

Lanesboro Public Utilities
Council Chambers
August 19, 2013

Commissioners Present: Gerald Evenson, Chair
Dennis Schuck
Theresa Coleman

Staff Present: David Todd
Jerod Wagner
Jim Peterson

Regular Meeting

Commissioner Evenson called the meeting to order at 10:34a.m. Commissioner Schuck moved to adopt the agenda. Motion was seconded by Commissioner Coleman. Motion carried.

Commissioner Schuck moved to approve the minutes of the July 22, 2013 meeting. Motion was seconded by Commissioner Evenson. Motion carried.

New Business

A. Theresa Coleman-New Member of the PUC

Commissioner Evenson and Commissioner Schuck welcomed Theresa Coleman as the newest member of the Public Utilities Commission.

B. Sewer/Water Rate Increase

1. Water Base Rate Comparison: Harmony (10.00 bse/4.65 per 1,000 g)
Lanesboro (7.50, 3.00 meter = 10.50 bse/3.77 per 1,000 g)
2. Sewer Base Rate Comparison: Harmony (18.00 per month/7.25 per 1,000g) Lanesboro (14.50 per month/3.77 per 1,000g)
3. Rural Water Worksheet

The PUC, utilizing the Rural Water Worksheet available from Minnesota Rural Water Association online, compared water and sewer rates from neighboring communities such as Harmony to ascertain how Lanesboro's utility rates measured up. The worksheet allowed for budget and project cost figures to be input and configured into a projected rate. The PUC was able to see some preliminary figures that would allow them to base the rate increases (if any) on budget projections, utility project costs, and comparisons from other communities. Commissioner Coleman stated that she would continue to configure some preliminary figures for the PUC to look at for the next meeting.

If any implementation of rate increases were to be considered, it would be after January 1st of 2014. It is important to note that no increase has been implemented for the past two years which includes no increase to keep pace with inflation (CPI).

C. Ordinance- Rates and Fees

Commissioner Coleman noted that the current ordinance for rates and fees are outdated. She indicated that, as part of her proposal to reorganize and codify the records and ordinances, this would be addressed the week of August 26th, 2013.

Regular Business

A. Paying Bills

Commissioner Schuck moved to pay expenses of the Public Utilities. Motion seconded by Commissioner Evenson. Motion carried.

B. Past Due Accounts

1. Shut Off Notice for 500 Pleasant Street.

No action taken. Administrator Todd advised the PUC that the utility account for that location had been paid in full prior to this meeting.

2. 109 Parkway Avenue North-Vincent Jeanette (The Pub) \$6474.94

City Administrator Todd advised that since the last PUC Meeting, Mr. Jeanette has paid \$1000.00. A letter was sent to him via mail that he has until August 26th, 2013 to pay the remainder of the past due amount of \$6474.94 or the account will be certified for taxes.

C. Water Radium Issues: Options and Funds

Administrator Todd advised the PUC that at the last Council meeting, the City Council indicated that they should be better advised of the direction and recommendations of the PUC regarding the water project and that they have to approve of the recommendation prior to implementation of any portion of the project. The PUC has recommended that the Council approve and proceed with the Water Test Pilot and Options A and B of the water radium project. Financing is still in progress with Davy Engineering taking the lead on funding. They have provided three options to consider for the PUC and Council. The deadlines for applying for these options are in mid to late September and Davy

will notify the City Administrator of when application can be made. Davy stated that the Water Test Pilot is eligible for the funding as part of the larger project. The Water Test Project is set to commence within the next 4 to 6 weeks. Theresa Coleman indicated that she will be the liaison to the City Council for the PUC.

D. Electric Line Loss

There are currently two unmetered lights within the city of Lanesboro; one is a light located at the golf course; the other is a light by the pump house. The light by the golf course will be disconnected due to lack of desire to keep it and the light by the pump house will also be disconnected due to lack of need.

E. Photovoltaic Project at Depot-Sample Policy

Jared Wagner advised the PUC that they are currently into phase II of the project. The intent of the Utility is to use CIP program to turn this into a larger project. Wagner indicated that he will be meeting with Jim Walters regarding the Specifics and Community Interest in this cutting edge technology. Wagner stated that this will be a good thing for Lanesboro in that it shows we are a progressive city and concerned about the environment. He stated that he will have more information soon.

F. Next Meeting- September 16th, 2013

G. Miscellaneous Items

City Administrator Todd advised the PUC that due to the provisions of the Health Care Reform Act, there will be changes to the city's health care program coming in the near future. He stated that he will be meeting with the current provider of the HSA for the city to discuss policies and impending legislation and how it will be affecting the city. Obviously, if changes need to be made there will be budgetary implications to both the city and PUC budgets. More information will be coming in the next few months.

Jared Wagner provided the PUC with a cost estimate for relocation of the overhead electric lines above the Lanesboro Dam (Dam Project). The cost estimate was provided by Push Inc. in conjunction with Tri-County Electric. The estimate includes the removal of the line, drilling and digging the trench as well as tubes and replacement lines. The cost estimate is \$185,000.00 should the Dam Project move forward.

Respectfully Submitted:

David Todd
City Administrator