

**Lanesboro Public Utilities  
Regular Meeting, City Council Chambers  
Tuesday, January 19, 2016 8:00 a.m.**

Commissioners Present: Jerry Evenson, Theresa Coleman, and Dennis Schuck

Absent: None

Staff Present: Jim Peterson, Jerod Wagner, and Michele Peterson

Visitors: Michael Brown, Don Bell, Robin Krom, Phil Dybing, City Attorney Tom Manion

**Call to Order:** Commissioner Evenson called the meeting to order at 8:00 a.m.

- A. **Agenda:** Commissioner Coleman moved to adopt the agenda with the additions of: Normans Electric Pay Request #5, Holiday light bulb replacement rebate, Golf Course, and Michael Brown. Motion was seconded by Commissioner Schuck. Motion carried all in favor.
- B. **Consent Agenda:** Commissioner Coleman moved to approve the Consent Agenda as presented. Motion was seconded by Commissioner Schuck. Motion carried all in favor.
  - 1. Minutes of the Regular Meeting, December 21<sup>st</sup>, 2015
  - 2. Accounts Payable

**Regular Business**

- A. **Golf Course:** Phil Dybing was present and stated that the Golf Course Board had approved the new REU rate for 2016. He also wanted to verify the electrical power supply for the new well. Staff member Jim Peterson noted that he had in fact connected the well to the current infrastructure. Peterson also noted that during the summer of 2016 that infrastructure will be upgraded.  
At this time Mr. Dybing also raised concern over the new building located behind his property on Calhoun, questioning if the aesthetics of the building meet the current zoning permits in that area of town. He also asked the commission to consider building a privacy fence in front of the generators. No action was taken at this time.
- B. **Michael Brown:** Brought forward concerns with relation to the electrical outage on 12/25/2015. The concern was regarding if there was back feeding occurring, and if so the damage that could cause. Jim Peterson noted that it was not a reclosure issue, that it was a line fuse which ties the circuits together. In order to prevent this from happening again, they will go away from the line fuses and install slug doors.  
At this time there was also discussion regarding the current merger of Tri-County Electric and Hawkeye, with regards to how this will affect Lanesboro. Commissioner Coleman noted that Tri-County has been providing management to Hawkeye for the last 6 years; therefore this would most likely not be that much of a change. It was also

noted that Lanesboro Public Utilities is not a voting member; we are simply a wholesale commercial customer.

- C. Tri County Electric Agreement:** Staff member Jerod Wagner stated that he had conferred with the attorneys with UMMEG regarding the agreement. During this time there was a concern over item 4.2. Attorney Richard Heineman will look into this item, and return an opinion to Mr. Wagner. Commissioner Coleman moved to approve the agreement pending the affirmation. Commissioner Evenson seconded the motion. Motion carries, all in favor.

Also at this time the commission requested that a rate study be completed in 2016, Tom Nigon will be contacted with regards to completing the study.

- D. Payment Requests #9, #10, and #11 – Wapasha Construction:** After much discussion on project completion status, Commissioner Coleman motioned to approve pay requests #9, #10, and #11 for Wapasha Construction, pending explanation from Davy Engineering. Commission member Schuck seconded the motion, motion carries all in favor.
- E. Request to Waive Field Testing – Municipal Well & Pump:** Commissioner Coleman noted the approval by Jim Kochie from Davy Engineering. Jerod Wagner also noted there is a warranty. Commissioner Coleman moved to approve the request to waive field testing from Municipal Well & Pump. Commissioner Schuck seconded the motion. Motion carries all in favor.
- F. Change Order #1 – Winona Mechanical:** Commissioner Coleman moved to approve the Change Order request #1 from Winona Mechanical. Commissioner Schuck seconded the motion. Motion carries, all in favor.
- G. Normans Electric Pay Request #5:** Commissioner Coleman motioned to approve pay request #5 for Normans Electric. Commissioner Schuck seconded the motion. Motion carries, all in favor.
- H. Holiday light bulb replacement rebate:** The commission requested that this item be tabled until next month.
- I. Credit Card Acceptance:** Administrator Peterson discussed the idea of offering payments via credit cards. More information will be gathered, and brought forward to the commission. The City Council will also weigh in on this decision.
- J. Continued Business:**
- a) Circle Drive Properties: After hearing some concerns regarding the letter that was sent out to residents regarding the upgrading of the water service, Peterson advised that all residents be invited to a meeting to discuss in person all of the details. Peterson will invite them to attend the March meeting. Jerod Wagner also raised concern that the \$500 stated in the letter, should have stated toward the entire project. Commissioner Coleman moved to approve the change of offering \$500 towards the total cost of the project per property. Commissioner Schuck seconded the motion. Motion carries, all in favor.
  - b) Sewer Rates: Commissioner Coleman noted that total expenses for 2015 were \$105,563, while revenues were \$68,231, which accounts for a loss of \$37,332 using the cash accounting method. She also noted that the auditors would be using an accrual system, taking into effect depreciation. The commission was

going on the recommendation of our financial advisor to do a gradual increase, rather than one large increase. The increase was set at 10%, which would be an approximate increase of \$3.63 per residential customer. The 2016 budget was also discussed noting four increases, \$2500 in salary, \$5000 in engineering, chemicals \$12500, and debt service of \$20,000 – this item was under budgeted in the 2015 budget. Coleman will discuss these items further with the City Council.

- c) Coffee Street Site: The public meeting was closed at this time to discuss the possible purchase of property. Commissioner Coleman moved to close the meeting at 8:50 a.m., Commissioner Schuck seconded the motion. All in favor, motion carries. The meeting was reopened at 9:08 a.m.

**Next Meeting: Tuesday, February 16<sup>th</sup>, 2016 at 1 p.m.**

**Adjourn Regular Meeting:** Motion was made by Commissioner Evenson to adjourn the regular meeting of the PUC at 9:10 a.m. Motion was seconded by Commissioner Coleman. Motion carried all in favor.

Respectfully Submitted,

Michele Peterson  
City Administrator