

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on June 29, 2021.

Commission President Johnson called the meeting to order.

Commission Roll Call

Mike Angland – Present

Mark O’Day – Present

Tad Johnson – Present

Dolly Matten – Present

William Wroolie – Present

Utility Staff Present

Finance Director

Todd Wicklund

Superintendent

Scott Magnuson

Recording Secretary

Mandy Selisker

Accounting Supervisor

Julie Batters

Operation Manager

Trent Hawkinson

Wastewater Supervisor

Charlie Gammon

Others in Attendance

Brainerd City Administrator

Jennifer Bergman

HR Director

Kris Schubert

Baxter Public Works Director

Trevor Walter (left at 10:00)

Bolton & Menk, Inc

Paul Saffert, P.E.

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

Approval of Minutes and Consent Items

Motion by Commissioner Wroolie and seconded by Commissioner Angland to approve the minutes of the May 25, 2021, 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

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 29, 2021

Other Commissioners' Reports

Commissioner Angland mentioned the illustrations and maps in the BPU Customer Handbook were very helpful.

City Administrator Report

City Administrator Bergman reported on the following:

- Sesquicentennial update: Celebration will be September 18 – 25th.
- Gave a special thank you to BPU for the installation for the banners.
- Interim Public Works Department is going well.
- Thrifty White development to be commercial on 1st floor and 36 residential units in the three upper floors.
- Mississippi Landing Park – \$2.8 million grant approved by the State.
- Charter Commission continues to meet on an ongoing basis and phase 1 & 2 of review of Charter is complete.

Special Presentation – BPU Wastewater Biosolids Plan

Presentation by Paul Saffert, P.E. of Bolton & Menk, Inc. included the following highlights:

- Reviewed current biosolids handling process.
- Identified current biosolids storage is insufficient and a need to upgrade the biosolids capacity and storage. MPCA requires 180 days of storage and BPU on average has 194 days. Discussion around impact of a new business or growth of additional residents would potentially exceed capacity. Weather can be a factor of application and if land application cannot occur as planned, BPU currently has very limited biosolids storage.
- Commissioners Angland and Matten inquired regarding options for businesses with high loadings and impact on plant limits.
- Commissioner O'Day inquired if grease is still an ongoing issue.
- Wastewater Supervisor Gammon discussed that education of public is critical and Baxter Public Works Director Walter mentioned Baxter is struggling with monitoring and enforcing loading limits.
- Commissioner O'Day mentioned the future option of an additional staff member shared between the two Cities to assist with education and loading reduction.
- Saffert reviewed expansion options and pricing. Bolton & Menk recommends building a dewatering facility with estimated cost of \$17.1 million with an expected life of 20 years. This option would allow approximately 360 days of biosolid storage. Staff recommendation was to move forward with engaging Bolton & Menk to perform the following tasks:
 - Conduct facility tours and guide equipment selection process
 - Coordinate equipment piloting
 - Gather survey information
 - Coordinate geotechnical investigation
 - Develop preliminary site and equipment layout
- The preliminary authorized phases would consist of the following:
 - Phase 1 – Facility tours and preliminary engineering with not-to-exceed fees of \$20,600 and \$99,400, respectively.
 - Phase 2 – Final design, MPCA permitting, and bidding
 - Phase 3 - Construction

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 29, 2021

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to authorize Bolton & Menk to perform the work associated with Phase 1. Fees for facility tours are \$20,600 and fees for preliminary engineering are \$99,400. There was a unanimous roll call vote in favor of the motion. Motion carried.

Finance Director's Report

May 2021 financial reports highlights:

1. Total operating revenue increased \$422,491 (4.1%) from 2020.
2. Power costs increased \$350,863 (8.4%) from 2020.
3. Total operating expenses increased \$479,293 (4.9%) from 2020.
4. Change in net assets increased \$712,983 from 2020. This change includes \$976,000 capital contribution received from City to BPU related to WAC charges collected by the City.
5. Total cash and investments increased \$81,649 (0.5%) from 2020. Total receivables increased \$227,020 while inventory increased \$257,683 from 2020.
6. Combined net operating Income is \$72,439 over budget for 2021.
7. Change in net position for Electric Dept. decreased \$385,310 from 2020.
8. Purchased power benefit for Hydro Dept. increased \$129,457 (29.6%) from 2020.
9. kWh sold for 2021 increased 1.50% while utility revenue decreased 1.10%. Total blended average revenue per kWh decreased 0.4% from 2020.
10. Change in net position before capital contribution for Water Dept. is \$164,511 for 2021 compared to negative \$58,718 for 2020.
11. Water sold is up 75% while utility revenue is up 35.8% due to water sales to Baxter in the amount of \$277,284.
12. Change in net position for Wastewater Dept. is a negative \$19,546 for 2021 compared to a positive \$81,390 for 2020.
13. Wastewater gallons processed is down 3.9% while utility revenue is up 1.9%.

Days of cash on hand as of May 31, 2021, 2020, and 2019:

1. Combined – 170, 179 and 171
2. Electric – 109, 105 and 76
3. Water – 39, 53 and 241
4. Wastewater – 562, 592 and 595

Utility Financial Services (UFS)

Wicklund working on reviewing pole attachment rate and developing electric rates for potential large industrial customer if the opportunity presents itself.

