

The regular meeting of the Brainerd Public Utilities Commission was held at 9:01 AM on April 28, 2020.

Commission Vice President Johnson called the meeting to order.

Commission Roll Call

Mike Angland – (Via Phone)

Tad Johnson - Present

William Wroolie – Present

Mark O’Day – Present (Via Phone)

Dolly Matten – Present

Utility Staff Present

Secretary/Finance Director

Superintendent

Recording Secretary

Accounting Supervisor

Todd Wicklund

Scott Magnuson

Sharon Jensen

Julie Batters

Others in Attendance

CliftonLarsonAllen

Brainerd Dispatch

Mary Reedy (left at 9:15)

Theresa Bourke (via phone)

Commission Vice-President Johnson opened the meeting with the Pledge of Allegiance.

Approval of Minutes and Consent Items

Motion by Commissioner Matten and seconded by Commissioner Wroolie to approve the minutes of the March 24, 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

President Angland noted that due to exposure to the Covid-19 virus he was unable to attend the meeting in person.

Other Commissioners’ Reports

None

City Administrator Report

None

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 28, 2020

Special Presentation

CliftonLarsonAllen - 2019 Audit

Mary Reedy, CliftonLarsonAllen, reviewed the 2019 audit report. No compliance or internal control matters noted for 2019. The following items were noted during the presentation:

- Electric revenues decreased primarily due to a decrease in usage and a slight decrease in the power cost adjustment, expenses increased due to an increase in purchased power and an increase in depreciation expense resulting in a change in net position of \$2,250,414.
- Water revenues increased slightly due to an increase in rates offset with a decrease in usage, however expenses were more than revenues resulting in a negative change in net position of \$132,412.
- Wastewater revenues increased due to increase in rates and usage, however operating expenses slightly decreased while local option sales tax and interest income increased from prior year resulting in a change in net position of \$427,829.
- BPU had positive cash flow from operations for 2019.
- Continue to monitor the rates and assess each department individually.

Motion by Commissioner Wroolie and seconded by Commissioner Matten to accept the 2019 audit as presented by CliftonLarsonAllen. There was a unanimous roll call vote in favor of the motion. Motion carried.

Wicklund noted that CliftonLarsonAllen drafted the audited financial statements for the year ended December 31, 2019. Ms. Reedy stated it sped up the audit and time spent on site was minimal.

Commissioner Wroolie thanked Wicklund and BPU staff for the excellent work involved to receive such a good audit report.

Secretary's Report

March 2020 financial reports highlights:

1. Total operating revenue decreased \$274,685 (4.0%) from 2019.
2. Power costs decreased \$465,694 (15%) from 2019.
3. Total operating income decreased \$1,011 from 2019.
4. Total cash and investments decreased \$690,921 (4.0%) from 2019. Total receivables decreased \$199,401 while inventory increased \$133,245 from 2019.
5. Total liabilities decreased \$3.4 million (7.7%) from 2019.
6. Total change in net position for Electric Dept. increased \$14,346 from 2019.
7. kWh sold for 2020 decreased 4.0% while utility revenue decreased 5.5%
8. Total change in net position for Water Dept. increased \$46,173 from 2019
9. Water sold is down 5.6% while utility revenue is up 3.6%.
10. Wastewater Dept. operating loss for 2020 is \$234,510 compared to \$224,014 for 2019. Total change in net position increased \$36,038 from 2019.
11. Wastewater gallons processed is up 7.2% while utility revenue is up 3.6%.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 28, 2020

Days of cash on hand as of March 31, 2020, 2019, and 2018.

1. Combined – 175,174, and 114
2. Electric – 105, 77 and 29
3. Water – 40, 301 and 168
4. Wastewater – 587, 567, and 494

AEP

Savings for the first nine months with AEP are \$1,195,000 (approximate 13% decrease).

Electric Department-Historical Data

Reviewed graphs for kWh sold or accounted for by customer class since 2001.

Utility Financial Services (UFS) Rate Study

UFS has been engaged to look at BPU 2020 utility rates with emphasis in reducing the electric demand charge. UFS is also studying the different options available for a renewable energy rate.

