

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on March 24, 2020.

Commission President Angland called the meeting to order.

Commission Roll Call

Mike Angland – Present	Mark O’Day – Present (Via Phone)
Tad Johnson- Present	Dolly Matten – Present
William Wroolie – Present	

Utility Staff Present

Secretary/Finance Director	Todd Wicklund
Superintendent	Scott Magnuson
Accounting Supervisor	Julie Batters
Operations Manager	Trent Hawkinson

Others in Attendance

City Administrator	Jennifer Bergman
--------------------	------------------

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

Approval of Minutes and Consent Items

Motion by Commissioner Johnson and seconded by Commissioner Matten to approve the minutes of the February 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

Wicklund presented the following utility waiver requests:

- Received a request from Amber Hervey, 1410 Pine Street, to forgive her outstanding utility bill due to unfortunate events happening in her life. **Motion by Commissioner Johnson and seconded by Commissioner Wroolie to deny the request. There was a unanimous vote to deny the request.**
- Received a request from Chris Hecker, 916 Washington Street, asking to waive a portion of water, wastewater treatment and collection charges related to frozen water pipe that burst and BPU staff could not turn water off in street so plumber turned off in building. Mr. Hecker was still being charged monthly water and wastewater service charges after water was turned off. BPU staff determined a majority of the water did not enter the City’s sanitary or stormwater system and staff recommendation is to reduce water customer charge by \$333.01, reduce wastewater treatment charges by \$111.60, and reduce wastewater collection charges by \$112.00, for a total

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

March 24, 2020

of \$556.61. *Motion by Commissioner Johnson and Seconded by Commissioner Matten to approve the request in the amount of \$556.61.*

President's Report

President Angland would like to set up a meeting in the second half of April with City of Baxter officials to discuss items of mutual interest, including the operation of the wastewater treatment plant.

Other Commissioners' Reports

Commissioner Wroolie attended the APPA Legislative Conference in Washington D.C. along with Superintendent Magnuson at the end of February.

City Administrator Report

City Administrator Jennifer Bergman updated the Commission on the Children's Museum selection of a potential site at Lum Park. WSN will work on a master plan and a task force will be formed to consider all options. She also mentioned the steps being taken by the City related to the COVID-19 issue, including the closing of City Hall to public, suspension of rental inspections, and shelter in place plans. Other items mentioned was the appointment of a new Mayor which will occur at the April 6th Council meeting.

Secretary's Report

January 2020 financial reports highlights:

1. Total operating revenue decreased \$48,570 from 2019.
2. Power costs are \$947,033 a \$74,392 decrease from 2019.
3. Total operating expenses increased \$51,564 (2.5%) from 2019.
4. Total cash and investments are \$16,586,627 a \$183,830 increase from 2019. Total receivables decreased \$290,517 while inventory increased \$208,704 from 2019.
5. Total liabilities are \$41.6 million a \$3.0 million decrease from 2019.
6. kWh sold increased 1.3% while utility revenue decreased 1.7%
7. Water Dept. operating loss for 2020 is \$33,865 compared to \$49,628 for 2019. Change in net position is a negative \$50,878 for 2020 compared to a negative \$52,605 for 2019.
8. Water sold is down 2.7% while utility revenue is up 4.2%.
9. Wastewater Dept. operating loss for 2020 is \$85,822 compared to \$68,793 for 2019. Change in net position is a negative \$13,374 for 2020 compared to a positive \$26,604 for 2019.
10. Wastewater gallons processed is up 9.9% while utility revenue is up 9.4%.

AEP

Savings for the first eight months with AEP are \$1,165,000 (approximate 14% decrease).

Distributed Energy Resource (DER) - 2020 Resolution - No. 2020-01

Wicklund discussed the annual resolution regarding DER and Net Metering and Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities. The 2020 Resolution as well as the related reports and schedules will be available on BPU website.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING
March 24, 2020**

**BRAINERD PUBLIC UTILITIES COMMISSION
RESOLUTION NO. 2020:01
ADOPTED MARCH 24, 2020**

A resolution adopting Brainerd Public Utilities Commission's (Utility) Policy Regarding Distributed Energy Resources and Net Metering and Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities.

WHEREAS, the City of Brainerd is served by the Utility, which is committed to providing customers with reliable and affordable power.

WHEREAS, the purpose of this Distributed Energy Resources and Net Metering Policy is to establish the qualification criteria and certain responsibilities for the delivery, interconnection, metering, and purchase of electricity from distributed generation facilities.

WHEREAS, this policy, in accordance with Minnesota Statutes §216B.164, shall be implemented to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the Utility's ratepayers and the public.

WHEREAS, the purpose of the Cogeneration and Small Power Production Rules is for the Utility to implement certain provisions of Minnesota Statutes §216B.164, the Public Utility Regulatory Policies Act of 1978, and Federal Energy Regulatory Commission regulations related to customer-owned distributed energy resources.

WHEREAS, the adoption of these rules establishes that the Utility is the interpreting body and arbiter of the provisions of Minnesota Statutes §216B.164 for the City of Brainerd.

WHEREAS, the Utility shall annually file a cogeneration and small power production tariff with under these rules.

