

MINUTES
LAKE CRYSTAL UTILITIES COMMISSION
REGULAR MEETING
TUESDAY, August 6, 2024
8:00 A.M.

The following Commissioners were present:

Commissioners McCoy, Ahrenstorff, and Richards.

Staff Present:

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

The meeting was called to order at 8:00 AM

Others Present: EDA Director Bryan Stading, Mark Fritsch of Current Compass

Commissioner Ahrenstorff moved, and Commissioner Richards seconded the motion to approve the July 9th, 2024, regular meeting minutes. The following vote was had and taken,

Ayes: McCoy, Ahrenstorff, Richards.

Nays: None

Commissioner McCoy moved, and Commissioner Ahrenstorff seconded the motion to approve the utility bills totaling \$ (ENTER NUMBER HERE). The following vote was had and taken,

Ayes: McCoy, Ahrenstorff, Richards.

Nays: None

Administrator Grafstrom gave the commission a rough idea of the results and timeline of the Transformer Bid Opening for Phase 1 of the substation project. She informed the committee if they would like to attend the City Council meeting on August 19, Chris Nordquist of DGR will be there with the details of each bid and seeking council approval.

Bryan Stading went over some key points of the meeting he had with BENCO on service area transfer. PUC asked some questions about the transfer and planned development of the area. Stading stated this meeting was more of an introductory meeting to let BENCO know some of our thoughts.

Mark Fritsch of Current Compass joined us to discuss Service Territory Transfers. McCoy asked Fritsch what next steps would be. Fritsch provided a handout that went over Scope, Goal, Key Terms and Conditions, Costs and Duration of a service area transfer. The PUC continues to be concerned about the costs of the service area transfer and the value of doing it now. Fritsch explained if we negotiate now when it is still bare land, the agreements are usually 10 years in length, we will want to share whatever information we can with the COOP but it comes down to a loss revenue reimbursement over the 10 year period. There can also be an upfront cost of reimbursing BENCO for any infrastructure. This is likely minimal if any, as most of the developed property out there is already on city power and the service area to be transferred is mostly farmland. Grafstrom stated she would contact Heartland and see if they would help with any of these costs. Stading and Hutchens discussed potential development of the area next to

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POET and what that impact could be on the city infrastructure. The committee discussed whether to move forward with Fritsch. As MMUA members, he only charges us half of normal cost and is looking at a fee between \$1000 and \$3000. Fritsch suggested possibly doing the transfer on the annexed area with a 5-year contract clause to use the same terms for multiple annexations to reduce expenses. Ahrenstorff understands why the city is doing it but is also concerned about the costs now and in the future.

A motion was made by Richards and seconded by McCoy to engage services to investigate a road map for a service territory transfer to the city from BENCO to Parcels 1, 2, and 3.

Ayes: McCoy, Richards.

Nays: Ahrenstorff

Commissioner McCoy moved and Commissioner Ahrenstorff seconded the motion to approve Resignation of Megan Hutchens as Administrative Assistant effective 8/2/24.

Ayes: McCoy, Ahrenstorff, Richards.

Nays: None

Discussion was had on hiring Mackenzie Doering as Admin Assistant at Grade 1, Step 2 (21.96/hour) Effective August 26,2024. Grafstrom relayed her experience and her ability to train and potentially transition into the Finance position once Hobart retires. Grafstrom stated council had approved her hire at their meeting on 8/5/24.

Commissioner Richards moved and Commissioner Ahrenstorff seconded the motion to approve the hiring of Mackenzie Doering as an Administrative Assistant at Grade 1, Step 2 (21.96/hour) effective August 26, 2024.

Ayes: McCoy, Ahrenstorff, Richards.

Nays: None

Commissioner McCoy moved and Commissioner Ahrenstorff seconded the motion to approve Pay Request 2 (FINAL) for Water Filter Media Replacement: \$6,107.97.

Ayes: McCoy, Ahrenstorff, Richards.

Nays: None

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Superintendent Hutchens included a written report in the packet and updated the Commission on the following:

Manhole Quote of - \$16,146.90 plus \$4,000 on grout. For sealing some manholes to stop rain flow from our water curing, he exclaimed at the current rates we have over 200,000 gallons being cured monthly. Hutchens said he would like to do Colwyn Way & S Main St (Cty Rd 76) and Logan St & East Robinson this year, but the Scott & West Humphrey location could wait till next year's budget.

A motion was made by Commissioner McCoy and seconded by Ahrenstorff to get a new quote on the two locations.

Ayes: McCoy, Ahrenstorff, Richards.

Nays: None

Hutchens discussed how HSP #6 Pump assembly has gone exceptionally well and is working top notch. Recommended for Pump #5 later this year if money is left over from his budget.

Hutchens discussed that #4 pump was looked at from John at Bolton and Mink who says it would cost over \$100,000 for the project to be completed. Pipe work is required. Hutchens plans to get an actual proposal and will keep working with John. McCoy asked for more solid numbers.

City Administrator Grafstrom provided a written report in the packet that updated PUC on the following:

- Adjustments since the last meeting of \$518.06 for Penalties and Reconnects and \$453.11 for NSF/ACH fails
- Service Area Transfer as discussed earlier in PUC meeting
- Resignation of Megan Hutchens
- Administrative Assistant New Hire
- Primary election and how that will be worked out at the Rec Center August 13th 2024.
- The Post Flood Meeting held with department heads
- CSAH 20/Railroad project: Confirming this project will be added to the bonding for the Hwy 60 project.

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

- Outage report: There were no outages to report.
- The lead time for the 12-cylinder Fairbanks Catalysts is 3-5 weeks. The cost is expected to increase \$200 - \$300 by December, 2024.
- Unit 3 Current Cost: \$14,400 +\$350 door gasket + \$75 shipping/applicable taxes = \$15,425
- Allen plans to propose an updated quote for this purchase as an action item for the December, 2024 PUC regular meeting

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- Allen also included in his report that he met with Grafstrom regarding the 2025 budget and reviewed 2024 expenses so far and stated he will be watching his spending carefully. We are expecting the revenues to supersede the budgets by December.

Information items:

- Revenue and Expense Report Summary
- Next Meeting will be Tuesday, September 3, 2024

Commission comments and observations

- Richards will be absent for the October 1st PUC regular meeting.
- Richards would like to schedule visits to the different infrastructures in the city to have a better visual understanding. The other Commissioners agree, and Grafstrom will set something up between the Superintendents and the Commissioners.

There being no further business the meeting was adjourned at 9:30 am.

Dennis McCoy, Chairman

Angela Grafstrom, Secretary