

**Lanesboro Public Utilities  
Regular Meeting Agenda  
Monday, June 15, 2026 - 7:15 a.m.  
Lanesboro City Council Chambers**

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<https://us02web.zoom.us/j/82471344034?pwd=YRbxDSbmeWaWBjlA3ZVACseHpCJJyf.1>

Meeting ID: 824 7134 4034 | Passcode: 138050

**Call to Order**

- A. Agenda Approval

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

- B. Public Comment

- C. Consent Agenda

- a. Accounts Payable

- b. Minutes of Regular Meeting, May 18, 2026

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

- D. Staff Update

- E. City Council Update

**Continued Business**

- A. Discuss Wastewater Pre-Treatment Agreement with Sylvan Brewing

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**New Business**

- A. Discuss Water Debt Service Fund Balance and Water Fund Balance

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

- B. Discuss Sewer Debt Service Fund Balance and Sewer Fund Balance

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Next Meeting:** Monday, July 15, 2026 at 7:15 a.m.

**Adjourn Regular Meeting**

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*Commission Members: Jon Pieper, Joe Cullen, Brian Roelofs*

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Payments

Current Period: June 2026

<b>Payments Batch 06052026PAY</b>				<b>\$20,951.68</b>
Refer	120367	<u>MIENERGY COOPERATIVE</u>	-	
Cash Payment	E 640-60400-218	Purchased Power		\$15,361.81
Invoice		5/7/2026		
Cash Payment	E 620-60200-300	Professional Srvs (GEN		\$1,137.50
Invoice	488820	4/30/2026		
Transaction Date	5/13/2026	Checking	10101	<b>Total \$16,499.31</b>
Refer	120368	<u>USA BLUE BOOK</u>	-	
Cash Payment	E 620-60200-210	Operating Supplies (GE		\$634.02
Invoice	INV01047400	5/14/2026		
Transaction Date	5/15/2026	Checking	10101	<b>Total \$634.02</b>
Refer	120369	<u>THE LINCOLN NATIONAL LIFE INS</u>	-	
Cash Payment	E 640-60400-134	Employer Paid Life	Reference 4969869210	\$50.52
Invoice		5/8/2026		
Cash Payment	E 620-60200-134	Employer Paid Life	Reference 4969869210	\$25.26
Invoice		5/8/2026		
Cash Payment	E 610-60100-134	Employer Paid Life	Reference 4969869210	\$25.26
Invoice		5/8/2026		
Transaction Date	5/18/2026	Checking	10101	<b>Total \$101.04</b>
Refer	120370	<u>PRESTON AUTO PARTS</u>	-	
Cash Payment	E 610-60100-210	Operating Supplies (GE		\$8.79
Invoice	875278	5/19/2026		
Transaction Date	5/18/2026	Checking	10101	<b>Total \$8.79</b>
Refer	120371	<u>BERKLEY RISK ADMINISTRATORS</u>	-	
Cash Payment	E 640-60400-150	Worker s Comp (GENE		\$878.76
Invoice		5/18/2026		
Cash Payment	E 620-60200-150	Worker s Comp (GENE		\$439.38
Invoice		5/18/2026		
Cash Payment	E 610-60100-150	Worker s Comp (GENE		\$439.38
Invoice		5/18/2026		
Transaction Date	5/19/2026	Checking	10101	<b>Total \$1,757.52</b>
Refer	120372	<u>AFLAC</u>	-	
Cash Payment	G 640-21705	AFLAC		\$12.36
Invoice	032975	5/26/2026		
Cash Payment	G 620-21705	AFLAC		\$6.18
Invoice	032975	5/26/2026		
Cash Payment	G 610-21705	AFLAC		\$6.18
Invoice	032975	5/26/2026		
Transaction Date	5/20/2026	Checking	10101	<b>Total \$24.72</b>
Refer	120373	<u>FILLMORE COUNTY</u>	<u>Ck# 043743 5/20/2026</u>	
Cash Payment	E 323-60100-300	Professional Srvs (GEN		\$276.00
Invoice				
Cash Payment	E 423-60100-300	Professional Srvs (GEN		\$276.00
Invoice				
Transaction Date	5/20/2026	Checking	10101	<b>Total \$552.00</b>
Refer	120374	<u>METERING &amp; TECHNOLOGY SOLU</u>	-	

