

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on April 24, 2018.

Commission President William Wroolie called the meeting to order.

Commissioners Roll Call

Mike Angland – 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

Accounting Supervisor

Todd Wicklund

Scott Magnuson

Sharon Jensen

Julie Batters

Others in Attendance

Brainerd City Administrator

Brainerd Dispatch

Cassandra Torstenson (at 9:10)

Gabe Lagarde

Commission President Wroolie opened the meeting with the Pledge of Allegiance to the Flag.

Approval of Minutes and Consent Items

Motion by Commissioner Samuelson and seconded by Commissioner O’Day to approve the minutes of the March 20, 2018 regular monthly meeting and to approve payment of the April 2018 bills. 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

None

BRAINERD PUBLIC UTILITIES COMMISSION MEETING
April 24, 2018

Secretary's Report

Review of March 2018 Financial Information

Wicklund discussed electric revenue increase related to increase in kWh sales and colder winter weather. Water sales increased due to approximately 2.8% increase in gallons sold in 2018. Wastewater treatment sales increased due to approximately 3.9% increase in gallons processed in 2018 and \$26,346 increase in billings to Baxter in 2018.

March 31, 2018 Summary of Utility Operations

<i>(Amounts in Thousands)</i>	Three Month Period Ended March 31,					
	Electric		Water		Wastewater	
	2018	2017	2018	2017	2018	2017
Operating Revenue	\$ 5,293	\$ 4,721	\$ 551	\$ 520	\$ 689	\$ 602
Operating Expenses						
Purchased Power	3,179	3,206	-	-	-	-
Depreciation	450	417	232	171	366	351
Other Operating Expenses	1,026	947	432	404	582	496
Total Operating Expenses	4,655	4,570	664	575	948	847
Operating Income (Loss)	638	151	(113)	(55)	(259)	(245)
Nonoperating Revenue (Expense)	(56)	(84)	103	135	205	216
Transfers to City	(177)	(172)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 405	\$ (105)	\$ (10)	\$ 80	\$ (54)	\$ (29)
Meters in Service	8,030	7,987	4,722	4,676	4,676	4,629

Utility Waiver Request for Argonaut MN Ventures

Wicklund presented a utility waiver request from Argonaut MN Ventures for a water leak that at 522 C St. NE (old KFC). The building is for sale, but currently is vacant. The water softener malfunctioned causing the basement to flood. Before it was discovered, over 1.2 million gallons of water had gone through the meter. BPU staff turned off the water and water was pumped into the storm drain. Argonaut MN Ventures requested a courtesy credit for a portion of the bill. Commissioner O'Day inquired about a potential insurance claim for the damage. Commissioner Matten stated that as a property owner you should be more responsible and diligent in checking on vacant properties and wanted more information before acting on the request. A request will be made to owner's insurance company as to whether water damage is covered by insurance before a decision is made by Commission.

HR Report

Wicklund noted the Classification and Compensation Study update attached to the report.

Recent Bankruptcies

Wicklund noted that the total amount of bankruptcies at the mall including Herberger's and Burger King is \$18,400.

Comparison of Demand Charges

Wicklund discussed BPU's current demand charges for General Service Demand and Large Light & Power were \$17.25 per kW and \$19.50 per kW, respectively. BPU cost from Minnesota Power for generation and capacity charge is \$22.48 and for transmission is \$7.54 for a total of \$30.02 per kW.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING
April 24, 2018

Superintendent's Report

Water Department

- Leaks/Breaks/Complaints –
 - County Rd 117 & So. 6th Street – staff continues to monitor when the frost is out we will try leak detect again.
- Projects
 - Business 371/S. 6th Street – Temporary water is ready to be hooked up. The project is scheduled to begin April 30th.
 - Water tower land purchase closing – waiting on seller paperwork, address has been assigned by the County.
 - Professional Services Agreement (New Water Tower Site) – Magnuson presented SEH agreement for professional services related to the 0.5 million Gallon South Zone Elevated Tower for the following:
 - Design - \$73,400
 - Bidding and Contracting Services - \$9,900
 - Construction Phase Services – 74,600
 - Two Year Warranty Engineering Fees – \$7,400
 - Total Cost - \$165,300

Motion by Commissioner O'Day and seconded by Commissioner Matten to approve the agreement for professional services related to the 0.5 million Gallon South Zone Elevated Tower for a total cost of \$165,300 with SEH. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Standpipe Tamper – Staff discovered standpipe tampering evidence while attempting to turn on a disconnected service. The customer was charged a tampering fee.
- AMI meters - Installations in the pilot study area Downtown 6th to 8th and Front to Maple is finishing up soon.

Wastewater Treatment Department

- WWTF Projects
 - WWTF Plant – Infrared disinfection UV lights have been turned on
 - Sludge Hauling – preparations have begun

Electrical Department

- Outages/Interruptions/Complaints
 - April 12th – A motorist involved in a high speed chase sheared a 12 foot section from a pole on the corner of CR 48 and Cora Street. No outage caused by the accident but outage was needed to fix and set a new pole.
- Projects:
 - AMI meters – installations by the metering crew

Hydro Department

- Projects
 - Replacement of hydraulic lines for bascule gates
 - West bank clean up
- Amjet – On hold waiting for drawings. Gracon crews have gone home. Amjet has hired Doug Spaulding for the gate drawings needed for the permit.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 24, 2018

Other

- Rotary Park – received a request to expand the map boundary of Rotary Park closer to the Water plant and Main lift which would include the discharge pond. Rotary Park is considered a “natural park” and it would only be a map boundary. Magnuson, Tony Sailer and Cassandra Torstenson have been involved.
- Trucks for sale – A surplus sale is not planned for this summer however staff plan to sell the wastewater semi - tractor and four pickup/truck bodies by advertising to sell in a few weeks.
- RP3 Gold designation - BPU is 1 of 7 other MN Municipal Utilities to receive RP3 status. Gold status is for 3 years and includes reliability, safety, workforce training, and system improvement for the whole utility.
- MMUA - nominations for MMUA board and awards deadline is June 15th. Commission President Wroolie served 2 terms as a board member and was MMUA President. He encouraged the Commissioners to consider applying for a 3 year term. BPU employees attend many training sessions and conferences through MMUA.
- APPA – Superintendent Magnuson and Line Supervisor Hawkinson will be attending the APPA Conference and Lineworkers Rodeo in North Carolina.

Old Business

None

New Business

None

Adjournment

Motion by Commissioner Samuelson and seconded by Commissioner O’Day to adjourn. There was a unanimous vote in favor of the motion. Motion carried at 9:54 AM.