

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on May 29, 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
Line Supervisor

Todd Wicklund
Scott Magnuson
Sharon Jensen
Julie Batters
Trent Hawkinson

Others in Attendance

Brainerd City Administrator
CliftonLarsonAllen, LLP

Cassandra Torstenson
Mary Reedy

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 April 24, 2018 regular monthly meeting and to approve payment of the May 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

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

May 29, 2018

City Administrator Report

Brainerd City Administrator Cassandra Torstenson said that a number of “Downtown Special Events” have occurred and more are planned this summer. The City, Brainerd Restoration, River to Rails are some of the groups that have been working together to promote Downtown. Torstenson also stated that the South 6th Street project is progressing and on schedule.

Special Presentation

CliftonLarsonAllen - 2017 Audit

Mary Reedy, CliftonLarsonAllen, reviewed the 2017 audit report. No compliance or internal control matters noted for 2017. The following items were noted during the presentation:

- Electric revenues increased primarily due to increase in rates, while expenses remained consistent.
- Water operations were consistent with prior year with the exception of \$989,000 capital contribution.
- Wastewater operations were consistent with prior year.
- Deletions from construction in progress were approximately \$6.8 million primarily due to the Airport Project.
- BPU had positive cash flow from operations.

Motion by Commissioner O’Day and seconded by Commissioner Samuelson to accept the 2017 Audit as presented by CliftonLarsonAllen. There was a unanimous vote in favor of the motion. Motion carried.

Commission President Wroolie thanked BPU staff for the hard work involved throughout the year to receive such a good audit report.

Secretary’s Report

Review of Other April 2018 Financial Information

Wicklund reviewed several graphs for the period 2008 through April 2018. During this period, electric utility revenue increased 54% and purchased power increased 40%, electric kWh sales for commercial and large commercial decreased 12%, approximately 24% of gallons processed at wastewater treatment plant are the result of inflow and infiltration (I&I), and the electric costs related to processing these extra gallons as amounted to approximately \$1.1 million since 2008.

Utility Waiver Request for Argonaut MN Ventures

Wicklund discussed the utility waiver request from Argonaut MN Ventures for the water leak that at 522 C St. NE (old KFC). In March the Commission requested more information before acting on the request. Argonaut forwarded a statement from their insurance company that outlined the damages covered. Staff investigated and a portion of the water was pumped into a nearby wetland and some went into the drain. The Commission discussed different options since it was known the insurance would not cover the additional water and wastewater charges which resulted.

Motion by Commissioner O’Day and seconded by Commissioner Matten to refund 50% of the WWT and WTC charges in the amount of \$2,710.94. There was a unanimous roll call vote in favor of the motion. Motion carried.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING
May 29, 2018

April 30, 2018 Summary of Utility Operations

	Four Month Period Ended April 30,					
	Electric		Water		Wastewater	
	2018	2017	2018	2017	2018	2017
(Amounts in Thousands)						
Operating Revenue	\$ 6,931	\$ 6,262	\$ 732	\$ 707	\$ 910	\$ 817
Operating Expenses						
Purchased Power	4,146	4,111	-	-	-	-
Depreciation	601	556	309	228	488	468
Other Operating Expenses	1,343	1,226	584	536	760	665
Total Operating Expenses	6,090	5,893	893	764	1,248	1,133
Operating Income (Loss)	841	369	(161)	(57)	(338)	(316)
Nonoperating Revenue (Expenses)	(85)	(79)	50	134	193	300
Transfers to City	(231)	(226)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 525	\$ 64	\$ (111)	\$ 77	\$ (145)	\$ (16)
Meters in Service	8,043	8,003	4,743	4,693	4,694	4,645

Superintendent's Report

Water Department

- Leaks/Breaks/Complaints
 - Two customer - side service leaks
 - Park Street - BPU side abandoned corporation leak
- Projects
 - Business 371 South 6th Street – Moving forward and BPU Staff is monitoring water connections moving temporary water to next section.

Wastewater Treatment Department

- WWTF Projects
 - Sludge Hauling – 1.2 million gallons of sludge was hauled and applied. Waiting for after first cutting of hay fields to begin hauling again.

Electrical Department

- Outages/Interruptions/Complaints
 - 3 phase outage on South 8th Street
 - Squirrels caused two small outages
- Projects:
 - Verizon poles – installed 6 poles on College Drive
 - Industrial Park Sub-station is being decommissioned from service. The former hotel on South 6th was the only customer still using it.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

May 29, 2018

Hydro Department

- Projects
 - Slow snow melt this year resulted in the new apron not being tested with high flows.
- Amjet – On hold waiting for drawings. Gracon crews on hold waiting for electrical drawings

Other

- FERC - Hydro relicense meetings - Two public scoping meetings were held as part of the 5 year project relicense process, 2 FERC officials from Washington D.C. were on site.
- AMI meters - 6 month pilot study area for downtown area covering the area from 6th to 8th Streets and Front to Maple Streets.
- School Forest –Received a thank you from students at Forestview for brushing/clearing by Staff in the Dean Makey School Forest
- Back-up Well Request – Potential large customer looking to establish business in Brainerd has requested to install a back-up well on their property. It would be located on the edge of BPU's wellhead protection zone. The well would only be used in extreme emergency and a lock controlled by BPU would be installed.

Motion by Commissioner Matten and seconded by Commissioner O'Day to allow a back-up well to be placed on the property with BPU in control of the lock. There was a unanimous vote in favor of the motion. Motion carried.

Old Business

None

New Business

Commissioner Matten asked about boring and trenching across driveways and through yards. Line Supervisor Trent Hawkinson said that they try to precut and restore the surfaces that are disturbed in a timely manner.

Matten also inquired about notifying customers when their water is off that it is possible the pressure might cause problems when it is turned on. Matten experienced issues recently at her home when the water was restored.

Adjournment

Motion by Commissioner Samuelson and seconded by Commissioner Matten to adjourn. There was a unanimous vote in favor of the motion. Motion carried at 10:14 AM.