

**Lanesboro Public Utilities  
Regular Meeting, City Council Chambers  
Tuesday, May 17, 2016 5:30 p.m.**

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

Absent: None

Staff Present: Jerod Wagner, and Michele Peterson

Visitors: Michael Brown, Jason Boynton, and Don Bell

**Call to Order:** Administrator Peterson called the meeting to order at 5:30 p.m.

- A. **Agenda:** Administrator Peterson asked to remove item 3 under Regular Business item D, as well add Smith Schafer to the top of Regular Business. Commissioner Brown moved to adopt the agenda with the changes. Motion was seconded by Commissioner Dybing. Motion carried all in favor.
- B. **Chair Appointment:** Administrator Peterson called for a motion to appoint a chair for the committee. Commissioner Brown motioned to appoint Member Dybing as Chair. Commissioner Coleman seconded the motion. Motion carried all in favor.
- C. **Consent Agenda:** Commissioner Coleman asked for the minutes to be removed from the consent agenda. Commissioner Brown asked to have the Accounts Payable removed from the consent agenda. No items remained for the consent agenda.
- D. **Staff Update:** Jerod Wagner updated the commission with regard to LPU's Firm capacity, noting that the diesel generation is helping. Due to this generation LPU does not need to purchase excess capacity. Wagner also discussed the decommissioning of the Nordberg engine, they will be trying to use up the remaining fuel, and decommission the unit this summer. Wagner also stated the hydro is repaired and operational. They have been running the hydro since it was repaired, and will continue to do so as long as water levels allow.
- E. **Minutes of the Regular Meeting, April 19, 2016:** Commissioner Coleman requested additional changes to the minutes. Coleman motioned to approve the minutes with the requested changes. Commissioner Dybing seconded the motion. Motion carried all in favor.
- F. **Accounts Payable:** Commissioner Brown questioned the need for a land line in each LPU location. Administrator Peterson will review the accounts and report back. Brown noted the increase in electric usage at Well #3, Jerod Wagner will review the bill and meter reading. Brown also noted an increase in electrical usage at the Waste Water Facility, Wagner stated that was due to seasonal changes which require a fan to run. Commissioner Brown requested that a thank you letter be created for the Ambulance round up program, which could be forwarded to Deane Benson, Ambulance Director. Commissioner Brown motioned to approve the payables as submitted. Commissioner Coleman seconded the motion. Motion carried all in favor.

## **Regular Business**

- A. Smith Schafer:** Jason Boynton was present to present the audited financial findings for Lanesboro Public Utilities for 2015. After the presentation Commissioner Brown questioned different possibilities for defining shared costs between the different funds within LPU, Activity or Revenue based. Mr. Boynton noted that currently we are using an estimated cost share. In order to review this estimate he noted that staff could take a small period of time and record the time spent on each division. From there an estimated cost share could be completed. The financials will be presented to the City Council at their next regular meeting.
- B. Onsite Energy – Maintenance Agreement:** Jerod Wagner presented the proposals for maintenance agreements from Onsite Energy. He noted that staff did feel comfortable with completing the general maintenance; as well they would call if any questions arose. Discussion on warranty was had; Jerod will check on the specifics and report back. He will also find the cost of the generators.
- C. Winona Mechanical:**
- a) Change Order #1 - \$57,325.62, Breakdown of labor, equipment, and materials and Change Order #2 - \$2,522.25, Clean-up Breakdown: Commissioner Brown motioned to approve both Change order #1 and #2. Commissioner Coleman seconded the motion. Commissioner Brown noted concern that the contract was non-protective to rate payers. Commissioners Dybing and Brown requested this information be discussed during the REU discussion. Motion carried all in favor.
- D. Line Loss Study:** Jerod Wagner presented the Line Loss Study completed by Star Energy Services. Discussion continued regarding upgrading the electric system. Administrator Peterson will contact Tri-County Electric to see if there is any assistance available for such a project. Commissioner Brown motioned to complete the Conversion Study with Star Energy Services. Commissioner Coleman seconded the motion. The commission noted that this would be an optimum time to consider updating the infrastructure. Motion carried all in favor. Further discussion was had regarding updating the lines from 3 to 4 ought. Discussion was also had regarding the testing of electric meters. Wagner noted that the current meters are 3 years old; generally residential meters are verified every 16 years, while commercial is done more frequently. Wagner will work with Tri-County to test the commercial meters. Administrator Peterson was asked to include this as a line item in the budget moving forward. Finally there was discussion regarding the change from above ground lines to below ground lines, Wagner and Peterson will look into this further.
- E. Administrator/Clerk Update**
- a) Ordinance Update: Administrator Peterson noted the information had been sent to American Legal Publishing; however she was still waiting on a quote to update the Utilities ordinances.
  - b) Resolution 2016-1 – Closing out Fund 604, and cash account 10105: Commissioner Coleman moved to approve resolution 2016-1. Commissioner Brown seconded the motion. Motion carried all in favor.
  - c) Administrator Peterson requested that the commission hold off on discussing changes to the Vehicle Replacement Fund, until the Audit information was complete, as well until the Financial Representative Mike Bubany has a chance to review the information.

- d) Resolution 2016-3 – Closing out Fund 315: Commissioner Brown motioned to approve resolution 2016-3. Commissioner Coleman seconded the motion. Motion carried all in favor.
- e) Green Energy / Electric Capital: Peterson and Wagner updated the commission on the current standing of the Green Energy program. Although this had at one time been a program through Dairyland Electric, that specific program does not exist any longer. However Wagner had verified that the money collected could be used internally on Green Energy projects. The suggestion was made to use those funds to help supplement the repair of the hydro governor. The Commission asked Peterson and Wagner to create a new flier to promote the Green Energy program, and distribute them with the Utility bills.

**F. Continued Business:**

- a) Circle Drive Properties: Administrator Peterson presented the plat map of the Circle Drive subdivision. Although the plat states that the road was dedicated to the public, for public use forever; there was concern that it did not necessarily cover the utilities underground. Administrator Peterson will discuss this with Attorney Manion and begin any processes necessary to move forward.
- b) REU Discussion: Commissioner Brown wished to make clear her comments from the last meeting, noting that she felt it was management responsibility to verify information, for this reason she is hoping that other options can be sought out. Brown also stated concern for cost overages in the current Water project. Brown recommended the commission consider conducting a rate study for the Water service. Also noting that overall water usage is down, therefore transferring more of a burden to commercial users. Commissioner Coleman motioned to approve Peterson to search out quotes for a rate study for the Water Service as well as the Sewer Service. Commissioner Brown seconded the motion. Motion carried all in favor.

**Next Meeting: Tuesday, June 21, 2016 at 5:30 p.m.**

**Adjourn Regular Meeting:** Motion was made by Commissioner Dybing to adjourn the regular meeting of the PUC at 7:15 p.m. Motion was seconded by Commissioner Brown. Motion carried all in favor.

Respectfully Submitted,

Michele Peterson  
City Administrator