

ADOPTED UTILITY MINUTES

February 11, 2020

CITY HALL ~ 4:00 P.M.

Board Present: Darrell Nissen, Jeff Paplow, Brian Rossow, Chad Janssen, Steve Condon

Board Absent:

Others Present: Kelly Rasche-Clerk, Cheryl Ulferts-Finance, Jeff Bechhold-MRES, Mitchell Macek

Call the meeting to order.

Approval of the agenda -- Motion to approve the agenda, as presented, made by **Condon/Janssen**, all yes, motion carried.

Approval of the minutes -- Motion to approve the minutes of January 14, 2020, made by **Rossow/Janssen**, all yes, motion carried.

Approval of Accounts Payable -- Motion to approve the Accounts Payable totaling **\$330,823.48**, and approve the Investment and Transfer Activity, made by **Janssen/Paplow**, all yes, motion carried.

SCHEDULED/UNSCHEDULED GUESTS

Scheduled

Unscheduled

DEPARTMENT REPORTS

Accounts Receivable

Missouri River Energy – Materials for the Kozy project have started to arrive. Quarterly generating was done today (Feb. 11th). Jackson linemen are taking turns coming to Lakefield to learn and assist with the generators.

Clerk's Report – The preconstruction meeting for the installation of the R.O. system at the water plant is expected to happen in March, with construction beginning in April. The project completion date is late fall. Two meetings are scheduled this week concerning the wastewater project. The first is Feb. 12th with MNDoT to continue to explore their participation in the Hwy 86 corridor for construction. The second is with USDA RD representative Ed Gilmore to discuss how the funding of the project could change, if MNDoT decides to participate with Hwy 86. The Electric Department paid \$49,493.20 to the General Fund in 2019. Water contributed \$6,000. The estimation of the electric contribution was \$50,000.

Water Dept Report – Mitchell Macek introduced himself and gave a report. He is doing the testing and backwashing. The fluoride pump is acting up, working to get the proper amount of fluoride. This is not a public concern. The pump is scheduled to be replaced with the R.O. project.

AGENDA ITEMS

- 1. Customer request of consideration for advance pay return** – Rasche presented a request from a resident for the application of their advance pay. They have lived in the home for more than 12 months. They get paid monthly on the 15th of the month, which makes it difficult to make the 15th of the month pay deadline for utility payments. They have paid the balance in full each month, but not before the 15th deadline. The board discussed the pros and cons of applying the advance pay to the account. Motion to apply the advance pay to the account, for the property at 102 W. Menage made by **Condon/Rossow**, all yes, motion carried.
- 2. Fee change for underground meter sockets charge** – Meter socket costs have increased the current charge for a meter socket does not cover the cost we are paying. Motion to increase the underground meter socket charge to property owners to \$150, made by **Rossow/Condon**, all yes, motion carried.
- 3. 1997 Digger Derrick Truck Repair/Replace Discussion** – Truck needs a repair, estimated cost of the repair is more than \$17,000, the estimate does not include labor. The truck is used for placing poles, pad mounts, lifting transformers, etc. Replacement trucks, currently on the market, cost \$60,000 to \$80,000. The board

discussed the repair cost vs. the replacement cost. The board asked staff to get some options for the purchase of a “newer” replacement truck.

4. **Tuckpointing Power Plant Building Quote Consideration** –The estimated cost quoted from KARR tuckpointing was received in the amount of \$34,599, the previous quote was \$67,000. Motion to accept the quoted from KARR Tuckpointing made by **Rossow/Janssen**, all yes, motion carried. The power plant and city hall buildings will occur at the same time.
5. **Resolution U20-07 ~ MRES voting delegate resolution** – Motion to approve Resolution U20-07 made by **Rossow/Condon**, voice vote, all yes, motion carried.
6. **Resolution U20-08 ~ WMMPA voting delegate resolutions** -- Motion to approve Resolution U20-08 made by **Rossow/Condon**, voice vote, all yes, motion carried.

OLD BUSINESS

OTHER BUSINESS

1. **Water Rates Discussion** – Current cash reserves are \$450,000. 2019 estimated positive cash flow is \$115,000. The water department has debt that needs to be paid. Water will need additional funds from some source (Electric?) to meet share of the R.O. project. A debt payment of \$150,000 will “drop off” in 2023. Those monies can than be put towards the other debt of the fund. The rates will need to be increased; staff feels more information is needed before a rate increase plan is decided. The next 3 years has MANY parts that may affect the repayment of debt. General discussion was had, no action at this time.

INFORMATIONAL ITEMS

1. **SMBS Report**—Rossow is the chair for 2020.

ANNOUNCEMENTS

1. **Next regular commission meeting March 10, 2020, at 4:00 p.m. in City Hall.**
2. Motion to set the next meeting for February 27, 2020, at 4:00 p.m. in City Hall made by **Rossow/Condon**, all yes, motion carried.

Motion to adjourn the meeting at 5:08 p.m. made by **Rossow/Condon**, all yes, motion carried.

Darrell Nissen, Chairman

Attest:

Kelly Rasche, Administrative Clerk