

## Buffalo Public Utilities Commission (PUC) – Frequently Asked Questions

Question	Answer
<b>1. What did the City Council recently approve?</b>	<p>The City Council has been discussing a Public Utilities Commission (PUC) since April 2024. In that time, the Council held 3 workshops to talk through options, ask questions and talk to our peers from other cities.</p> <p>On August 4, 2025 the City Council tentatively approved a roadmap toward establishing a 5-member (PUC) that would oversee Buffalo's electric, water, and water-reclamation utilities.</p> <p>This does not commit us to establishing a PUC and there are opportunities for public input, questions, and discussion before any formal City Council action.</p>
<b>2. Why create a local PUC rather than keep utility oversight with the full Council?</b>	<ul style="list-style-type: none"><li>• <b>Dedicated expertise &amp; focus:</b> A PUC can concentrate on utility operations, regulatory compliance, and long-range capital planning while the City Council guides broader city strategy and focuses on more typical city issues (e.g., streets, parks and recreation, public safety, planning, etc.)</li><li>• <b>Rate stability &amp; transparency:</b> The PUC will hold open meetings devoted solely to utility service, budgets, and rate setting, giving customers a clear venue to understand decisions and discuss concerns.</li></ul>

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	<ul style="list-style-type: none"> <li>• <b>Enhanced resident participation:</b> 3 spots on the PUC are for customers and residents. The PUC allows the public the opportunity to shape policy in more ways than the general Council agenda.</li> <li>• <b>Proven model in peer cities:</b> Elk River, Shakopee, and others show that appointed PUCs can improve operational efficiencies and customer service.</li> </ul>
<b>3. How will authority be shared between the Council and the new PUC?</b>	The PUC will set service rules, approve utility budgets and rates, and enter contracts for utility operations. The City Council retains ultimate authority to appoint commissioners, issue debt, and set community-wide strategy, ensuring public accountability.
<b>4. Who serves on the Commission and how are they chosen?</b>	The PUC will have five members serving staggered three-year terms, including two City Council representatives for continuity with city policy. All members are appointed by the Council following an open application and interview process.
<b>5. Which utilities fall under the PUC?</b>	Electric, Water, and Sewer. The City's Fiber utility remains under direct Council oversight pending future review.
<b>6. Will this change my utility rates?</b>	No. Rates will continue to be based on the actual cost of providing service, but the PUC's sole-focus oversight is expected to improve long-term rate planning and predictability.

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<b>7. How is the City's general fund affected?</b>	Utility revenues remain enterprise-fund dollars dedicated to utility operations and capital projects. A PUC does not draw money from the general property-tax levy; instead, it helps ensure utility funds are reinvested efficiently in the systems that generate them.
<b>8. What is the implementation timeline?</b>	The Electric Utility currently contributes \$1 million to support the general fund and reduce property taxes. There will be discussions about setting-up a formula, but the amount is not expected to change.
<b>9. How can residents stay involved?</b>	<p>Please refer to the attached roadmap.</p> <ul style="list-style-type: none"><li>• Visit the project webpage for background documents and a comment portal.</li><li>• Attend the stand-alone public input session on Sept 15, 2025.</li><li>• Apply to serve on the Commission or submit comments during public meetings.</li><li>• Continue to contact Council Members with policy questions</li></ul>
<b>10. Who manages day-to-day utility operations under the new structure?</b>	The Utilities Director continues to manage daily operations, report to the City Administrator, and implement policies set by the PUC and City Council.

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*For additional questions, please email [cityadministrator@ci.buffalo.mn.us](mailto:cityadministrator@ci.buffalo.mn.us) or call 763-682-1181.*