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## Payments

Current Period: June 2026

<b>Cash Payment</b>	E 610-60100-210	Operating Supplies (GE				\$162.17
Invoice	INV10549	5/17/2026				
Transaction Date	5/20/2026	Checking	10101	<b>Total</b>		\$162.17
Refer	120375	<i>PURCHASE POWER</i>	-			
<b>Cash Payment</b>	E 640-60400-322	Postage				\$301.87
Invoice		5/22/2026				
<b>Cash Payment</b>	E 620-60200-322	Postage				\$150.94
Invoice		5/22/2026				
<b>Cash Payment</b>	E 610-60100-322	Postage				\$150.94
Invoice		5/22/2026				
Transaction Date	5/26/2026	Checking	10101	<b>Total</b>		\$603.75
Refer	120376	<i>AMAZON CAPITAL SERVICES</i>	-			
<b>Cash Payment</b>	E 640-60400-210	Operating Supplies (GE				\$4.98
Invoice	1KJF-KPRC-3HTN	5/21/2026				
Transaction Date	5/26/2026	Checking	10101	<b>Total</b>		\$4.98
Refer	120377	<i>PLUNKETTS PEST CONTROL</i>	-			
<b>Cash Payment</b>	E 640-60400-300	Professional Srvs (GEN				\$98.57
Invoice	10566518	5/22/2026				
Transaction Date	5/26/2026	Checking	10101	<b>Total</b>		\$98.57
Refer	120378	<i>MINNESOTA ENERGY RESOURCE</i>	-			
<b>Cash Payment</b>	E 640-60400-380	Utility Services (GENER				\$10.50
Invoice	5936869488	5/20/2026				
<b>Cash Payment</b>	E 620-60200-380	Utility Services (GENER				\$5.25
Invoice	5936869488	5/20/2026				
<b>Cash Payment</b>	E 610-60100-380	Utility Services (GENER				\$5.25
Invoice	5936869488	5/20/2026				
<b>Cash Payment</b>	E 610-60100-380	Utility Services (GENER				\$114.35
Invoice	5935103493	5/19/2026				
<b>Cash Payment</b>	E 620-60200-380	Utility Services (GENER				\$37.42
Invoice	5935620525	5/19/2026				
<b>Cash Payment</b>	E 620-60200-380	Utility Services (GENER				\$194.81
Invoice	5934993273	5/19/2026				
<b>Cash Payment</b>	E 640-60400-380	Utility Services (GENER				\$93.45
Invoice	5934441361	5/19/2026				
Transaction Date	5/27/2026	Checking	10101	<b>Total</b>		\$461.03
Refer	120379	<i>PRAXAIR</i>	-			
<b>Cash Payment</b>	E 610-60100-210	Operating Supplies (GE				\$43.78
Invoice	55888176	3/31/2026				
Transaction Date	5/27/2026	Checking	10101	<b>Total</b>		\$43.78

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## Payments

Current Period: June 2026

### Fund Summary

	10101 Checking	
323 2024A HWY 250 WATER		\$276.00
423 2024A HWY 250 SEWER		\$276.00
610 WATER FUND		\$956.10
620 SEWER FUND		\$2,630.76
640 ELECTRIC FUND		\$16,812.82
		<hr/>
		\$20,951.68

Pre-Written Checks	\$552.00
Checks to be Generated by the Computer	\$20,399.68
Total	<hr/>
	\$20,951.68

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## Payments

Current Period: June 2026

<b>Payments Batch 06152026PAY</b>						<b>\$147,258.38</b>
Refer	120380	<u>WAGNER, JEROD G</u>	-			
Cash Payment	E 640-60400-135	Employer Paid Other	cell phone			\$25.00
Invoice						
Cash Payment	E 620-60200-135	Employer Paid Other	cell phone			\$12.50
Invoice						
Cash Payment	E 610-60100-135	Employer Paid Other	cell phone			\$12.50
Invoice						
Transaction Date	5/28/2026		Checking	10101	<b>Total</b>	<b>\$50.00</b>
Refer	120381	<u>NORBY, JEFF</u>	-			
Cash Payment	E 640-60400-135	Employer Paid Other	cell phone			\$25.00
Invoice						
Cash Payment	E 620-60200-135	Employer Paid Other	cell phone			\$12.50
Invoice						
Cash Payment	E 610-60100-135	Employer Paid Other	cell phone			\$12.50
Invoice						
Transaction Date	5/28/2026		Checking	10101	<b>Total</b>	<b>\$50.00</b>
Refer	120382	<u>BADGER METER</u>	-			
Cash Payment	E 610-60100-300	Professional Srvs (GEN				\$57.99
Invoice	80236845					
Transaction Date	5/29/2026		Checking	10101	<b>Total</b>	<b>\$57.99</b>
Refer	120394	<u>FILLMORE COUNTY</u>	<u>Ck# 043767 5/29/2026</u>			
Cash Payment	E 323-60100-300	Professional Srvs (GEN				\$207.00
Invoice						
Cash Payment	E 423-60100-300	Professional Srvs (GEN				\$207.00
Invoice						
Transaction Date	5/29/2026		Checking	10101	<b>Total</b>	<b>\$414.00</b>
Refer	120395	<u>Gary Musselman</u>	-			
Cash Payment	E 640-60400-404	Repairs/Maint Machiner	underground electric installation reimbursement			\$172.20
Invoice						
Transaction Date	5/29/2026		Checking	10101	<b>Total</b>	<b>\$172.20</b>
Refer	120396	<u>ACENTEK</u>	-			
Cash Payment	E 640-60400-321	Telephone				\$110.76
Invoice						
Cash Payment	E 620-60200-321	Telephone				\$111.26
Invoice						
Cash Payment	E 610-60100-321	Telephone				\$150.37
Invoice						
Transaction Date	5/29/2026		Checking	10101	<b>Total</b>	<b>\$372.39</b>
Refer	120397	<u>UC LABORATORY</u>	-			
Cash Payment	E 620-60200-300	Professional Srvs (GEN				\$190.30
Invoice	128087					
Transaction Date	6/1/2026		Checking	10101	<b>Total</b>	<b>\$190.30</b>
Refer	120398	<u>PRAXAIR</u>	-			
Cash Payment	E 610-60100-210	Operating Supplies (GE				\$45.20
Invoice	57063626					

