

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on May 25, 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

Sharon Jensen

Accounting Supervisor

Julie Batters

Operation Manager

Trent Hawkinson

Others in Attendance

Brainerd City Administrator

Jennifer Bergman

Brainerd Councilmember

Gabe Johnson

HR Director

Kris Schubert

HR Intern

Elizabeth Fairbanks

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 O’Day to approve the minutes of the April 27, 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

Commission President Johnson stated he had attended the parking commission meeting and they had discussed the Electric Vehicle (EV) charging stations in downtown Brainerd.

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Other Commissioners' Reports

Commission HR Committee Report

2021 Step Change

Commissioner Matten reported for the HR Committee they reviewed the initial placement in 2019 for Department Heads and Supervisors using the grid and the recommendation is to change 2021 grid step for Superintendent Magnuson, Finance Director Wicklund, and Operations Manager Hawkinson to Step 5 on the wage grid effective immediately.

Motion by Commissioner O'Day and seconded by Commissioner Matten to place Superintendent Magnuson, Finance Director Wicklund and Operations Manager Hawkinson to Step 5 of the 2021 pay grid effective immediately. There was a unanimous vote in favor of the motion. Motion carried.

Commissioner Angland attended the Brainerd Parks & Rec meeting and the discussion regarding Rotary Park. He also discussed the concept of updating the exterior of the main lift. He also inquired about lighting the alleys downtown. Operations Manager Hawkinson stated security lights can be installed if a business would like to pay for lighting their own property or the City Council approves installation of new streetlights which then would be added to count paid by the City.

City Administrator Report

City Administrator Bergman reported on the following:

- Inquired about installing decorative lighting for major streets entering the City. Operation Manager Hawkinson stated decorative lights are more for pedestrian traffic and that overhead lights are preferred for traffic in the road right of way.
- Banners-249 poles on major streets entering City on Mill Avenue/S. 6th Street/Washington St. and Downtown- Brainerd History group is pre-selling banners.
- Holiday lights for the Downtown need to be ordered by August to install by November for the Holiday season.
- Market Day/Farmers market – Tuesdays June 8th thru August 31st, 3-7 PM between Maple & Laurel on 7th St.
- Rotary Park has inquired about getting power to the pavilion.
- Street projects –
 - Riverside Dr/NW 4th Street round-a-bout- work continues.
 - Southeast Brainerd-starts next week

Finance Director's Report

April 2021 financial reports highlights:

1. Total operating revenue increased \$167,914 (2.0%) from 2020.
2. Power costs increased \$194,586 (5.6%) from 2020.
3. Total operating expenses increased \$412,278 (5.3%) from 2020.
4. Change in net assets decreased \$440,596 (45.6%) from 2020.
5. Total cash and investments decreased \$939,191 (5.5%) from 2020. Total receivables decreased \$51,081 while inventory increased \$242,124 from 2020.
6. Net operating Income is \$48,842 over budget for 2021.
7. Change in net position for Electric Dept. decreased \$400,946 from 2020.
8. Purchased power benefit for Hydro Dept. increased \$107,921 (33.0%) from 2020.

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9. kWh sold for 2021 increased 0.3% while utility revenue decreased 0.2%. Total blended average revenue per kWh decreased 0.5% from 2020.
10. Change in net position for Water Dept. is \$101,852 for 2021 compared to negative \$1,403 for 2020.
11. Water sold is up 58.0% while utility revenue is up 30.5% due to water sales to Baxter in the amount of \$191,973.
12. Change in net position for Wastewater Dept. is a negative \$36,164 for 2021 compared to a positive \$106,741 for 2020.
13. Wastewater gallons processed is down 8.8% while utility revenue is down 0.2%.

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

1. Combined – 158, 175 and 174.
2. Electric – 114, 105 and 77
3. Water – (80), 40 and 301
4. Wastewater – 556, 587 and 567

Reinstate Utility Payment Late Fees

Governor Waltz's peacetime covid restrictions for Utilities have changed. Wicklund asked the Commission about assessment of utility payment late fees which were suspended in April 2020.

