

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on July 23, 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 – Absent	

Utility Staff Present

Secretary/Finance Director	Todd Wicklund
Superintendent	Scott Magnuson
Recording Secretary	Sharon Jensen
Operations Manager	Trent Hawkinson

Others in Attendance

Brainerd Mayor	Ed Menk
Brainerd Dispatch	Theresa Bourke
Brainerd Ace Hardware	Nick Eades

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

Motion by Commissioner Johnson and seconded by Commissioner Matten to amend agenda by removing item 9 Special Presentation and amount to June 25th Commission minutes to include \$5050.00 membership payment to BLAEDC. There was a unanimous vote in favor of the motion. Motion carried.

Approval of Minutes and Consent Items

Motion by Commissioner Johnson and seconded by Commissioner Matten to approve the amended minutes of the June 25, 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.

Public Forum

Brainerd Ace Hardware Water Adjustment Request

Nick Eades, Owner of Brainerd Ace Hardware requested a refund of water and wastewater charges related to BPU water meter billing error. The issue is that BPU billed ACE based on a 2" meter when the actual size was ¾" meter. BPU prepared a refund claim in the amount of \$4,794.63 going back 42 months to January 2016. When preparing this refund it was just noted for an electric utility State

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

July 23, 2019

Statutes states the refund period is limited to 36 months. There is no limitation for water or wastewater refund claim periods. Mr. Eades asked that the Commission consider refunding the overcharge back to 2010 when the meter was changed. Commissioners discussed the request and decided that the refund claim period should go back to June 2013 when Mr. Eades became the owner. The additional refund amount will need to be calculated.

Motion by Commissioner Matten and seconded by Commissioner Johnson to approve extending the water and wastewater refund to June 2013. There was a unanimous roll call vote in favor of the motion. Motion carried.

Market Addition Condo Association Waiver Request

A waiver request has been received by Market Addition Condo Association (former County Market building) to waive a portion of the wastewater treatment and collection charges for a regular water meter that was used as a sprinkling meter from May 31 to July 11, 2019. BPU policy is for commercial accounts to use a separate water meter for sprinkling and residential accounts receive credit during the summer months.

Motion by Commissioner Matten and seconded by Commissioner Johnson to deny Market Addition Condo Association wastewater treatment and collection waiver request. There was a unanimous vote in favor of the motion. Motion carried.

President's Report

None

Other Commissioners' Reports

Commissioner Matten inquired about ways and subjects to promote BPU. With the upcoming Crow Wing County Fair it would be an opportunity to have a press release about the South Brainerd water tower construction. BPU also needs to let the public know about the power provider change to AEP and Brainerd History week Hydro dam tours.

Commissioner Johnson inquired if Energy Insight is the provider BPU is working with for solar projects. Wicklund stated that staff is working with CERTS for the solar and they will help conduct a customer survey.

City Administrator Report

Mayor Menk stated that the Council is getting close to finalizing the performance review forms and have started the 2020 budget process.

Secretary's Report

Review of Financial Operations for the 5 Month Period Ended June 30, 2019

1. Operating income decrease of \$678,000 over 2018 due to 2018 PCA true-up credit adjustment of \$1.3 million reducing power cost in 2018
2. Decrease in net assets of \$434,400 over 2018 due to 2018 PCA adjustment
3. Power costs increased \$688,000 from 2018 due to 2018 PCA adjustment
4. Non-restricted cash increase of \$1,732,000 from 2018
5. Electric Department operating revenue decrease is \$675,000 over 2018 and change in net position decrease of \$677,500 from 2018 due to 2018 PCA adjustment

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

July 23, 2019

6. kWh sold is down 2.4% while utility revenue is up 1.9%
7. Water Department operating revenue decrease of \$95,200 over 2018 and change in net position loss of \$92,600 from 2018
8. Water sold is down 2.4% while utility revenue is up 1.9%
9. Wastewater Treatment Department operating revenue increase of \$92,600 over 2018 and change in net position increase of \$335,700 over 2018
10. Wastewater gallons processed down 2.3% while utility revenue is up 1.8%

Minnesota Power-True-up

Minnesota Power (MP) true-up expense for final year ended June 30, 2019 will approximate \$105,000. For the fiscal year ended June 30, 2018 the true-up was a credit of \$1.3 million.

