

Lanesboro Public Utilities
Council Chambers
October 19th, 2015 1:00 p.m.

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

Absent: None

Staff Present: Jared Wagner, Jim Peterson and Michele Peterson

Visitors: Ralph Kaehler, Novel Energy Solutions, Bill Swanson, and Don Bell.

Commissioner Evenson called the meeting to order at 1:02 p.m. Commissioner Coleman moved to adopt the agenda with the additions of: Change to the 2015 Rebate program, Commission Seat, and time of meeting under miscellaneous. Motion was seconded by Commissioner Evenson. Motion carried all in favor.

Commissioner Coleman moved to approve the minutes of the September 21st, 2015 meeting. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Regular Business

A. Payables

Commissioner Coleman moved to pay expenses of the Lanesboro Public Utilities. Motion seconded by Commissioner Schuck. 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 carries all in favor.*
- 2. Davy Engineering – Change order #2 (Norman’s Electric) – Motion to approve the change order as recommended was made by Commissioner Coleman. Seconded by Commissioner Schuck. Motion carried all in favor.*

Davy Engineering – Pay Request #1 (Winona Mechanical) \$162,475.00 - Motion was made by Commissioner Coleman to approve the pay estimates for the contractors on the recommendation of Davy Engineering. Motion was seconded by Commissioner Evenson. Motion carried all in favor.

Davy Engineering – Pay Request #1 (Thein Well) \$109,178.75 - Motion was made by Commissioner Coleman to approve the pay estimates for the contractors on the recommendation of Davy Engineering. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Davy Engineering – Pay Request #1 (Winona Mechanical) \$52,621.45 - Motion was made by Commissioner Coleman to approve the pay estimates for the contractors on the recommendation of Davy Engineering. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Davy Engineering – Pay Request #3 (Norman’s Electric) \$149,967.69 - Motion was made by Commissioner Coleman to approve the pay estimates for the contractors on the recommendation of Davy Engineering. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Davy Engineering – Pay Request #7 (Mark J. Traut Wells) \$12,449.32 - Motion was made by Commissioner Coleman to approve the pay estimates for the contractors on the

recommendation of Davy Engineering. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

B. Renewable Energy

Jerod Wagner had attained a Net Metering Policy that Tom Nigon had prepared for Lanesboro Public Utilities. Our policy will cap out at 20kW. Systems producing 40kW DGU would require a separate meter. The system being proposed is a bidirectional system, to which our current electric meters are capable of handling with proper programming. Commissioner Coleman motioned to approve the proposed Renewable Energy Policy. Commissioner Evenson seconded, motion carried all in favor.

C. Verizon Wireless Contract

Administrator Peterson noted the amendment being proposed is similar to that of the one agreed to for AT&T. The Commission expressed its desire to treat all vendors equally. Commissioner Coleman motioned to approve the proposed amendment to the contract. Commissioner Schuck seconded, motion carried all in favor.

D. Merchants Bank

Merchants Bank notified the Public Utilities Commission that the current Money Market account would be becoming dormant, and therefore will incur monthly fees. In order to prevent this from happening it was recommended that the Public Utilities move \$10 into the account, and then back out. Commissioner Coleman moved to approve the transfer in and out of \$10.00 from the Money Market account. Commissioner Schuck seconded, motion carried all in favor.

E. Circle Drive

It was noted that the homes on Circle Drive in Lanesboro are not properly hooked to the main infrastructure. In order to correct this, and improve the service to the affected homes we will be asking each property owner to make the necessary repairs to connect to the proper infrastructure. It was discussed that Lanesboro Public Utilities could possibly offer \$500 per household, to cover the expense of a pressure reducing valve, as well the expense to hook up to the main. The shutoffs for each property have already been installed. Administrator Peterson was asked to write a sample letter to be sent to the property owners in the affected area and bring to the next meeting.

F. EDA Funding

Commissioner Coleman made a motion to approve the transfer of \$2500 to the Lanesboro EDA for the budget year 2016. Commissioner Schuck seconded the motion. Discussion was stated that the Public Utilities Commission would like to see the City of Lanesboro match these funds. Commissioner Coleman also noted that she felt that any growth within Lanesboro meant growth for the Public Utilities. Commissioners Schuck and Coleman voted in favor, motion carried.

G. 2016 Budget

Administrator Peterson presented the commission with a proposed budget for 2016. It was noted that there will be lost revenue in the electric department in 2016 due to the change in the engines. The commission requested that we should conduct a rate survey study in 2016.

H. Sewer Fund Figures

It was noted that the Sewer Fund currently has a deficit. For this reason Administrator Peterson was asked to look at options to raise the Sewer Base rate, and present at the next meeting.

I. Replacement Costs

1. *Gerry Olson – The commission noted that the damage to Mr. Olson’s faucet had occurred during an unscheduled water outage, causing the need to replace the faucet. Mr. Olson is asked to present invoice for payment.*
2. *Green Gables – The commission noted that damage to the faucet as well as the need to flush out the water softeners had occurred due to the unscheduled water outage. For this reason Commissioner Coleman made a motion to approve the invoice submitted for Culligan in the amount of \$75.51. Commissioner Evenson seconded, motion carried all in favor.*

J. **Miscellaneous**

1. *2016 Rebate Offer change request. Commissioner Coleman made a motion to approve the addition of a \$25.00 seasonal maintenance rebate request. Commissioner Evenson seconded, motion carried all in favor.*
2. *The Commission authorized the posting for a seat on the Public Utilities Commission, as Commissioner Schuck’s term is up at the end of 2015.*
3. *There was discussion regarding the time the Public Utilities Commission meets. It was decided to wait and possible change the meeting time in 2016.*
4. *Commissioner Coleman made a motion to lift the moratorium on Renewable Energy due to the fact that there is a policy in place. Commissioner Evenson seconded the motion, motion carried all in favor.*

Next Meeting: Monday, November 16th, 2015 at 1:00 p.m.

Adjourn Regular Meeting:

Motion was made by Commissioner Coleman to adjourn the regular meeting of the PUC. Motion was seconded by Commissioner Evenson. Motion carried all in favor.

Respectfully Submitted:

Michele Peterson
City Administrator