

**Lanesboro Public Utilities  
Regular Meeting, City Council Chambers  
Tuesday, June 21, 2016 5:30 p.m.**

Commissioners Present: Tom Dybing, Theresa Coleman, and Char Brown

Absent: None

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

Visitors: Michael Brown, Pam & Jim Watson, Paul Hardwick, and Don Bell

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

- A. **Agenda:** Administrator Peterson asked to add Their Well- Change Order #2, Certificate of Completion, and Payment request, and MISO Generation to the agenda. Commissioner Brown asked to also add Brown out, and Their Well – Diesel fuel spill to the agenda. Commissioner Coleman moved to adopt the agenda with the changes. Motion was seconded by Commissioner Brown. Motion carried all in favor.
- B. **Consent Agenda:** Commissioner Brown motioned to approve the consent agenda as submitted. Commissioner Coleman seconded the motion. Motion carried all in favor.
  1. Minutes of the Regular Meeting, May 17, 2016
  2. Accounts Payable
- C. **Staff Update:** Jerod Wagner and Jim Peterson provided the commission with updates including:
  1. Wastewater Permit – Very likely the permit will come back for a Class B facility rather than the current Class C. Most likely there will be a draft of the permit available in September for review, with the final document available in November. If there is a change in the permit, LPU will have 5 years to become compliant.
  2. Conversion Study – Staff has been working with Tom Nigon to provide the necessary information. They are hopeful that the study will be complete by next month. Nigon has been in town and is also considering underground possibilities.
  3. Golf Course – The overhead wire above the new well is being buried under ground.
  4. Davy Engineering has been working with the owners of the Distillery as well as the Brewery, it was noted that a pretreatment agreement may not be needed. However after further discussion it was noted that with a possible change in the permit a pretreatment agreement may be appropriate. Although a bad batch of beer could be dumped, a bad batch of whiskey would need to be hauled away to be disposed of.

**Community Interest**

- A. Jim and Pam Watson – Red Hotel: Jim and Pam Watson were present to discuss the events of May 30, 2016. The property owners experienced a sewer backup which then caused for the water to be shut off to the entire property until contractors could clear the line. This is not the first time this has happened, they first experienced a problem in May of 2012 shortly after

purchasing the property. The lines were able to be cleared, however it was noted that they could only get out 38 – 40 ft. due to a crack in the clay pipe. The Watsons did have pictures taken and supplied those to the commission. It is estimated that the clay pipes are original to the system which was installed in 1939. The Watsons also pointed out the fact that due to the crack there is sewage leaking into the ground. They also noted concerns with completing work within the state highway. Many concerns were brought forward: weight of traffic on highway, financial considerations, grade of highway changing over the years. The Watson's have reached out to MNDOT, as well as Representative Davids to ask for assistance. Commissioner Coleman offered that perhaps a petition and waiver option would help. It was noted that bids from contractors is essential when asking for assistance. Commissioner Brown inquired if there had been issues on the highway with other properties. Administrator Peterson will review the history and report back.

### **Regular Business**

#### **A. Winona Mechanical:**

- a) Certificate of Substantial Completion:
- b) Application for Payment #3, Final - \$65,930.23

Commissioner Coleman moved to approve the Certificate of Substantial Completion as well as the Application for Payment #3, \$65,930.23. Commissioner Dybing seconded the motion. Commissioner Brown asked staff if they felt the portion of the project was complete, they agreed. Motion carried all in favor.

#### **B. Normans Electric:**

- a) Application for Payment #6, Final - \$20,039.04
- b) Certificate of Substantial Completion

Commissioner Brown moved to approve the Certificate of Substantial Completion as well as the Application for Payment #6, \$20,039.04. Commissioner Dybing seconded the motion. Commissioner Brown asked staff if they felt the portion of the project was complete, they agreed. Motion carried all in favor.

