

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on October 29, 2018.

Commission President William Wroolie called the meeting to order.

**Commissioners Roll Call**

Mike Angland – Present	Mark O’Day – Present
Don Samuelson - Present	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

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 Angland to approve the minutes of the September 25, 2018 regular monthly meeting and to approve payment of the October 2018 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**Public Forum**

None

**President’s Report**

None

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**October 30, 2018**

### **Other Commissioners' Reports**

Commissioner Matten inquired about BPU involvement in a solar garden. Staff replied that BPU is waiting until July 2019 when AEP will become the new power provider to discuss whether AEP would like to become involved in solar project in BPU service territory. Significant solar projects will need the involvement of AEP as per the new contract.

### **City Administrator Report**

City Administrator Torstenson reported the following:

- Union negotiations are currently underway with City and BPU unions.
- City seeking assistance from BPU with hanging the Downtown Brainerd Christmas swags and wreaths on the light poles. Parks & Rec staff would prepare the decorations. New storage of the decorations when they are removed will need to be found as Mayor Menk is selling his building and they have been stored and prepared in his facility.
- South 6<sup>th</sup> Street completion-Ribbon cutting at City Hall parking lot on October 31th.
- City Council is considering options for City Hall possibly new building to replace aging structures and combine offices of Police, Parks & Rec, Brd HRA and depending on size of the building other departments and non-profits space would be available.

### **Secretary's Report**

#### Review of Other September 2018 Financial Information

Wicklund reviewed the September financials offering a new format option of all department information condensed to three pages compared to eleven. Commissioner O'Day stated that he liked the new format but would like the more detailed information on a quarterly basis.

#### 2019 Budget Process

Staff is working on 2019 operating and capital budgets with Commission review on November 27<sup>th</sup> and presentation to the City Council on December 3<sup>rd</sup>.

#### 2019 Utility Rate Review

Currently new rates generally would be reviewed and approved effective February however since there will be a new power provider starting next July it would make sense to approve new rates effective next July.

#### 2019 Conservation Incentive Program

BPU will longer use third party, WECC, for processing Energy Star rebates effective January 2019. BPU staff along with Energy Insight will process and issue rebates to customers.

#### Radio Frequency (RF) Metering

Conversion to RF metering will begin in 2019 starting with billing cycle 1. 2,000 meters have been ordered and currently working on a method of notification of affected customers.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING  
October 30, 2018**

September 30, 2018 Summary of Utility Operations

	Nine Month Period Ended September 30,					
	Electric Department			Water Department		
<i>(Amounts in Thousands)</i>	2018	2017	2016	2018	2017	2016
Operating Revenue	\$ 16,338	\$ 14,699	\$ 14,063	\$ 1,986	\$ 1,835	\$ 1,772
Operating Expenses	13,444	13,611	13,492	2,001	1,805	1,610
Operating Income (Loss)	2,894	1,088	571	(15)	30	162
Nonoperating Revenue (Expense)	(160)	(157)	(254)	78	220	(25)
Transfers to City	(532)	(511)	(523)	-	-	-
Net Change in Net Assets	\$ 2,202	\$ 420	\$ (206)	\$ 63	\$ 250	\$ 137
Meters in Service	8,068	8,014	7,972	4,873	4,829	4,802
	Wastewater Treatment Department			Combined All Departments		
<i>(Amounts in Thousands)</i>	2018	2017	2016	2018	2017	2016
Operating Revenue	\$ 2,048	\$ 1,963	\$ 1,897	\$ 20,372	\$ 18,497	\$ 17,732
Operating Expenses	2,741	2,538	2,380	18,186	17,954	17,482
Operating Income (Loss)	(693)	(575)	(483)	2,186	543	250
Nonoperating Revenue (Expense)	614	654	566	532	717	287
Transfers to City	-	-	-	(532)	(511)	(523)
Net Change in Net Assets	\$ (79)	\$ 79	\$ 83	\$ 2,186	\$ 749	\$ 14
Meters in Service	4,702	4,659	4,637	17,643	17,502	17,411

