

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on August 27, 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
Accounting Supervisor	Julie Batters
Operations Manager	Trent Hawkinson

Others in Attendance

Brainerd Mayor	Ed Menk
Brainerd City Administrator	Cassandra Torstenson
Brainerd Dispatch	Theresa 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 Johnson to approve the minutes of the July 23, 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

None

President's Report

None

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Other Commissioners' Reports

Commissioners Wroolie and Angland attended the City Picnic and presented service awards to BPU employees as well as the City/BPU Exceptional Service Award winner Brent Yaunick. Mike Larson retiring Wastewater Supervisor received the Tower Award from Mayor Menk. Commissioner Wroolie also attended the Summer MMUA conference at Breezy Point. Commissioner Angland inquired about the topics that were discussed. Wroolie replied that the main sessions were on electric cars and solar rates.

Commissioner Matten attended the BLAEDC quarterly meeting. BLAEDC has not been promoting BPU's economic development rate. Staff will contact BLAEDC to promote the rates to potential businesses.

City Administrator Report

City Administrator Torstenson reported on the following:

- Budget workshop held last night
- 30 year capital plan
- Employee policy manual being updated (asked for Commissioner comments by the end of day)
- Performance based culture – more training and revised completion schedule presented
- River to Rails – Incentives to potential investors and waive WAC/SAC charges for projects under \$150,000
- Children's Museum – Two locations still being considered - Lum Park and Potlatch land in Baxter

Secretary's Report

Review of Financial Operations for the 5 Month Period Ended July 31, 2019

1. Total operating revenue increased \$57,000 (0.4%) from 2018
2. Power costs are \$7.5 million compared to \$6.6 million for 2018. Last year there was a \$1.3 million reduction in June 2018 power costs related to MP true-up
3. Operating income decrease of \$1.1 million over 2018 due to 2018 PCA true-up credit adjustment of \$1.3 million reducing power cost in 2018
4. Total non-restricted cash increase of \$1.8 million from 2018
5. Electric Department non-restricted cash increase of \$2.5 million from 2018
6. Electric Department operating revenue decrease of \$1.1 million from 2018 and change in net position decrease of \$1.1 million from 2018
7. kWh sold is down 3.7% while utility revenue is up 0.4%
8. Water Department operating loss increase of \$112,644 from 2018 and change in net position loss of \$116,469 from 2018
9. Water sold is down 3.0% while utility revenue is up 1.1%
10. Wastewater Treatment Department operating loss decrease of \$96,115 over 2018 and change in net position increase of \$345,357 over 2018
11. Wastewater gallons processed down 2.0% while utility revenue is up 4.4%

Education Reimbursement Request

IT Supervisor, Aaron Andersen would like to enroll in two online computer system courses at CLC. In accordance with BPU policy regarding the reimbursement of educational costs Wicklund requested Commission approve the reimbursement request in the amount of \$1,500 at the end of each semester for a total of \$3,000 over the next two calendar years. Before reimbursement would be made completion of the courses with at least a grade of "B" would be required.

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Motion by Commissioner Johnson and seconded by Commissioner Wroolie to approve the education request for Aaron Andersen. There was a unanimous vote in favor of the motion. Motion carried

AEP-July 2019 Bill

Savings with the first AEP billing for July 2019 was approximately \$197,000.

South Zone Water Tower – Pay Request #7

Received pay request No. 7 from Phoenix Fabricators & Erectors in the amount of \$66,832.50. Revised contract amount is \$1,742,025 with \$1,225,580.49 of work completed to date.

Motion by Commissioner Matten and seconded by Commissioner Johnson to approve pay request from Phoenix Fabricators & Erectors for \$66,832.50. There was a unanimous roll call vote in favor of the motion. Motion carried.

Solar Project Options

BPU staff has met with ISD No. 181 staff to discuss the potential of partnering to develop a solar project on land owned by the District. The District would provide the land and BPU would provide the system interconnect. The District has expressed interest for 100 kW.

Another opportunity is siting a larger solar project on Airport land. A project near the airport could range in size for 2 to 4 megawatts. A meeting with Steve Wright, Airport Manager, is scheduled for tomorrow. At the MMUA conference BPU staff met National Renewable Solutions, they work with municipal entities. Mike Kumm of PPES is working with them in developing a significant solar project for some municipals in northwest Iowa. Staff has asked them to come and assess the airport site as well as the High School site.

