

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on March 26, 2019.

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

Commissioners Roll Call

Mike Angland – Absent	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
HR Coordinator	Kris Schubert
Public Power Energy Services	Mike Kumm
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 Wroolie and seconded by Commissioner Matten to approve the minutes of the January 22, 2019 and February 26, 2019 regular monthly meetings and to approve payment of the prior and current months bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

- Commissioner appointments for the following committees for 2019
 - Finance – Wroolie and Johnson
 - Human Resource – Matten and Angland

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Other Commissioners' Reports

None

City Administrator Report

City Administrator Torstenson reported the following:

- Training on performance based culture from Sicora Consulting sessions will be held in April
- Designation of two opportunity zones in Brainerd which are investment opportunities for investors to defer federal tax liability on capital gain transactions. Waiting for rules to be finalized by Federal Government.

Secretary's Report

HR Coordinator

Kris Schubert reviewed the following for Commission approval:

- IBEW (BPU) Union 2019-2020 tentative agreement
- USW (Hydro) Union 2019-2021 tentative agreement

Motion by Commissioner Wroolie and seconded by Commissioner Matten to approve the IBEW Local No. 31 2019-2020 agreement and USW (Hydro) 2019-2021 agreement. There was a unanimous roll call vote in favor of the motion. Motion carried.

Schubert reviewed the following for Commission approval:

- BPU Senior Engineering Tech/Project Coordinator-job description and wage
- Facilities and Grounds Maintenance Worker – job description and wage
- Creation of Operations Manager Position – job description and wage information

Motion by Commissioner Matten and seconded by Commissioner Wroolie to approve job descriptions, wages and posting of BPU Senior Engineering Tech/Project Coordinator, Facilities & Grounds Maintenance Worker and Operations Manager. There was a unanimous roll call vote in favor of the motion. Motion carried.

Schubert reviewed the following for Commission approval:

- Final BPU Job Classification Points after appeals process from DDA.

Motion by Commissioner Matten and seconded by Commissioner Johnson to approve final BPU job classification points from DDA. There was a unanimous roll call vote in favor of the motion. Motion carried.

Review of January and February 2019 Operations

Wicklund stated that the rate consultants will have information ready for presentation at either the April or May Commission meeting. With the change of power provider to AEP staff has been working with MP on a interconnect agreement and proposals for services.

- Operating income increase of \$301,000 for 2018
- Non-restricted cash in \$11.3 million compared to \$7.0 million in 2018. Approximately \$2 million to be spent on completing the new water tower.
- kWh sold is down 2.3% however utility revenue is up 3.5%

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Review of January and February 2019 Operations (Continued)

- Water sold is down 1.4% however utility revenue is up 5.0%
- Wastewater gallons processed down 5.8% revenue is up 5.5%

2019 Resolution - No. 2019-02

There was discussion affirming membership in Northeastern Minnesota Municipal Power Agency (NEMMPA). BPU has been a member of NEMMPA since the creation of the group in 1978. Superintendent Magnuson would be designated as BPU Representative and Finance Director Wicklund as Alternate.

Motion by Commissioner Johnson and seconded by Commissioner Wroolie to affirm BPU membership and appoint representative to Northeastern Minnesota Municipal Power Agency. There was a unanimous vote in favor of the motion. Motion carried.

Wastewater Treatment/Collection Adjustment Request

Robert Miller, 175 Birchridge Drive, requested an adjustment for excess water that did not enter the sanitary sewer system due to a problem with his hot water boiler in December 2018. Staff recommendation is to grant \$136.49 account adjustment related to wastewater treatment and collection charges.

Motion by Commissioner Johnson and seconded by Commissioner Matten to approve the adjustment for Robert Miller, 175 Birchridge Drive for \$136.49. There was a unanimous roll call vote in favor of the motion. Motion carried.

South Zone Water Tower – Pay Request #3

Pay request #3 from Phoenix Fabricators & Erectors in the amount of \$8,170.00. Original contract amount is \$1,737,900 with \$281,500 of work completed to date.

Motion by Commissioner Johnson and seconded by Commissioner Matten to approve pay request from Phoenix Fabricators & Erectors for \$8,170.00. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Power Energy Services, LLC (PPES)

Mike Kumm, PPES, and Commission discussed potential options for renewable and/or solar programs for BPU customers. He noted that BPU has the Hydro which is a renewable and has potential to be a cornerstone for BPU renewable program. The following items were also discussed:

- Establish a capital sinking fund for long-term renewable projects
- Sell blocks of energy at higher rate for hydro or solar
- Storage of solar (batteries) are improving
- Carbon footprint and impact on global warming, focus on “green” power

Financial Audit

CliftonLarsonAllen LLP will begin financial audit next week.

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APPA Spring Education Institute

Wicklund noted that he is attending APPA's Spring Education Institute in Omaha, NE, May 8-10.

MMUA Summer Conference

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

Superintendent's Report

Water Department

- Projects
 - Clearing snow around hydrants-working with the City on a letter to residents regarding shoveling sidewalks and hydrants.
 - AMI-Installed 96 water endpoints. Waiting for next 2,000 endpoints of which 600 will be shipped April 23rd.
 - Approximately 140 customers running water to avoid freeze ups. There have had a few frozen services and these customers have been directed to contact a welder to thaw. These 140 customers are requested to run water till April 30th.
 - Water main leak last Friday at NW 3rd & James reported at 8:30 and fixed by noon.

Wastewater Treatment Department

- WWTF Projects
 - Ongoing general maintenance
 - Starting to get ready for sludge hauling – dependent on field conditions
 - WW Operator, Jacob Olson resigned effective March 15, 2019

Electrical Department

- Outages/Interruptions/Complaints
 - 1/29/19-abnormal current due to extreme cold – 60 meters out 40 minutes
 - A few customer stacks have pulled away due to the snow
- Projects:
 - Line Crews are busy on Oak Street, North Brainerd and Wise Road service territory transfer area.
 - AMI upgrade – Meter and Line Crews-replacing failing electric meters
 - Hired Journeyman Lineworker Nicholas Lochner and Apprentice Lineworker Ryan Miller

Hydro Department

- Projects
 - As of March 20th all five generators are running at 100%. One bascale gate slightly open. The slow snow melt is helping with river levels as well as Corps of Engineers has the upstream lake levels low. Some low level flooding this weekend in Aitkin and Fort Ripley is predicted.
 - There is a conference call this afternoon with SHPO and FERC regarding the FERC relicensing process

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Other

Solar – There has been more interest in solar. The School District has shown interest as well as other businesses and residents. Staff is planning a customer survey to gage interest in a solar garden.

Old Business

None

New Business

Commissioner Matten has been contacted by owner of Brainerd Industrial Center asking about BPU plan regarding shared utilities and related costs.

Matten also inquired if staff is pursuing the establishment of an electric vehicle charging station as there is only one in the area.

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 9:50 AM.

Those in attendance at the closed session included Commissioners Matten, O'Day, Johnson and Wroolie, Finance Director Wicklund, Superintendent Magnuson, Line Supervisor Trent Hawkinson, City Administrator Torstenson and Mayor Ed Menk.

The Chair reconvened the meeting into open session at 10:40 AM.

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to adjourn the meeting at 10:40 AM. Meeting adjourned.