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## Payments

Current Period: June 2026

Transaction Date	6/1/2026	Checking	10101	<b>Total</b>	<b>\$45.20</b>
Refer	120399	MINNESOTA DEPARTMENT OF HE		-	
Cash Payment	E 610-60100-311	Membership Dues			\$1,765.00
Invoice					
Transaction Date	6/1/2026	Checking	10101	<b>Total</b>	<b>\$1,765.00</b>
Refer	120400	LANESBORO PUBLIC UTILITIES		-	
Cash Payment	E 610-60100-380	Utility Services (GENER			\$185.92
Invoice					
Cash Payment	E 610-60100-380	Utility Services (GENER			\$120.48
Invoice					
Cash Payment	E 610-60100-380	Utility Services (GENER			\$130.35
Invoice					
Cash Payment	E 610-60100-380	Utility Services (GENER			\$297.81
Invoice					
Cash Payment	E 610-60100-380	Utility Services (GENER			\$2,201.57
Invoice					
Cash Payment	E 610-60100-380	Utility Services (GENER			\$161.51
Invoice					
Cash Payment	E 640-60400-380	Utility Services (GENER			\$664.07
Invoice					
Cash Payment	E 610-60100-380	Utility Services (GENER			\$218.20
Invoice					
Cash Payment	E 620-60200-380	Utility Services (GENER			\$2,119.08
Invoice					
Transaction Date	6/2/2026	Checking	10101	<b>Total</b>	<b>\$6,098.99</b>
Refer	120401	MN DEPT OF REVENUE		Ck# 039042E 6/2/2026	
Cash Payment	E 640-60400-450	Sales Tax Paid			\$3,823.00
Invoice					
Transaction Date	6/2/2026	Checking	10101	<b>Total</b>	<b>\$3,823.00</b>
Refer	120402	AMAZON CAPITAL SERVICES		-	
Cash Payment	E 640-60400-210	Operating Supplies (GE			\$33.95
Invoice	1G9D-4PW7-QMY6				
Cash Payment	E 620-60200-210	Operating Supplies (GE			\$16.97
Invoice	1G9D-4PW7-QMY6				
Cash Payment	E 610-60100-210	Operating Supplies (GE			\$16.97
Invoice	1G9D-4PW7-QMY6				
Transaction Date	6/3/2026	Checking	10101	<b>Total</b>	<b>\$67.89</b>
Refer	120403	GOPHER STATE ONE-CALL		-	
Cash Payment	E 640-60400-438	Gopher One Locates			\$22.95
Invoice	6050539				
Transaction Date	6/4/2026	Checking	10101	<b>Total</b>	<b>\$22.95</b>
Refer	120404	KELLY PRINTING & SIGNS		-	
Cash Payment	E 640-60400-210	Operating Supplies (GE			\$191.00
Invoice	236495				
Cash Payment	E 620-60200-210	Operating Supplies (GE			\$95.50
Invoice	236495				

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Payments

Current Period: June 2026

Cash Payment	E 610-60100-210	Operating Supplies (GE				\$95.50
Invoice 236495						
Transaction Date	6/4/2026	Checking	10101	<b>Total</b>		<b>\$382.00</b>
Refer	120405	MINNESOTA DEPT. OF COMMERC	-			
Cash Payment	E 640-60400-439	Conservation Improvem				\$38.61
Invoice 1000055297						
Transaction Date	6/4/2026	Checking	10101	<b>Total</b>		<b>\$38.61</b>
Refer	120406	KENNEDY & GRAVEN, CHARTERE	-			
Cash Payment	E 323-60100-300	Professional Srvs (GEN				\$150.00
Invoice 193587						
Cash Payment	E 423-60100-300	Professional Srvs (GEN				\$150.00
Invoice 193587						
Transaction Date	6/4/2026	Checking	10101	<b>Total</b>		<b>\$300.00</b>
Refer	120407	BOLTON & MENK	-			
Cash Payment	E 323-60100-303	Engineering Fees				\$59,960.68
Invoice 0396865						
Cash Payment	E 423-60100-303	Engineering Fees				\$59,960.68
Invoice 0396865						
Transaction Date	6/5/2026	Checking	10101	<b>Total</b>		<b>\$119,921.36</b>
Refer	120408	STAR ENERGY SERVICES	-			
Cash Payment	E 640-60400-300	Professional Srvs (GEN				\$13,486.50
Invoice 26458 5/31/2026						
Transaction Date	6/9/2026	Checking	10101	<b>Total</b>		<b>\$13,486.50</b>

