

The regular meeting of the Brainerd Public Utilities Commission was held at 9:02 AM on June 30, 2020.

Commission Vice-President Johnson called the meeting to order.

**Commission Roll Call**

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

**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
Council Liaison	Gabe Johnson-via phone
BPU Intern	Allie Steinmetz

Commission Vice President Johnson 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 May 26, 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**

Accounting Supervisor Julie Batters introduced Allie Steinmetz, Business office intern. She has been a real asset to BPU.

**President’s Report**

None

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**June 30, 2020**

### **Other Commissioners' Reports**

Commissioner Matten reported on the meeting with Baxter officials that she and Commissioner Angland attended. WWTP Supervisor Charlie Gammon reviewed some of the proposed projects for the WWTP. Another meeting is scheduled for July 17<sup>th</sup>.

### **City Administrator Report**

City Administrator Jennifer Bergman reported the following:

- City Council decision to prorate the liquor license fees.
- Complaint only code enforcement at current time.
- MN Investment Fund (MIF) up to \$3,000 grants given to 38 small businesses and funds also dedicated to marketing that the Brainerd businesses are open.
- Cares Act funds were released by Governor Walz. City staff is meeting today to discuss how the funds can be spent. The decision will be made by the Council at the July 20<sup>th</sup> meeting.
- City Hall re-opening is tentatively scheduled for July 7<sup>th</sup> and Service Master is scheduled Thursday and Friday for the fire/smoke damage clean-up.

### **Secretary's Report**

#### May 2020 financial reports highlights:

1. Total operating revenue decreased \$637,230 (5.8%) from 2019.
2. Power costs decreased \$903,7995 (17.8%) from 2019.
3. Total operating expenses decreased \$610,534 (5.9%) from 2019.
4. Change in net assets increased \$138,132 (17.5%) from 2019.
5. Total cash and investments decreased \$181,517 (1.1%) from 2019. Total receivables decreased \$263,801 while inventory increased \$134,043 from 2019.
6. Total liabilities decreased \$2.9 million (6.7%) from 2019.
7. Change in net position for Electric Dept. increased \$79,672 from 2019.
8. Purchased power benefit decreased \$43,412 (9.0%) 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 5.1% while utility revenue decreased 7.0%.
10. Change in net position for Water Dept. is a negative \$58,718 for 2020 compared to a negative \$140,786 for 2019.
11. Water sold is down 7.8% while utility revenue is up 2.9%.
12. Change in net position for Wastewater Dept. is \$81,390 compared to \$104,998 for 2019.
13. Wastewater gallons processed is up 2.0% while utility revenue is up 0.3%.

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

1. Combined – 180, 172, and 148
2. Electric – 106, 76 and 35
3. Water – 53, 304 and 399
4. Wastewater – 596, 600, and 536

#### AEP

Savings for the first eleven months with AEP are \$1,387,000 (approximate 13% decrease).

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**June 30, 2020**

### Wastewater Treatment Historical Data

Reviewed Wastewater treatment historical data since startup of the new plant in 2011. This information was discussed with the Baxter Staff.

### Utility Financial Services (UFS) Rate Study

UFS continues work on restructuring general service and large power energy and demand rates with the goal of restructuring plan being revenue neutral. UFS has also been engaged to assist BPU in developing a line extension policy for BPU electric customers.

### Utility Website Evaluation

Wicklund asked the Commissioners to evaluate BPU's website using a "utility website evaluation rubric" from AWWA.

### Cold Weather Rule

Commission discussed the cold weather rule extension and disconnection policy. BPU account aging report was discussed and it was noted that many delinquent customers have had penalties and been disconnected in the past. Most of the customers on the list have not contacted BPU or made any payment on their account for 3 months. A letter was sent with the delinquent notices outlining resources available to assist with past due accounts. July 1<sup>st</sup> energy assistance ends. Magnuson said that BPU needs to proceed with caution on disconnects and document how we are working with the customers to keep the State of Minnesota satisfied.

**Motion by Commissioner Wroolie and seconded by Commissioner O'Day to end the cold weather rule on July 15<sup>th</sup> and to send disconnect notices to customers that were delinquent prior to March 1 with a cutoff date of August 15<sup>th</sup> if no response received from customer prior to that date. Customers will be allowed a payment arrangement up to 6 months and first payment must be made by August 15. There was a unanimous vote in favor of the motion. Motion carried.**

### South Zone Water Tower – Pay Request #12

Received pay request No. 12 from Phoenix Fabricators & Erectors in the amount of \$57,487.37. Remaining balance of contract is retainage.

**Motion by Commissioner Wroolie and seconded by Commissioner Matten to approve pay request from Phoenix Fabricators & Erectors for \$57,487.37. There was a unanimous vote in favor of the motion. Motion carried.**

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**June 30, 2020**

### **Superintendent's Report**

#### **Water Department**

- Projects
  - Gate valve box and standpipe repairs.
  - B Street/5<sup>th</sup> Avenue City project – water about half done - Anderson Brothers/Tom Thompson are the contractors. On Sunday, temporary water line to the Dairy Queen got disconnected and some sand infiltrated the cooling coils of their equipment.
  - South Water Tower – Interior paint (leak area) will be redone during two-year warranty period.
  - 16 inch water main for High School project - hydrant needed to be relocated.
  - Hydrant flushing almost complete.
  - Unfluoridated tap - outside spigot is on and access to inside is still locked.

#### **Wastewater Treatment Department**

- Projects
  - Plant and lift station maintenance – removing original 1982 generator underground fuel tank. The day tank attached to generator can provide 13 hours of run time. Recommendation is to replace with above ground tank located at the Service Center.
  - New pumps in digester's working well – flare working on gas burner.
  - Started second wave of biosolids applications.

#### **Electric Department**

- Outages/Interruptions/Complaints:
  - 6/3/20 – Lexington Mfg. out 1 hour, fuse on riser pole.
  - 6/10/20 – Transformer fail 1300 block of 8<sup>th</sup> Ave., 26 meters out 1 hour (high temp 95).
  - 6/10/20 – tree in line 200 block N 1<sup>st</sup> & N 2<sup>nd</sup> 26 meters out 1.5 hours.
  - 6/11/20 – Minnesota Power doing relay testing at 115kv sub, lost half of city at 12:15 then all of city at 12:25. All power restored at 12:45.
  - 6/12/20 - tree in line, operation R7 reclosure, 735 meters out 47 minutes.
- North Brainerd rebuild – new poles and conductor.
- Baxter road project at Fairview Drive and Golf Course Road - re-location of existing lines.
- Continue with AMI upgrade.

#### **Hydro Department**

- Projects
  - Generators running at 100% - about 2,500 cfs. River flow has dropped fast.
  - Pit 3 inspection went well - nothing to note - 1 pit is down local firm will fix bearing pad stand.
  - AmJet picked up their electronics for an update.
  - Flygt Hydro - new generator have been contacted.

#### **Other**

- Solar Lease for Airport Project – still working on ground lease between BPU and Airport.
- COVID-19 – Commission decided to keep buildings closed.
- MMUA – Summer Conference is canceled. Working on virtual meeting program instead.
- FitQuest building – checking for asbestos before demolition.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**  
**June 30, 2020**

**Old Business**

None

**New Business**

None

**Adjournment**

**Motion by Commissioner Wroolie and seconded by Commissioner Matten to adjourn the meeting at 10:30 AM. Meeting Adjourned.**

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Mike Angland, Commission President

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Todd Wicklund, Commission Secretary