

**MINUTES**  
**Lake Crystal Public Utilities Commission**  
**Wednesday November 13, 2024, 8:00 am**  
**City Council Chambers**  
**100 E. Robinson St.**

**Call to Order**

McCoy called the meeting of the Lake Crystal Public Utilities Commission to order at 8:00 am. The following Commissioners were present: Commissioners McCoy, Ahrenstorff, and Richards.

Staff Present: Jeremy Hutchens, Water/Wastewater Superintendent; Madison Allen, Electric Superintendent; Angela Grafstrom, City Administrator; Ramsey Graff, Utility Billing Clerk.

Others Present: Mark Fritsch of Compass Connect

**Approve Minutes of October 8, 2024, Regular Meeting pending grammar corrections**

***Motion made by Commissioner Ahrenstorff to approve the minutes of October 8, 2024, regular meeting,*** motion seconded by Commissioner Richards and carried unanimously.

**Payment of Bills**

The commission reviewed the bills prior to the meeting.

***Motion made by Commissioner McCoy to approve payment of PUC bills totaling \$340,437.33,*** motion seconded by Commissioner Ahrenstorff and carried unanimously.

**Action Items**

Superintendent Allen regarded roof estimates.

Superintendent Allen informed the council on recent estimates regarding roof upkeep and repairs. One of the companies "All Elements" will have to provide a more accurate estimate. Greener World Solutions wouldn't charge until the project is complete. Superintendent Allen recommended the 10-year warranty option to the council, which Commissioner Richards agreed.

***Motion made by Commissioner McCoy to approve Greener Worlds Solutions with the 10-year warranty option,*** seconded by Commissioner Richards and carried unanimously.

Mark Fritsch regarded Service Territory Transfer

Mark Fritsch, along with City Administrator Angela Grafstrom, updated the commission on the importance of city ownership of the utility in the annexed area. They both believe that in the long term the city will see substantial overall growth and revenues rather than having the coop retain the electric service. This will allow the city utilities to grow along with the city's boundaries. The city would have more control over the infrastructure and benefit from future development. Grafstrom noted that BENCO is profiting already from the 2 areas in the city they were allowed to keep in previous annexations and that we would not even be able to afford to buy those back if we were interested. If there is not the potential for profit, why would BENCO try to keep the territory? They emphasized it is cheaper for the city to proceed now, when the development is bare land. The only expense for the city at this time is Fritsch. We would only pay BENCO a portion of the revenue once it develops, and only during the 10-year agreement window. After

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10 years, we pay them nothing. Additionally, Grafstrom has been working with Heartland and they see the value of this property being part of the city's service territory. Dybdahl sent an email that Grafstrom shared with the committee. Grafstrom will get a Heartland EDA grant to cover the cost of Fritsch. The commission agreed it was prudent to pursue the service area transfer at this time.

Bond Term for Water and Sewer Portion of Highway 60 Project (10-38)

Grafstrom informed the council of the costs and plans for the Water and Sewer portions of the Highway 60 Project. The commission reviewed the different bond terms presented and agreed to approve a 20-year water term and a 25-year sewer term.

***Motion made by Commissioner McCoy to approve 20-year water term and 25-year sewer term for GO bond 2024A for the Highway 60 Project, seconded by Commissioner Richards and carried unanimously.***

Approve Hiring Additional Admin Assistant for 2025

Grafstrom explained the situation and that this is part of succession planning. It would only be an extra person for a few months in 2025, as one staff person will be on leave and is not planning to come back, then in the beginning of 2026 the Finance Director is retiring. If anything changed and the person on leave does come back, we would be back to regular staffing at the beginning of 2026. If she does not come back, we will be hiring again in 2026 to replace Doering when she moves into the Finance Director position. The city council had approved it already at the meeting held on 11/12/24.

***Motion made by Commissioner Ahrenstorff to approve hiring an administrative assistant in 2025, seconded by Commissioner Richards and carried unanimously.***

**Discussion Items**

The commission was wondering if we had any updates on the wastewater treatment plan. Grafstrom said she has heard nothing in quite a while but will reach out to Graupman with Bolton-Menk. Richards stated that we may need to seek outside help with a bonding bill. Grafstrom asked if they are considering a lobbyist, and the commission confirmed. Grafstrom will add a lobbyist to the 2025 budget.

2025 Draft Budget (39-59)

The commission reviewed and adjusted the 2025 PUC budget presented by Grafstrom. Grafstrom will prepare an updated budget for approval at the December meeting.

**Staff Reports**

Water/Wastewater

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Superintendent Hutchens updated the council on safety concerns at the water plant. He is working to get electrical mapping at the water plant. He contacted an electrician and is planning to do the upgrades to the high service pump 6 cabinet and have it certified in January 2025.

City Administrator

Administrator Grafstrom provides a written report in the packet which included the utility adjustments for October. She explained the costs and reasons for adding an additional Admin Assistant for 2025. She let the commission know that two staff people, Rhonda Ingebritsen and Matt Gangelhoff are trained in Peer-to-Peer support. She provided a status update on CSAH 20/RR Project. She mentioned a donation that would be used to create a new "Lake Crystal Utility Assistance Program," which will help those who need support with utility payments. Also followed up on the utility billing issues regarding tenants from the previous month's meeting. Her report also reviewed the 2025 Preliminary Budget highlights.

Electric Superintendent

Superintendent Allen provides a written report in the packet which updated the Commission on the following:

- Outage Report: One outage occurred on October 17<sup>th</sup>. Cause: A tree fell on our overhead three phase.
- Generation step-up transformer: The LTC Gasket on the generation set up transformer was repaired on October 14<sup>th</sup>.

**Information Items**

Revenue and Expense Report Summary

Grafstrom explained we are still straightening things out in the new system, but this is what we have right now. Revenues are still greater than expenses, so we are still on the right track.

Grant Report on State of the Utility

Grafstrom explained that she and Councilor Cooper have been working with U of M Rural Development on a state of our electric utility and a long-term plan. This came out of a meeting with the Greenstep Program Representative when we received our 3<sup>rd</sup> block. It expands on what was previously done by DGR.

Next Meeting will be Wednesday, December 11<sup>th</sup>, 2024

**Commission Comments and Observations**

None.

**Adjournment:**

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There being no further business at the Lake Crystal Public Utilities Commission Meeting of November 13, 2024, the meeting adjourned at 9:10 am.

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Dennis McCoy, Commission Chair

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Angela Grafstrom, City Administrator