

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on April 30, 2019.

Commission President Mark O'Day called the meeting to order.

Commissioners Roll Call

Mike Angland – Present	Mark O'Day – Present
Tad Johnson- 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 Mayor	Ed Menk
Brainerd Dispatch	Teresa Bourke

Commission President O'Day opened the meeting with the Pledge of Allegiance to the Flag.

Approval of Minutes and Consent Items

Motion by Commissioner Johnson and seconded by Commissioner Wroolie to approve the minutes of the March 26, 2019 regular monthly meeting and to approve payment of the current months bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

2019 Rate Design Recommendations

Dan Kasbohm (via phone), Utility Financial Solutions, LLC reviewed the financial projection and rate designs for electric, water and wastewater departments.

- Electric Department Recommendations Effective July 1, 2019
 - Overall 2019 rate adjust of 0%
 - Allow +/- 2% bandwidth
 - \$1.00 customer charge increase Dual-Fuel and Off-Peak rates
 - Reduce demand rate components
 - Adjust PCA to \$0.015

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 30, 2019

- Consider shifting \$0.010 of PCA into rates

The Commission discussed the options as presented

Motion by Commissioner Matten and seconded by Commissioner Wroolie to design electric rates as proposed for Commission approval. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Water Department Recommendations Effective July 1, 2019
 - Overall 2019 adjustment of 4.9%
 - Allow +/- 3% bandwidth
 - Adjust monthly customer charge
 - Increase proposed usage charge to \$3.33 per 1000 gallons

Motion by Commissioner Johnson and seconded by Commissioner Wroolie to design water rates as proposed for Commission approval. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Wastewater Department Recommendations Effective July 1, 2019
 - Overall 2019 adjustment of 0%
 - Allow +/- 2% bandwidth
 - Continue to decrease Debt Service charge

Motion by Commissioner Wroolie and seconded by Commissioner Angland to design wastewater treatment rates as proposed for Commission approval. 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

Secretary's Report

Review of March 2019 Operations

- Operating income increase of \$397,000 over 2018
- Power costs are \$3.1 million compared to \$3.2 in 2018
- Local Option Sales Tax for Brainerd is \$207,000 compared to \$209,000 for 2018
- Non-restricted cash is \$11.9 million compared to \$7.9 million in 2018
- kWh sold is up 0.4% while utility revenue is up 3.5%
- Water sold is up 0.9% while utility revenue is up 5.9%
- Wastewater gallons processed down 4.4% while revenue is down 1.4%

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 30, 2019

2018 Audit Presentation

Mary Reedy, CliftonLarsonAllen, will be at the May 28th Commission meeting to present 2018 audit results.

Water/Wastewater Treatment/Collection Adjustment Request

Kristi Duus, 1023 Anabec Street, requested an adjustment for excess water due to a leaking toilet. Staff recommendation is to deny the adjustment as the water did enter the sanitary sewer system.

Motion by Commissioner Johnson and seconded by Commissioner Wroolie to approve staff recommendation to deny the adjustment for Kristi Duus, 1023 Anabec Street. There was a unanimous vote in favor of the motion. Motion carried.

South Zone Water Tower – Pay Request #4

Received pay request no. 4 from Phoenix Fabricators & Erectors in the amount of \$52,867.50. Original contract amount is \$1,737,900 with \$337,150 of work completed to date.

Motion by Commissioner Matten and seconded by Commissioner Wroolie to approve pay request from Phoenix Fabricators & Erectors for \$52,867.50. There was a unanimous roll call vote in favor of the motion. Motion carried.

MMUA Summer Conference

The MMUA Summer conference is at Breezy Point Resort, August 19-21, 2019.

Performance Framework and Quarterly Talks

Wicklund noted that Supervisors and employees had attended training.

Minnesota Power

Working on interconnect agreement with Minnesota Power.

City of Baxter

Franchise fee dispute was presented to the Minnesota Court of Appeals on April 25 and decision will be rendered within the next 90 days.

City Administrator Report

City Administrator Torstenson reported the following:

- Training on performance based culture from Sicora Consulting sessions were attended by staff in April. Performance framework documents to be completed in May/June with first quarterly employee sessions scheduled for July.
- Economic development workshop attended
- Children’s Museum – Region 5 asked for proposals and the City selected Lum Park and the Brainerd Library as potential locations.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 30, 2019

Superintendent's Report

Water Department

- Projects

- Reprogramming commercial meters from 1000 multiplier to 1 multiplier. This will aid customers using MyMeter in deciphering their water usage more accurately.
- South Water Tower – first three rings of column poured with the fourth ring to be poured this week.
- East Water Tower – drained and clean with inspection today.

