

Lanesboro Public Utilities
Council Chambers
October 21, 2013

Commissioners Present: Gerald Evenson, Chair
Dennis Schuck
Theresa Coleman

Staff Present: Jim Peterson
Jerod Wagner

Commissioner Evenson called the meeting to order at 3:40 p.m. Commissioner Coleman moved to adopt the agenda with the additions of Friends of the Library, PV Project, and SCADA Project under miscellaneous. Motion was seconded by Commissioner Schuck. Motion carried.

Commissioner Coleman moved to approve the minutes of the September 16th, 2013 meetings. Motion was seconded by Commissioner Schuck. Motion carried.

New Business

- A. Electric, Sewer/Water Rate Increases
- B. 2014 Preliminary Budget (Work in Progress)
- C. Ordinance-Rates and Fees

The PUC Budget continues to be a work in progress. The PUC will be working to get a budget finalized for their December meeting. The members of the PUC and the City Administrator will gather in the coming weeks to work on finalizing the budget. Updated ordinance-rates and fees- will be placed before the council on either the November or December meeting.

Regular Business

- A. Payables

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

- B. Water Radium Project: Update on Surveys for SCDP Grant

To date, the total number of surveys completed and returned to CEDA is 31%. The needed response rate was 51%. Mike Davy suggested appealing to the state to see if 31% would be an adequate statistical amount. If not, the city still has the PFA loan process in place. Davy stated that the pre-application process is now open online.

C. PFA Loan Pre-Application Materials

Administrator Todd advised the PUC that the pre-application materials are online and can be accessed. Todd stated that Mike Davy advised to start working on the pre-application as soon as possible because there was much information to be gathered through various sources. Todd indicated that there would be a need for the city to retain bond council throughout this process. PUC Chair Evenson stated that Todd should contact Mike Bubany from David Drown and Associates to assist with this as the city has contracted with them and they could provide direction. A motion was made by Commissioner Coleman to contact David Drown and Associates moving forward with the pre-application and to utilize their recommended bond council. Motion was seconded by Chair Evenson. Motion carried all in favor.

D. Minnesota Energy Assistance Program Agreement

Administrator Todd advised the PUC that SEMCAC requested the City sign and date the Agreement Between the Energy Vendor and Service Provider as well as the Non-Disclosure Agreement provided. This will update SEMCAC files for FY 2014 and continue the Energy Assistance grants currently in place. Commissioner Coleman made a motion to have Todd sign and return the forms and continue the Energy Assistance grants through SEMCAC. Motion was seconded by Chair Evenson. Motion carried all in favor.

E. Motor Replacement Invoice

The PUC was presented an invoice for replacement of a Baldor 10hp 3ph 1725rpm motor. Utility staff stated that the motor was ruined due to a short it sustained trimming trees. Utility staff indicated that the fault was Lanesboro's. Chair Evenson stated that the City should not have to replace the full amount of the motor because it was purchased three years prior to the event. Evenson asked if it was covered under the City's policy with the LMCIT. He instructed Administrator Todd to check into insurance coverage. In the event that the motor is not covered, Commissioner Coleman made a motion to pay the depreciated value of the motor. Motion was seconded by Chair Evenson. Depreciation is calculated as $(\$991.26/20\text{yrs} \times 3\text{yrs})$. Motion carried all in favor.

F. Jerry Flaby Water Leak

Mr. Jerod Wagner reported that there is a water leak on the Flaby property that is on his side of the "stop box" but prior to the meter. Mr. Wagner estimates that the water loss to the City annually could be near 300,000 gallons. Mr. Wagner contacted Mr. Flaby and asked him to fix the leak on his property. Mr. Flaby indicated that he was reluctant to fix the leak. Mr. Wagner asked the assistance of the City Attorney to craft a letter to explain the City's position. Chair Evenson stated that if he did not fix the leak, the City would turn off water service to his house and condition the reinstatement of

service based on Flaby fixing the leak. Administrator Todd will seek assistance of the City Attorney.

G. Water Use by Sand and Gravel

The PUC was provided an update regarding the unmetered usage of Lanesboro's water by Sand and Gravel. To date, an invoice was sent to Sand and Gravel requesting they pay for the amount of water used at \$5,920 or 1.6 million gallons. The invoice was sent October 8th, 2013 and to date, there has been no response.

H. Commission Member Terms

Administrator Todd, in an attempt to ascertain PUC Member term limits, asked the Commissioners to state when their terms expires. Those terms are as follows:

Jerry Evenson: December 2013

Theresa Coleman: December 2014

Dennis Schuck: December 2015

I. Next Meeting-November 18th, 2013 at 12:30 p.m.

J. Miscellaneous Items

Commissioner Coleman requested that the PUC donate money to the Friends of the Library. Motion was made by Chair Evenson to donate \$100.00 to the Friends of the Library. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Mr. Jared Wagner provided the PUC an update on the Photovoltaic project. Wagner stated that the project cost is approximately \$47,300 and the LPU needs approximately half of this cost to move forward with the project. A motion was made by Chair Evenson to utilize 2012 CIP/Infrastructure funds in the amount of \$18,000 and also a grant of \$4,800 to offset the cost for kilowatts for downtown streetlight PV project. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Mr. Jared Wagner advised the PUC on the SCADA Project; a new water project that would allow the LPU to monitor the water at the well site via computer. This would save much time and physical labor utilized to conduct site surveys of the water at the well. He indicated that it would add an additional \$6,000 to the water project. Motion was made by Commissioner Coleman to proceed with the SCADA project. Motion was seconded by Chair Evenson. Motion carried all in favor.

Adjourn Regular Meeting:

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

Respectfully Submitted:

David Todd
City Administrator