

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on August 28, 2018.

Commission President William Wroolie called the meeting to order.

Commissioners Roll Call

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

Utility Staff Present

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

Others in Attendance

Brainerd City Administrator	Cassandra Torstenson
Brainerd City Mayor	Ed Menk
Brainerd Dispatch	Teresa Bourke
SEH, Design/Build, Inc.	Jeff Ledin

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

Approval of Minutes and Consent Items

Motion by Commissioner Angland and seconded by Commissioner Matten to approve the minutes of the July 31, 2018 regular monthly meeting and to approve payment of the August 2018 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President’s Report

Commission President Wroolie reported that he had attended policy makers program during the MMUA annual summer conference in Alexandria.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
August 28, 2018**

Other Commissioners' Reports

None

City Administrator Report

None

Secretary's Report

July 31, 2018 Summary of Utility Operations

	Seven Month Period Ended July 31,					
	Electric		Water		Wastewater	
	2018	2017	2018	2017	2018	2017
(Amounts in Thousands)						
Operating Revenue	\$ 12,471	\$ 11,070	\$ 1,481	\$ 1,374	\$ 1,608	\$ 1,496
Operating Expenses						
Purchased Power	6,609	7,025	-	-	-	-
Depreciation	1,054	974	542	398	858	820
Other Operating Expenses	2,417	2,165	1,026	989	1,310	1,155
Total Operating Expenses	10,080	10,164	1,568	1,387	2,168	1,975
Operating Income (Loss)	2,391	906	(87)	(13)	(560)	(479)
Nonoperating Revenue (Expense)	(131)	(124)	97	135	432	495
Transfers to City	(406)	(390)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 1,854	\$ 392	\$ 10	\$ 122	\$ (128)	\$ 16
Meters in Service	8,027	8,006	4,866	4,811	4,699	4,653

Review of Other July 2018 Financial Information

Wicklund reviewed the June financials noting the Minnesota Power true-up credit.

City of Brainerd Contribution Rate

Wicklund noted that the current City of Brainerd contribution rate is 4 mils and it has been this rate since January 1, 2015. Staff recommendation is to increase the contribution rate to 4.5 mils effective January 1, 2019. The reason for the change is due to increased utility costs for the City for the past three years which has resulted in the net benefit to the City decreasing from approximately \$245,300 in 2016 to \$157,600 in 2018.

Motion by Commissioner O'Day and seconded by Commissioner Matten to increase the City of Brainerd contribution mil rate effective January 1, 2019 to 4.5 mils. There was a unanimous roll call vote in favor of the motion. Motion carried.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

August 28, 2018

Economic Development Rate Update

Wicklund reported that 19 electric General Service Demand and Large Power customers have qualified for the economic development rate established by the Commission to promote business in Brainerd. Since March 2016 approximately \$90,000 in electric savings has been realized.

Superintendent's Report

Water Department

- Short Elliot Hendrickson – South Zone Water Tower-Bid Award

Jeff Ledin, SEH Design/Build, Inc. presented the bids for the South Zone Water Tower. Four bids were received for the composite style tank. SEH estimate for the tower was \$1,919,314 and the low bidder was Phoenix Fabricators and Erectors, LLC of Avon, Indiana. The four bids were as follows:

Phoenix Fabricators	\$1,737,900
Caldwell Tanks	\$1,773,000
CB&I	\$1,792,695
Landmark	\$1,843,000

The second design option a steel hydro pillar style only one bid was received from Caldwell Tanks in the amount of \$1,897,000.

Ledin has reviewed the information submitted and found no exceptions to the bidding requirements and stated that Phoenix Fabricators could begin work in September.

Motion by Commissioner Matten and seconded by Commissioner O'Day to award bid for the South Water Tower project to Phoenix Fabricators and Erectors, LLC of Avon, Indiana in the amount of \$1,737,900.00. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Projects

- Business 371/South 6th Street – water and sewer 90% complete. Water main portion of project is to Laurel Street.

Wastewater Treatment Department

- WWTF Projects

- Sludge Hauling –almost all sludge has been applied-some more will be hauled this Fall
- Cleaning tanks and maintenance at WW plant and lift stations

Electrical Department

- Outages/Interruptions/Complaints

- August 8th – Contractor hit primary on Excelsior Rd, Baxter-71 meters out 17 minutes
- August 11th – Squirrel on transformer 11th Street, 185 meters out – 1 hour 22 minutes
- August 18th – Transformer fuse operation on 11th Avenue, 24. Meters out-1 hour

- Received Letter of Commendation from APPA for mutual aid in Florida last year

- Projects:

- Business 371, Oak North Brainerd and Cypress Drive

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

August 28, 2018

Hydro Department

- Projects
 - Amjet and contractor Gracon – gate installed on Monday August 20th and turbine installed on Friday August 24th. Gracon is getting bids from electric contractors for electrical work.
 - FERC – Annual inspection was August 7th as well as five year Part 12D inspection. The annual inspection went well, FERC Engineer was pleased to see the apron project was completed, no safety issues to report.
 - Part 12D inspection is in paperwork stage with no category 1 PFM's (potential failure mode) noted.
 - FERC – relicense process – two scoping meeting held and FERC has issued scoping document No. 2, and BPU has issued proposed study plan.

Other

- Selling two semi tractors and three trucks, sealed bids are due noon on September 6th.
- Solar projects - meetings with two potential project developer in the next few days.

Old Business

None

New Business

None

Adjourn To:

Closed session for the purpose to discuss union negotiation strategies with IBEW local No. 31 and USW Local 9230 Unit 09 pursuant to M.S. Section 13D.03, Subd. 1(b) at 9:33 AM.

Those in attendance at the closed session included Commissioners Angland, Matten, O'Day and Wroolie, Finance Director Wicklund, Superintendent Magnuson, City Administrator Torstenson and HR Coordinator Schubert.

Commission President Wroolie reconvened into open session at 10:45 AM.

Commission President Wroolie adjourned the meeting at 10:45 AM.