

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on January 26, 2021.

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**

Finance Director

Superintendent

Recording Secretary

Accounting Supervisor

Operations Manager

Todd Wicklund

Scott Magnuson

Sharon Jensen

Julie Batters

Trent Hawkinson

**Others in Attendance**

Brainerd City Administrator

Brainerd Mayor

Brainerd Councilmember

HR Director

Brainerd Dispatch

Jennifer Bergman

Dave Badeaux

Gabe Johnson

Kris Schubert (arrived 9:41 am)

Theresa Bourke

Commission President Angland opened the meeting with the Pledge of Allegiance.

**Election of 2021 Officers**

Commission President Angland called for nominations for BPU Commission President for 2021 at which time Commissioner Matten nominated Commissioner Johnson. Nominations closed.

**Nomination of Commissioner Johnson for Commission President for 2021 was made by Commissioner Matten. There was a unanimous voice vote in favor of the motion. Motion carried.**

Commission President Angland called for nominations for the office of Vice President for 2021 at which time Commissioner Johnson nominated Commissioner O’Day. Nominations closed.

**Nomination of Commissioner O’Day for Commission Vice President for 2021 was made by Commissioner Johnson. There was a unanimous voice vote in favor of the motion. Motion carried.**

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**January 26, 2021**

### **Approval of Minutes and Consent Items**

**Motion by Commissioner O'Day and seconded by Commissioner Matten to approve the minutes of the December 22, 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**

None

### **Other Commissioners' Reports**

None

### **City Administrator Report**

City Administrator Bergman reported on the following:

- Kelly Bevans is the 2021 Council President, Councilmember Mike O'Day, Chair of the Safety & Public Works Committee, Gabe Johnson, Vice President and Chair of the Personal & Finance Committee.
- The Charter Commission met for the 2<sup>nd</sup> time and is in the process of reviewing language and terminology.
- Due to the 2<sup>nd</sup> Police Chief candidate declining the position, Deputy Chief Bestul was appointed the Interim Police Chief. The Police & Fire Civil Service Commission will review the Department in July and potentially hire a new Chief by the end of the year.

### **Finance Director's Report**

December 2020 preliminary financial reports highlights:

1. Total operating revenue decreased \$1.3 million (4.9%) from 2019.
2. Power costs decreased \$1.4 million (11.5%) from 2019.
3. Total operating expenses decreased \$974,852 (3.9%) from 2019.
4. Change in net assets decreased \$166,464 (6.5%) from 2019.
5. Total cash and investments decreased \$124,553 (0.8%) from 2019. Total receivables decreased \$279,708 while inventory increased \$170,204 from 2019.
6. Total liabilities decreased \$3.2 million (7.7%) from 2019.
7. Change in net position for Electric Dept. increased \$71,281 from 2019.
8. Purchased power benefit for Hydro Dept. increased \$34,623 (2.9%) from 2019.
9. kWh sold for 2020 decreased 4.6% while utility revenue decreased 5.1%. Total blended average revenue per kWh decreased 0.6% from 2019.
10. Change in net position for Water Dept. is a negative \$109,452 for 2020 compared to a negative \$132,408 for 2019.
11. Water sold is up 0.2% while utility revenue is up 5.0%.
12. Change in net position for Wastewater Dept. is \$309,693 compared to \$427,832 for 2019.
13. Wastewater gallons processed is down 4.4% while utility revenue is down 5.2%.

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**January 26, 2021**

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

1. Combined – 169, 157 and 167
2. Electric – 110, 81 and 64
3. Water – 13, 108 and 348
4. Wastewater – 562, 569 and 522

### *Brainerd Public Utilities Policy 2021-01-Opt Out Meter Reading Fee*

Discussed and approved the following BPU Policy 2021-01, Opt-Out Meter Reading Fee.

