

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on March 20, 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 Finance Director
Brainerd Mayor
UFS

Connie Hillman
Ed Menk
Dan Kasbohm

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

Approval of Minutes and Consent Items

Motion by Commissioner O'Day and seconded by Commissioner Matten to approve the minutes of the February 27, 2018 regular monthly meeting and to approve payment of the March 2018 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

President Wroolie stated that last month he was in Washington DC attending a National Veteran's meeting.

Other Commissioners' Reports

None

City Administrator Report

City of Brainerd Finance Director Connie Hillman reported that Dan Kasbohm, UFS, had made a presentation to the City Council last night regarding storm water and wastewater collection fees with recommendations for increases.

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Secretary's Report

December 31, 2017 Summary of Financial Operations (Subject to Audit)

Wicklund reviewed the December 31, 2017 financial summary noting that there was an increase of 51 electric and 45 water meter accounts for the year. Tentative operating income for 2017 increased approximately \$652,000 from 2016.

Policy and Rules Regarding Cogeneration

Wicklund requested Commission approval of two items: a Policy Regarding Distributed Generation and Net Metering and Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities as prepared by staff.

Motion by Commissioner O'Day and seconded by Commissioner Angland to approve Policy Regarding Distributed Generation and Net Metering and Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities. There was a unanimous vote in favor of the motion. Motion carried.

2017 Audit

CliftonLarsonAllen is scheduled to start 2017 audit on April 2nd.

Water Tower Grant

Wicklund informed the Commission that because the proposed new water tower in the south zone will not exclusively serve Industrial/Commercial customers the grant application filed with the Minnesota Department of Commerce was rejected.

Superintendent's Report

Water Department

- Leaks/Breaks/Complaints –
 - County Rd 117 & So. 6th Street – staff continues to monitor.
- Projects
 - Business 371/S. 6th Street – attended a MNDOT pre-construction meeting with contractor, Tom's Backhoe it is scheduled to start early April
 - Water tower land purchase closing – Closing date is now March 30th.

Wastewater Treatment Department

- WWTF Projects
 - WWTF Plant – Purchased two used sludge hauling Mack trucks at \$44,000 each.

Electrical Department

- Outages/Interruptions/Complaints
 - March 5, 2018 - tree in line during storm just north of substation, 2,339 customers were out for 35 minutes. 84 calls were entered by staff and 49 customers used the new web site to report the outage. Magnuson discussed the new outage map that allows customers the ability to see the extent of the outage.
- Projects:
 - Crow Wing Power service territory–approved by the Minnesota Public Utility Commission
 - Downtown conversion – Magnuson is working on costs for conversion to underground

Hydro Department

- Amjet – Gracon is here today to measure and would like to start gate construction as soon as weather permits. Amjet would like to have information about the turbine for the HydroVision conference being held in June.

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Other

- Used Power Poles - Usually sold by sorted lots/piles of ten various length poles and offered for sale at the surplus sale once a year. BPU has a number of poles from system upgrades in NE and North Brainerd and staff is proposing to offer these for sale as they come available. The cost of sorting and organizing the poles for the annual sale exceeds the proceeds received. The Commission discussed the sale of poles and directed staff to research and determine the best method of sale.

Motion by Commissioner O'Day and seconded by Commissioner Matten to authorize staff to dispose/sell used poles when poles become available during the year and to allow staff to determine the best method to sell the used poles. There was a unanimous vote in favor of the motion. Motion carried.

- MP/AEP – transmission questions – Discussions continue with Minnesota Power regarding ownership and accessibility of the control building at the main substation.

Old Business

The Commissioners briefly discussed the Administrative Law Judge's annexation decision. Commissioner Matten directed staff to contact the City Attorney regarding the appeal process time limits and what other options BPU has going forward.

New Business

2018 Rate Study Recommendations

Dan Kasbohm, Utility Financial Solutions, LLC reviewed the electric, water and wastewater treatment rate design process including the financial projection analysis for 2018. The following rate recommendations for each department would be effective April 1, 2018 and are as follows:

<u>Electric Department</u>							
Class	Monthly Charge	All kWh	First 2500 kWh	Excess of 2500 kWh	All kW	First 8 kW	Excess of 8 kW
Residential	\$ 15.75	\$ 0.0774					
General Service	24.25	0.0903					
General Service Demand	38.00		\$ 0.0897	\$ 0.0421			\$ 17.25
LLP - Secondary	120.00	0.0342			\$ 19.50		
LLP - Primary	120.00	0.0338			18.30		
Duel Fuel	5.50	0.0504					
Off Peak Energy	5.50	0.0497					
Notes:							
1. The Power Cost Adjustment will be at \$0.0210 per kWh.							

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<i>Water and Wastewater Treatment Departments</i>			
	Monthly	Debt	
	Customer Charge	Service	
		Waste-	Waste-
(In Inches)		water	water
Meter Size	Water	Treatment	Treatment
3/4	\$ 16.03	\$ 13.55	\$ 7.00
1	41.53	15.50	9.10
1 1/2	61.03	17.50	12.60
2	106.03	16.50	15.40
3	185.53	22.50	21.70
4	275.53	25.50	27.30
6	445.53	29.50	38.50
Hydrants	6.85	-	-
Per 1,000 Gallons	\$ 3.05	\$ 2.95	\$ -

Note: Water and wastewater treatment customers outside the City limits will be charged 200 percent of the applicable rate.

Motion by Commissioner O'Day and seconded by Commissioner Matten to approve the 2018 Electric, Water and Wastewater rates effective April 1, 2018 as presented by Utility Financial Services, LLC. There was a unanimous roll call vote in favor of the motion. Motion carried.

Adjournment

Motion by Commissioner Matten and seconded by Commissioner O'Day to adjourn to April 16, 2018 for a joint closed session meeting with Council to discuss consideration of threatened litigation pertaining to franchise fees with City of Baxter pursuant to Minnesota Statutes Section 13D.05, subd. 3(b) for attorney/client privilege. There was a unanimous vote in favor of the motion. Motion carried at 10:44 AM.