Fund Summary

	10101	Checking
323 2024A HWY 250 WATER		\$60,317.68
423 2024A HWY 250 SEWER		\$60,317.68
610 WATER FUND		\$5,471.87
620 SEWER FUND		\$2,558.11
640 ELECTRIC FUND		\$18,593.04
		<u>\$147,258.38</u>

Pre-Written Checks	\$4,237.00
Checks to be Generated by the Computer	\$143,021.38
Total	<u>\$147,258.38</u>

**Lanesboro Public Utilities Commission**  
**Regular Meeting Minutes**  
**Monday, May 18, 2026 – 7:15 a.m.**  
**Lanesboro City Council Chambers**

**Members Present:**

Joe Cullen       Jon Pieper       Brian Roelofs

**Staff Present:**

Mitchell Walbridge       Jerod Wagner       Darla Taylor

Member Roelofs called the regular meeting of the Lanesboro Public Utilities Commission to order at 7:20 a.m.

**A. Agenda Approval:** The new business item of Container Purchase was requested as an addition. A motion was made by Member Roelofs to approve the agenda as amended; Member Cullen seconded the motion. All members voted in favor; motion carried.

**B. Public Comments:** No public comments were shared.

**C. Consent Agenda:**

- a. Accounts Payable
- b. Minutes of Special Meeting, April 27, 2026

A motion was made by Member Roelofs to approve the Consent Agenda; Member Cullen seconded the motion. All members voted in favor; motion carried.

**D. Staff Update:** Public Utility Supervisor Jerod Wagner provided an update to the commission.

- Supervisor Wagner noted a recent sewer repair in the legion ally was more difficult than expected and the line needed to be rerouted due to rock and other utilities in the area. Jerod will work with Mitchell to identify possible projects to be completed during the Hwy 250 project.
- Jerod also noted that our water meters are nearing their useful life. He obtained a quote from Metering Technologies Solutions for new meter tops and suggested the commission plan for this in the next budget cycle, possibly split over two years.

**New Business**

**A. Consider Container Purchase:** Utility Supervisor Jerod Wagner would like to purchase a 20ft storage container to be used for utility materials. He is looking into a unit located in Cresco, IA with a price of \$3600. Member Roelofs made a motion to approve the purchase of the container upon Supervisor Wagner's approval; Member Cullen seconded the motion. All members voted in favor; motion carried.

A motion was made by Member Roelofs to adjourn the meeting; Member Cullen seconded. All members voted in favor; Motion carried. The meeting adjourned at 7:29 a.m.

Respectfully submitted,

Darla Taylor  
Deputy Clerk

June 1, 2026

**BY EMAIL: [mwalbridge@lanesboro-mn.gov](mailto:mwalbridge@lanesboro-mn.gov)**

Public Utilities Commission  
City of Lanesboro  
202 Parkway Ave. South  
P.O. Box 333  
Lanesboro, MN 55949

**Re: Proposed Wastewater Services/SIU Agreement – Sylvan Brewing**

Dear Commissioners:

We represent Andrew and Karen Heimdahl, owners of Sylvan Brewing. I am writing regarding the proposed wastewater services/Significant Industrial User agreement that the Public Utilities Commission for the City of Lanesboro recently requested our clients sign.

We appreciate the City's work to modernize wastewater infrastructure and the Commission's role in protecting public resources. That said, we respectfully ask the Commission to refrain from implementing the proposed agreement as drafted, and instead engage with our clients and City staff to develop a right-sized, data-informed path forward.

**Background and Current Status**

We understand the City recently installed a new wastewater treatment plant, and that since it began operating it has struggled to handle BOD loads. To help with this issue, our clients have side-streamed almost all BOD-heavy wastewater. Now that the plant has been running without issue for several months as a result of such efforts, our clients wish to understand what loads the plant should reasonably be able to handle from their brewery and identify more sustainable long-term solutions that avoid adversely impacting plant operations.

So far, the only solutions the City has presented to our clients have been (a) for the brewery to continue to side-stream wastewater or (b) for the brewery to sign a SIU agreement and implement all of the associated costly mitigation requirements. Both are challenging for a small operation like that of our clients.

Our understanding is that the new plant's design capacity would allow our client to contribute just over 12 lbs BOD/day before the state would label our clients a Significant Industrial User. Based on measurements taken with the City a couple of years ago, our clients believe the maximum output from the brewery would be approximately 11 lbs on a single day, twice a week on average, with smaller or no contribution on other days based on brewing schedules. Therefore, we respectfully submit that our client does not qualify as a Significant Industrial User, even on its maximum output days.

