

**Lanesboro Public Utilities
Regular Meeting
Tuesday, November 17, 2020 10:00 a.m.
Zoom with video and audio connections**

Present: Jon Pieper and Don Bell
Absent: Elliot Riggott
Staff Present: Jerod Wagner and Darla Taylor
Visitors: Tom Smith and Steve Sobieniak

Regular Meeting:

Commissioner Pieper called the regular meeting to order at 10:03 a.m.

- A. **Agenda:** Member Peiperl motioned to approve the agenda as submitted. Member Bell seconded the motion. Vote was done by roll call with all in favor. Motion carried.
- B. **Consent Agenda:** Member Pieper motioned to approve the Consent agenda as presented. Member Bell seconded the motion. Vote was done by roll call with all in favor. Motion carried.
 - Minutes of the Regular Meeting, October 20, 2020
 - Accounts Payable
- C. **Council Liaison Update:** Council Member Smith noted the following from the November 2, 2020 Council Meeting:
 - Mike Bubany was present to provide an overview of the capital improvement plan. He noted that the debt per capita is increasing.
 - Approved the CEDA contract for 2021.
 - Budget workshop held, noting minor levy increases, although property values have increased.
- D. **Staff Update:** Utilities Supervisor Jerod Wagner reported the following:
 - The SCADA system for the Hydro-Electric operation is being installed today.
 - There is a water leak on Hillcrest Street, the area is being dug up today in order to determine exactly where the leak is. Due to the configuration of the system a large portion of the north side of town may need to be shut off to repair the leak.
 - Challenges persist with relation to the electrical service for the new Wastewater Treatment Facility site.
 - Pipes at the new location for dewatering.
 - Member Pieper inquired about the time frame for determining where the runoff for downtown buildings is going, it will be looked at again in the Spring of 2021.

Regular Business

A. 2021 Rates

- a. **Water:** Member Pieper motioned to approve the suggested rates for 2021. Member Bell seconded the motion. Vote was done by roll-call with all in favor. Motion carried.

2021	Gallons	Per Gallon Cost
Tier 1 Total Usage	4,433,754	0
Tier 2 Total Usage	7,641,609	0.0079
Tier 3 Total Usage	1,925,266	0.01156
Tier 4 Total Usage	2,054,632	0.02287
Total Usage	16,055,261	
Total Base Charge	494	33.5

- b. **Sewer:** Member Pieper motioned to approve option two, spacing the rate increases out over a two year period. Member Bell seconded the motion. Discussion was had regarding the fund balance, current debt, and future projects. Vote was done by roll-call with all in favor. Motion carried.

2021	Gallons	Per Gallon Cost
Tier 1 Total Usage	4,433,754	0
Tier 2 Total Usage	7,641,609	0.00714
Tier 3 Total Usage	1,925,266	0.0084
Tier 4 Total Usage	2,054,632	0.009072
Total Usage	16,055,261	
Residential Base	358	\$ 37.45
Commercial Base	85	\$ 37.45
Flat Rate Base	3	\$ 37.45
Apartment Base	39	\$ 6.93
Sewer Improvement Fee	485	\$ 5.60

2022	Gallons	Per Gallon Cost
Tier 1 Total Usage	4,433,754	0
Tier 2 Total Usage	7,641,609	0.0104139
Tier 3 Total Usage	1,925,266	0.01134
Tier 4 Total Usage	2,054,632	0.0122472
Total Usage	16,055,261	
Residential Base	358	\$ 50.56
Commercial Base	85	\$ 50.56
Flat Rate Base	3	\$ 50.56
Apartment Base	39	\$ 9.36
Sewer Improvement Fee	485	\$ 7.56

- c. **Electric:** Administrator Peterson reviewed the rates presented. Although information from the rate study has not come in, Peterson reviewed revenue and expenses and put together this suggestion. Switching the focus of the revenue from usage charges to the base charges would help capture revenue from properties that are not occupied 12 months of the year. As well prepare for the future with renewable energy, to help ensure the system to transmit the energy remains viable. Member Smith noted concern

for the rate change for properties that have two meters. He suggested that the second meter could be charged a lesser rate. Administrator Peterson will send out the debt service schedule for Public Utilities. Member Pieper motioned to table the electric rate discussion. Member Bell seconded the motion. Vote was done by roll-call with all in favor. Motion carried. Administrator Peterson will provide two examples from each rate category for the continued discussion.

B. Continued Business:

1. 2021 Budget:

- a. **Water:** Member Pieper motioned to approve the 2021 budget presented with the removal of funding for the Economic Development Authority in the amount of \$2500. Member Bell seconded the motion. Vote was done by roll-call with all in favor. Motion carried.
- b. **Sewer:** Member Pieper motioned to approve the 2021 budget as presented with the removal of funding for the Economic Development Authority in the amount of \$2500. Member Bell seconded the motion. Vote was done by roll-call with all in favor. Motion carried.
- c. **Electric:** Member Pieper motioned to table the discussion. Member Bell seconded the motion. Vote was done by roll call with all in favor. Motion carried.

2. Wastewater Treatment Facility: No new information was available at this time.

C. Miscellaneous:

1. **Disconnection Request:** A request was received about disconnecting Utility services, with the meters being pulled due to a financial hardship. Members discussed the different possible situations, and discussed that currently properties that are disconnected are still being charged the base charge. Member Pieper motioned the following: if a meter remains in place then a base charge should be charged each month per utility and the reconnection fees would apply, however if a meter is pulled then the property owner would need to pay the fees for the new services for each utility, currently \$750. Member Bell seconded the motion. Vote was done by roll-call with all in favor. Motion carried.
2. **Special Meeting:** Members requested a special meeting to be held the week of November 30th, to finalize the recommended rate structure, the 2021 budget, and the short and long term goals of the commission. Administrator Peterson will work with Member Riggott and post the Special Meeting. Administrator Peterson will provide the following:
 - Debt Schedule for all Utilities
 - Utility Fund Balances
 - Two examples from each rate class for electric

Next Meeting: Tuesday, December 15, 2020 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 11:11 a.m. Motion was seconded by Commissioner Bell. Motion carried all in favor.

Respectfully Submitted,

Michele Peterson
City Administrator/Clerk