

Pursuant to due call and notice thereof, Commissioner Ardner called to order the regular meeting of the Mora Public Utilities Commission at 3:00 PM on Monday, September 20, 2021, in the city hall council chambers.

- 2. Roll Call:** Present: Commissioners Greg Ardner, Brett Baldwin, and Ryan Christianson  
Absent: None  
Staff Present: Utilities General Manager Lindy Crawford, Public Works Director Joe Kohlgraf, Utility Billing Clerk Jessica Bliss, and Administrative Service Director Natasha Segelstrom.

- 3. Adopt Agenda:** Utilities General Manager Crawford requested the addition of item 4d. Letter of Resignation to the consent agenda. MOTION made by Baldwin, seconded by Christianson, and unanimously carried by the PUC to approve the agenda as amended.

- 4. Consent Agenda:** MOTION made by Christianson, seconded by Baldwin, and unanimously carried by the PUC to approve the consent agenda as presented.

- a. Regular Meeting Minutes – August 16, 2021
- b. August 2021 Claims
- c. WWTP Project final payment
- d. Letter of Resignation- Water Wastewater Operator II

- 5. Open Forum:** No one spoke at open forum.

- 6. Special Business:** There were no special business items to discuss.

- 7. New Business:**

- a. Electric Cost of Service and Rate Design Study: Dave Berg of Dave Berg Consulting LLC presented the electric rate study and provided recommendations based on current rates. Berg explained a five-year study analyzed existing rates and performance based on revenues and expenses. The assumption that the largest expense of purchased power from Southern Minnesota Municipal Power Agency should not change during the analysis. Residential sales would have a slight increase and the new high school in 2023 would also increase sales. Ardner questioned the usage calculations for the school as there would also be a loss from the existing high school. Berg explained the new school is larger and the usage would have more kilowatt power. Additional expenses projected included added line worker employees to support the electric department.

Based on existing rates, a slight decrease due to depreciation would occur at the end of the study period but would not raise concern as the Electric Fund is very well funded. Berg commended the strong financial position and did not recommend a rate increase at this time.

The electric cost of service presented a range of costs amongst customer classes. When comparing cost and revenues. Berg recommended a slight reduction in small general services and a slight increase in large general services to align revenues and allocated costs with service classification. He recommended 2.7% decrease for small general service and recommended 1.8% increase for large general service. Based on customer classification, an increase to customer charge for medium general service and large general service was recommended. General service energy charge presented a larger differential than warranted and Berg recommended per class adjustments on cost to serve basis. Observing electrical rates for residential and utility owned street lights did not present a rate increase. It was recommended that utility rates be lowered and match energy rates of customer owned street lights.

The proposed rates would not change the overall revenue received. Small increases and decreases would be experienced among certain customers, according to Berg.

Potential increase in capital requirements for distribution system improvements during 2022-2031 could increase as much as \$1.1 million during the rate study period. If no rate adjustments were made during the rate study period, reserves funds would reduce, however funds would still exceed 100% of annual operating expenses. With capital improvements, Berg still did not recommend rate changes.

MOTION made by Christianson and seconded by Baldwin, and unanimously carried by the PUC to accept the electric cost of service and rate design study.

**8. Old Business:** There were no old business items to discuss.

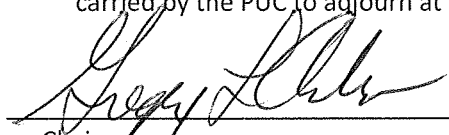
**9. Communications:** The following communications were reviewed.


- a. Utility Billing Monthly Report – August 2021
- b. Utility Billing Adjustment Report – August 2021: Bliss reported two adjustments for customers during this billing period. Crawford asked the PUC if the monthly reports could be brought forward quarterly, to align with the EVCS reports. A consensus amongst the PUC was made to have the reports presented to the PUC quarterly.

**10. Reports:**

- a. Public Utilities General Manager: Crawford reported City Hall would be hosting an open house for Public Power Week, staff were looking forward to the event. MMU customers would be eligible for a drawing along with an LED lightbulb, pollinator seed packets and MMU clip clips. Requesting the members of the PUC to volunteer on Crawford reported a proposal from SEH would be brought to City Council for a 2022 street reconstruction project for North Grove Street. The street had been identified as an area in the July joint budget meeting as a priority. If the council were to accept the proposed, a feasibility study would take place. Street, curb, and stormwater, but also water and sewer would be included in the project.
- b. Public Works Director: Kohlgraf reported the bucket truck purchased is projected to arrive the next week. Electrical wire around the new school had been laid and termination and scheduled installation for transformers was pushed back to October 14, 2021.
- c. Commissioner Baldwin: Nothing new to report.
- d. Commissioner Christianson: Nothing new to report.
- e. Chairperson Ardner: Nothing new to report

**11. Adjournment:** MOTION made by Baldwin, seconded by Christianson, and unanimously carried by the PUC to adjourn at 3:31pm.

  
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Chair

  
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Secretary