It appears there is not yet a full shared understanding of whether a "slug load" like that on the brew days when the brewery is producing its maximum BOD output is harmful or whether the plant should be able to handle this. We understand that our clients proposed a middle-ground solution that would prevent slug loading, allowing a worst-case load of 4 lbs/day for two days per week during the summer months and side-streaming the rest, but this was rejected.

### **Concerns with the Proposed Agreement**

The draft wastewater services agreement would label our clients as an "industrial user" subject to stringent permit terms, including effluent limits and daily monitoring obligations, along with storage, metering, and sampling infrastructure.

The agreement's effluent limits and monitoring regime appear calibrated for continuous, higher-volume dischargers, not small batch breweries with intermittent, low to average loads. Moreover, the compliance infrastructure requirements are significant for a small business. The agreement requires our client, at its expense, to maintain continuous wastewater flow metering, a flow-proportional sampler with 24-hour composite sampling, annual calibration by an independent contractor, and sufficient storage volume to hold seven days of process waste for timed release. The cost exposure for such measures is substantial and open-ended, and cost-prohibitive for a small business.

### **Our Requests**

We ask the City to refrain from implementing the proposed agreement until after our clients have a meeting or work session with the Commission and City staff to review available data, plant design and operating capacity, and collaboratively develop a proportional plan tailored to our client's intermittent brewery loads.

We further ask the City to reconsider interim middle-ground options rather than an all-or-nothing approach, such as: (a) seasonal limits aligned with brewing schedules; (b) partial side-streaming; or (c) a pilot period with monitoring to validate actual impacts before requiring long-term commitments.

Our goal is to protect the City's investment and the plant's performance while allowing a small, community-serving brewery to operate sustainably. We are committed to transparency, reasonable monitoring, and phased adjustments informed by data.

We are available at your convenience to discuss further. Please contact me to coordinate.

Thank you for your consideration.

Sincerely,

GARNER, GINSBURG & JOHNSEN, P.A.

*Erin C. Johnsen*

Erin C. Johnsen

[ejohnsen@garnerlegal.com](mailto:ejohnsen@garnerlegal.com)

ECJ:bb

## Concerning Sylvan Brewery's Designation as an Industrial User

Lanesboro City Ordinance Codes

Chapter 51 – Sewer Regulations

### INTRODUCTION

The following is a summary of the Lanesboro City Ordinance Codes, Chapter 51 – Sewer Regulations, as it relates to Sylvan Brewery and applicable ordinance requirements. City Ordinance establishes Sylvan Brewery as an industrial user that is subject to a special agreement, or otherwise referred to as an “Ordinance Agreement.” An Ordinance Agreement establishes conditions for observation, sampling, measurement, and pretreatment of the brewery’s waste at the discretion and approval of the City. An Ordinance Agreement is solely between the City and Industry and does not involve outside regulation by the Minnesota Pollution Control Agency (MPCA).

The goals of establishing an industrial user agreement include:

- 1) Ensuring the industry does not adversely impact the City’s sanitary sewer collection or treatment systems; and
- 2) Ensuring the industry pays user fees in fair proportion to their usage of the City’s sanitary sewer collection and treatment systems.

In addition to City Ordinance requirements, the City of Lanesboro’s National Pollutant Discharge Elimination System (NPDES) Permit No. MN0020044 establishes conditions in which an industry is required by the MPCA to be designated as a Significant Industrial User (SIU). In comparison to an Ordinance Agreement, a SIU Agreement is generally more stringent and involves MPCA oversight.

If Sylvan Brewery meets the conditions of a Significant Industrial User (as defined in subsequent paragraphs), the City is required by the MPCA to establish a SIU Agreement. If Sylvan Brewery can establish their industrial waste does not meet these conditions, then they are only subject to an Ordinance Agreement as described in this document.

### CITY ORDINANCE REQUIREMENTS

#### 51.001 DEFINITIONS

**INDUSTRY.** *Any nongovernmental or nonresidential user of a publicly owned treatment works which is identified in the Standard Industrial Classification Manual, latest edition, which is categorized in Divisions A, B, D, E, and I.*

Sylvan Brewery is identified in Division D: Manufacturing; Major Group 20: Food and Kindred Products; Industry Group 208: Beverages; Sub-Group 2082: Malt Beverages, in the Standard Industrial Classification Manual. Sylvan Brewery is designated as an “Industry.”

