

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on September 25, 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
PPES	Mike Kumm
Central Lakes College	Eric Makowski Budrow

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 Matten to approve the minutes of the August 28, 2018 regular monthly meeting and to approve payment of the September 2018 bills. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**Public Forum**

13021 Eagle Drive

Eric Makowski Budrow, Central Lakes College (CLC), Fire/EMS offered the Commission an option for the former fitness property. He stated that CLC would be interested in conducting a Regional training session for search and rescue and if the building is going to be demolished it would be an opportunity

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for fire training. Commission discussion included checking with the City of Baxter, length of time and whether or not the decision to tear it down has been made.

Mayor Ed Menk returned a hydrant wrench and hose adapter to BPU. He stated that he no longer needs them for watering the Downtown planters and trees.

**President's Report**

None

**Other Commissioners' Reports**

None

**City Administrator Report**

None

**Secretary's Report**August 31, 2018 Summary of Utility Operations

	Eight Month Period Ended August 31,					
	Electric		Water		Wastewater	
	2018	2017	2018	2017	2018	2017
<b>(Amounts in Thousands)</b>						
Operating Revenue	\$ 14,415	\$ 12,904	\$ 1,734	\$ 1,605	\$ 1,810	\$ 1,719
Operating Expenses						
Purchased Power	7,871	8,265	-	-	-	-
Depreciation	1,206	1,116	621	455	982	937
Other Operating Expenses	2,758	2,484	1,163	1,132	1,473	1,307
Total Operating Expenses	11,835	11,865	1,784	1,587	2,455	2,244
Operating Income (Loss)	2,580	1,039	(50)	18	(645)	(525)
Nonoperating Revenue (Expense)	(139)	(148)	95	233	530	598
Transfers to City	(469)	(450)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 1,972	\$ 441	\$ 45	\$ 251	\$ (115)	\$ 73
Meters in Service	8,032	8,011	4,868	4,825	4,698	4,665

Review of Other August 2018 Financial Information

Wicklund reviewed the August financials noting that residential customer kWh sales increased 6.6% from 2017. Total billed monthly peak kW demand was 33,016 for 2018 compared to 31,892 for 2017.

Public Power Energy Services

Mike Kumm, PPES, presented a contract amendment with AEP for a 5 MW capacity transaction from June 1, 2025 to June 1, 2030. The proposed transaction would be finalized in October. Kumm asked if the Commission was interested in pursuing the transaction.

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**Motion by Commissioner O'Day and seconded by Commissioner Matten pending final negotiations and satisfactory review by PPES and BPU Management for the amendment to AEP contract of 5MW capacity transaction. There was a unanimous roll call vote in favor of the motion. Motion carried.**

### **Superintendent's Report**

Superintendent Magnuson had received an email regarding late fee charges from a former BPU customer. The Commission discussed the concerns and Commissioner Matten asked staff to check with other Utilities regarding their late fee policies.

### **Water Department**

- Projects
  - South Zone Water Tower-Pre-construction meeting on September 24<sup>th</sup>-plan to get foundation work started soon. Working on finding another access point for construction equipment due to additional time needed to relocate telephone utilities.
  - Business 371/South 6<sup>th</sup> Street – water and sewer 100% complete.

### **Wastewater Treatment Department**

- WWTF Projects
  - Sludge Hauling and preparing for winter

### **Electrical Department**

- Outages/Interruptions/Complaints
  - August 25 – Squirrel Cindy Street-3 meters out 50 minutes
  - August 28 – Squirrel 10<sup>th</sup> Avenue, 23 meters out – 34 minutes
  - September 5 – failed transformer at DNR tanker base, 27 meters out-4 hours
  - September 6-customer hit underground cable Ash Ave. 19 meters out 90 minutes
  - September 13- planned outage for Cypress Drive, 22 meters out 90 minutes
  - September 18-Squirrel 9<sup>th</sup> Avenue, 7 meters out 35 minutes
- Projects:
  - Business 371- street lighting, North Brainerd and Cypress Drive

### **Hydro Department**

- Projects
  - Amjet and contractor Gracon – turbine installed, started testing and had issues with over-heating one (of three) modules failed. It will be 5 to 6 weeks before redesigned modules are installed.
  - FERC – proposed study plan meeting (by phone) FERC, EPA, SHPO, no DNR but they can still submit letters.
  - FERC – Environmental inspection today at 1:00 – This is BPU's first environmental inspection pertaining to current license. The inspection will include checking the boat landings at Evergreen, Lum and French Rapids.

### **Old Business**

None

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**New Business**  
None

**Adjourn**  
**Motion to adjourn by Commissioner O'Day.**

Commission President Wroolie adjourned the meeting at 9:45 AM.