

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on February 18, 2020.

Commissioner O'Day called the meeting to order.

Commission 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

Operations Manager

Todd Wicklund

Scott Magnuson

Sharon Jensen

Trent Hawkinson

Others in Attendance

City Administrator

Jennifer Bergman

Commission President Angland opened the meeting with the Pledge of Allegiance.

Approval of Minutes and Consent Items

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve the minutes of the January 28, 2020 regular monthly meeting and to approve payment of the current month bills. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

None

President's Report

Commission President Angland's appointments to committee assignments for 2020 were as follows:

Finance Committee – Commissioners Johnson and Wroolie

Personal Committee – Commissioners Matten and O'Day

President Angland would like to set up a meeting in the near future with City of Baxter officials to discuss items of mutual interest, including the operation of the wastewater treatment plant.

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Other Commissioners' Reports

None

City Administrator Report

City Administrator Jennifer Bergman updated the Commission on the Children's Museum selection of a potential site at Lum Park. WSN will work on a master plan and a task force will be formed to consider all options.

The EDA will be meeting bi-monthly in 2020. They are meeting in joint session with the City Council in April and are asking for guidance from other boards.

Secretary's Report

December 2019 preliminary financial reports highlights:

1. Total operating revenue decreased \$125,201 (0.5%) from 2018.
2. Power costs are \$11.9 million a \$73,675 increase from 2018. In 2018 there was a \$1.3 million reduction in power costs related to MP true-up.
3. Total operating expenses increased \$303,290 (1.2%) from 2018.
4. Total cash and investments are \$16,314,880 a \$230,047 decrease from 2018.
5. Total liabilities are \$41.5 million a \$3.1 million decrease from 2018
6. kWh sold is down 4.3% while utility revenue decreased 0.8%
7. Water Dept. operating loss for 2019 is \$271,180 compared to \$220,226 for 2018. Depreciation expense is \$1,060,433 which is an increase for \$58,095 from 2018. Change in net position is a negative \$108,181 for 2019 compared to a negative \$164,477 for 2018.
8. Water sold is down 1.9% while utility revenue is up 2.6%.
9. Wastewater Dept. operating loss for 2019 is \$761,630 compared to \$931,253 for 2018. Change in net position is a positive \$426,389 for 2019 compared to a negative \$71,025 for 2018.
10. Wastewater gallons processed is up 2.5% while utility revenue is up 5.0%.

AEP

Savings for the first seven months with AEP approximate \$1,114,000 (approximate 15% decrease). AEP representative will be here on February 19th.

Distributed Energy Resource

Wicklund noted that work continues related to updating Distributed Energy Resource (DER) forms and schedules. This is an annual process.

Audit

Audit is scheduled to start March 17th.

Solar Project-Airport Update

The FAA needs a signed lease for the Solar project. Staff is comparing two approved leases to use as an outline. AEP is working with Mead & Hunt for the environmental study requirements.

Marketing-Update

Staff met with Aaron Hautala to discuss marketing. Topics included survey of BPU customers, solar promotion and City of Brainerd participation.

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Crow Wing County Landfill-Leachate Agreement

Wicklund presented the Crow Wing County Landfill renewal request for leachate discharge. The agreement is for three years and is required by the State of Minnesota.

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve Crow Wing County Landfill Leachate three-year agreement. There was a unanimous vote in favor of the motion. Motion carried.

Minnesota Power-Discussion of Various Agreements

Wicklund presented the following agreements that have been prepared by BPU and MP staff related to ongoing operations and maintenance at the Main Substation. The recommendation by BPU staff is approve the different agreements as presented.

- *Pole Attachment Agreement* – Includes pole change-out and maintenance language on MP owned poles that BPU is attached to. The term of the agreement is 20 years with a one-time payment of \$8,100.
- *Master Service Agreement* – BPU may request MP to perform repair, service, testing, engineering, safety training, maintenance, emergency services for BPU at Main Substation. The term of the agreement is 1 year and can automatically renew on each anniversary date of agreement for a 1 year period.
- *Emergency Capacity Agreement* - Allows MP to use BPU distribution facilities in order serve MP owned facilities in an emergency situation. The term of the agreement is for an initial 4 year, through December 31, 2024, and can automatically renew on each successive January 1st date for a 1 year period.
- *First Amendment to the Transmission – To – Transmission Interconnection Agreement* – Includes revision of Exhibit A (Description of Main Substation Assets and Ownership, Investment, Operations, and Maintenance of Assets Between MP and BPU). Exhibit D is included in the Agreement which describes MP/BPU Interconnected Operating Guidelines for Operations within the MP Control Area.
- *Notice of Cancellation of the 2008 Maintenance Agreement* – No longer valid effective January 1, 2020 due to new Master Service Agreement.
- *Substation Letter Agreement* – BPU will take over operations, monitoring and control of BPU's 34 kV assets within Substation. MP retains the right to access and to use all Substation common facilities owned by BPU which are described in Exhibit A above. MP will pay BPU \$4,800 annually for each year of the term. MP will provide and maintain its standard metering transformers, meters, wire, conduit and associated materials to meter the BPU load at the Substation. BPU will pay MP \$4,800 for each year of the term. Invoices shall be exchanged annually in January of each year. The term of the agreement is for an initial term ending December 31, 2022, and can automatically renew on each successive January 1st date for a 1 year period.

Motion by Commissioner Matten and seconded by Commissioner O'Day to approve the different Agreements with Minnesota Power. There was a unanimous vote in favor of the motion. Motion carried.

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Superintendent's Report

Water Department

- Projects
 - AMI install – going good with electric and meter departments assisting 50/60 per day
 - Crew is clearing/shoveling hydrants- close to completing
 - Water temperature at 34.1 degrees – 2 customers on SE 19th Street are running water.
 - 10th Avenue & Q Street has 9 customers on a 1" main the City has a street project planned for this year BPU is going to install a 6" water main.
 - Water Plant storage update- working with SEH to start the plans for replacement of .75 MG concrete and 1MG steel water storage tanks and the steel backwash tank. These would be replaced with a 2 MG storage tank with backwash pumps installed.

Wastewater Treatment Department

- Projects
 - Plant maintenance- one new recirculating pump installed in old digester, working better getting fluid pumped up to boilers.
 - Lift Station maintenance – 16 lift stations schedule to upgrade electrical panels over a three-year period, some stations getting new pumps also.
 - Main Lift upgrades – Working with WSN and considering Rotary Park in exterior design.

Electric Department

- Outages/Interruptions/Complaints - None
- Tree trimming – winter clean-up continues

Hydro Department

- Projects
 - Generators running at 100% - about 5800 cfs - 2500 cfs goes through the turbines
 - Study plan meeting held February 6th. Went good with some comments from MN DNR regarding the fish study- 87% mortality rate. No mention of the rec study or temperature report.
 - AmJet turbine – potential May 2020 install – Hydro Vision Conference is in Minneapolis this July-chance to see other generators.

Other

- BPU is in Phase 2 of the Volkswagen settlement for electric vehicle charging stations – Working on identifying potential site for electric car charging station – MPCA choses the site.
- APPA Legislative Conference is in Washington DC next week, Magnuson and Commissioner Wroolie are attending.

Old Business

None

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New Business

Commission President Angland noted that he is looking forward to a time when BPU will be able to have a visual “Solar Dashboard” to display.

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to adjourn the meeting at 10:13 AM. Meeting adjourned.