

Minutes of the Proceedings of the Commission of North Branch Water & Light
Regular Session
November 21, 2017

CALL TO ORDER: The North Branch Water & Light Commission met in regular session and Matt Falk called the meeting to order at 3:30 p.m.

ROLL CALL: Commissioners present were Matt Falk, Cindy Erickson and Kirsten Hagen-Kennedy. Staff members present were general manager Petsche and office manager Kraemer. City Finance Director Hill was also present.

APPROVE AGENDA: (.10)

Motion by Erickson, seconded by Falk to approve the agenda as presented. All voted aye. Motion carried.

PUBLIC COMMENT: (.31)

None

Minutes (.42)

Motion by Hagen-Kennedy, seconded by Erickson to approve the minutes of the October 17, 2017 regular session meeting. All voted aye. Motion carried.

Payment of Bills (.56)

Motion by Erickson, seconded by Hagen-Kennedy, to approve payment of bills as presented. All voted aye. Motion carried.

Utility Financial Update (1.12)

Hill stated that on the revenue for water is up slightly a little under 3% and electric down slightly at almost 3%. Water expenses are tracking as budgeted. Electric is up a little bit but some of that is due to a large rebate that will be reimbursed. Debt service is down for water and there is continued improvement in electric. Cash is continuing to improve for both water and electric.

Discussion.

Employee Wages (9.49)

A few employees shared their thoughts and information for wage considerations.

Falk had additional resources to share with the commissioners. The commissioners asked the employees some questions regarding the information that was presented.

Petsche went over the MMUA salary survey to help the new commissioners get acquainted with the wage discussion process.

Discussion.

Wages have been tabled until the next regular session meeting.

Electric & Water Budgets (32.49)

Petsche gave an overview of the electric budget. He said that the most noticeable change would be in the debt service and interest. There will be a better understanding on the effects of the bond refinancing once the audit is complete.

Discussion.

Petsche informed the commission that there is discussion in the new tax bill that may affect the 2010A Build America Bond. He has been in contact with Kathy Aho at Springsted regarding this situation.

Discussion.

The commission feels that there should be further discussion with Aho.

Petsche said there is a larger difference in the debt service for the water budget. The principal payment is higher but the interest is about one half of what it was the previous year.

Discussion.

Motion by Erickson, seconded by Hagen-Kennedy, to approve the 2018 electric and water budgets. All voted aye. Motion carried.

Electric & Water Rates (53.19)

Falk stated that electric seems pretty stable but water seems to be lagging a bit.

Discussion regarding days of liquidity followed.

Petsche said that what has been done in the last five years is pretty impressive but there is a long way to go.

Discussion.

Petsche said that water towers and ground storage tanks need to be considered. Old infrastructure is also something that needs to be addressed.

Water tower and ground storage tank repair discussion followed.

The rate structure should have a plan for future repairs. Petsche feels that the electric rates should remain the same but there should be an increase in the basic service charge for water.

Erickson would like to start a publicity campaign to try and educate the customers on all of the negativity that is going on in social media outlets.

Electric and water rates have been tabled.

General Discussion (1.30.41)

Falk wanted to discuss the message box on the bills. He asked if anyone had any ideas that could be printed in the box.

Ideas were shared with one another.

Discussion.

Erickson said that a citizen asked her why the commission meetings are not on video.

There was a short discussion for the reasons that the meetings are not on video.

Petsche informed the commission that he attended a meeting about distributed generation (wind and solar). He gave an overview of the requirements for distributed generation.

Discussion.

Motion by Hagen-Kennedy, seconded by Erickson to adjourn the meeting.
Meeting was adjourned at 5:19 p.m.

The next regular session meeting is December 19, 2017 at 3:30 p.m.

Cindy Erickson, Secretary