WHEREAS, the cogeneration and small power production tariff shall include a calculation of average retail utility energy rates, standard contracts to be used with qualifying facilities, interconnection process and technical requirements, and the Utility's estimated average incremental energy costs and net annual avoided capacity costs.

WHEREAS, all filings under these rules shall be maintained at the Utility offices and shall be made available for public inspection during normal business hours.

THEREFORE, BE IT RESOLVED that the Utility adopts the following Policy Regarding Distributed Energy Resources and Net Metering and Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities.

Adopted by the Utility on March 24, 2020.

Motion by Commissioner Matten and seconded by Commissioner Johnson to approve BPU Resolution 2020:01. There was a unanimous vote in favor of the motion. Motion carried.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

March 24, 2020

8th Amendment to AEP Agreement

Wicklund presented for Commission approval the Eighth Amendment to the agreement with AEP Energy Partners Inc. regarding the sale of 4.8 megawatts for the planning year 20/21.

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to approve the Eighth Amendment to AEP Energy Partners, Inc. market - based rate full requirements agreement. There was a unanimous vote in favor of the motion. Motion carried.

Marketing and Communication Proposal

Wicklund discussed proposal received from Aaron Hautala from Strateligent regarding proposed communication plan for BPU. Commissioner Johnson stated the proposal is too broad in scope and he thought BPU was looking for assistance in marketing a new solar rate to our customers. Staff recommendation is to not move forward with the proposal. Commissioner Matten suggested that BPU use Sourcewell to help get a survey out to our customers. No action taken by Commission on the proposal.

Superintendent's Report

Water Department

- Projects
 - AMI install – going good with electric and meter departments assisting 100 per day
 - Crew is replacing damaged hydrant flags

Wastewater Treatment Department

- Projects
 - Plant and lift station maintenance is ongoing
 - Sludge hauling to start in approximately one month, weather dependent

Electric Department

- Outages/Interruptions/Complaints:
 - 2/21/20 – broken cut-out on Thiesse Dr. (4 meters out for 1 hour)
 - 3/12/20 – failed insulator on Charles St. (1,141 meters out, 1,018 meters back in 26 minutes, 111 meters back in 47 minutes, and 12 meters back in 1 hour and 32 minutes)
- Tree trimming – winter clean-up continues

Hydro Department

- Projects
 - Generators running at 100% - about 4,780 cfs – 2,500 cfs goes through the turbines

Other

- Solar Lease for Airport Project – Met with Crow Wing County Attorney, Don Ryan, to discuss how airport land which has been deeded for only aviation related purposes can be used to construct a solar array. Once the situation was explained to him as to how the energy generated was going to be used by BPU and in turn by BPU customers Mr. Ryan was willing to draft a letter to FAA stating the construction of solar array on airport property was in the best interest of the airport.

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

March 24, 2020

- Probation for Wastewater Supervisor – Six month probation period for Charlie Gammon ended on March 23, 2020 and it is noted that he is doing a great job and that he has been removed from probation.
- Residential Electric Service Rebate (Policy 2020-01) – BPU staff recommendation is to increase the current rebate amount from \$125 to \$500 for customers that have electric meters inside their residence to move the meter outside. Moving electric meters to the outside is one of safety for both the customer and BPU staff that must do maintenance on the meter. Local electricians would be notified of the change.

Motion by Commissioner Wroolie and seconded by Commissioner Johnson to approve Policy 2020-01 to offer a \$500 electric service rebate to customers whose electric meter is located inside their residence and is relocated to the outside of the residence; or if the existing electrical meter is outside and is a 60 amp service. The service entrance must be upgraded to at least a 100 amp, 120/240 three wire service. The electrical work must be performed by a licensed electrical contractor or the homeowner, at the expense of the homeowner. There was a unanimous vote in favor of the motion. Motion carried.

- COVID-19 Pandemic and BPU Work Plan – There was a discussion what BPU’s policy should be regarding customer accounts during the Pandemic and what are the plans for BPU staff during this time. The following items were the recommendation of BPU staff and Commissioners regarding this situation:
 - Utility disconnections for nonpayment for all customers would cease and current customers who are currently disconnected would be reconnected this week.
 - The only disconnections to occur during this time would be for public safety concerns unrelated to non-payment of services.
 - Waive late fees that any customer incurs because of the economic circumstances related to the Pandemic.
 - Arrange payment plans for customers requesting help during this time that is based on the financial resources and circumstances of the customer.
 - BPU management has developed a stay at home plan for BPU workers which would include a significant number of BPU employees being sent home and being on standby during regular business hours. Recommendation is to pay all employees whether they are working at BPU or they are at home on standby.
 - The BPU COVID-19 Work Plan would be reviewed at the April 28th Board meeting and the Plan would be in place through May 15th.

Motion by Commissioner Johnson and seconded by Commissioner Wroolie to approve COVID-19 Pandemic and BPU Work Plan as stated above. There was a unanimous vote in favor of the motion. Motion carried.

Old Business

None

BRAINERD PUBLIC UTILITIES COMMISSION MEETING

March 24, 2020

New Business

Commissioner Matten expressed her appreciation for the smooth process of obtaining an energy rebate from BPU and wanted to thank BPU staff for their work in getting energy rebates out to customers in a timely manner.

Adjournment

Commission President Angland adjourned the meeting at 10:30 AM.