

31.70 Authority of the Public Utilities Commission

- A. **PURPOSE:** The City of Lanesboro established a Public Utilities Commission by resolution dated February 9 1938. In the City of Lanesboro 1974 ordinance code, ordinance section 240 determined and delegated what public utilities were under the jurisdiction of the Public Utilities Commission, and section 305 of the code of ordinances specified that the Public Utilities Commission had jurisdiction over electric service connections, water service leads, and sewer connections. The purpose of this ordinance is to further identify and specify the jurisdiction that the City of Lanesboro (hereinafter “City”) and the Lanesboro Public Utilities Commission (hereinafter “LPU”) has over all public utilities in the City of Lanesboro, including electric, water, and sewer utilities. In connection with Minnesota Statute Section 412.361, which provides for public utility commission powers, this ordinance shall specify what powers the LPUC shall hold and what powers remain to the City. This ordinance shall replace ordinance section 240 and ordinance section 305 as above mentioned, and any other ordinances or regulations of the City Lanesboro that are inconsistent with the provisions of this ordinance.
- B. **JURISDICTION AND AUTHORITY:** The City shall have the power to extend and to modify or rebuild any public utility and to do anything it deems necessary for its proper and efficient operation; and it may enter into necessary contracts for these purposes. The provisions of section 412.311 relating to advertisement for bids shall apply to contracts of the City of Lanesboro.
1. The Public Utilities Commission shall have the power to employ all necessary help for the management and operation of the public utility, prescribe duties of its officers and employees and fix their compensation.
 2. The Public Utilities Commission has power to buy all fuel and supplies; however, when it comes to purchase of wholesale electric energy, steam heat, hot water energy, gas or water, as the case may be, for municipal distribution, the City shall have that power. Purchases other than for fuel and supplies, and any other purchase or contract for purchase over \$25,000 shall require prior City Council approval. The City council continues to have exclusive authority regarding the purchase of wholesale electric energy, steam heat, hot water energy, gas or water, as the case may be, for municipal distribution, even if those purchases do not exceed \$25,000.
 3. The commission shall have the power to recommend rates and reasonable rules and regulations for utility service supplied by the City of Lanesboro and the public utilities. However the City of Lanesboro has ultimate authority to determine those rates and regulations.

4. The public utilities commission shall have power to enter into agreements with the City for payments by the City for utility service, compensation for use by either the commission or the City of buildings, equipment, and personnel under the control of the other, payments to the City in lieu of taxes, transfers surplus utility funds to the general fund, and also agreements and other subjects of relationships between the commission and the Council.
5. The City Council retains the authority to make all final decisions relating to the sewer system budget, water system budget, and electrical system budget, both revenues and expenditures. This includes setting fees and rates and issuing bonded indebtedness. It also includes entering into contracts with service providers, consultants and engineers.
6. The Public Utilities Commission shall have administrative functions of the water, sewer, electric and electric utilities. The City shall have all of jurisdiction and administrative functions over garbage systems and garbage utilities. The utility commission has all administrative authority over the day-to-day functions of the utilities as stated above. The utility commission makes recommendations to the City Council regarding proposed capital improvements and financing thereof, but the final decision on those capital improvements and financing arrangements remain with the City Council.