

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

Commissioner Wroolie called the meeting to order.

**Commissioners Roll Call**

Mike Angland – Absent

Mark O’Day – Absent

Tad Johnson- Present

Dolly Matten – Present

William Wroolie – Present

**Utility Staff Present**

Secretary/Finance Director

Todd Wicklund

Superintendent

Scott Magnuson

Recording Secretary

Sharon Jensen

**Others in Attendance**

Brainerd Dispatch

Theresa Bourke

Commissioner Wroolie opened the meeting with the Pledge of Allegiance.

**Approval of Minutes and Consent Items**

***Motion by Commissioner Johnson and seconded by Commissioner Matten to approve the minutes of the November 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.***

**Public Forum**

None

**President’s Report**

None

**Other Commissioners’ Reports**

None

**City Administrator Report**

None

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING  
December 30, 2019**

**Secretary's Report**

November 2019 financial reports which include the following highlights:

1. Total operating revenue increased \$142,953 (0.6%) from 2018.
2. Power costs are \$11.3 million a \$448,027 increase from 2018. In 2018 there was a \$1.3 million MP true-up reduction in power costs.
3. Total operating expenses increased \$800,691 (3.6%) from 2018.
4. Total cash and investments are \$15,996,905 a \$171,936 increase from 2018.
5. Total liabilities are \$41.4 million a \$2.4 million decrease from 2018
6. kWh sold is down 2.6% while utility revenue is unchanged.
7. Water Department operating loss for 2019 is \$230,040 compared to \$96,472 for 2018. Depreciation expense is \$981,140 which is an increase of \$102,840 from 2018. Change in net position is a negative \$63,154 for 2019 compared to a negative \$51,369 for 2018.
8. Water sold is down 1.6% while utility revenue is up 3.0%
9. Wastewater Department operating loss for 2019 is \$684,667 compared to \$867,386 for 2018. Change in net position is a positive \$387,498 for 2019 compared to a negative \$116,882 for 2018.
10. Wastewater gallons processed up 2.3% while utility revenue is up 5.3%

Auditors

CliftonLarsonAllen audit is scheduled for March 17<sup>th</sup>.

AEP

Savings for the first five months with AEP approximate \$776,000 which is an approximate 15% decrease. Moving to the BPU node should increase savings.

Phoenix Fabricators Pay Requests (South Water Tower Contractor)

1. No. 10 (Nov) in the amount of \$92,153.33.
2. No.11 (Dec) in the amount of \$62,519.50 with remaining balance of contract being \$151,908.22.

**Motion by Commissioner Matten and seconded by Commissioner Johnson to approve Phoenix Fabricators pay request No.10 for \$92,153.33 and No.11 for \$62,519.50. There was a unanimous roll call vote in favor of the motion. Motion carried.**

2020 Tentative Commission Meeting Schedule

Discussed the 2020 Commission meeting schedule, Wicklund noted five of the meeting dates are scheduled for a Tuesday other than the last Tuesday for the month.

Airport Solar Project Update

The Letter of Intent (LOI) between the Brainerd Lakes Regional Airport and BPU was approved by the Airport at its December 5, 2019 board meeting. The LOI represents BPU's intent to lease approximately 40 acres at the Airport for the purpose of constructing a 5 megawatt solar array. The formal land lease would be signed once all required FAA studies are completed in 2020.

The Solar Power Purchase Agreement between Brainerd Solar, LLC (a company owned by American Electric Power) and BPU was completed on December 24, 2019. The Agreement would allow Brainerd Solar, LLC to construct and own the 5 megawatt solar array proposed to be built and the Airport with

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**December 30, 2019**

BPU purchasing all of the kilowatt hours produced by the solar project over a 30 year term. BPU would have the option to purchase the solar array starting in the 9<sup>th</sup> year of the agreement.

**Motion by Commissioner Johnson and seconded by Commissioner Matten to approve the letter of intent with the Airport Commission and the solar power purchase agreement with Brainerd Solar, LLC. There was a unanimous roll call vote in favor of the motion. Motion carried.**

### **Superintendent's Report**

#### **Water Department**

- Projects
  - AMI install – two to three water crew going with two or three electric crew members
  - South Water Tower-on line on Thursday. SEH will update the current the water model. Need to re-route Lexington sanitary sewer and finish landscaping and paving.

#### **Wastewater Treatment Department**

- Projects
  - Plant and Lift Station maintenance – ongoing thru the winter
  - Main Lift upgrades- more flood proof and clean-up exterior

#### **Electric Department**

- Outages/Interruptions/Complaints
  - Pole snapped this morning near Tanner Motors
- Substation-Minnesota Power
  - Moving wires/SCADA
  - Working on agreements with MP

#### **Hydro Department**

- Projects
  - Generators at 100%.

#### **Other**

- Airport Project lawsuit /depositions- City Attorney completed-trial in May
- Crews are working on inventory
- CDL registration with US DOT – employees need to register and Employer has to do an annual scan
- BPU 2020 capital and operating budget was approved by City Council on December 16<sup>th</sup>.

#### **Old Business**

None

#### **New Business**

None

**Motion by Commissioner Matten and seconded by Commissioner Johnson to meet in closed session for the purpose to consider or develop offers or counteroffers for the sale of land to City of Baxter related to Cypress Drive Extension pursuant to M.S. Section 13D.05, Subd.3(c)3. Motion carried at 9:45 AM.**

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**December 30, 2019**

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

The Chair reconvened the meeting into open session at 10:00 AM.

**Motion by Commissioner Matten and seconded by Commissioner Johnson to accept City of Baxter's offer of \$13,000 for purchase of property easement along the south side of Highway 48 for the purpose of constructing a sewer interceptor and the construction of a future round about for Cypress Drive. The City of Baxter will plant trees around the lift station at the entrance to the wastewater treatment plant and both parties will meet next summer to determine if additional trees need to be planted to repair and maintain the buffer to existing BPU facilities. The recommendation is to also have Brainerd City Council approve the easement sale. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**Adjournment**

**Motion by Commissioner Matten and seconded by Commissioner Johnson to adjourn the meeting at 10:02 AM. Meeting adjourned.**

\_\_\_\_\_  
Mark O'Day, Commission President

\_\_\_\_\_  
Todd Wicklund, Commission Secretary