Wastewater Treatment Department

- Projects

- Ongoing general maintenance.
- Starting to get ready for sludge hauling – 15 fields tested/certified and will use closest field first.
- Conditional job offer made to John Backowski for Wastewater Operator.

Electrical Department

- Outages/Interruptions/Complaints

- Storm on April 11th resulted in tree on overhead line in Wonderland Park – 1417 meters out 1.5 hours, 352 meters out 3 hours.

- Projects

- Line Crews are working on North Brainerd and Wise Road service territory transfer area with cutover happening next month.
- AMI upgrade -replacing failing electric meters-waiting for water endpoints.
- Northeastern Minnesota Municipal Power Agency (NEMMPA) meeting in Grand Rapids on May 6th and Magnuson and Wicklund to attend.

Hydro Department

- Projects

- High tail water, slowing down production. Some water on driveway, no concern yet of flooding, river forecast for Aitkin is going down now.
- Amjet presentation next month for new generator, plan is to install in June, depending on BPU schedule.

Other

Electric vehicle charging station - still waiting on funding from Volkswagon settlement before determination made as to where a charging station will be located.

Brainerd Industrial Center (BIC) shared utilities at Hydro and BIC - staff has not heard from BIC owner regarding concerns.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 30, 2019

Old Business

2019 Resolution - No. 2019-01

BPU Overview of Available Renewable Programs will be available on BPU website May 1st. The Annual Cogeneration reporting and filing along with the 2019 Resolution – No. 2019-01 related to distributed energy resources. The forms will be consistent with ones being used by other electric utilities across Minnesota pertaining to solar installation applications.

BRAINERD PUBLIC UTILITIES COMMISSION

RESOLUTION NO. 2019:01

ADOPTED APRIL 30, 2019

A resolution adopting Brainerd Public Utilities Commission’s (Utility) Policy Regarding Distributed Energy Resources and Net Metering and Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities.

WHEREAS, the City of Brainerd is served by the Utility, which is committed to providing customers with reliable and affordable power.

WHEREAS, the purpose of this Distributed Energy Resources and Net Metering Policy is to establish the qualification criteria and certain responsibilities for the delivery, interconnection, metering, and purchase of electricity from distributed generation facilities.

WHEREAS, this policy, in accordance with Minnesota Statutes §216B.164, shall be implemented to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the Utility’s ratepayers and the public.

WHEREAS, the purpose of the Cogeneration and Small Power Production Rules is for the Utility to implement certain provisions of Minnesota Statutes §216B.164, the Public Utility Regulatory Policies Act of 1978, and Federal Energy Regulatory Commission regulations related to customer-owned distributed energy resources.

WHEREAS, the adoption of these rules establishes that the Utility is the interpreting body and arbiter of the provisions of Minnesota Statutes §216B.164 for the City of Brainerd.

WHEREAS, the Utility shall annually file a cogeneration and small power production tariff with under these rules.

WHEREAS, the cogeneration and small power production tariff shall include a calculation of average retail utility energy rates, standard contracts to be used with qualifying facilities, interconnection process and technical requirements, and the Utility’s estimated average incremental energy costs and net annual avoided capacity costs.

WHEREAS, all filings under these rules shall be maintained at the Utility offices and shall be made available for public inspection during normal business hours.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 30, 2019

THEREFORE, BE IT RESOLVED that the Utility adopts the following Policy Regarding Distributed Energy Resources and Net Metering and Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities.

Adopted by the Utility on April 30, 2019.

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to approve BPU Resolution 2019:01. There was a unanimous roll call vote in favor of the motion. Motion carried.

New Business

None

Motion by Commissioner Wroolie and seconded by Commissioner Matten to meet in closed session for the purpose to consider or develop offers or counteroffers for the purchase of Roberts property located next to water plant pursuant to M.S. Section 13D.05, Subd.3(c)3. There was a unanimous vote in favor of the motion. Motion carried at 10:58 AM.

Those in attendance at the closed session included Commissioners Angland, Matten, O'Day, Johnson and Wroolie, Finance Director Wicklund, and Superintendent Magnuson.

The Chair reconvened the meeting into open session at 11:14 AM.

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to adjourn the meeting at 11:14 AM. Meeting adjourned.