Motion by Commissioner O'Day and seconded by Commissioner Wroolie to reinstate assessment of Utility late fees effective June 1, 2021. There was a unanimous vote in favor of the motion. Motion carried.

Great River Door Co. (GRD)-Demand Charge

Wicklund stated that after reviewing the rate structure his recommendation is to leave the current demand rate structure alone since most demand customers did not have a significant change in their monthly electric bill and that GRD's demand rate be \$3 per all kW used.

Motion by Commissioner Wroolie and seconded by Commissioner Angland for Great River Door Co. demand rate be \$3 per all kW used effective May 2021 billing. Roll call vote Commissioners Angland, O'Day, Wroolie and Johnson in favor of the motion Commissioner Matten nay. Motion carried.

HR Director's Report

Personnel changes:

- Payables/Payroll Specialist position has been posted.
- Accounting Supervisor, Julie Batters, retirement effective March 25, 2022. The Accounting Supervisor position is critical for multiple projects that only occur at key points of the year staff has determined that posting the position as soon as possible would allow adequate time for Ms. Batters to mentor her successor. The revised job description was presented and given the extended mentoring timeframe staff recommendation is that a Memorandum of Understanding be discussed with IBEW.

Motion by Commissioner O'Day and seconded by Commissioner Matten to accept with regret the retirement of Julie Batters, Accounting Supervisor effective March 25, 2022, and to post the revised Accounting Supervisor position internally. There was a unanimous vote in favor of the motion. Motion carried.

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Superintendent's Report

Water Department

- Projects
 - Installing AMI's
 - Southeast road project started Monday. Includes various watermain, services and hydrants.
 - Baxter water – 32.3 MG sold in May. Baxter interconnect building needs some modifications.

Wastewater Treatment Department

- Projects
 - Plant and lift stations ongoing.
 - Evergreen generator installed.
 - Bio-solids application finished for Spring.
 - MPCA – Brainerd WWTP and its staff received a Certificate of Commendation for the 2020 review period.

Electric Department

- Outages/Interruptions/Complaints:
 - 5/19/21- transformer failure Beaver Dam Rd.-1 meter out, 1 hour.
- Electric crew projects:
 - North Brainerd re-build-close to completion.
 - Installation of AMI's meters slowing down due to summer construction activity.
 - NW 4th Street/Jackson round-about road project nearing completion, relocated electric facilities and new street lighting installed.

Hydro Department

- All generators are at 100%, giving away a little water.
- Finished painting interior walls.
- Ending of AmJet test turbine contract still in process of being resolved.

Other

- Banners update – original count 440 light poles reduced to 200 poles. 249 banners were ordered.
- MMUA Summer Conference at Cragun's August 16-18, 2021.
- Meeting with AEP today regarding solar at the Airport. Lease returned from Airport waiting for cancellation language and final FAA approvals.
- Electric vehicle charging station-met with parking commission which confirmed BPU can use one of three lots downtown for a station. Discussion included:
 - Staff will work on best place-requirements on proximity to designated corridor.
 - There is grant potential.
 - Parking Commission needs to review current parking restrictions.
 - Revenue - what billing rate and use of debit/credit cards.
 - Fast charging as opposed to 8 hours.
 - At this time only Toyota is certified to work on Electric vehicles (EV) if BPU purchases an EV for promotional purposes that needs to be a consideration.

Old Business

None

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New Business

Award of Construction Contract Bid for Water Storage Tanks

Superintendent Magnuson updated the Commission on the bidding process and the discovery that a component of the project, (passive mixing system) was likely going to be very costly. Not all bidders were given the same information regarding changes in the bid. City Attorney Langel recommendation is to reject all bids and to rebid the project.

Motion by Commissioner Wroolie and seconded by Commissioner Matten to reject all bids for the Water storage tank project due to inconsistencies in the bids. There was a unanimous roll call vote in favor of the motion. Motion carried.

Adjournment

Motion by Commissioner Wroolie and seconded by Commissioner O'Day to adjourn at 9:56 AM. Meeting Adjourned.