**Superintendent's Report**

**Water Department**

• Projects

- South Zone Water Tower - Foundation work started all soils are as expected allowing for a basic foundation no special work involved. Tank construction would start in the spring.
- Downtown Water Tower – pressure washed the entire exterior, drained and pressure washed interior, inspected, all looked good and is back in service. This was year five of our ten year maintenance program. Next year the east tower will be cleaned, drained and inspected.
- Garage at Water Plant, working on rezoning from residential to industrial, this will allow BPU to have vertical steel siding.
- Business 371/South 6<sup>th</sup> Street – punch list items.

**Wastewater Treatment Department**

- WWTF Projects
  - Sludge hauling nearing completion.

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**October 30, 2018**

### **Electrical Department**

- Outages/Interruptions/Complaints
  - October 2 – Cypress project, contractor issue-1 meter out 3 hours
  - October 3 – Whitely Creek Road, tree in storm, 3 meters out – 1.5 hours
  - October 9 – Kingwood Street, tree down, 3 meters out-35 minutes
  - October 13 – M Street, squirrel, 79 meters out, 28 minutes
  - October 22 – 5<sup>th</sup> Avenue NE, squirrel, 22 meters out 20 minutes
- Projects:
  - Oak Street, North Brainerd and Cypress Drive and Crow Wing Recycling
- Retirement-Line Crew Chief, Daniel Dreiling effective October 22, 2018.

**Motion by Commissioner O’Day and seconded by Commissioner Matten to accept retirement of Line Crew Chief, Daniel Dreiling effective October 22, 2018. There was a unanimous vote in favor of the motion. Motion carried.**

### **Hydro Department**

- Projects
  - Amjet – Turbine removed and back in Iowa for re-build. Plate installed over outlet hole.
  - FERC – Environmental inspection September 25th – BPU’s first environmental inspection pertaining to current license. The inspection is done about every eight years. Overall it went very good a few items need to be cleaned up (fix fence and containment around transformer). FERC was also looking at signage at the site, spill containment, canoe portage and boat landings etc.
  - LMCIT – met with representatives from the League to discuss O & M and PM procedures for mechanical, electrical and instrumentation equipment. Opportunity to reduce insurance by 10%.
  - Met with Minnesota Power (MP) hydro employees last week. MP’s FERC license renewal is after BPU’s. BPU working to develop a relationship with MP’s hydro team in dealing with FERC relicensing and other operational matters.

### **Old Business**

Commissioner Matten commented on the report comparing BPU’s 10% charge for delinquent bills with other Utilities.

Commissioner O’Day inquired about SAC/WAC charges and who the funds are remitted to.

Commissioner Angland was concerned that the foundation contractor was unfamiliar with pouring concrete in Minnesota during cold weather. Magnuson stated the foundation contractor is from Minnesota.

### **New Business**

None

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**October 30, 2018**

**Adjourn To:**

**Closed session for the purpose to discuss City of Baxter vs. City of Brainerd lawsuit pertaining to franchise fees pursuant to M.S. Section 13D.05, subd. 3(b) for attorney – client privilege at 10:00 AM.**

Those in attendance at the closed session included Commissioners Angland, Samuelson, Matten, O'Day and Wroolie, Finance Director Wicklund, Superintendent Magnuson, City Administrator Torstenson, Mayor Menk, and Attorney John Baker.

Commission President Wroolie reconvened into open session at 10:24 AM.

**Motion by Commissioner O'Day and seconded by Commissioner Angland to recommend to Brainerd City Council to continue the appeal process regarding the franchise fee matter with the City of Baxter. There was a unanimous vote in favor of the motion. Motion carried at 10:24 AM.**

**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 10:25 AM.**

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

Commission President Wroolie reconvened into open session at 10:55 AM.

**Adjournment**

**Motion to adjourn by Commissioner O'Day and seconded by Commissioner Matten. There was a unanimous vote in favor of the motion. Motion carried at 10:55 AM.**