

**MINUTES
LAKE CRYSTAL UTILITIES COMMISSION
REGULAR MEETING
TUESDAY, SEPTEMBER 2, 2025, at 8:00 am**

The following Commissioners were present:
Commissioners McCoy, Richards, and Ahrenstorff.

Staff Present:
Jeremy Hutchens, Water/Wastewater Superintendent; Madison Allen, Electric Superintendent; Angie Grafstrom, City Administrator; Sierra Roiger, Utility Billing Clerk.

The meeting was called to order at 8:00 AM

Approval of August 5, 2025, Regular Meeting Minutes.

Motion made by Commissioner McCoy to approve the minutes of August 5th, 2025, regular meeting, motion seconded by Commissioner Ahrenstorff 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 \$362,351.76, motion seconded by Commissioner Ahrenstorff and carried unanimously.

Discussion items: None to report.

Action Items:

Humphrey Lift Station Generator Quote \$6017.00

Superintendent Hutchens discussed the age of the current generator that is in place. The injector pump on the current generator is currently being repaired. A standby replacement is in use and has been wired in and synced with the lift station of the transfer switch so if power was lost, it would be automatically turned on.

Motion made by Commissioner Richards to approve the Humphrey Lift Station Generator Quote for \$6,017.00, motion seconded by Commissioner Ahrenstorff and carried unanimously.

Approve ShelterPoint Insurance to Manage MN Paid Leave

Administrator Grafstrom shared that this had been approved by council on August 18, 2025. ShelterPoint is an insurance company that manages paid leave in the 14 other states that already offer paid leave. Using Shelterpoint, would cost approximately 2% more than going directly through the state and that cost would be split between the city and PUC. It is Grafstrom's recommendation that the city use Shelterpoint to administer the paid leave program because it is so new and staff does not yet feel confident in managing it. After the program has been operating for a while in Minnesota, the hope is that staff would eventually take over the full administration of this program.

Motion made by Commissioner Ahrenstorff to approve ShelterPoint Insurance to manage MN paid leave, motion seconded by Commissioner McCoy and carried unanimously.

Approve Updates to Personnel Policy

Administrator Grafstrom provided the commission with updates to the Personnel Policy for review. Updates were made to the policies removing comp time, so it will align with union agreements and be uniform for all employees.

Motion made by Commissioner Ahrenstorff to approve updates to personnel policy removing comp time, motion seconded by Commissioner Richards and carried unanimously.

Staff Reports:

Superintendent Hutchens reported on the well 2 seal and replacement. Superintendent Hutchens would like to move forward with this and informed PUC that he has had discussions with MDH regarding grants for the project. MDH will be offering the Source Water Protection Grant this fall, and the city could be eligible for funding. Additionally, he updated the commission on the Creek Lift Station generator and repairs that were happening. For additional updates, please see written report in the packet.

City Administrator Grafstrom provided updates on the preparations for MN Paid Leave. Considering ShelterPoint Insurance to assist in the administration of the plan until city staff are more prepared to handle it. Additionally, she provided an update on the substation. DGR is working on design and specification plans, as well as financial projections to provide a better picture of the project. The delivery timeline is set for late 2027. For additional updates, please see written report in the packet.

Superintendent Allen discussed three outages this past month. The load management computer became non-functional mid-way through the month. It was discovered to be due to a faulty circuit and has been fixed. He also provided updates about the Caterpillar Generator Repairs. Ziegler found startup procedures that were missing important information. Optional upgrades were discussed with PUC, but Superintendent Allen said they were not needed. For additional updates, please see written report in the packet.

Information Items:

Capital Financial Plan and Recommendation from Northland.

Administrator Grafstrom shared with the commission the Capital Financial Plan update from David Drown Associates generated from the August 18, 2025, workshop held with council. This plan continues past discussions on funding plans for large capital expenditures. The plan considered many projects, including wastewater treatment regionalization, electric substation project, new well, a recreation center contribution, and the Lilly Lake Trail.

Grafstrom briefly touched on her meeting with Jessica Green from Northland Securities. Jessica Green suggested we save interest by doing two smaller bonds. She thinks even with the administration costs, we will save enough on interest to bond the first \$2.2 million at the end of 2025, beginning of 2026, then the balance in early 2027. The

informed the commission the council will consider lending them money at ½% interest up to \$1 million. Commission asked her to see if council would lend the \$2.2 million.

Revenue and Expense Report

Administrator Grafstrom provided the commission with the Revenue and Expense Report of the utility departments.

Next Meetings and Events

September 4, 2025, 9 am Breakfast Catered by Heartland

October 6, 2025, 8 am PUC Meeting

Commission Comments and Observations: None

Adjournment:

There being no further business, the meeting adjourned at 8:40 AM.

Minutes prepared by Sierra Roiger

Dennis McCoy, Chairman

Angela Grafstrom, Secretary