

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on September 29, 2020.

Commission President Angland called the meeting to order.

Commission Roll Call

Mike Angland – Present

Tad Johnson – Present

William Wroolie – Present

Mark O’Day – Present

Dolly Matten – Present

Utility Staff Present

Secretary/Finance Director

Superintendent

Recording Secretary

Todd Wicklund

Scott Magnuson

Sharon Jensen

Others in Attendance

Brainerd City Administrator

Brainerd City Councilmember

Brainerd Dispatch

Jennifer Bergman

Gabe Johnson

Theresa Bourke

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 Johnson to approve the minutes of the August 18, 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 and Commissioners Johnson and Matten had attended the employee appreciation lunch and presentation of years of service awards.

He also thanked BPU crews for working on the speakers in downtown Brainerd for Brainerd Restoration.

Other Commissioners’ Reports

None

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

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City Administrator Report

City Administrator Bergman reported on the following:

- Park Board – there is a request for proposal for an outside entity to manage the recreation programs and with the retirement of current Director there is a proposal not to fill the position but to create a Public Works Department under the direction of the City Engineer.
- Charter Commission is meeting tonight- review charter for outdated language and sections that may conflict with current State statutes.
- Toured the WWTP and lift stations with Wastewater Supervisor Gammon.
- While in Fort Collins, CO noticed that the electric boxes had been painted and inquired if is something that could be done in Brainerd. Commissioner Matten mentioned vinyl wraps have been used at other utilities.
- Thanked BPU staff for banner installations.
- Health Insurance RFP – insurance committee working through different options and a recommendation will be made to City Council for the meeting next Monday night.
- Mentioned a meeting is being setup between City and BPU staff to discuss WAC/SAC charges.

Secretary's Report

August 2020 financial reports highlights:

1. Total operating revenue decreased \$880,079 (4.9%) from 2019.
2. Power costs decreased \$1,431,781 (16.6%) from 2019.
3. Total operating expenses decreased \$1,227,955 (7.2%) from 2019.
4. Change in net assets increased \$403,048 (32.1%) from 2019.
5. Total cash and investments increased \$633,895 (3.9%) from 2019. Total receivables decreased \$248,639 while inventory increased \$7,323 from 2019.
6. Total liabilities decreased \$2.5 million (6.0%) from 2019.
7. Change in net position for Electric Dept. increased \$431,049 from 2019.
8. Purchased power benefit for Hydro decreased \$87,715 (10.7%) 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 5.4% while utility revenue decreased 5.8%. Total blended average revenue per kWh decreased 0.5% from 2019.
10. Change in net position for Water Dept. is a negative \$53,347 for 2020 compared to a negative \$79,499 for 2019.
11. Water sold is down 1.8% while utility revenue is up 6.3%.
12. Change in net position for Wastewater Dept. is \$233,515 compared to \$287,668 for 2019.
13. Wastewater gallons processed is up 0.9% while utility revenue is down 2.5%.

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

1. Combined – 176, 153, and 169
2. Electric – 115, 72 and 67
3. Water – 29, 186 and 428
4. Wastewater – 546, 561, and 475

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9th Amendment to AEP Agreement

Wicklund presented for Commission approval the Nineth Amendment to the agreement with AEP Energy Partners, Inc. regarding the sale of 4.8 megawatts for the planning year 21/22 and 6.0 megawatts for the planning years 22/23, 23/24, and 24/25.

Motion by Commissioner O'Day and seconded by Commissioner Matten to approve the Nineth Amendment to AEP Energy Partners, Inc. market – based full requirements agreement. There was a unanimous roll call vote in favor of the motion. Motion carried.

Utility Financial Services (UFS) Electric Line Extension Rate Study

BPU staff currently reviewing methods used to charge for extending electric service lines to new services and comparing to recommendations being made by UFS.

HR Director's Report

Noted

Superintendent's Report

Water Department

- Projects
 - AMI – 3 staff completing installs
 - B Street/5th Avenue City project –water done
 - NE Brainerd project, water done last week
 - Baxter-done buying bulk water for now, plan to buy some water quarterly for testing their chlorine system in the interconnect building.

Wastewater Treatment Department

- Projects
 - Plant and lift station maintenance - WSN is advising on possible changes to the Main Lift.
 - Re-routing truck overload drain – done.
 - Biosolids application continues as fields open-up.
 - Evergreen lift upgrade project - three phases, new controls, convert voltage, add back-up generator
 - Bolton and Menk Inc. Master Service Agreement- B&M is working on the WWTP and will assign a task number/fee for each individual project.

Electric Department

- Outages/Interruptions/Complaints:
 - 8/21/20 – UG secondary fault 400 block C St – 14 meters out 2 hours
 - 9/4/20 – Contractor hit wire-1100 block O St.-86 meters out 2.5 hours
 - 9/20/20– Failed connector Hwy 18 1 meter out 1 hr
 - 9/21/20 – Transformer failed 2000 Graydon – 6 meters out – 47 min
- Electric crew working on projects-North Brainerd re-build, hanging banners, tree trimming

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Hydro Department

- All Generators online.
- FERC – no onsite annual inspection for 2020 – Completed Owners Inspection Form for FERC-all good for Dam safety.
- New turbine update – Have contacted City Attorney to review 2013 contract with AmJet.
- 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.

Other

- COVID-19 – BPU facilities to remained closed until Governor lifts order.
- Fitquest building – Hengel Construction to begin demolition soon.

Old Business

None

New Business

AMI Meter Installation

Received a letter regarding RF metering from BPU customer Guy Green. Mr. Green talked to Julie Batters, Accounting Supervisor and then Finance Director Wicklund about his concerns. The Commission discussed his letter and attachments and requested BPU staff to continue to work with Mr. Green on options to change out his meters while addressing his concerns which dealt with the \$50 per month to read the meters or the impact of RF meters being located in his basement.

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to adjourn the meeting at 10:12 AM. Meeting Adjourned.

Mike Angland, Commission President

Todd Wicklund, Commission Secretary