BRAINERD PUBLIC UTILITIES

POLICY 2021-01

Adopted 01/26/21

OPT OUT METER READING FEE

**When a Brainerd Public Utilities (BPU) customer requests to opt out from having an AMI electric and/or water meter installed at their residence, the customer is required to read their meters each month and submit the readings to BPU for billing purposes. If the readings are not received by the billing date, the electric and/or water consumption(s) will be estimated.**

**It is necessary that BPU physically read the customer's meters in June and December of each year. The customer will be charged a \$25 meter reading fee on their utility bill for each of these months.**

**BPU requires utility meters to always be accessible to BPU personnel. BPU has the right to access a customer's residence or business at reasonable times, whether it is for the reading, inspection, repairing and/or replacing an electric and/or water meter, or for some other purpose reasonably necessary for the proper management of the utility service.**

***Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve Brainerd Public Utilities Policy 2021-01-Opt Out Meter Reading Fee. There was a unanimous vote in favor of the motion.***

***Motion carried.***

### *Prepayment Terms of Various Outstanding Bond Issues*

Wicklund researched prepayment of outstanding bond issues. He noted that approximately \$3.5 million would be eligible to refinance with 2024 being the first opportunity. Many of the bond issues are set-up with higher interest rates during the first few years and with lower interest rates in the last few years of the issue. The loan with Minnesota Public Finance Authority (PFA) related to the construction of the wastewater treatment plant could be refinanced however this would require approval from the City of Baxter. Currently all Local Option Sales Tax (LOST) received from City of Brainerd must be applied towards the PFA loan.

Commissioner Johnson inquired about if it would be beneficial to assist the Brainerd HRA in refinancing a HRA loan where BPU could act as banker and the HRA could pay a lower rate of interest than what it is currently paying and BPU would receive interest that would be more than what is being earned from current investments.

### *HR Director's Report*

Noted

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**January 26, 2021**

### **Superintendent's Report**

#### **Water Department**

- Projects
  - Installing AMI's, 2-3 Crews, started Zone 3
  - SEH- 2 Zoom meetings scheduled tomorrow 1<sup>st</sup> regarding reservoir replacement and 2<sup>nd</sup> is financing discussion.
  - Well #4 rehab completed in January, well #3 was completed in December.

#### **Wastewater Treatment Department**

- Projects
  - Plant and lift station maintenance ongoing.
  - Evergreen upgrade – new control building is on site. Generator delivery February.
  - Setting up meeting with Widseth to discuss plan for Main Lift upgrade.

Commissioner Matten inquired if a meeting with Baxter should be scheduled soon. Magnuson stated that WWTP Supervisor Gammon is in contact with Baxter.

#### **Electric Department**

- Outages/Interruptions/Complaints:
  - No unscheduled outages
- Electric crew projects:
  - North Brainerd re-build, Golf Course Rd
- Electric Service Requirements – updated/new document - Operations Manager Trent Hawkinson reviewed the draft of the Electric Service Requirements booklet that when approved would be given to customers and contractors to use when obtaining electric service from BPU. The booklet outlines what BPU requires along with following the National Electric Code (NEC) standards. BPU has supplied customers with meter bases at no cost to ensure that good equipment is in place for the safety of BPU employees and customer. Staff is proposing a cost sharing model of at least 50%. It was noted Crow Wing Power and MP are charging their customers 65% and 100% respectively. Hawkinson asked the Commission to review the draft.

#### **Hydro Department**

- All generators online at 100%.
- FERC Draft license - working on paperwork.

#### **Other**

- Union negotiations ongoing.
- Solar- AEP & MP are meeting tomorrow to discuss any transmission connection issues. Ground lease is close to be done with only the need to add termination schedule with the Airport.

#### **Old Business**

None

#### **New Business**

None

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**January 26, 2021**

**Motion by Commissioner Wroolie and seconded by Commissioner Matten to meet in closed session for the purpose to discuss union negotiation strategy pursuant to M.S. Section 13D.03, Subd. 1(b). There was a unanimous vote in favor of the motion. Motion carried at 9:52 AM.**

Those in attendance at the closed session included the Commissioners Johnson, Matten, O'Day, Wroolie, and Angland, and BPU and City staff - Wicklund, Magnuson, Bergman, and Schubert. Mayor Badeaux, and Gabe Johnson.

The Chair reconvened the meeting into open session at 10:45 AM.

**Adjournment**

**Motion by Commissioner O'Day and seconded by Commissioner Angland to adjourn the meeting at 10:45 AM. Meeting Adjourned.**