

**Lanesboro Public Utilities
Regular Meeting, City Council Chambers
Tuesday, March 15, 2016 5:30 p.m.**

Commissioners Present: Gerry Evenson, Theresa Coleman, and Char Brown

Absent: None

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

Visitors: Bethany Krom, Joe Deden, Jon Pieper, Shirley Mulder, and Dennis & Marcia Einck

Call to Order: Commissioner Evenson called the meeting to order at 5:30 p.m.

- A. **Agenda:** Commissioner Brown moved to adopt the agenda with the change of moving the Circle Drive properties from continued to item D under regular business. Motion was seconded by Commissioner Coleman. Motion carried all in favor.
- B. **Consent Agenda:** Commissioner Coleman asked to have the minutes removed from the Consent agenda. Commissioner Brown asked to have the payables removed from the Consent agenda.
 - 1. Minutes of the Regular Meeting, February 16, 2016: Commissioner Coleman moved that Item D Continued Business, section B Sewer rates should be amended to: "Mike Bubany to attend a meeting of the Council and the Public Utilities and provide a Capital Improvement." Commissioner Brown seconded the motion. Motion carried all in favor.
 - 2. Accounts Payable: Commission member Brown asked that she be provided copies of the Public Utilities monthly statements. Commissioner Coleman moved to approve the payables as submitted. Commissioner Brown seconded the motion. Motion carried all in favor.

Regular Business

- A. **Winona Mechanical:**
 - a) Pay Request #3, \$18,235.27: Commissioner Coleman moved to approve pay request #3 in the amount of \$18,235.27. Commissioner Brown seconded the motion. Motion carried all in favor.
 - b) Certificate of Substantial completion: Commissioner Coleman moved to approve the certificate of substantial completion. Commissioner Brown seconded the motion. Motion carried all in favor.
- B. **Municipal Well and Pump:**
 - a) Pay Request #3, \$27,955.52: Commissioner Coleman moved to approve pay request #3 in the amount of \$27,955.52. Commissioner Brown seconded the motion. Motion carried all in favor.
 - b) Certificate of Substantial completion: Commissioner Coleman moved to approve the certificate of substantial completion. Commissioner Brown seconded the motion. Motion carried all in favor.
- C. **Thein Well:**
 - a) Change Order #1: Commissioner Coleman moved to approve the change order in the amount of \$36,900. Jim Kochie with Davy Engineering was present to explain why the change order was being requested. While working to abandon well #2, there was cause for concern. In drilling down there were voids found between the casings, which could become a pathway for pollutants. Further discussion was had regarding the contract with Thein Well, concerns were

brought forward that discussed whether this could be considered as part of the scope of the project. Mr. Kochie felt that Their Well had completed the work items in the contract, and that this requirement was beyond the scope of the contract. Commissioner Brown questioned that she felt this should have been covered in the original contract. Kochie stated that they had followed the requirement set forth by the Minnesota Department of Health (MDH) for the job bid. Kochie also stated that the MDH has approved a grant to cover up to 50% of the cost for the additional work. The city Attorney Tom Manion; will review the original contract with Their Well and offer his opinion. Due to the lack of a second of the original motion, the motion dies. Item will be discussed further after having Mr. Manion's opinion.

b) Pay Request #2, \$89,271.25: Commissioner Coleman moved to approve pay request #2 in the amount of \$89,271.25. Commissioner Brown seconded the motion. Motion carried all in favor

- D. Circle Drive Properties:** Letters had previously been sent out to the property owners requesting that the proper connections to the water main be installed. Commissioner Brown questioned whether there was a utility easement to allow the LPU to request this work be completed, as well as the easement properly recorded and verified. There was also discussion regarding the ability to disconnect individual properties. Peterson will research and verify any utility easements on Circle Drive. Item will be discussed further next month.
- E. Climate Smart Municipalities:** Commissioner Brown presented the application for the Climate Smart Municipalities program. Much discussion continued regarding the program and the benefits to which it could bring to Lanesboro. Concerns were brought forward regarding cost as well as design elements. Coleman was also very concerned with the total cost in participating in the program. As the discussion continued regarding cost, Commissioner Coleman became fed up (Commissioner Coleman's words). She stood, raised her voice, and began pointing her finger. Administrator Peterson asked the Commissioner Coleman to stop; however she continued. Coleman asked two questions, the first being what other agenda items had Commissioner Brown been placed on the commission for. The second question was why had there not been any interviews before or after Brown's appointment. Commissioner Coleman stated that she felt there was an implication towards her that has been made regarding her mismanaging the Public Utilities Commission. The discussion then turned again to the application for the Climate Smart Municipalities, to which Coleman voiced concern over participating in the program, when the commission has already been working on the waste water facility topic. Coleman motioned to table the discussion, and to have a special meeting to discuss the application. Commissioner Brown seconded the motion. Motion carried all in favor.
- F. Dennis Einck:** The property owned by Dennis Einck had experienced a water leak, which went undetected for several weeks. It was discussed that a more detailed review of the readings submitted monthly needs to be conducted in the City office. Commissioner Coleman moved to remove the February water and sewer charges from the monthly bill. Commissioner Evenson seconded the motion. Motion carries all in favor.
- G. REU Discussion:** Commissioner Coleman requested that Administrator Peterson attain the spreadsheet for determining REU's from Davy Engineering. The spreadsheet contains the formulas to determine the funds necessary to cover the bond payment as well as an additional 5% to reserve, per our financing agreement. Item will be discussed next month.
- H. Star Energy:**
- a) Line Loss Study: Commissioner Brown motioned to approve completion of a Line loss study, with costs not to exceed \$1500. Commissioner Coleman seconded the motion. Motion carried all in favor.
 - b) Rate Study: It was discussed to wait until the results are in from the line loss study, to determine if further studies are necessary.

c) Conversion Study: It was discussed to wait until the results are in from the line loss study, to determine if further studies are necessary.

I. Midwest Assistance Program: Commissioner Coleman had reached out to the Midwest Assistance Program. The group may be able to assist the commission with regards to a Waste Water Treatment facility and determining what is needed.

J. Continued Business:

a) Procedures Update: Commissioner Coleman requested that a copy of all changes be submitted to her for review. Item will be discussed next month.

b) Holiday light bulb replacement rebate: Commissioner Brown had submitted a proposal for determining holiday light rebates. After much discussion it was suggested that the request go before the City Council.

K. Miscellaneous:

a) Chair of LPU: Current chair Gerry Evenson noted that he would like to resign as the chair of the commission. Evenson motioned to nominate Commissioner Coleman to Chair. There was no second, for this reason the motion dies.

b) Sewer Permit: Superintendent Peterson noted that permit for the Waste Water Facility is due to renew this fall. The permits are renewed every five years.

Next Meeting: Tuesday, April 19, 2016 at 5:30 p.m.

Adjourn Regular Meeting: Motion was made by Commissioner Brown to adjourn the regular meeting of the PUC at 7:38 p.m. Motion was seconded by Commissioner Evenson. Motion carried all in favor.

Respectfully Submitted,

Michele Peterson
City Administrator