

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on May 26, 2020.

Commission President Angland called the meeting to order.

Commission Roll Call

Mike Angland – Present	Mark O’Day – Absent
Tad Johnson – Present- arrived 9:15	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

Others in Attendance

Brainerd Dispatch	Theresa Bourke
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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 April 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

Brainerd Distilling Company, 25 Washington St NE requested a credit on their bill for the months of April and May as they have been making hand sanitizer during the COVID-19 pandemic at the distillery. The Commission discussed the request however no action was taken on the request due to the potential of other customers requesting similar credits could set a precedent.

President’s Report

None

Other Commissioners’ Reports

Commissioner Matten reported that she has contacted Sourcewell about conducting a customer survey regarding solar power. She was told that the City of Brainerd had a survey grant and that we should contact Sourcewell after July 1st for the next year.

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Matten also noted the current issue of Watt's News that contained the CCR "Drinking water report", she appreciated the wealth of information it contained as many people don't know where their water comes from except that you turn on the tap.

She has been in contact with Baxter and they are ready to set up a meeting to discuss current and future operation of the Wastewater treatment plant. Magnuson replied that BPU is waiting for potential project cost estimates from engineers before scheduling the meeting with Baxter.

City Administrator Report

None

Secretary's Report

April 2020 financial reports highlights:

1. Total operating revenue decreased \$422,890 (4.7%) from 2019.
2. Power costs decreased \$643,165 (15.7%) from 2019.
3. Total operating expenses decreased \$384,752 (4.7%) from 2019.
4. Change in net assets increased \$101,008 (11.7%) from 2019
5. Total cash and investments decreased \$502,488 (2.9%) from 2019. Total receivables decreased \$361,342 while inventory increased \$119,600 from 2019.
6. Total liabilities decreased \$2.9 million (6.7%) from 2019.
7. Change in net position for Electric Dept. increased \$15,761 from 2019.
8. Purchased power benefit decreased \$84,638 (20.6%) from 2019 due to higher tailwater in 2020 and reduced blended power rate used in 2020 calculation.
9. kWh sold for 2020 decreased 4.6% while utility revenue decreased 6.0%.
10. Change in net position for Water Dept. is a negative \$1,403 for 2020 compared to a negative \$66,010 for 2019
11. Water sold is down 7.7% while utility revenue is up 2.8%.
12. Change in net position for Wastewater Dept. is \$106,741 compared to \$86,101 for 2019.
13. Wastewater gallons processed is up 3.3% while utility revenue is up 0.8%.

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

1. Combined – 182, 180, and 149
2. Electric – 108, 81 and 35
3. Water – 53, 304 and 399
4. Wastewater – 605, 588, and 522

AEP

Savings for the first ten months with AEP are \$1,266,000 (approximate 13% decrease).

Comparative Water and Electric Consumption Data

Reviewed information for water production and distribution since 2008. Discussed the system loss percentage and what might be done to decrease the difference. It was noted that the metering might be part of the problem. The electric sales for 2019 and thru April 2020 were also noted.

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Update on Inflow & Infiltration Sewer Study

The City of Brainerd has engaged SEH to perform I/I investigation on sections of City's sewer system at a total estimated cost of \$80,000 with BPU sharing in 50% of the cost. The original quote was \$150,000 but Wicklund reminded City of the 2004 I/I study completed and the 2004 study information will be used as the base for the 2020 study.

Utility Financial Services (UFS) Rate Study

Working with UFS on restructuring the electric customer classes the simplification of current rate structure. The water and wastewater rate design information provided for review and the recommendation is to implement them when electric rates are ready.

Cold Weather Rule

Commission extended the cold weather disconnection policy to July 15th and will review at the June 30th meeting. Staff is sending out delinquent notices in June with a letter informing customers of increased assistance funds/options that are available.

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

HR Director's Report

- 2021 Health Insurance – City Council selected North Risk Partners to assist with conducting a market check for 2021 health insurance rates.
- COVID-19 – City Council adopted a preparedness plan on May 18th.

Superintendent's Report

Water Department

- Projects
 - AMI install – progressing – no indoor appointments.
 - South Water Tower – Contractor finished relocating Lexington sanitary sewer line, culverts are in and paving driveway on May 29th, plant 5 trees. Painters arriving soon.
 - Hydrant flushing about 1/3 complete

Wastewater Treatment Department

- Projects
 - Plant and lift station maintenance
 - 1st phase of biosolid application completed. Waiting for first cut of hay to resume
 - SCADA – looking to update the SCADA system – tie into the fiber optic owned by BPU.

Electric Department

- Outages/Interruptions/Complaints:
 - 5/8/20 – Transformer failure at BRHSC
- North Brainerd rebuild
- Baxter road project Fairview Drive and Golf Course Road - re-location
- AMI upgrade

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Hydro Department

• Projects

- Generators running at 100% - about 2,500 cfs. River flow has dropped fast
- FERC has assigned BPU a new Engineer, the annual inspection will be scheduled for later this summer, early fall.

Other

- Solar Lease for Airport Project – working on ground lease between BPU and Airport which will be submitted to FAA. AEP has hired engineering firm of Burns & McDonnell.
- COVID-19 – All staff back to full strength, buildings still closed to public except for drive-up window at Service Center. Barriers were installed and key-pad covers have been ordered at front counter area when the Service Center is reopened.
- Un-fluoridated water tap is available again at Central Station.
- Laborer – received 54 applications, interviewed 18, conditional job offer has been made.
- AmJet – possible Mid-August install
 - Staff checking on other options for generator upgrades. Working with suppliers of hydro generators which includes Flygt Hydro, GE Hydro, and Obermeyer Hydro, LLC.
- EV Charger – working with the City to find a good location downtown. Parking is an issue. Staff also working on other locations.

Old Business

None

New Business

None

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner Matten to adjourn the meeting at 10:00 AM. Meeting Adjourned.

Mike Angland, Commission President

Todd Wicklund, Commission Secretary