#### **C. Wapasha Construction:**

- a) Application for Payment #12 - \$29,456.97: Jerod Wagner discussed concerns over a subcontractor for Wapasha, Sodco. As well as the Change Order #2 for broken pipes in Well #3. Administrator Peterson will inquire with Davy Engineering on specifics of CO #2, as well as what the item labeled clean up. Commissioner Coleman moved to approve Pay request #12. Commissioner Dybing seconded the motion. Commissioner Brown noted that the typos on the pay request should formally be corrected before payment is made. Commissioners Dybing and Coleman voted yes, Commissioner Brown voted no. Motion carried. Commissioner Dybing motioned to send a letter of concern and ask to have a clean pay request submitted to LPU. Commissioner Coleman seconded the motion. Motion carried all in favor.

#### **D. Thein Well:**

- a) Change Order #2
- b) Certificate of Substantial Completion
- c) Payment Request #3 - \$32,575.00

Commissioner Brown inquired as to the diesel fuel spill, specifically has LPU received an incident report. Additionally Liability, concerns regarding this spill was discussed.

Administrator Peterson will request this information. Commissioner Brown motioned to table the requests for Change Order #2, Certificate of Substantial Completion, and Pay request #3. Commissioner Dybing seconded the motion. Motion carried all in favor.

- E. Brown Out:** Commissioner Brown stated concern regarding the brown out that occurred on May 30. Wagner and Peterson relayed the information that it was caused by a high side fuse on the supply end went from a squirrel getting into the substation in Peterson. The relays allowed flow to come through. Tri-County was notified as well as the manufacturer. Administrator Peterson and Wagner will draft a letter to Tri-County regarding the situation, and request plans to remedy the situation, so that a brown out does not occur again.
- F. Public Utilities Ordinances and Policies:** After reviewing the proposal from American Legal Publishing the consensus was to adopt Title 5, as well change our current policies into ordinances, and add an additional ordinance for electric. Administrator Peterson will work on these changes, and provide a presentation next month.
- G. Administrator/Clerk Update**
  - a) Circle Drive: No update was available; we are currently waiting for Attorney Manion to provide feedback information.
  - b) Green Power: Administrator Peterson presented an updated version of the program participation form. The commission approved of the new design. Copies will be sent out in the next Utility bills.
  - c) Financial Advisor: Mike Bubany will give a joint presentation to the LPU and the City Council on August 1<sup>st</sup>, 2016.
- H. Continued Business:**
  - a) Onsite Energy- Maintenance Agreement: After further review of the information Jerod Wagner noted that there is no advantage to committing to the service contract. Our staff will maintain the units, and will reach out to the company if problems arise.
- I. Miscellaneous:**
  - a) Phone Lines: Administrator Peterson provided a spreadsheet showing all of the accounts that the City and LPU has with Acentek. It was noted that all of the land lines for the LPU accounts are needed, only one is an actual line in the utility office, the others are alarms and cannot be eliminated.
  - b) MISO Generation: Jerod Wagner presented the commission with the information stating there is a 72% chance of LPU being called to run generation. LPU has 2 hours from the time of the call to begin operation, consideration is also being taken that it takes 45 minutes to an hour to start the generator. For this reason it is being recommended that staff is on call 24-7. Staff members Andy Drake and Steve Majerus will also begin training, however currently only Jerod and Jim Peterson are trained. Administrator Peterson recommended that staff be paid for being on call at 2 hours per weekday, and 4 hours per weekend and holiday. Time will be paid at hourly wage. If called in time would be at 1 ½ times hourly rate. Commissioner Coleman moved to approve the additional wages as presented. Commissioner Dybing seconded the motion. Motion carried all in favor. Discussion was also had regarding whether or not

Dairyland will be staying with UMMEG, Jerod Wagner will provide an update next month.

- c) Diesel Fuel: Discussion was had that the remaining fuel would be used during training sessions when running generation.

**Next Meeting: Tuesday, July 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 7:10 p.m. Motion was seconded by Commissioner Coleman. Motion carried all in favor.

Respectfully Submitted,

Michele Peterson  
City Administrator