

MINUTES
Lake Crystal Public Utilities Commission
And Lake Crystal City Council
Joint Meeting
Monday, March 20, 2023 7:00 pm
City Hall Community Room
100 E. Robinson St.

Mayor Todd Wiens called the meeting to order at 7:00 P.M.

City Council Members present: Councilors Gina Cooper, Brett Hanson, Michael Turgeon, and Michael Windsperger.

Public Utilities Commissioners present: Dennis McCoy, Chairman; Brad Ahrenstorff, Vice Chair; and Dave Richards

Staff members present: Angela Grafstrom, City Administrator and Megan Hutchens, Administrative Assistant.

Information/Discussion Items

Public Utilities Commission Franchise Fees

Chairman Dennis McCoy referenced the written letter provided by City Attorney, Chris Kennedy regarding the ordinance explaining the terms of the Franchise Fee required from the Public Utilities Commission (PUC). The Franchise Fee paid by the PUC goes towards the city's levies. McCoy informed City Council that the PUC is looking ahead at future capital investments for the City of Lake Crystal. A modification to the current Franchise Fee would help so that the PUC can explore financing each project without drastically raising rates. Future capital investments include a new substation with an estimated cost of \$3.5-4 million, wastewater treatment plant project with the city of Mankato which will need an updated quote, and the city has plans to sink another well for the Water Department.

The fee is close to \$236,000.00 annually for the last several years. Electric pays about \$149,601.00 annually, water pays about \$54,508.00 annually, and wastewater pays about \$38,918.00 annually. City Administrator, Angela Grafstrom clarified the each department pays 5% of the year's profits towards the Franchise Fee.

City Attorney, Chris Kennedy, spoke with Grafstrom prior to the joint meeting and informed her to advise PUC and City Council that the ordinance will not be changed, but the percentage that PUC pays to the city can potentially be modified. The Franchise Fee cannot be eliminated. Grafstrom mentioned that any change to the Franchise Fee will go into effect for 2024 and not the current year.

Councilor Gina Cooper questioned the income source from POET but was informed by PUC that POET is an income source for water. With any amount of modification to the Franchise Fee, the cost paid to the city will need to be made up elsewhere or the city's budget would need to be lowered.

MINUTES
Lake Crystal Public Utilities Commission
And Lake Crystal City Council
Joint Meeting
Monday, March 20, 2023 7:00 pm
City Hall Community Room
100 E. Robinson St.

Adjournment:

There being no further business of the Lake Crystal City Council, Councilor Cooper motioned to adjourn the joint meeting of March 20, 2023, motion seconded by Councilor Windsperger and carried unanimously. Meeting adjourned at 7:17 P.M.

Dennis McCoy, Chairman

Angela Grafstrom, City Administrator