

Lanesboro Public Utilities
Council Chambers
January 20th, 2015, 1:00 p.m.

Commissioners Present: Gerald Evenson, Chair
Theresa Coleman, Dennis Schuck

Absent: Jim Peterson

Staff Present: Jerod Wagner

Visitors: Rick Lamon

Commissioner Evenson called the meeting to order at 1:00 p.m. Commissioner Coleman moved to adopt the agenda. Motion was seconded by Commissioner Schuck. Motion carried.

Commissioner Coleman moved to approve the minutes of the December 15th, 2014 meetings. Motion was seconded by Commissioner Evenson. Motion carried.

Persons with Interest before the Commission

A. Rick Lamon-REU Relief Clarification-Base Fee Request

*Rick Lamon was on hand to address the Commissioners regarding the REU number assigned to the Stone Mill Suites. Mr. Lamon provided a few examples of how the adjustments to the REUs could be made in an attachment provided to the Commission. 1) He suggested using a measurement from another lodging establishment within the City (Green Gables or Cottage House) based on the number of rooms and water usage for the year; 2) He suggested the LPU allow him to not pay his water bill for six months thereby establishing a six month usage for the property and utilize the comparison for FY2013 which was used to establish the REU system. Assistant Water Superintendent Jerod Wagner suggested the Stone Mill look at the number of guests through November of 2014 and establish their water usage. The City could then use the formula of [per guest water usage * total guest rooms = total water usage] to establish the actual REUs for the property with a possible year end adjustment to be made based on the new calculations. Mr. Lamon agreed that this would be an effective way to establish the actual water usage in order to calculate the REUs for Stone Mill Suites. Motion was made by Commissioner Coleman to utilize the formula stated in order to come up with an accurate water usage and to establish the new REU rate for Stone Mill Suites. Motion was seconded by Commissioner Evenson. Motion carried all in favor.*

Mr. Lamon also wanted to address a concern he had with the base fees on the Root River Ag building that he owns. He indicated that there is currently no one occupying the building and that it is for sale. He questioned why he was paying a base fee for water in the amount of \$69.00 per month (which equated to approximately \$825.00 per year). Mr. Lamon was advised that the base fee is used to cover the cost of maintaining the City water infrastructure and also for the means to hook up to the City water system. He indicated that there were inconsistencies with this policy as there were other places in town that were not paying base fees (such as empty lots as well as his greenhouse building). The LPU Commission advised him that the City will be looking into those inconsistencies and taking corrective action where warranted, however, the base fees will remain on his account. No action taken by the Commission at this meeting.

Mr. Lamon then asked the Commission if they would allow him to travel to the State Capitol to lobby on behalf of the Stone Dam Project. He indicated that he has some experience with lobbying and that he had a good relationship with Rep. Greg Davids. The LPU stated that he was more than welcome to lobby on behalf of the City as an interested citizen of Lanesboro.

Regular Business

A. Payables

Commissioner Coleman moved to pay expenses of the Lanesboro Public Utilities. Motion seconded by Commissioner Schuck. Motion carried.

B. Tom Manion Request-Energy Audit Services

The PUC was advised that City Attorney Tom Manion had inquired about the possibility of LPU having access, through the gas company, of energy auditing services. He indicated that he was planning on exploring some energy saving approaches towards his building and was interested in having an energy audit conducted. LPU stated that there was no policy on the books for energy audit services nor was there anything budgeted for this service with the 2015 LPU budget.

C. Marv Eggert Inquiry-Private Solar Arrays

The Public Utilities Commission was advised that Marv Eggert had several questions regarding private solar arrays in the City. He also provided information on funds available through the Made in Minnesota Solar Project. LPU Commissioner Coleman stated that she had some experience with this type of program and that the LPU did not qualify for the project because we are not an "investor owned" utility such as Excel Energy. Mr. Eggert proposed some additional questions for the LPU Commission as follows:

1. *Is there any process in place for connecting a private solar array to the grid from Lanesboro Utilities and receiving the appropriate credit on my electric bill? It is my understanding from a solar contractor, that by state law, our electric meter must comply with this sort of interconnection method. If there are no procedures in place through the city utilities, I believe there should be and the residents should be aware of their options.*
2. *Are there any permitting processes in place to place a solar array or a solar water heating system on my property?*
3. *Is there any way for Lanesboro residents to participate in any solar projects sponsored by Tri-county?*

The LPU Commission responded: 1) There is no process for connecting a private solar array to the grid of the LPU. While it is true that the meter is set up for it (your contractor is correct) there is a significant cost involved to make the connection to the grid. Similarly, there is uncertainty (as well as costs) regarding how to implement the return on the Kilowatts saved and how to integrate it with our system. The LPU will be looking into implementing policy moving forward in anticipation of this type of renewable energy and how best to integrate it into the grid system (hardware, software, policy, etc.).

2) At this time, there are no permit processes in place for a solar array or any sort of solar equipment for public or private use.

3) There was a project sponsored by the LPU last year, regarding a photo voltaic street light system within the City. However, we could not get sponsors interested (Tri-County, Dairy Land, Minnesota Energy, MN DNR, etc.). Having said this, the guys down at the light plant have not given up. They intend to renew the project again this summer and attempt to garner interest from sponsors including the Lanesboro Public School to move this forward. We will be working with Jim Walters, formerly of Rochester Public Utilities, on a plan to attain public and private buy-in and to attract donor funds to assist in moving the project forward. We believe that there are positive, tangible benefits for implementing this PV project and, hopefully, it will be the impetus for additional renewable energy projects in the future.

D. Davy Engineering Bid Opening-Parkway Avenue Water Main Extension

Administrator Todd provided the PUC with the public notice advertisement for the bid opening to take place on February 19th, 2015 at 2:00 p.m. Todd indicated that anyone from the LPU Commission is welcome to attend. There will be a PUC meeting to follow at 6:00 p.m.

E. Davy Engineering Bid Opening-Turbine Pumps and Well Abandonment

Administrator Todd provided the PUC with the public notice advertisement for the bid opening to take place on February 19th, 2015 at 2:00 p.m. Todd indicated that anyone from the LPU Commission is welcome to attend. There will be a PUC meeting to follow at 6:00 p.m.

F. Bid Opening and PUC Meeting Change-February 19th at 2:00 p.m. and 6:00 p.m.

Administrator Todd advised that there will be a meeting date and time change to occur after the bid opening on February 19th, 2015. The bid opening will take place at 2:00 p.m. and the regular PUC meeting will take place at 6:00 p.m.

G. Public Notice-Reminder REU Rate Structure

Administrator Todd advised the PUC that he placed an advertisement in the Fillmore County Journal to remind residents that the new REU rate structure went into effect on January 1st, 2015 and they will notice the change during the February billing cycle.

H. Circle Drive Water Utility Hook Ups (Discussion from last PUC Meeting)

The Commission took no action on this issue until more information was obtained and a discussion with the City Attorney and City Engineer could be undertaken.

I. Miscellaneous Items

No miscellaneous items on this agenda

Next Meeting: Monday, January 19th, 2015 at 1:00 p.m.

Adjourn Regular Meeting:

Motion was made by Commissioner Coleman to adjourn the regular meeting of the PUC. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Respectfully Submitted:

David Todd
City Administrator