**NORMAL DOMESTIC STRENGTH WASTE.** *Wastewater that is primarily introduced by residential users with a BOD5 concentration not greater than 287 mg/l and a suspended solids (TSS) concentration not greater than 287 mg/l.*

City staff coordinated with Sylvan Brewery on July 6, 2023 to take samples of their process wastewater. The samples were delivered to a certified laboratory (UC Laboratory in Janesville, MN) and results were found to greatly exceed the BOD<sub>5</sub> and TSS parameters identified as normal domestic strength waste in accordance with City Ordinance. The results are as follows:

- Fermenter Waste – CBOD<sub>5</sub> = 168,000 mg/L; TSS = 39,000 mg/L
- Mash Tank Runoff – CBOD<sub>5</sub> = 28,100 mg/L; TSS = 400 mg/L
- Boil Kettle Waste – CBOD<sub>5</sub> = 20,700 mg/L; TSS = 2,640 mg/L

***INDUSTRIAL WASTE. Gaseous, liquid and solid wastes resulting from industrial or manufacturing processes, trade or business, or from the development, recovery and processing of natural resources, as distinct from residential or domestic strength wastes.***

In accordance with the definitions above, Sylvan Brewery is identified as an Industry that discharges liquid waste that is distinct from normal residential or domestic strength waste; therefore, Sylvan Brewery produces industrial waste as defined above.

#### **51.056 BUILDING SEWER PERMITS**

***(C) Classes. There shall be two classes of building sewer permits: one for residential and commercial service, and one for service to establishments producing industrial wastes. In either case, the application shall be supplemented by any plans, specifications or any other information considered pertinent in the judgement of the city. The industry, as a condition of permit authorization, must provide information describing its wastewater constituents, characteristics and type of activity***

Lanesboro City Ordinance allows the City to create a separate class of building sewer permits for industrial users. Sylvan Brewery, as a condition of the permit, must provide information describing its wastewater constituents, characteristics, and type of activity.

#### **51.087 INDUSTRIAL WASTES; INSTALLATIONS**

***Where required by the city, the owner of any property serviced by a building sewer carrying industrial wastes shall install a suitable structure, or control manhole, with necessary meters and other appurtenances in the building sewer to facilitate observation, sampling, and measurement of wastes. The structure shall be accessible and safely located, and shall be constructed in accordance with plans approved by the city. The structure shall be installed by the owner at his or her expense and shall be maintained by the owner to be safe and accessible at all times.***

The proposed draft “Industrial User Wastewater Services Agreement” issued to Sylvan Brewery incorporates City Ordinance requirements for installation and maintenance of infrastructure to facilitate observation, sampling, and measurement of the industrial waste at Sylvan Brewery’s expense. The purpose of this infrastructure is to accurately quantify the industry’s waste-load impact and associated user costs in accordance with the Agreement. These requirements are subject to City discretion and approval, including ensuring the infrastructure is accessible to City staff.

## **51.088 INDUSTRIAL WASTES; REQUIREMENTS**

***The owner of any property serviced by a building sewer carrying industrial wastes may, at the discretion of the city, be required to provide laboratory measurements, tests or analyses of waters or wastes to illustrate compliance with this chapter and any special condition for discharge established by the city or regulatory agencies having jurisdiction over the discharge. The number, type and frequency of sampling and laboratory analyses to be performed by the owner shall be as stipulated by the city. The industry must supply a complete analysis of the constituents of the wastewater discharge to assure that compliance with federal, state and local standards are being met. The owner shall report the results of measurements and laboratory analyses to the city at times and in the manner as prescribed by the city. The owner shall bear the expense of all measurements, analyses and reporting required by the city. At those times as deemed necessary, the city reserves the right to take measurements and supplies for analysis by an independent laboratory.***

The proposed draft “Industrial User Wastewater Services Agreement” issued to Sylvan Brewery incorporates City Ordinance requirements for conducting sampling and laboratory analysis of the industrial waste. The purpose is to accurately quantify the industry’s waste-load impact and associated user costs in accordance with the Agreement. Sylvan Brewery is responsible for all expenses related to laboratory analysis and compliance as required by the City.

## **51.094 SPECIAL AGREEMENT OR ARRANGMENT**

***No statement contained in this subchapter shall be construed as preventing any special agreement or arrangement between the city and any industrial concern whereby an industrial waste of unusual strength or character may be accepted by the city for treatment, subject to payment therefor by the industrial concern; provided, that National Categorical Pretreatment Standards and the city's NPDES/SDS Permit limitations are not violated.***

### Ordinance Agreement

Sylvan Brewery is identified as an industry that generates industrial waste of unusual strength or character beyond “normal domestic strength waste” as defined above. City Ordinance allows the City to establish a special agreement or arrangement with Sylvan Brewery for accepting and treating the industrial waste. The special agreement, or otherwise referred to as an “Ordinance Agreement” would be solely between the City and Industry and does not involve outside regulation by the Minnesota Pollution Control Agency (MPCA).

The proposed draft “Industrial User Wastewater Services Agreement” issued to Sylvan Brewery is established on the basis of ordinance requirements and is considered an Ordinance Agreement.

### Significant Industrial User (SIU) Agreement

In accordance with the City’s National Pollutant Discharge Elimination System (NPDES) Permit No. MN0020044, Paragraph 5.10.52 through 5.10.64, the City of Lanesboro is obligated to identify and report Significant Industrial Users (SIUs) to the MPCA, which are defined as industrial users that meet at least one of the following criteria:

- 1) Discharge an average of 25,000 gallons per day or more of process wastewater to the City's sewer system;
- 2) Discharge five (5) percent or more of the City's treatment capacity for any given permit parameter;
- 3) Designated by the MPCA or City as significant, based on potential to affect the City's sewer system or violate pretreatment standards.

