

**Lanesboro Public Utilities
Regular Meeting, City Council Chambers
Tuesday, October 19th, 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

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

- A. **Agenda:** The addition of Chamber of Commerce funding request under Regular Business was requested.
- B. **Consent Agenda:** Commissioner Brown asked to have item 1, Minutes of the Regular Meeting, September 20th, 2016 removed from the consent agenda.
Member Brown requested the minutes of the Regular Meeting, September 20th, 2016 under the final paragraph be changed from “in best interest” to “for convenience.” Member Dybing motioned to approve the minutes as amended. Member Brown seconded the motion. Motion carried all in favor.
Member Brown motioned to approve the Accounts Payable as submitted. Member Dybing seconded the motion. Motion carried all in favor.
- C. **Staff Update:** Jerod Wagner noted that there had been a UMMEG meeting held in Lanesboro last Wednesday. During the meeting they looked at rate projections as well as the financial statement. Additionally we may have an opportunity to review our power contract, which is currently exclusive. If a change is possible, this could lead to additional possible projects in Lanesboro. It is proposed that there will be a rate decrease coming; the commission noted once the rates were in would be a good time to complete a rate study. Wagner also noted the Bucket truck had had a safety inspection completed. It was found that the hydraulic hoses were in need of replacement, at an estimated cost of \$2,000 - \$6,000. Discussion then continued regarding replacement of this vehicle, as well as a time frame to do so. Jim Peterson noted that 2 hydrants on the flat and one on Sheridan had been replaced, at this time all seem to be working properly. Peterson and Wagner also noted that they were working on clearing trees on the property adjacent to the Water Treatment Facility as time allowed. The property owner will clear the debris away.

Regular Business

- A. **3 Phase Connection for DNR:** A quote was received to upgrade the lines from the grain bins to the DNR Fish Hatchery property in the amount of \$70,890. Discussion was had regarding the details of this quote. Member Brown requested that Wagner and Peterson reach out to the DNR to gauge their interest in proceeding. If it appears they would like to proceed with the project staff is to request a bid showing the portion assessable to the DNR, as well as the portion for LPU to upgrade the conductor.

- B. Commission Opening:** Administrator Peterson noted that Member Dybing's term is up in December of 2016. An ad has been placed and fliers circulated requesting applicants.
- C. 2017 Budget Discussion:** Administrator Peterson provided an overview of the options provided to the commission. Member Brown motioned to forward the recommendation to the Council: An increase to Residential electric base rate from \$12 to \$13 monthly, a 7% increase in monthly charges for Garbage from \$8.05 to \$8.62 monthly, as well as a 7% increase in Sewer rates (Usage from \$.0041 to \$.0044, Base from \$15.95 to \$17.07). Member Dybing seconded the motion. Discussion was then had regarding a study for electric rates next year. Motion carried all in favor. Discussion was then had regarding possible rate changes for the Water service. The commission requested to remove options 2 and 3. Member Dybing requested examples showing the impact of options 1 and 4. Administrator Peterson will provide this documentation. Member Coleman motioned to review options 1 and 4. Member Brown seconded the motion. Motion carried all in favor. Member Brown proposed the LPU hold a Special meeting as a working session in order to review the proposed options.
- D. Chamber of Commerce Funding Request:** The Chamber of Commerce had requested a donation of \$400 towards the production of a visitor's guide. The donation helps the Chamber towards a matching grant from Dairyland Power. Member Coleman motioned to approve the \$400 donation. Member Dybing seconded the motion. Discussion was then had regarding the history of funding for this request. Motion carried all in favor.
- E. Continued Business:**
- a) Circle Drive Letter: Administrator Peterson noted the letters had been sent out to the properties on Circle Drive. One call had been received, and staff will be meeting with the property owners.
- b) SEARCH Grant: Member Coleman noted that the contract with Davy Engineering was done for convenience to review possible locations and consider options for a Waste Water Facility. She also noted that she would prefer to wait to make a decision on this contract until next year; given there will be a possible new commission member as well as potentially a large change to the council.
- Member Brown expressed her opinion to terminate the contract with Davy Engineering, and consider the use of the City Engineer. Brown also noted that there was no approval in the public record of the contract with Davy Engineering. Discussion was had regarding a time frame, the process, as well as location.
- Member Coleman motioned to wait for the new Council to make a decision on the contract. She noted that it would not cost the City anything to wait. Member Brown felt it was the responsibility of the current members to make this decision. Member Dybing requested that Attorney Manion be consulted on this matter. Member Coleman then withdrew her previous motion.
- Member Brown motioned to terminate the Davy Engineering contract for convenience as the contract allows. Member Dybing seconded the motion. Member Dybing then shared that as a City Council member he helped make the decision for a City Engineer and has appreciated the engineer's work on the current road project. Member Brown also cautioned there was several cost over runs with the Water Treatment Facility project. Members Brown and Dybing voted in favor. Member Coleman voted not in favor.

Next Meeting: Tuesday, November 15th, 2016 at 5:30 p.m.

Adjourn Regular Meeting: Motion was made by Commissioner Dybing to adjourn the regular meeting of the PUC at 6:38 p.m. Motion was seconded by Commissioner Brown. Motion carried all in favor.

Respectfully Submitted,

Michele Peterson
City Administrator/Clerk