

**Lanesboro Public Utilities  
Council Chambers  
December 27, 2010 at 11:00am  
Member(s) Present: Evenson, O'Connor & Schuck  
Absent:  
Visitors: Peterson and Vickerman**

**REGULAR MEETING:**

The meeting was called to order by Chairman Evenson. The agenda was approved with a motion by O'Connor, second by Schuck, motion carried. The minutes of the regular meeting, November 15, 2010, were approved with a motion by O'Connor, second by Schuck, motion carried.

**PERSONS WITH BUSINESS BEFORE THE COMMISSION:**

N/A

**HOUSEKEEPING:**

**Paying of the Bills:** Peterson questioned the Power Plus Engineering bill, he felt it should be the City's bill to pay. Vickerman explained that they had discussed using the hydro money from the state to fund a part of the Park project. She said either way at this point the PU should pay it and she can remove it with the due to/due from calculation with the auditors. She said she would research and bring back the discussion from the minutes. Evenson questioned the Lanesboro Public Utilities bills, North Star Pump and the diesel fuel bill. O'Connor made a motion to pay the normal and reoccurring bills, second Schuck, motion carried.

**Past Due Accounts:** Vickerman said it is important to get the cut off notices on the doors this month as we have some people that are far behind and have not signed up to be protected by the cold weather rule. Evenson made a motion to post disconnect notices, second O'Connor, motion carried.

**Hydro Repairs:** Peterson reported that they are still not sure about when it can be fixed and how much it will cost for the bearing for the hydro. He did note that the Minnowa project should come in at around \$60,000 - \$70,000. He stated that the work that they have done is to remove the gate that will not open and fabricating a new one and have dug out the old drainage area to find the reasons for the continually collapsing road, noting that the old hydro is probably located under the road.

**2011 Budget:** Vickerman noted that it is very difficult to finalize the 2011 budget due to unanswered questions with the hydro, the smart meters and rate increases. O'Connor agreed that at this time they have a working document but each of those items could truly affect the 2011 budget. The Cost to replace out all water and electric meters is around \$111,400. O'Connor noted that with the times as they are minimal rate increases are the only possibility. It was noted that the new meters could save with energy and water losses and that may be a great investment at this time. O'Connor asked if there were any lease options out there and Peterson said he would have Wagner look into that option.

**UMMPA Updates:** Peterson reported that the RICE rules may allow the Lanesboro Public Utilities to still operate its generation as a back up system as we are now. Vickerman noted that Brian Krambeer from Tri-County Electric has asked to come

before the Utility to discuss future options and she thinks he will be attending the next meeting.

**USDA Grant/Loan (dam/hydro):** O'Connor made a motion for Vickerman to proceed with an RFP for engineering for the dam project, second Schuck, motion carried.

**Rate Increases 2011:** It was noted that at this point the Utilities Commission is unable to act upon any rate increases until more information is received.

**Miscellaneous:** Evenson made a motion to recommend to the Council to set up policies for Commission/Committees announcements for board vacancies, second O'Connor, motion carried. It was also mentioned to send out to the public energy saving tips for 2011.

**ADJOURN:**

The meeting stood adjourned at 12:17pm with a motion by O'Connor, second by Schuck, motion carried.

Respectively submitted,

Bobbie Vickerman  
City Administrator/Clerk