

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on September 24, 2019.

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

Commissioners Roll Call

Mike Angland – Present

Tad Johnson- Present

William Wroolie – Present

Mark O'Day – Present

Dolly Matten – Present

Utility Staff Present

Secretary/Finance Director

Superintendent

Recording Secretary

Todd Wicklund

Scott Magnuson

Sharon Jensen

Others in Attendance

Interim Brainerd City Administrator

Brainerd Dispatch

Jim Thoreen (left at 9:06)

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 Matten and seconded by Commissioner Angland to approve the minutes of the August 27, 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

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 24, 2019

City Administrator Report

Interim City Administrator Jim Thoreen stated that he is pleased that the City council has faith in him to fill the position until a new City Administrator is hired. His office hours will be Monday to Wednesdays. It was also noted that the City Hall pre-bid meeting is at 3:00 today.

Secretary's Report

August 2019 financial reports which include the following highlights:

1. Total operating revenue increased \$147,000 (0.8%) from 2018.
2. Power costs are \$8.6 million which is an increase of \$775,200 from 2018. In 2018 there was a \$1.3 million MP true-up reduction in power costs.
3. 2nd half payment of LOST from Baxter for its contribution towards airport project not received in August which explains why \$180,400 reported in 2019 compared to \$322,400 in 2018.
4. Net utility plant represents 70% of total assets while total cash and investments represent 18% of total assets.
5. Total liabilities represent 46% and 49% for 2019 and 2018, respectively, of total liabilities and net position.
6. Days of cash on hand for 2019 and 2018 were as follows:

Combined –	149 and 164
Electric -	69 and 64
Water -	186 and 427 (includes cash for tower construction)
Wastewater –	560 and 474

The recommended minimum amount should range from 90 to 180 days of cash on hand.
7. kWh sold is down 2.5% while utility revenue is up 0.7%
8. Water Dept. operating loss for 2019 is \$170,300 compared to \$49,700 for 2018. Change in net position is a negative \$79,500 for 2019 compared to a positive \$44,800 for 2018.
9. Water sold is down 1.8% while utility revenue is up 2.1%
10. Wastewater Dept. operating loss for 2019 is \$519,400 compared to \$645,100 for 2018. Change in net position is a positive \$287,700 for 2019 compared to a negative \$114,700 for 2018.
11. Wastewater gallons processed down .7% while utility revenue is up 4.3%

AEP-August 2019 Bill

Savings with the first two months with AEP approximate \$384,000.

South Zone Water Tower – Pay Request #8

Received pay request No. 8 from Phoenix Fabricators & Erectors in the amount of \$116,612.50. Remaining balance of contract is \$461,111.03.

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to approve pay request from Phoenix Fabricators & Erectors for \$116,612.50. There was a unanimous roll call vote in favor of the motion. Motion carried.

Solar Project Update

Meeting with Airport discussions included size of array 2 MW to 10 MW, value of land lease, and FAA approval process. The potential developer pricing will include the Brainerd High School proposed site by the ball fields. The solar rate will be developed when and if the project goes forward. AEP has expressed interest in discussing solar with BPU.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

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Clean Energy Resource Team (CERT's)

BPU partnered with CERT's to deliver LED bulbs to residents of the four mobile home parks BPU serves. Staff is looking forward to expanding the project in 2020. CIP funds were used to purchase the bulbs.

Performance Evaluations

BPU employees in process of completing performance evaluations for fiscal year ended August 31, 2019 and will begin completing performance framework forms in October for the fiscal year starting September 1, 2019.

APPA Business and Financial Conference

Wicklund attended the 2019 APPA Business and Financial Conference in Minneapolis last week.

HR Director's report was noted.

Superintendent's Report

Water Department

- Projects
 - Working fixing damaged gate valve boxes and standpipes before snow.
 - Watermain break on NW 7th Street (repaired during the night)
 - Service leak at 1400 block of S. 8th Street (old galvanized service)
 - 10th Avenue and H Street water portion complete (Safe routes to School)–finding bent standpipes.
 - Buffalo Hills project – ongoing
 - South Water Tower – Painting interior, wet tap 16" main for connection
 - Freightliner new wet tap is leaking

Wastewater Treatment Department

- Projects
 - Bio-solids application – hauling to fields (4 feet left in tanks)
 - Plant and Lift Station maintenance
 - Charles Gammon, WW Supervisor, started Monday September 23rd

Electric Department

- Outages/Interruptions/Complaints
 - 8/25/19 - lightning hit pole on Norwood St. blew two fuses at the tap and a transformer - 96 meters out for 1 hr and 38 min
 - 9/9/19 - Squirrel took fuse out on transformer on Pine St. – 87 meters out for 20 min
 - 9/17/19 – County Rd 142, 34.5 kV underground terminator failed and broke the cutout on a riser pole - 38 meters out for 1 hr 4 min
 - Work continues High School and BN feeder

Hydro Department

- Projects
 - Dam tours for Brainerd History Week last Saturday approximately 40 - 50 people attended
 - Amjet update-next Spring- Paul Roos would like to talk to the Commission. Commissioner Matten asked if we have a plan B and what are our other options.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

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Other

- Surplus sale – all items sold with total proceeds being \$8,071.
- Planning Commission wanted to limit lights to 13 foot height, lights in ROW would be excluded, but would affect driveway lights, water plant, lift stations, hydro etc. potential problem for development. Three community members and Magnuson attended Council meeting and spoke. The Council denied the request.
- City Attorney opinion is that BPU cannot donate money to Historic water tower fund.
- Airport project – City Attorney will be taking depositions from Tom’s Backhoe employees next week.
- Met with Baxter consulting engineers, easement on land west of the WWTP for force-main and round-a-bout.
- Commissioner Angland inquired about the franchise fee case. Still waiting to hear if the Minnesota Supreme Court will hear Baxter’s argument.

Old Business

None

New Business

Commissioner Angland asked if there are any issues regarding the changes to the High School construction. The plans are with the Department of Labor & Industry.

Adjournment

Motion at 9:56 AM by Commissioner Wroolie and seconded by Commissioner Matten to adjourn.
Motion carried.

Mark O’Day, Commission President

Todd Wicklund, Commission Secretary