

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on June 26, 2018.

Commission Vice-President Dolly Matten called the meeting to order.

Commissioners Roll Call

Mike Angland – Present	Mark O’Day – Present
Don Samuelson - Present	Dolly Matten – Present
William Wroolie – Absent	

Utility Staff Present

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

Others in Attendance

Brainerd City Administrator	Cassandra Torstenson
The Mercantile	David LaValle

Commission Vice President Matten 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 May 29, 2018 regular monthly meeting and to approve payment of the June 2018 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

The Mercantile - 423 Washington Street

Dennis LaValle, the owner of The Mercantile, 423 Washington Street reviewed the timeline for the new water service into his business and his request for financial assistance. In early May the water service at 423 Washington Street started leaking, when the service was excavated it was discovered that it had been previously patched and not replaced. Due to the cost of repair the service off of Washington Street it was not renewed and a new water service from North 5th Street was installed. Mr. LaValle requested the Commission to consider paying for a portion of the bill that was for the service off of Washington Street.

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The Commissioners discussed his request and it was noted that BPU did not charge for the labor and tapping charge to make the new connection. Mr. LaValle also was given the option of having the cost of \$13,466 assessed on his real estate tax billing.

President's Report

None

Other Commissioners' Reports

Commissioner Angland reported that he and a structural engineer from WSN did a walk-thru of the Eagle Drive property yesterday. He stated it appears that the building is structurally sound even with the roof issue. Angland stated that to remove the upper floor and to create an entrance thru the wall to use the building as storage additional testing would need to be completed. Superintendent Magnuson stated that area law enforcement agencies and the Fire Department have inquired about using the building also.

Motion by Commissioner O'Day and seconded by Commissioner Samuelson to allow WSN to develop a scope of work to reuse the building at no cost to BPU be completed for 13021 Eagle Drive. There was a unanimous vote in favor of the motion. Motion carried.

Commissioners O'Day and Matten thanked Angland for taking on the task.

City Administrator Report

Brainerd City Administrator Cassandra Torstenson reported that at the Council retreat last night the facility study was presented. Torstenson said that the must do items were identified with the HVAC system at City Hall a priority. The cost associated with the fixes is the next hurdle. She noted that starting tonight and Tuesdays throughout the summer a Farmer's Market will be held Downtown. It will be from 3 to 7 PM in the Laurel Street parking lot. A number of "Downtown Special Events" are planned and a web site is almost ready to announce them.

The Commissioners asked if the City had any new information regarding the potential new industrial customer. Torstenson said that the customer is reviewing all the proposals and crunching the numbers and plans on making a decision by the end of August.

Secretary's Report

Review of Other May 2018 Financial Information

Wicklund reviewed the May financials noting an increase in operating revenue for all three departments.

MMUA Summer Conference

MMUA Summer Conference is August 20-22 at Arrowhead Resort in Alexandria. The Commissioners should let Wicklund know if they plan to attend.

Minnesota Power True-up Meeting

Minnesota Power (MP) representatives will be here on Thursday, June 28th to present the rates starting on July 1 and ending on June 30, 2019. This is the final contract year with MP.

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American Electric Power Energy Partners, Inc. – (AEP)

Scheduled meeting AEP representatives on July 12th, Commissioners Matten and O’Day are interested in attending.

May 31, 2018 Summary of Utility Operations

<i>(Amounts in Thousands)</i>	Five Month Period Ended May 31,					
	Electric		Water		Wastewater	
	2018	2017	2017	2017	2017	2017
Operating Revenue	\$ 8,564	\$ 7,726	\$ 983	\$ 907	\$ 1,136	\$ 1,028
Operating Expenses						
Purchased Power	5,344	5,083	-	-	-	-
Depreciation	751	696	386	285	611	586
Other Operating Expenses	1,703	1,532	731	683	946	830
Total Operating Expenses	7,798	7,311	1,117	968	1,557	1,416
Operating Income (Loss)	766	415	(134)	(61)	(421)	(388)
Nonoperating Revenue (Expense)	(104)	(75)	38	133	263	352
Transfers to City	(281)	(273)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 381	\$ 67	\$ (96)	\$ 72	\$ (158)	\$ (36)
Meters in Service	8,050	8,005	4,868	4,814	4,707	4,655

Superintendent’s Report

Water Department

- Leaks/Breaks/Complaints
 - None
- Projects
 - Business 371/South 6th Street – Phase 1 – water and sewer is done. Phase 2A and 2B are started with a major water outage scheduled this week.
 - South Water Tower – Asked for Commission input on tower color and lettering on tower. Consensus was to use same color as the Downtown Tower.

Wastewater Treatment Department

- WWTF Projects
 - Sludge Hauling –hauling started up again on hay fields. Commissioner Matten asked if BPU has a back-up plan in place if the EPA changes rules on land application. Magnuson stated that proposed changes to land application would affect the whole nation and BPU is planning for the future.

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Electrical Department

- Outages/Interruptions/Complaints
 - Jumper failed during wind storm with 20 meters out for 2.5 hours
 - 1 outage from a cabinet that was run over by the Riverside Drive booster station with 375 meters out 1.5 hours
 - 2 outages due to transformers being hit with meters out for 3 hours and 260 meters out for 1.25 hours
 - Contractor hit 3 phase with 593 meters out for 12 minutes
 - Squirrel caused one small outage with 16 meters out 45 minutes
- Projects:
 - Road projects

Hydro Department

- Projects
 - Amjet – Gracon crews will be here on Thursday to start installation

Commissioner Matten inquired about automation of the Hydro facility and the plans for potential employee retirements. Due to FERC license the hydro is staffed 24/7 and the apron project needed to be completed before any other operational matters are addressed. Staff has begun work on future generation plan including potential automation of facility.

Other

- Walnut & Pine lift station-lift run times were 3.3 - 3.4 hours per day before grouting and after the grouting the run times are 1.2 - 1.4 hours per day
- Service Center retaining wall-Wall was power washed and will be sealed

Old Business

None

New Business

None

Adjournment

Motion to adjourn by Commissioner O'Day and seconded by Commissioner Samuelson. There was a unanimous vote in favor of the motion. Motion carried at 10:22 AM.