Airport Solar Project

Plan to have final ground lease with Airport related to construction project ready to be approved at July board meeting. Will also need to finalize financial aspects of Solar Power Purchase with AEP with an amendment to the original agreement signed December 24, 2019. Commissioner Angland inquired about possibility of securing contract agreement for cost.

2021 Bond Issue

Wicklund noted the need to work with City in finalizing amount of 2021 bond issue related to water tank project, current distribution system improvements, and related wastewater treatment improvements.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 29, 2021

HR Director's Report

Personnel changes:

- Ratify the promotion of Mandy Selisker to the Payables/Payroll position effective June 8, 2021; further, that she be placed on Step 4 of the Payables/Payroll wage grid in accordance with the Employee Policy Manual.
- Ratify the promotion of Jana Pernula to the Accounting Supervisor position effective July 5, 2021; further, that she be placed on Step 1 of the Accounting Supervisor wage grid in accordance with the Employee Policy Manual.
- Approve the revised Accountant 1 job description as presented.
- Recommend that the City Council approve the attached Memorandum of Agreement (MOA) between the City and the IBEW (BPU) Union that will allow Accounting Supervisor Pernula to continue to perform the Accountant 1 duties until March 25, 2022; further, that the MOA is subject to review/approval by the Union and slight changes are permissible if needed based on the concept.
- Approve the hiring of summer maintenance workers Levi Block, Ben Jones and Aaron Klein; Electrician Intern Riley Backstrom; and Line crew Intern Tanner Kruchten.

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to approve all personnel changes as recommended. There was a unanimous roll call vote in favor of the motion. Motion carried.

Superintendent's Report

Water Department

- Projects
 - Installing AMI's has slowed with construction season, currently down one crew member and utilizing laborer.
 - Southeast road project going very well; various new watermain, services and hydrants. Approximately half done. Pine Street will be next and working with contractor going well.
 - Baxter water – 49.7 MG sold in June. Baxter is still working on pumps and plan to rebuild water plant. Commissioners Johnson and Wroolie inquired if the option to permanently buy water from Brainerd was considered. Superintendent Magnuson was unsure if this was considered by Baxter.

Wastewater Treatment Department

- Projects
 - Plant and lift stations maintenance ongoing
 - Biosolids 2nd application ongoing for one more week
 - Work continues on upgrade of Evergreen lift station

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 29, 2021

Electric Department

- Outages/Interruptions/Complaints:
 - 05-29-21 – transformer failure – Rosewood Street – 17 meters out (2hrs 40 min)
 - 06-02-21 – sunshade/canopy flew 200 feet into transformer bank at Jimmy Johns, this locked out the 548 feeder breaker at main sub, 2224 meters out (47 min) – Operations Manager Hawkinson commented that this was considered an act of nature and there was little material damage but a lot of outages.
 - 06-04-21 – transformer failure Baxter Industrial Park Rd – 2 meters out (1 hr)
 - 06-08-21 – fuse operated on transformer on Pine Street – hot day, 14 meters out (3 hrs)
 - 06-09-21 – fuse operated on transformer on Gillis Street – hot day, 21 meters out (2 hrs)
- Electric crew projects:
 - North Brainerd rebuild
 - Installation of AMI’s meters slowing down due to summer construction activity
 - Banner installation for City

Hydro Department

- Three generators running, Mississippi River very low
- Amjet was sent a decline letter back

Other

- Baxter water restrictions started 3 weeks ago and have seen a reduction.
- Brainerd water restrictions implemented one week ago.

Old Business

None

New Business

None

Motion by Commissioner Wroolie and seconded by Commissioner Matten to meet in closed session for the purpose to discuss union negotiation strategies with USW Local 9230 Unit 09 pursuant to M.S. Section 13D.03, Subd. 1(b). There was a unanimous vote in favor of the motion. Motion carried at 9:50 AM.

Those in attendance at the closed session included Commissioners Angland, Matten, O’Day, Wroolie, Johnson, Finance Director Wicklund, Superintendent Magnuson, and City Administrator Bergman.

The Chair reconvened the meeting into open session at 10:00 AM.

Motion by Commissioner O’Day and seconded by Commissioner Wroolie to meet in closed session for the purpose to consider or develop offers or counteroffers for the purchase of Roberts property located next to water plant pursuant to M.S. Section 13D.05, Subd.3(c)3. There was a unanimous vote in favor of the motion. Motion carried at 10:00 AM.

Those in attendance at the closed session included Commissioners Angland, Matten, O’Day, Wroolie, Johnson, Finance Director Wicklund, Superintendent Magnuson, and City Administrator Bergman.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

June 29, 2021

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

Motion by Commissioner Wroolie and seconded by Commissioner Matten to apply for a grant with the Minnesota Department of Health related to the potential purchase of the Roberts gravel pit property located next to water plant and to engage a certified appraiser to value the property. There was a unanimous vote in favor of the motion. Motion carried at 10:12 AM.

Adjourn To

Motion by Commissioner Wroolie and seconded by Commissioner Angland to adjourn to the joint meeting with the Brainerd City Council and Crow Wing Commission at 4:00 PM on August 2, 2021 and at 7:30 PM with the Brainerd City Council on the same date at the Council Chamber.