

**Lanesboro Public Utilities  
Regular Meeting, City Council Chambers  
November 17, 2015 1:00 p.m.**

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

Absent: None

Staff Present: Jerod Wagner, Jim Peterson and Michele Peterson

Visitors: Michael Brown, Richard Nepstad, Phil Dybing, and Mike Hastreiter.

Commissioner Evenson called the meeting to order at 1:05 p.m. Commissioner Schuck moved to adopt the agenda with the additions of: Update from the Golf Course and Davy Engineering Water Project update under miscellaneous. Motion was seconded by Commissioner Coleman. Motion carried all in favor.

Commissioner Coleman moved to approve the minutes of the October 19<sup>th</sup>, 2015 meeting. Motion was seconded by Commissioner Evenson. Motion carried all in favor.

**Regular Business**

- A. Golf Course:** Richard Nepstad and Phil Dybing were on hand to update the commission on the progress of the well. The well is completely drilled now, and they expect that it will be fully operational by next spring. The Golf Course is asking what the REU rate will be for them in 2016. Commissioner Coleman reviewed the past history, stating that the commission had previously authorized a review of the REU rate based on the water usage during 2015; Administrator Peterson is authorized to make this adjustment. The Golf Course would like to see the REU rate cut in half from the 2015 amount, going into 2016. This item will be tabled until next month, so that usage rates can be determined.
- B. Customer Payment Date:** Leo Kimball was here to discuss the payment date, stating that he is not able to make the payments on time, and therefore pays a late fee each month. Mr. Kimball asked if there could be a grace period before late charges are assessed. Administrator Peterson noted the office procedures, in that new billings are calculated on the 1<sup>st</sup> of the month, and therefore any late charges would have to be assessed prior to that calculation. Commissioner Coleman noted that we should review our payment policy as well as the date for which the late fee should be assessed. Coleman then noted why they Public Utilities had changed the due date from the 20<sup>th</sup> to the 25<sup>th</sup>, stating it would better represent the cost of the electricity to be able to compare revenues.
- C. Davy Engineering:** Mike Hastreiter was present to update the commission on the progress of the Water Treatment Project. He stated that Wednesday would be the start up for the automatic systems, as well as the start up for the chemical treatment process. Tonka has been working with Davy to verify everything is compatible. The plant is currently running with minimal issues. The PRV station at well #1 needs to be finished yet, they are hopeful that the termination to well #1 will be complete by the following Wednesday. Finally he noted that there is a one year warranty on the project which began November 10<sup>th</sup>, 2015. If there are any issues with the system our staff is to work directly with Davy Engineering to resolve any issues.

**D. Payables:**

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

1. Chamber Matching Grant Request – Commissioner Coleman made a motion to approve payment of \$400 towards the Matching Grant Request. Commissioner Evenson seconded, motion carried all in favor.
2. Davy Engineering – Pay Request #2 (Winona Mechanical) – Motion to approve the pay estimates for the contractors on the recommendation of Davy Engineering was made by Commissioner Coleman. Seconded by Commissioner Schuck. Motion carried all in favor. Davy Engineering – Change Order #3 (Norman’s Electric) \$52,858.19 - Motion was made by Commissioner Evenson to approve the change order request for the contractors on the recommendation of Davy Engineering. Motion was seconded by Commissioner Schuck, motion carried all in favor.

- E. Merchants Bank - ICS:** Merchants Bank approached the Public Utilities regarding a change in the banking products we currently use. They are recommending that we change to an Insured Cash Sweep Account; that would then combine the Operational Account with the Money Market Account. This would ensure that all money is covered under the FDIC, as well all money will be earning interest. Commissioner Coleman motioned to approve the change in accounts. Commissioner Evenson seconded the motion, motion carried all in favor.
- F. Circle Drive:** Administrator Peterson submitted a proposed letter to be sent out to the residents on Circle Drive. Commissioner Coleman motioned to approve the letter with requested changes to also be reviewed by City Attorney Tom Manion. Commissioner Schuck seconded the motion, motion carried all in favor.
- G. 2016 Budget:** Financial Advisor Mike Bubany suggested that the commission consider increasing the sewer rates by 10% annually over the next 5 years in order to help balance the sewer fund. Commissioner Coleman motioned to increase the sewer usage rate to \$5.20 per thousand gallons, as well as an increase to the base charge of \$16.45. Commissioner Schuck seconded the motion, motion carried all in favor. Electric rates were also discussed, however based on information currently there will not need to be an increase in electric rates at this point. It was noted however that there will be a loss of revenue during 2016 which will then need to be assessed. Administrator Peterson presented the proposed budget for 2016. Commissioner Coleman motioned to approve the budget as presented for 2016. Commissioner Schuck seconded the motion, motion carried all in favor.
- H. LMCIT Claim update:** The LMCIT apologized for not notifying the Public Utilities Commission with regard to the denial of a claim. It was noted that the tree that had been causing the issues with the sewer infrastructure has since been removed by the new owners, and therefore it will hopefully not be causing any future damage.
- I. Commission Applications:** Administrator Peterson submitted the applications for the commission to review. At this time Commission Chairperson Evenson submitted his resignation from the commission effective 12/31/2015. Therefore there will be two seats the commission will recommend to the Council. After reviewing the applications Commissioner Coleman motioned to recommend Don Bell and Bill Swanson to the City Council for approval. Commissioner Evenson seconded the motion, motion carried all in favor.

- J. **Miscellaneous:** Jerod Wagner notified the commission that he had just learned that there is a bucket truck up for bid from Tri-County Electric. The truck is a 2007 model; our current truck is in need of replacement. They will be accepting sealed bids until November 30<sup>th</sup>, 2015. Commissioner Coleman motioned to authorize Administrator Peterson to approve an appropriate bid amount based on research by Jerod Wagner. Commissioner Schuck seconded the motion, motion carried all in favor.

**Next Meeting: Monday, December 21<sup>st</sup>, 2015 at 1:00 p.m.**

**Adjourn Regular Meeting:** Motion was made by Commissioner Coleman to adjourn the regular meeting of the PUC at 2:02 pm. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Respectfully Submitted,

Michele Peterson  
City Administrator