Any industrial user that meets at least of these criteria is subject to a Significant Industrial User (SIU) Agreement that is reported to the MPCA. In addition to the requirements of an Ordinance Agreement, an SIU Agreement is generally more stringent and involves MPCA oversight and submittal of a pretreatment annual report.

If Sylvan Brewery meets at least of these criteria, the City is required by the MPCA to establish a SIU Agreement. If Sylvan Brewery can establish their industrial waste does not meet these criteria, then they are only subject to an Ordinance Agreement as described above.

<b>Enforcement Action</b>	<b>Level of Intrusiveness</b>	<b>Effect on Brewery</b>	<b>Potential Brewery Response</b>	<b>Risk to City</b>
Informal meeting and education	Very Low	Minimal operational impact	Cooperation; voluntary changes	Very low
Written notice of concern	Low	Places issue on record	Cooperation or pushback	Low
Increased monitoring and sampling requirements	Low-Medium	Increased testing costs and staff time	Challenge necessity of testing	Low
Require wastewater characterization studies	Medium	Laboratory and consulting expenses	Dispute findings or methodology	Low
Require installation of sampling manhole or monitoring equipment	Medium	Capital expense and site modifications	Resist installation costs	Low-Medium
Require regular reporting and compliance submissions	Medium	Administrative burden	Compliance fatigue; legal review	Low
Adopt industrial surcharge based on actual loading	Medium-High	Increased monthly sewer bills	Appeal rates; seek negotiations	Medium
Special industrial discharge agreement	Medium-High	Formal contractual obligations and performance standards	Refusal to sign; negotiate terms	Medium
Require operational changes (waste segregation, spent grain management, pH controls, etc.)	High	Process modifications and operating costs	Claim economic hardship	Medium
Require flow equalization facilities	High	Significant capital investment	Challenge necessity; engineering review	Medium
Require pretreatment system	High	Significant capital and maintenance costs	Engineering studies, legal challenge	Medium-High
Issue formal notice of violation	High	Creates compliance record and potential liability	Legal counsel becomes involved	Medium
Assess actual damages and extraordinary treatment costs	High	Potentially substantial financial liability	Dispute causation and damages	High
Civil enforcement action	Very High	Legal costs, court orders, possible judgments	Litigation	High

<b>Enforcement Action</b>	<b>Level of Intrusiveness</b>	<b>Effect on Brewery</b>	<b>Potential Brewery Response</b>	<b>Risk to City</b>
Reject specific waste streams unless treated	Very High	May substantially affect brewery operations	Litigation; seek alternative disposal methods	Very High
Disconnect or prohibit sewer discharge (where legally supportable)	Extreme	Business operations may become unsustainable	Immediate legal action	Extreme

Phase	City Action	Typical Brewery Consequence
Phase 1: Cooperative	Meetings, notices, sampling	Time and administrative effort
Phase 2: Investigative	Monitoring, testing, reporting	Consulting and laboratory expenses
Phase 3: Financial	Surcharges, cost recovery, agreements	Increased operating costs
Phase 4: Regulatory	Pretreatment, equalization, operational controls	Capital investment and process changes
Phase 5: Enforcement	Violations, penalties, lawsuits, discharge restrictions	Legal exposure and potential threat to operations

