

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

Commission President Angland called the meeting to order.

Commission Roll Call

Mike Angland – Present

Tad Johnson – Present

William Wroolie – Present

Mark O’Day – Absent

Dolly Matten – Present

Utility Staff Present

Secretary/Finance Director

Superintendent

Recording Secretary

Accounting Supervisor

Operations Manager

Todd Wicklund

Scott Magnuson

Sharon Jensen

Julie Batters

Trent Hawkinson

Others in Attendance

Brainerd City Councilmember

Gabe Johnson (via phone)

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 Matten to approve the minutes of the July 21, 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 noted that he had met with staff regarding the security fencing and gate and will consult with Anderson Brothers regarding site plan.

He also stated that Widseth is implementing energy efficient design in construction projects it is involved with.

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Other Commissioners' Reports

None

City Administrator Report

Councilmember Gabe Johnson reported on the CARES Relief Funds (CRF) expenditure approval from the Council meeting and BPU's eligible reimbursements are as follows:

- Security/Control access - \$89,531.39
- 10 laptops/BPU staff work remotely \$14,509.18
- Overtime labor early morning cleaning - \$3,584.68 to date
- Future cleaning overtime thru November 15th estimate \$2,300.00
- Cleaning supplies/masks/barriers - \$4,413.86

The Council also approved pooling \$400,000 with Crow Wing County - \$300,000 for Small Business Grants and \$100,000 for Non-Profits to be administered by BLAEDC. Applications are open for 5 weeks with \$10,000 as the maximum grant.

Secretary's Report

July 2020 financial reports highlights:

1. Total operating revenue decreased \$723,603 (4.6%) from 2019.
2. Power costs decreased \$1,295,184 (17.2%) from 2019.
3. Total operating expenses decreased \$1,080,750 (7.2%) from 2019.
4. Change in net assets increased \$526,881 (58.2%) from 2019.
5. Total cash and investments increased \$73,564 (0.4%) from 2019. Total receivables decreased \$98,917 while inventory increased \$129,711 from 2019.
6. Total liabilities decreased \$2.8 million (6.5%) from 2019.
7. Change in net position for Electric Dept. increased \$461,501 from 2019.
8. Purchased power benefit for Hydro decreased \$88,795 (12.6%) from 2019 due to both high and low tailwater in 2020 and reduced blended power rate used in 2020 calculation.
9. kWh sold for 2020 decreased 3.0% while utility revenue decreased 5.6%. Total blended average revenue per kWh decreased 2.6% from 2019.
10. Change in net position for Water Dept. is a negative \$64,919 for 2020 compared to a negative \$106,485 for 2019.
11. Water sold is down 1.5% while utility revenue is up 5.8%.
12. Change in net position for Wastewater Dept. is \$241,488 compared to \$217,674 for 2019.
13. Wastewater gallons processed is up 0.6% while utility revenue is down 1.6%.

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

1. Combined – 182, 153, and 156
2. Electric – 105, 79 and 34
3. Water – 55, 184 and 405
4. Wastewater – 621, 643, and 544

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Integrated Protection Systems

Integrated Protection Systems (IPS) quote for security and access control installation for all BPU facilities is \$101,058.49. This is a non-budgeted capital item and will be partially funded by CARES Relief Funds in the amount of \$89,531.39.

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to approve Integrated Protection Systems quote for security and access control installation for all BPU facilities in the amount of \$101,058.49. There was a unanimous roll call vote in favor of the motion. Motion carried.

Waiver Request - Marsh Run Townhomes

Received a waiver request from Marsh Run Townhomes for water leak under unit 927 on June 10 to 13. Staff recommendation is to grant a \$453.49 credit adjustment for WWT and WWC as the water did not enter the sanitary sewer system.

Motion by Commissioner Johnson and seconded by Commissioner Wroolie to approve Marsh Run Townhomes WWT and WWC adjustment in the amount of \$453.49. There was a unanimous roll call vote in favor of the motion. Motion carried.

Customer Account Aging Summary

Reviewed the effects of COVID-19 on customer past-due account balances compared to previous years. Accounting Supervisor Julie Batters reported that 140 disconnection notices were sent to customers with pre-COVID balances. Out of the 140 notices, 28 accounts paid, 50 accounts made arrangements, while 62 accounts are pending disconnection on Wednesday. Penalties are still being waived.

Utility Financial Services (UFS) Rate Study

Ongoing

Communications Director/Coordinator Position

Discussed having a Communications Director/Coordinator position for the City of Brainerd and BPU.

HR Director's Report

Updated City of Brainerd Preparedness Plan was included.

Superintendent's Report

Water Department

- Projects
 - Gate valve box repair is complete and standpipe repairs continue.
 - AMI – working on completing Zone 1
 - B Street/5th Avenue City project –water done
 - 11th Avenue NE is complete working on P Street City of Brainerd project.
 - Airport – Mead & Hunt (Airport project engineer firm) has indicated Airport is looking to extend water and sewer service to the DNR Tanker Base.

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Wastewater Treatment Department

- Projects
 - Removed original 1982 underground fuel tanks at WWTP and Main Lift - no soil issues noted.
 - Re-routing truck overload drain – Anderson Brothers doing groundwork.
 - Third round of biosolids application completed.
 - Working on replacing damaged impeller at SBR Building. Staff is reviewing other options to fix issue.

Electric Department

- Outages/Interruptions/Complaints:
 - 7/19/20 – 400 block 1st Avenue failed UG 3 meters out for 3 ½ hrs
 - 7/24/20 –N Brainerd-2 issues, both heat, fuse opened up 233 meters out 17 min. 215 out 2 hr 15 min.
 - 7/25/20 – Lightning hit transformer 1200 block 9th Avenue 11 meters out- 2 hrs
 - 8/5/20 – Fab Four- failed Powels transformer 1 meter 1 hr 23 min- (past warranty)
 - 8/6/20 – squirrel in transformer on O St.-10 meters out 28 min
 - 8/9/20– Two lightning hits-College Dr 5 meters out 1.5 hrs-DNR out 1 hr
 - 8/10/20 – relay trip main sub – 5,571 meters out – 21 min
- Meeting with Public Power Energy Services later this week to discuss capacity pricing for planning years May 31, 2026 and later.
- Electric crew working on North Brainerd rebuild - moving equipment for road and school projects.
- Crew to Iowa – Crew was ready to deploy but was told later to “Stand Down”.

Hydro Department

- Generator 1, 2 and 4 back online.
- AmJet turbine – no response – Electric Pump is working with Flygt Hydro Division on alternative generator.
- Governors - \$65,000 to \$85,000 for each governor to upgrade to electronically controlled units. Staff is looking at this in conjunction with a new turbine in pit six – automate and/or new turbines.
- FERC – no onsite annual inspection for 2020 – March 2021 submit relicense paperwork – 2 years for review.

Other

- COVID-19 – BPU facilities to remained closed.
- Fitquest building – no asbestos noted in building, demolition to occur this fall.
- MMUA – Virtual Summer Conference meeting program is Tuesday August 25th, 8 AM to 4 PM and Wednesday August 26th 8 AM to noon.

Old Business

- Widseth – working on plan for Main Lift for 2021 capital budget discussion.
- Bolton & Menk working on plan for biosolids water removal capital project.

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New Business

Employee Appreciation Lunch

City of Brainerd employee picnic is being replaced with a catered lunch. Service awards will be presented at event to be held in September.

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to adjourn the meeting at 9:54 AM. Meeting Adjourned.

Mike England, Commission President

Todd Wicklund, Commission Secretary