Adjournment
President Matten adjourned the meeting at 10:01 AM.**