# LANESBORO PUBLIC UTILITIES

## \*Cash Balances

Cash Account: 10101

June 2026

Fund	2026 Begin Balance	Receipts	Disbursements	Transfers	Journal Entries	Payroll JEs	Balance	
<b>10101 - Checking</b>								
310 - WATER DEBT SERVICE FUND	\$615,595.68	\$91,352.70	(\$15,006.40)	0	\$0.00		\$691,941.98	In Balance
315 - CONSTRUCTION DEBT SERVIC	\$0.00			0	\$0.00		\$0.00	In Balance
320 - SEWER DEBT SERVICE FUND	\$180,628.55	\$46,066.14	(\$25,086.00)	0	\$0.00		\$201,608.69	In Balance
323 - 2024A HWY 250 WATER	\$0.00	\$381,646.31	(\$381,922.31)	0	\$0.00		(\$276.00)	In Balance
324 - TH 250 ROAD/UTILITY PROJECT	\$0.00		(\$29,450.00)	0	\$0.00		(\$29,450.00)	In Balance
340 - ELECTRIC DEBT SERVICE FUN	\$0.00			0	\$0.00		\$0.00	In Balance
410 - WATER CAPITAL	\$531,068.24	\$16,194.78		0	\$0.00		\$547,263.02	In Balance
420 - SEWER CAPITAL	\$67.00			0	\$0.00		\$67.00	In Balance
422 - WWTF DESIGN	(\$27,191.50)	\$125,000.00	(\$125,563.50)	0	\$0.00		(\$27,755.00)	In Balance
423 - 2024A HWY 250 SEWER	\$0.00	\$381,646.29	(\$381,922.29)	0	\$0.00		(\$276.00)	In Balance
424 -	\$0.00			0	\$0.00		\$0.00	In Balance
425 - VEHICLE REPLACEMENT FUND	\$49,834.92			0	\$0.00		\$49,834.92	In Balance
440 - ELECTRIC CAPITAL	\$185,633.96	\$966.18		0	\$0.00		\$186,600.14	In Balance
604 - UTILITES	\$0.00			0	\$0.00		\$0.00	In Balance
610 - WATER FUND	(\$99,722.67)	\$60,361.35	(\$207,696.06)	0	\$0.00	(\$27,083.35)	(\$274,140.73)	In Balance
620 - SEWER FUND	(\$268,248.33)	\$151,299.37	(\$97,745.93)	0	\$0.00	(\$27,083.35)	(\$241,778.24)	In Balance
640 - ELECTRIC FUND	\$461,686.71	\$485,075.32	(\$393,028.11)	0	\$0.00	(\$19,736.56)	\$533,997.36	In Balance
650 - GARBAGE FUND	\$0.00			0	\$0.00		\$0.00	In Balance
	\$1,629,352.56	\$1,739,608.44	(\$1,657,420.60)	\$0.00	\$0.00	(\$73,903.26)	\$1,637,637.14	

# LANESBORO PUBLIC UTILITIES

## \*Cash Balances

Cash Account: 10104

June 2026

Fund	2026 Begin Balance	Receipts	Disbursements	Transfers	Journal Entries	Payroll JEs	Balance	
<b>10104 - 4M Fund</b>								
410 - WATER CAPITAL	\$151,363.62	\$2,311.89	\$0.00	0	\$0.00	\$0.00	\$153,675.51	In Balance
420 - SEWER CAPITAL	\$66,722.85	\$953.75	\$0.00	0	\$0.00	\$0.00	\$67,676.60	In Balance
422 - WWTF DESIGN	\$0.00		\$0.00	0	\$0.00	\$0.00	\$0.00	In Balance
425 - VEHICLE REPLACEMENT FUND	\$194,283.98	\$2,913.62	\$0.00	0	\$0.00	\$0.00	\$197,197.60	In Balance
440 - ELECTRIC CAPITAL	\$302,684.29	\$4,614.94	\$0.00	0	\$0.00	\$0.00	\$307,299.23	In Balance
620 - SEWER FUND	\$0.00		\$0.00	0	\$0.00	\$0.00	\$0.00	In Balance
640 - ELECTRIC FUND	\$0.00		\$0.00	0	\$0.00	\$0.00	\$0.00	In Balance
	\$715,054.74	\$10,794.20	\$0.00	\$0.00	\$0.00	\$0.00	\$725,848.94	

# LANESBORO PUBLIC UTILITIES

## \*Cash Balances

Cash Account: 10107

June 2026

Fund	2026 Begin Balance	Receipts	Disbursements	Transfers	Journal Entries	Payroll JEs	Balance	
<b>10107 - 4M Bond</b>								
323 - 2024A HWY 250 WATER	\$503,437.10	\$4,910.96	(\$381,646.31)	0	\$0.00	\$0.00	\$126,701.75	In Balance
423 - 2024A HWY 250 SEWER	\$486,057.15	\$4,910.93	(\$381,646.29)	0	\$0.00	\$0.00	\$109,321.79	In Balance
424 -	\$0.00			0	\$0.00	\$0.00	\$0.00	In Balance
	\$989,494.25	\$9,821.89	(\$763,292.60)	\$0.00	\$0.00	\$0.00	\$236,023.54	

**LANESBORO PUBLIC UTILITY COMMISSION  
RESOLUTION NO. 2026-01**

**A RESOLUTION AUTHORIZING THE TRANSFER OF UTILITY FUNDS**

**WHEREAS**, the City of Lanesboro's Public Utility Commission authorizes the transfer of funds to meet its budgetary obligations; and

**WHEREAS**, the Water Debt Service Fund (310-10101) has accumulated excess cash from revenues; and

**WHEREAS**, the Water Fund (610-10101) has a negative cash balance;

**NOW THEREFORE**, BE IT RESOLVED BY THE PUBLIC UTILITY COMMISSION OF THE CITY OF LANESBORO, MINNESOTA AS FOLLOWS:

1. \$ \_\_\_\_\_ shall be transferred from the Water Debt Service Cash (310-10101) to the Water Fund (610-10101).

Passed by the Public Utility Commission of Lanesboro, Minnesota this 15th day of June, 2026.

\_\_\_\_\_  
Jon Pieper  
Its: Chair, Public Utility Commission

Attested:

\_\_\_\_\_  
Mitchell Walbridge  
Its: City Administrator/City Clerk