

Lanesboro Public Utilities
Council Chambers
March 17th, 2014, 12:30 p.m.

Commissioners Present: Gerald Evenson, Chair
Dennis Schuck
Theresa Coleman

Absent: None

Staff Present: Jim Peterson
Jerod Wagner

Commissioner Evenson called the meeting to order at 12:35 p.m. Commissioner Coleman moved to adopt the agenda. Motion was seconded by Commissioner Evenson. Motion carried.

Commissioner Coleman moved to approve the minutes of the February 18th, 2014 meetings. Motion was seconded by Commissioner Schuck. Motion carried.

New Business

A. Award Construction Contract for Well Site #4 (Council Update)

The City Council of Lanesboro, upon advice from Davy Engineering and the Public Utilities Commission, awarded the construction contract for Well Site #4 to Mark J. Traut Wells Inc. of Waite Park, MN. The award is contingent upon land acquisition for the well site and easement rights granted to the same. The base bid is for \$496,745.00.

B. Water Rates for PFA Funding (Discussion with PUC and Davy)

Mike Davy of Davy Engineering communicated to the City Administrator the need to restructure the water rates to make a more equitable system to satisfy a PFA requirement prior to close of the loan. Mr. Davy indicated that Lanesboro's water rate was structured in a way that allocated the burden of payment onto full-time residents. Davy indicated that PFA would like to see the rates structured so that part-time residents and commercial properties were paying proportionally based on meter size and usage as well as base charges. The PUC asked Administrator Todd to set up a meeting with Mr. Davy to ask for his assistance in restructuring the water rates to satisfy PFA. Todd advised that he will e-mail Mr. Davy to set the meeting.

Regular Business

A. Payables

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

B. Parkway Pub Shut-Off Notice (Update)

Administrator Todd briefed the PUC regarding the Parkway Pub shut-off issue. Todd stated that Mr. Jeanette came up with the past due amount, including current charges, to stave off disconnect through April. Todd advised the PUC that in speaking with Mr. Jeanette prior to the recent payment, he indicated that he simply did not have the money to pay his utility bill based on lack of clientele throughout the year. Mr. Jeanette stated that he was hoping to limp through to the winter months until tourist season when his business picks up so that he could afford to pay his bill. Todd stated that when looking at Mr. Jeanette's payment history, it clearly shows that payments are not made on time and, further, when payments are made they are not usually enough to cover current charges. Todd stated that the PUC should keep an eye on this account to insure that it doesn't fall further behind after the current payment received and that disconnect for non-payment policy should be adhered to so that the account does not fall further into arrears.

C. Freezing Water Pipes (Update)

Administrator Todd advised the PUC that the City received the bill for services from Wieser Construction regarding the attempts made to thaw the frozen pipes. The bill amount was in excess of \$4,700.00. The PUC determined that hiring the company to come thaw the pipes, with limited success, was not cost-effective and that they would not be utilized by the PUC this late in the season. If the individual resident wished to contract with them, they are more than welcome to do so. Todd also advised the Commission that there was a business in town that also had pipes freeze and when asked if they had heeded to warning to run water, the owner stated that he had not. The PUC determined that in the event that the resident or business owner had not followed through on instructions to leave the water running and pipes are subsequently frozen, it would be the individual's responsibility and not the City's to seek measures appropriate to thawing out the pipes. Todd stated that the City should seek a policy regarding the City's response to this issue and have it implemented for next winter season. Todd stated that we could send out the policy in the utility bills starting October 1st so that all residents are informed about the policy of the City and also of protocol to prevent a freeze up. PUC Chair Evenson stated that the Administration and PUC staff should collaborate and come up with a comprehensive policy for next year.

D. Water Ordinance 520 Water Regulations

The PUC was provided a proposed ordinance 520 for review. The PUC members were asked to look through the proposed ordinance to identify changes prior to implementation.

