

**UTILITY
ADOPTED MINUTES
JULY 9, 2019
CITY HALL
4:00 P.M.**

Present: Darrell Nissen, Ern Malchow, Doug Anderson, Chad Janssen and Brian Rossow

Absent:

Others Present: Holly Rademacher, Kelly Rasche, Dave Harwood & John Klopstad/Kozy Heat, Rusty Kaderabek and Joni Hanson

Call the meeting to order by Darrell Nissen at 4:00 pm

Motion by Janssen, second by Rossow to approve the agenda, with addition (Water Department discussion). All Yes, Motion Carried.

Motion by Anderson, second by Janssen to approve the minutes of June 3, 2019 and June 17, 2019 as printed. All Yes, Motion Carried.

Motion by Malchow, second by Janssen to approve the accounts payable totaling \$518,206.64, and approve the Investment and Transfer Activity Report. All Yes, Motion Carried.

Holly presented the AR report. Things are going fairly good.

Rusty explained the plans for the Industrial Park Powerline Relocate Project. Kelly had a handout that broke out the estimated cost for this project. With the Grant figured in this amount, Lakefield Public Utilities responsibility would be approximately \$260,100.00. A large portion of this project will be for the planned Kozy Heat expansion. The board discussed with Kozy Heat employees about Kozy Heat paying for 50% of the \$260,100.00 estimate (\$130,050.00). The Utilities can start the bidding process for this project, but construction can't start until the Grant is approved. After discussion, Kozy Heat agreed to cost share 50% of the engineering fees and cost of the project, with a cap of \$150,000.00.

Motion by Rossow, second by Janssen to contract with DGR Engineering to prepare a bid packet and call for bids for the Powerline Relocation Project in Industrial Park. All Yes, Motion Carried.

Motion by Rossow, second by Malchow to split 50% of the cost of Lakefield Public Utilities Powerline Relocation Project in Industrial Park, with Kozy Heat being responsible for up to \$150,000.00 of the cost. All Yes, Motion Carried.

Jim Westensee, who lives at 44620 Okabena Road, has built a shop on a piece of property he owns across the street from his house. Jim would like water connected to the shop, but the water line he needs to connect to is located on the opposite side of the road from the shop. Jim is willing to have someone do the boring work and pay for having that done, but is asking the Utilities to waive the \$200.00 water connection fee.

Motion by Malchow, second by Anderson to waive the \$200.00 water connection fee for Jim Westensee. All Yes, Motion Carried.

Kelly talked about the Lineman position that we are trying to fill. She noted that we advertised for the opening, but didn't receive any applications. Kelly was wondering if we should re-post the opening or do we want to

discuss the draft agreement that Missouri River Energy Services is proposing for out-sourcing the electric department. We seem to have an issue with keeping Linemen once they are hired. A MRES draft term sheet for out-sourcing the electric department was handed out. Kelly stated that if we decide to out-source our services (MRES - Electric, and/or People Service - run the RO system), and to also think about the possibility of the City taking over the water. She said she had discussed the water issue with Pat Costello and asked if it would be a possibility, and Pat stated that it could be. Kelly stated that Jeff Bechhold/MRES would be in Lakefield on July 17th and 18th, so he would answer any questions that we may have. The board stated that they would like to be able to look at the proposed contract from MRES before the next board meeting on August 13th. The board wants to keep moving forward.

Motion by Malchow, second by Anderson to approve going with MRES, contingent upon approval of the final contract deal from MRES. All Yes, Motion Carried.

It was suggested that the water committee, and the sewer committee should meet and discuss the water issue. The water committee is Darrell Nissen, and the sewer committee is Brent Pavelko and Brian Rossow. Brian stated that he will be leaving for vacation the end of this week.

Brian stated that there have not been many changes with SMBS.

Rusty told the board that the Power Plant driveway is in need of repairs. The board suggested that Rusty talk to Lance about repairing the driveway.

Motion by Rossow, second by Malchow to adjourn the meeting at 5:24 pm. All Yes, Motion Carried.

Darrell Nissen, Chairman

Attest:

Joni Hanson