

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on July 21, 2020.

Commission President Angland called the meeting to order.

Commission Roll Call

Mike Angland – Present	Mark O’Day – via phone
Tad Johnson – Present	Dolly Matten – Present
William Wroolie – Absent	

Utility Staff Present

Secretary/Finance Director	Todd Wicklund
Superintendent	Scott Magnuson
Recording Secretary	Sharon Jensen
Accounting Supervisor	Julie Batters
Operations Manager	Trent Hawkinson

Others in Attendance

Brainerd City Administrator	Jennifer Bergman
Brainerd Dispatch	Theresa Bourke

Commission President Angland 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 June 30, 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 commented on how productive the meeting with Baxter was regarding future WWTP capital projects. He thanked City Administrator Bergman for attending the meeting of July 17th and WWTP Supervisor Gammon for the planning information for the next 10 - 30 years.

Other Commissioners’ Reports

None

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

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City Administrator Report

City Administrator Bergman reported the following:

- City Hall re-opening is Monday with controlled access, health assessments, hand sanitizer, masks as well as a log for visitors.
- City Hall front steps are being redone.
- Cares Act Funds - Recommendation is to use funds based on the following three categories:
 - COVID-19 expenses incurred to date
 - Anticipated COVID-19 related expenses
 - Assistance for Small Businesses and Nonprofits

Commissioner Matten inquired about the Council agenda item for a zoning RFP. Bergman replied that the City is looking into “form-based” zoning.

Commissioner Angland asked for updates on the Children’s Museum. Bergman said that there is a business after hours event planned for July 28th at Lum Park.

Secretary’s Report

June 2020 financial reports highlights:

1. Total operating revenue decreased \$717,063 (5.4%) from 2019.
2. Power costs decreased \$885,966 (14.7%) from 2019.
3. Total operating expenses decreased \$682,437 (5.5%) from 2019.
4. Change in net assets increased \$197,568 (19.0%) from 2019.
5. Total cash and investments increased \$87,863 (0.5%) from 2019. Total receivables decreased \$124,442 while inventory increased \$180,100 from 2019.
6. Total liabilities decreased \$2.8 million (6.5%) from 2019.
7. Change in net position for Electric Dept. increased \$36,715 from 2019.
8. Purchased power benefit for Hydro Dept. decreased \$57,268 (9.6%) 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 4.8% while utility revenue decreased 6.7%.
10. Change in net position for Water Dept. is a negative \$43,072 for 2020 compared to a negative \$172,139 for 2019.
11. Water sold is down 4.4% while utility revenue is up 4.5%.
12. Change in net position for Wastewater Dept. is \$199,319 compared to \$167,533 for 2019.
13. Wastewater gallons processed is up 0.9% while utility revenue is up 0.3%.

Days of cash on hand as of June 30, 2020, 2019, and 2018.

1. Combined – 182, 171, and 158
2. Electric – 105, 78 and 32
3. Water – 55, 187 and 409
4. Wastewater – 621, 628, and 542

AEP

Savings for the first year with AEP are \$1,532,000 (approximate 13% decrease).

Comparison of utility commodity sales

Wicklund reviewed Electric kWh and water gallons sold compared to last year.

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Utility Financial Services (UFS) Rate Study

Ongoing with UFS including changes to demand charges and the simplification of different rate classes.

Article regarding AEP customers in Ohio

Article distributed that discussed how AEP was going to handle utility disconnections for non-payment in Ohio in the near future.

August Commission Meeting Date

Scheduled for the third Tuesday – August 18th.

Superintendent's Report

Water Department

• Projects

- Gate valve box repair is complete and standpipe repairs continue.
- Hydrant flushing almost complete.
- B Street/5th Avenue City project –water almost done – DeChantel is setting up to begin NE Brainerd project.
- Met with engineers and reworking original ideas from 2018 regarding the 1 million gallon and 750,000-gallon water storage tanks and backwash water reclaim tank at the water plant. Revised project along with estimated costs will be available in approximately 6 weeks.

Wastewater Treatment Department

• Projects

- Plant and lift station maintenance – removing original 1982 generator underground fuel tank at Main Lift is proving to be a challenge.
- Replacing control panels at all 12 small lift stations in 2020 with payment to be spread over a 3 year period with no interest.
- Second round of biosolids application completed.
- The presentation made by consulting firm Bolten & Menk on July 17th to BPU and Baxter staff and Commissioners Angland and Matten included information about decant system to remove water and reduce and/or eliminate biosolid hauling, and future plant upgrades. Also walked the tree line to observe clear cut area for Baxter's force main and future roundabout and discussed planting of trees for screening.

Electric Department

• Outages/Interruptions/Complaints:

- 7/8/20 – 4th Avenue & L St. 27 meters out for 2 hr 7 min-storm XMFR hit by lighting
 - 7/8/20 – Kermit Lane-16 meters out 1 hr 5 min-storm tree on the line
 - 7/8/20 – 5th Avenue 20 meters out-40 min-storm trees on XMFR
 - 7/10/20 – Riverside School-1 meter out-2 hrs-Arrestor failed
 - 7/15/20 – 13th St SE-1 meter out 1 hr 28 min-pad-mount XMFR failed
 - 7/17-18/20-Storm – 1 bad UG on BPU system – Mutual aid 5 Line Crew/3 trucks to Crow Wing Power
- Electric crew working on North Brainerd rebuild-moving equipment for road and school projects-assisting with lift station panel upgrades.

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Hydro Department

- Generator 1 and 2 down for a couple of days – having governor issues. Contractor, American Governors, came in to perform needed maintenance on them. Generator 1 is up and producing better than before. There is the possibility to add automation to existing generators/wicket gates.
- Generator 4 down with broken bearing mount, part is being rebuilt locally.
- AmJet turbine installation pushed out another two weeks.
- Representative from Electric Pump who represents Flygt Hydro was at site, gathered and sent him photos and plans of pit 6. He will work with Flygt on a plan for new generator.
- Wash-out on driveway.

Other

- COVID-19 – BPU facilities to remain closed.
- Disconnects – letter sent per Commission giving those accounts three or more months behind and not making any effort to contact BPU until August 14th to pay or make arrangements or they will be disconnected. Minnesota Attorney General – no water shut-offs during peacetime emergency.
- Fence/Security upgrades-potential update to key cards /move fence and gate at Service Center change to automatic gate entry. Discussed project cost of approximately \$70,000 not being a 2020 budgeted capital item and being eligible for Cares Act reimbursement.
- MMUA – Summer Conference virtual meeting program August 25th, 8 AM to 4 PM, August 26th 8-12 PM.

Old Business

Commissioner O'Day inquired about the Airport solar project. Wicklund stated AEP is working with their engineering consulting firm in completing all FAA required studies and if FAA grants approval then work will move forward in completing final land lease with Airport and finalizing another amendment to AEP agreement.

New Business

None

Adjournment

Motion by Commissioner Johnson and seconded by Commissioner Matten to adjourn the meeting at 10:08 AM. Meeting Adjourned.

Mike England, Commission President

Todd Wicklund, Commission Secretary