Wastewater Treatment Influent and Effluent Data

Reviewed the Wastewater Treatment Plant influent and effluent data from 2011 to present which is reported to MPCA. BOD measures the amount of oxygen that will be consumed by microorganisms during the biological reaction of oxygen with organic material. TSS is a laboratory measurement of the quantity of solid material suspended in wastewater. TP is a laboratory measurement of the quantity of phosphorous in wastewater. The WWTP is operating well within its permit limits.

Commissioner Matten inquired about I/I and whether BPU knows how much of Baxter's flow is related to I/I? Wicklund stated information related to Baxter's I/I is not available but it is highly likely the percentage of flows related to I/I is significantly less than Brainerd's I/I percentage. Matten asked if there was any way BPU could assist the City and speed up the process of lining the sewer lines. BPU staff works closely with City staff in fixing I/I issues.

Court of Appeals Decision

The Court of Appeals overturned the ruling from the District Court in favor of BPU regarding the payment of franchise fees to Baxter. Baxter needs to determine in the next few weeks whether it will appeal the decision to the Minnesota Supreme Court. BPU will continue to collect the franchise fees and remit to County escrow account until there is a final decision. Once the final decision is reached the fees will either be refunded to BPU customers located in Baxter or the amount in the County escrow account will be paid to Baxter.

Ongoing Projects

- Employee Policy Manual - reviewing the updated version for approval
- 2019 Employee picnic – Date change to August 13th at Lum Park
- Performance reviews – ongoing discussions to finalize forms and procedure

Superintendent's Report

Water Department

- Projects
 - Flushing hydrants completed
 - Working on fixing damaged gate valve boxes and standpipes (Brainerd Oaks are 3-4 feet below the surface)
 - 10th Avenue and H St – one block of water main finished-Safe routes to School – relocate 8 hydrants

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

July 23, 2019

- Buffalo Hills project – small BPU involvement
- South Water Tower – Steel fabrication will start at the end of July

Wastewater Treatment Department

- Projects
 - Bio-solids application – hauling to fields

Electrical Department

- Outages/Interruptions/Complaints
 - A couple of brief outages involving squirrels and transformer fuses
 - No outage during the big storm
 - AMI upgrade -replacing failing AMR electric meters

Hydro Department

- Projects
 - Brainerd History Week - September 20-22, 2019 – tours on top of Dam
 - Annual FERC dam safety inspection scheduled for July 23rd (today)
 - Amjet turbine – City Attorney reviewed contract and BPU has an out clause

Other

- IT/Data Analyst- received 16 applications
- Retirement – Wastewater Supervisor, Mike Larson effective August 31st. Mike has worked at BPU for 47 years and Mayor Menk will present the Tower Award to him at the City Picnic on August 13th.

Motion by Commissioner Johnson and seconded by Commissioner Matten to approve Mike Larson, Wastewater Supervisor retirement effective August 31, 2019. There was a unanimous vote in favor of the motion. Motion carried.

- Airport Project - Lawsuit depositions - Tom's Backhoe Attorney conducted depositions earlier this month and City Attorney Langel will conduct depositions next week for the 2016 extension of water and sewer to the Airport.

Old Business

None

New Business

None

Adjournment

Motion at 10:06 AM by Commissioner Matten and seconded by Commissioner Johnson to adjourn to 5:00 PM August 13, 2019 for Brainerd City Picnic at Lum Park. Motion carried.

Mark O'Day, Commission President

Todd Wicklund, Commission Secretary