E. Water Ordinance 540 Rates and Charges

The PUC was provided a proposed ordinance 540 for review. The PUC members were asked to look through the proposed ordinance to identify changes prior to implementation.

F. Office Equipment-New Computer for Deputy Clerk

Administrator Todd advised the PUC that the computer utilized by Michele Peterson, Deputy Clerk, is nearing the end of its usable life. Todd explained that the computer is demonstrating lock-ups and freezes due to the equipment being nearly 15 years old. Todd stated that the Deputy Clerk has much information stored on the hard drive as well as multiple programs that she utilizes for PUC billing and fund accounting that if the computer fails, would leave the PUC and City without access to necessary information and files. This would cripple the administrative operations of the PUC as well as the City. Todd stated that a majority of the work done on this computer benefits the PUC. Todd provided two quotes for a new computer with the appropriate configuration to include RAM memory and hard drive space for storage. A quote from HP at \$2,400.00 and a quote from Dell at \$1,700.00 for compatible systems were provided to the PUC. Motion was made by Commissioner Coleman to purchase the Dell system at a cost share of 70% PUC and 30% City. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

G. City/PUC Backhoe (Update).

Administrator Todd advised the PUC that the City has authorized Todd to seek quotes for a new backhoe. Todd provided quotes from Case and from John Deere. The Case backhoe quote came in around \$7,000 less than the quote from John Deere. PUC Chair Evenson questioned the amount of usage of the equipment by the PUC employees, citing that the majority of use comes from the street and parks department. Chair Evenson questioned whether the PUC should look into simply purchasing the piece of equipment and then billing the City for its usage. He indicated that he would rather wait to see what was happening with the Lanesboro Dam bonding issue before making a decision on purchasing the backhoe. He indicated that if the City has to seek funds to repair the Dam, they may not be in a position to cost share on the purchase of the backhoe. No further action taken.

H. Lanesboro Local Utility Bill

Administrator Todd advised that the PUC had received \$700.00 from the now defunct Lanesboro Local towards their utility bill. As discussed in last month's meeting, the business had closed and there was only \$700.00 available to pay towards the \$1,400.00 bill. Todd sought to acquire the \$700.00 as payment and then ascertain the intent of the PUC from that point forward. Todd advised that it was better to at least receive the \$700.00 rather than nothing at all. Motion was made by Commissioner Coleman to close the account and absorb the remainder of the bill. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

I. Pre-Construction Meeting-March 18th, 2014 at 10:30 p.m.

The PUC was informed that a pre-construction meeting was scheduled with Davy Engineering and Mark J. Traut Wells, Inc. for the aforementioned date and time. Todd stated that members of the City Council and PUC are invited to attend.

J. Miscellaneous

The PUC was advised that we had received a bill for an annual service agreement with Badger Meters, Inc. regarding our hand-held meter readers. The amount of the service agreement is \$450.00. There was a question as to whether the PUC needs to continue with the service agreement. Todd advised that the hand-held meter readers are an expensive piece of equipment (nearly \$7,000) and that if a computer chip or mother board were to malfunction, the service contract would be well worth the price. Motion was made by Commissioner Coleman to allow Todd to contact Badger to find out what the service agreement covers and if he felt that it was comprehensive and cost-effective for the PUC, Todd could acquire the service contract and pay the \$450.00. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Todd asked the PUC to entertain the option to pay Wieser Construction for worked performed in thawing the pipes in the City. Motion was made by Coleman to pay the bill in our next round of payables. Motion was seconded by Chair Evenson. Motion carried all in favor.

Todd advised the PUC that City Attorney Manion provided documentation that he was in contact with all parties involved in acquiring the deed for land acquisition and also the easement rights for the well-site construction. Todd stated that these issues will be addressed at the pre-construction meeting tomorrow. No action taken.

Next Meeting: April 21st, 2014 at 12:30 p.m.

Adjourn Regular Meeting:

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

Respectfully Submitted:

David Todd
City Administrator