Performance Review Process

Performance review process updated timeline was discussed as it pertained to staff time and the cost incurred to complete evaluation forms for the fiscal year ended August 31, 2019 as well as complete performance framework forms within the next 60 days. Late fall is an especially busy time due to field crews trying to complete jobs before winter freeze-up.

IT/Data Analyst

Abigail Sova, the new IT/Data Analyst, started on August 12, 2019.

Health Insurance

Wicklund attended the Sourcewell meeting last Friday and received information that health insurance rates will increase approximately 12% in 2020. Sourcewell will be offering new plans to consider.

Superintendent's Report

Water Department

• Projects

- Work continues on fixing damaged gate valve boxes and standpipes
- 10th Avenue and H St. water portion complete
- Safe routes to School – relocate 8 hydrants
- Buffalo Hills project – ongoing
- South Water Tower – Primer painting this week

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- South Water Tower – Paint concept no. 1 was confirmed and direction of east/west for Brainerd was selected

Wastewater Treatment Department

- Projects
 - Bio-solids application – hauling to fields
 - Plant and Lift Station maintenance
 - Mike Larson retirement is effective August 31, 2019, new Wastewater Supervisor potential start date is September 23, 2019

Electrical Department

- Transformer PCB Violation – Received notification from USEPA that BPU has been assessed a fine for missing a deadline for disposal of a transformer which tested positive for PCB's and which was removed from service in late 2014 but that was not destroyed until early 2016. Staff also discovered that while we are registered with the State as a hazardous waste site we also need to register with the EPA.
- Outages/Interruptions/Complaints
 - Brief outages involving squirrels and trees
 - Lightening caused outage in South Brainerd
 - AMI upgrade -replacing failing AMR electric meters

Hydro Department

- Projects
 - Brainerd History Week - September 20-22, 2019 – tours on top of Dam Saturday from 11 AM to 1 PM
 - Annual FERC dam safety inspection on July 23rd went well, no safety issues to report, like the new signs and work continues on relicensing
 - 4 generators at 100% 1 just changed to 80%

Other

- Surplus sale – September 10 and 11, bids will be opened at 1:00 PM on September 11th.

Motion by Commissioner Johnson and seconded by Commissioner Wroolie to approve list of surplus items. There was a unanimous vote in favor of the motion. Motion carried.

- NEMMPA-Northeastern Minnesota Municipal Power Agency-attended board meeting discussed annual dues \$2,000 for 7 larger utilities and \$1,000 for the rest to be used for Attorney retainer and a lobbyist. Attorney would attend meetings with MP and member utilities.
- 6 month probations completed for:
 - Lineworker – Nick Lochner – August 25, 2019
 - Apprentice Lineworker – Ryan Miller – September 4, 2019
- MMUA Board – Magnuson was elected for a 3 year term to the MMUA Board of Directors at the Summer MMUA Conference.

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Old Business

Commissioner O'Day has had inquiries if BPU is able or willing to help with the fundraising for the Historic Water Tower on 6th and Laurel. Staff was directed to check with the City Attorney.

New Business

Impact of City's Reorganization of Management of BPU Operations

Discussion was held regarding the proposed change from Supervisor to Department Head status for the Human Resources and Information Technology Coordinator for the City of Brainerd. Wicklund noted that he and retired City Finance Director Goble were instrumental in creating the position of HR Coordinator many years ago. He also noted that the Operations Manager, Wastewater Supervisor, Accounting Supervisor, and Information Technology Supervisor positions are vitally important and critical to proper functioning of a specific aspect of the City operations and should be considered for DH status. As for the financial impact of the status change is not neutral as vacation accrual is significantly greater.

City Administrator Torstenson stated that at recent DH meetings questions arose that if the coordinators had attended would have been answered in a timely manner. Commissioner Johnson inquired if it would be possible to change job descriptions to require attendance at DH meetings without changing positions to the level of DH.

Adjournment

Motion at 10:47 AM by Commissioner Wroolie and seconded by Commissioner Angland to adjourn. Motion carried.

Mark O'Day, Commission President

Todd Wicklund, Commission Secretary