

**Lanesboro Public Utilities
Regular Meeting
Tuesday, January 18, 2022 10:00 a.m.
Lanesboro Community Center Meeting Room and Zoom**

Present: Jon Pieper, Elliot Riggott, and Brian Roelofs
Absent: None
Staff/Council Present: Jerod Wagner, Darla Taylor, Jake Pichelmann, Phil Dybing, and Gary Price
Visitors: None

Regular Meeting:

Commissioner Pieper called the regular meeting to order at 10:00 a.m.

- A. Agenda:** Member Riggott motioned to approve the agenda with the addition of Rate Stabilization Fund to Regular Business. Member Roelofs seconded the motion. Motion carried with all in favor.
- B. Consent Agenda:** Member Riggott motioned to approve the Consent agenda as presented. Member Roelofs seconded the motion. Motion carried with all in favor.
 - Minutes of the Regular Meeting, December 21, 2021
 - Accounts Payable
- C. Wastewater Treatment Facility Update:** Jake Pichelmann with Bolton & Menk Engineering noted that with five structures up work continues to proceed according to schedule. The project is approximately 50% complete at this point with the plant due to start up at the end of June. Building work, along with equipment and control installation will be the focus for the next few months.
- D. Staff Update:** Supervisor Wagner noted the following:
 - Staff have been working to regulate the chlorine levels in the water at the Water Treatment Facility. MN Dept of Health had recommended an increase, however staff have not been able to get to the level requested. Bolton & Menk Engineering is consulting with us to resolve this issue.
 - It was noted that there is some grant funding available through the Wastewater Treatment Facility Project, and therefore purchase of the pump will be done through this financing.
 - The new Public Utilities Truck was picked up this morning from the dealership.
 - They have been experiencing difficulties with the trickling filter at the Wastewater Treatment Facility. The belt was replaced recently and just a week later needed to be adjusted again.
 - Waiting for submission of preliminary plats for the potential new subdivisions in town, in order to properly plan for electrical service to these areas.
- E. City Council Update:** Administrator Peterson noted that the Council had approved adopting a new 10 step pay scale, in which staff members would receive a step increase annually on their anniversary. A cost of living increase would be looked at a few years, along with a Market Study perhaps every 5 years to ensure that our wages are competitive with the market.

Guest Speakers

- A. **Gary Price:** Mr. Price reviewed how costs are determined as well as provided historical actual cost data. The estimated cost of running the generator is \$100 per MgW hour, while an average market price per MgW is \$60 - \$70. Price noted that he believes a Coal plant that Dairyland shut down in April of 2021 was a significant factor in the increased rates. Rates are determined by taking into account mitigation factors, line congestions, and losses. Although they are looking into how as a group we could run generation to help offset the costs, at this time there is no way to do so, and could not be done as an individual. There were very few periods of time in 2021 where the market cost was over \$100 per MgW, however the average cost when averaged out was less than the \$100 per MgW.
- B. **Lanesboro Housing Association:** Phil Dybing shared that the Association had recently completed a program through Housing Partnership. Through the program the Association gathered benchmarks from other communities about how to attract new residents, and market the information. In Harmony the rebates are based on the cost of the new home. While Preston offers waiving permit and utility hook up fees, as well as offers for the pool, golf, and even Chamber funds. Members questioned if those developments in the other communities were tax abatement areas, it was noted however that the tax abatement would benefit the developer, while these rebates would benefit the new property owners. Dybing noted that he would come back and discuss ideas in 2 - 3 months.

Regular Business

- A. **Resolution 2022-01-Authorizing the transfer of Public Utilities Funds:** Member Riggott motioned to approve the resolution as presented. Member Roelofs seconded the motion. Motion carried with all in favor.
- B. **2022 Step Scale and Cost of Living:** Member Riggott motioned to approve the 10 step pay scale as presented. Member Roelofs seconded the motion. Motion carried with all in favor. Member Pieper motioned to move Troy Schiltz to a step 5 on the Technician Scale, keep Jerod Wagner at a step 10 on the supervisor scale, and move Jeff Norby to a step 8 on the technician scale, while also providing for a 3% COLA increase, and forgo any increase on anniversaries for 2022. Member Riggott seconded the motion. Member Pieper motioned to amend the original motion to keep Jeff Norby at the same pay scale although add a 3% COLA, and move to a step 8 on his anniversary in September. Member Riggott seconded the motion. Member Pieper then motioned to again amend the original motions to keep Troy Schiltz at his current payscale with a 3% COLA, and move him to a step 6 on his anniversary in 2022. Member Riggott seconded the amended motion. Motion carried with all in favor.
- C. **Rate Stabilization Fund:** A final invoice for 2021 has not been received.
- D. **Continued Business:**
 - a. **Underground Study:** Member Pieper motioned to have a letter drafted and sent to property owners noting that the Lanesboro Public Utilities does not at this time plan to put their infrastructure underground. However secondary lines can be put underground by a private contractor. Member Riggott seconded the motion. Motion carried all in favor.
 - b. **Water Connection, RLH:** A letter was sent out, however no corrections have been made at this time.
 - c. **Capital Projects:**
 - i. **Pricing for replacing the relays as a 2021 project:** No new information was available.
 - ii. **Quotes for valve replacement:** No new information was available.

iii. Carbon Neutrality

1. LED for Community Center Quote: Member Riggott motioned to approve the quote from Huntington Electric to install LED lights in the community center for a total price of \$8,175. Member Roelofs seconded the motion. Motion carried with all in favor.

iv. Drip Lines Investigations: Perhaps when health concerns have lightened we could hire someone to handle these investigations. One drip line on Kirkwood will be eliminated with the 2022 Street project.

v. Storm Sewer Investigations: Members questioned if there was a way to quantify the excess water going into the sewer system. Discussion will continue.

E. Miscellaneous

a. Fund Balances: Members requested to have information on project balances, as well as fund balances, and debt fund balances for next month.

b. Automation: It was noted that the automation that the Generator is undergoing is only local to Lanesboro. As well there is a MISO Law that requires 48 hours notice be given to Dairyland prior to the generator being run.

Next Meeting: Tuesday, February 15, 2022 at 10:00 a.m.

Adjourn Regular Meeting: Motion was made by Commissioner Pieper to adjourn the regular meeting of the Public Utilities Commission at 11:32 a.m. Motion was seconded by Commissioner Roelofs. Motion carried with all in favor.

Respectfully Submitted,

Michele Peterson
City Administrator/Clerk