

A Regular Meeting of the Minnesota River Valley Public Utilities Commission was held on Thursday, April 25<sup>th</sup> in the Conference Room at the Wastewater Treatment Plant with Commissioners Present: Favolise, Huntington, Sullivan, Geldner and Wartman. Commissioners Absent: Tiegs. Also present: Rich Kucera, Public Services Director, Jasper Kruggel, Le Sueur City Administrator, Foster Transburg, Water/Wastewater Manager, Greg Burkhardt with Burkhardt & Burkhardt and Ron Lafond with Stantec.

The meeting was called to order by Chairman Favolise.

**2018 Financial Audit:** Greg Burkhardt reviewed the financial audit with the Board. MRVPUC was complying in all categories except for failure to provide required amount of collateral on bank deposits during the year 2018. Net position at year end was \$813,207. Net position decreased by \$592,581 as compared to a decrease of \$51,529 in the previous year. The decrease is mainly attributable to a decrease in revenues of 29.7% due to a decrease in charges to members and customers, and an increase in expenses of 13.6% during the year, mainly due to the Centrate capital project costs of \$361,553. Surcharges accounted for \$20,470 of total revenue. Cash balances are good. Operating cash flow is good. Ratio analysis is at 1.0 (break-even). Motion by Commissioner Sullivan, Seconded by Commissioner Huntington to receive and file the 2018 Financial Audit, all voted in favor.

**Approval of Minutes:**

Motion by Commissioner Sullivan, Seconded by Commissioner Geldner to approve the March 28, 2019 minutes, all voted in favor.

**Stantec/Project Update:** Concrete has been demoed, forms and rebar are in place. One new screen is operating temporarily. Concrete pour scheduled for next Tuesday, will pour 90% of concrete work. Gridor is concerned about finishing project late, screens are scheduled to be up and running by Friday 5/10/19, it was initially scheduled for completion on 4/30/19. Gridor has performed extra work on the project without additional cost. Final completion of whole project is schedule for June 1<sup>st</sup>.

**Springsted Study:** Patty Kettles from Springsted Inc. went through the proposal and process with the Board.

Tasks include:

1. Internal review of background information: financial reports, budgets, consumption data, CIP, flow, Bod, TSS, TP, billing data, ordinances, policies & practices for user fees, historical growth, engineering studies, etc.
2. Conduct cost of service analysis: design rates for flow and biosolids handling.
3. Prepare and review draft memo of findings

Cost of study will be \$5500. Study will take about 4-6 weeks. Discussion was made about the study and the need for a maintenance plan to help determine costs. Springsted will provide a workable spreadsheet to use for years to come to set rates. They completed the study for Willmar and Mankato. The Board requested the study to include numbers for capital improvements and a schedule increase. Chairman Favolise will be the contact for Springsted as needed. Motion made by Commissioner Sullivan, Seconded by Commissioner Huntington to move forward with the Springsted Sewer Cost Allocation Study, all voted in favor.

**Plant Liquid Process:** New drain valve on order for dump pit, also installed a camera at dump pit. Working on roof top and air makeup units in need of repair, expect better efficiency and air quality after repairs are complete. Centrifuge was rebuilt. A camera was installed to view the bio-solids process so operators can view camera after hours. Heat exchanger burner temporary fix failed, contractor did some welding, cutting out and insulating to do a permanent fix. Conveyor coming from centrifuge needs repair, contractor to repair next week. New motor for odor control unit at Henderson Intermediate lift station was installed. On the evening of April 10, the UPS failed on Henderson Station Rd lift station. Will have a fix to bypass the UPS in the event of failure. There was a release of sewage and was reported to the MPCA Duty Officer. A camera was installed at the front gate.

**Bio-solids:** An electric meter was installed to monitor just the biosolids building and track usage. Actual electric usage reflected a cost to dry increase this month.

**Financials:** Discussion was made regarding the net position. CD's have been cashed out and deposited into the checking account. Currently using the surcharge accumulation for operation costs. Motion was made by Commissioner Wartman, Seconded by Commissioner Sullivan to approve the March 2019 financials, all voted in favor.

**Bills:** Motion was made by Commissioner Wartman, Seconded by Commissioner Huntington to approve the bills for March 2019, all voted in favor.

**Rate Increase:** Discussion was made regarding capital outlay. Will extend the rate increase beyond two months for another month and decide at the next monthly meeting.

Motion by Commissioner Wartman, Seconded by Commissioner Huntington to adjourn the meeting, all voted in favor.

The next regular meeting is Thursday, May 30, 2019 at 5:30 pm.

  
Secretary-Treasurer

  
Chairperson