BLAEDC -2020 Affiliate Membership Request

Presented the 2020 Affiliate Membership request of \$5,050 for Commission approval. Discussed the benefits to BPU, new Director, and requesting periodic updates. Commissioner Matten noted that she had attended two meetings as BPU's representative.

Motion by Commissioner O'Day and seconded by Commissioner Angland to approve BLAEDC 2020 Affiliate Membership for \$5,050. There was a unanimous roll call vote in favor of the motion. Motion carried.

Meeting with Baxter Staff

A meeting with Baxter staff will be scheduled to discuss current and future operation of the Wastewater treatment plant.

Vacation Balance

Wicklund requested Commission approval to waive the vacation maximum of 240 hours for employees unable to use vacation during the recent pandemic.

Motion by Commissioner Angland and seconded by Commissioner Wroolie to approve vacation accrual over maximum of 240 hours. There was a unanimous roll call vote in favor of the motion. Motion carried.

Superintendent's Report

Water Department

• Projects

- AMI install – progressing - suspended indoor appointments.
- South Water Tower – contractor is back on site to finish - relocate Lexington sanitary sewer line, driveway, plant 5 trees and dirt work. Roof will be painted at the end of May.
- Hydrant flushing starting, ran a little water in dead ends near Buffalo Hills, waiting for Street Department to finish street sweeping south of Washington to begin main flushing program.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 28, 2020

Wastewater Treatment Department

- Projects
 - Plant and lift station maintenance
 - Bolton-Menk study on sludge and digestors. WSN study of Main Lift
 - Getting ready for biosolid application. DOT certification of equipment will be completed in about 2 weeks.

Electric Department

- Outages/Interruptions/Complaints:
 - 4/15/20– failed lightning arrestor near Black Ridge Bank, caused Super One transformer to fail, Super One out three hours (replace pad mounted transformer) Black Ridge Bank was out two hours.
- North Brainerd rebuild, Baxter road project re-location, AMI upgrade
- Working with partial crews each week – 5 lineworkers and 2 water crew members

Hydro Department

- Projects
 - Generators running at 100% - about 9,000 cfs – 2,500 cfs goes through the turbines. River flow has dropped to 7,500 cfs this week
 - New windows are being installed on the south face of building. 20 windows with 4 replaced so far, staff is doing the replacement

Commissioner Wroolie inquired about the generator installation and asked that staff direct Amjet to “get it done”.

Other

- Solar Lease for Airport Project – working on ground lease between BPU and Airport which will be submitted to FAA and will be recorded at the County.
- COVID-19 Pandemic and BPU Work Plan Update – Hydro, Water and Wastewater plants were staffed as usual. First two weeks of stay at home directive, all electric distribution (10), water distribution (4) and meter (3) crews stayed home. We had a crew from each come in about every other day to work on necessary tasks. Office staff – two employees up front answering phones and running drive-up, as well as billing and AR/AP. Management was in the office except when they were able to stay home for webinars/conference calls etc.

After the initial two weeks, we brought back half of each crew and office staff to work a week then flipped. As of April 28th, we are in our third week of doing this and we will continue this for at least another week (total of four weeks with half crews).

We have ordered some KN95 masks which are OSHA approved, to have when needed to get into homes/businesses and when social distance requirements cannot be met. MMUA ordered 46,000 and they will be delivered by Safety managers to MMUA members.

Commission discussed installing plexiglass barriers for the counters and extending the cold weather disconnection policy until June 15th.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

April 28, 2020

Motion by Commissioner Matten and seconded by Commissioner Wroolie to continue cold weather rule disconnection policy until June 15th. There was a unanimous roll call vote in favor of the motion. Motion carried.

- Laborer – Advertised for Laborer position, applications are due back May 12th
- MMUA Summer Conference – scheduled for August 24-26, 2020
- LSS/Energy Assistance – crisis amount increased to \$1,200 from \$600

Old Business

None

New Business

Commissioner Angland inquired if staff has discussed contingency plans for year-end if delinquent accounts collections are higher and if anything has been learned from the shut-down. Magnuson replied that technology meetings are online.

Angland also mentioned the article in the MMUA Resource regarding the challenges on renewable energy and disruptions in power.

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner Matten to adjourn the meeting at 10:21 AM. Meeting Adjourned.