

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, MARCH 14, 2022– 4:45 P.M.**

AGENDA

1. Call to Order/Roll Call
2. Approval of Agenda
3. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills/Purchase Orders
 - c. Approval of Investments
 - d. Receptionist Step Increase
 - e. Pay App #10 Magney Construction
4. Reports
 - a. MRES/ Bright Energy Solutions
 - b. Minnesota Department of Health
 - c. Water/Wastewater Supervisor Report
 - d. Electrical Supervisor Report
 - e. City Administrator Report
5. Action Items
 - a. Star Energy Contract
 - b. APPA Operation Underground Design System
 - c. 2022-2023 LMCIT Worker's Compensation Insurance Quote
 - d. Wages for Apprentice Lineworker 750 Hours
 - * e. SEH Proposal for Surveying Services
6. Old Business
 - a. Water/Wastewater Treatment Facilities Update
 - b. Funding for Sauk River Park/RV Pedestals
 - * c. Personnel Policy/Drug and Alcohol Testing Commercial and Non-Commercial Drivers
7. New Business
 - a. 2021 Audit Review
8. Informational Items
 - a. Schools and Conferences
 - b. Annual Comprehensive Financial Report
9. Adjournment
- * Amendment

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MONDAY, MARCH 14, 2022 – 4:45 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, March 14, 2022, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Jeremy Kraemer, and Joe Finken, Electrical Supervisor Roger Avelsgard, Water/Wastewater Supervisor Tim Vogel, City Administrator Colleen Winter, Finance Director Tessa Beuning, and City Clerk Patti Haase. Commission Member Eric Seanger and Utility Billing Clerk Sharon Blaskowski were absent. Also in attendance was Amy Collins with Missouri River Energy Services, and Kim Larsen with the Minnesota Department of Health. Chair Kraemer called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried to approve the agenda as amended.

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a. The minutes from the Commission's February 14 Regular Meeting, and the February 14, 2022 Special Joint Meeting with the Council
- b. List of bills in the amount of \$1,358,415.85 (See attached list)
- c. Investments Report for the month of February (See attached list)
- d. On approximately April 6, 2022, Receptionist Stephanie Perez will complete two years of service. Finance Director Beuning has completed a review and it was favorable. Therefore, Stephanie is eligible to move to Step 3 on the pay scale.
- e. Magney Construction has submitted Pay App #10 in the amount of \$150,544.05 for the work completed through 2/22/2022. SEH has reviewed the Payment Request and is recommending payment as outlined in the invoice.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried to approve the Consent Agenda items.

A.I. #4 REPORTS

- 4a. Amy Collins with MRES provided a year end update. Bright Energy Solution Results
 - Rebates in the amount of \$20,527
 - 11 Commercial Rebates
 - 21 Residential Projects
 - 2000 LED Bulbs Distributed
 - 735,549 kilowatts hours saved
 - 102.41 kilowatts (peak usage) saved
- 4b. Kim Larsen with the Minnesota Department of Health addressed the Commission regarding manganese in drinking water. Manganese does not have a Maximum Contaminant Level (MCL) required by the Safe Drinking Water Act. However, the Minnesota Department of Health has set the Health-Based Value (HBV) of 100

µg/L in the drinking water supply. The Commission Members by consensus directed staff to inform the public on the manganese level found in the city's water supply. This information is to be included in the consumer confidence report.

- 4c. Water/Wastewater Supervisor Vogel provided an update The west boiler has wiring issues; however, it should be back online today. Staff consulted with Chem Treat regarding the polymers used in the DAF. Staff built a new polymer feed which will reduce usage from 15 totes per year to 3.6 totes per year for an annual savings of approximately \$68,400.

- 4d. Electrical Supervisor Avelsgard provided an update on the electric department projects.

The Commission was provided with the link to review the February video board report <https://vimeo.com/683816482>

This month's report, among other things, discusses year-end financial statements, a supplemental distribution maintenance services agreement with Pickstown, S.D., MRES performance in the MISO and SPP markets, and the Gregory County Pumped Storage Project.

- e. City Administrator Winter provided an update on the RDB project.

A.I. #5 ACTION ITEMS

- a. Star Energy Services has submitted cost estimates for 2022 work. It is planned to conduct testing, GPS, and tagging of approximately 354 rural lines. The estimated cost is \$15,989.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried authorizing staff to enter into a contract with Star Energy Services.

- b. Electrical Supervisor Avelsgard is requesting to attend the APPA Underground Distribution and Design Operations Course. The approximate cost including accommodations is \$3,550.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried approving Electrical Supervisor Avelsgard's attendance at the APPA Underground Distribution and Design Operations Course.

- c. The Commission gave consideration to the quote received from the League of Minnesota Cities Insurance Trust (LMCIT) for worker's compensation insurance for the period of March 7, 2022, through March 7, 2023. The net premium costs for the upcoming period are \$113,139. The quote in 2021 was \$70,312, which is an increase of 61%. The experience modification increased to 0.97% for the 2022-23 coverage period, up from 0.68% for the 2021-22 coverage period. The main driver of the modification increase is due to two significant claims in 2020-21. There is also an increase in the police rate. Overall workers' compensation rates for 2022 have increased for a second consecutive year as a result of costs incurred from the increasing number and size of Post-Traumatic Stress Disorder (PTSD). It is recommended that the city again approve the regular premium option.

The General Fund share of the premium is \$88,411 and the Utilities' share is

\$24,728 (compared to \$52,621 and \$17,690, respectively for the past year.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving the LMCIT workers comp insurance at the regular premium option.

- d. The Electric Department has hired for an Electric Apprentice for 750 hours each year since 2018. When this position was first filled in May 2018, it was paid at \$20/hour. The wage has remained at that for each subsequent year. Due to the possible reoccurring hire of this position, dependent on budget and Commission approval, it was determined it would be beneficial to add to the wage scale.

Electric Supervisor Avelsgard would like to make this a 3-step position based upon the following criteria:

Step 1 – Applicant has not completed school and/or is a prospective student

Step 2 – Applicant has completed one year of school and this would be their first year with Melrose Public Utility

Step 3 – Applicant has completed one year of school and this would be their 2nd year with Melrose Public Utility.

The top of the wage scale was determined by compounding the \$20/hour wage in 2018 by 3% annually, and then increased the top by 6% to reflect in the added steps. That would result in a new top wage of \$23.90, and steps would be adjusted down by 3% each.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried approving the revised wage scales for the Electric Apprentice Seasonal/Temp position.

- e. SEH has submitted a proposal for the following survey work:

Melrose Utilities (Client) is seeking a cost estimate for the surveying services as listed below in the different areas of work.

Scope

SEH will complete the following tasks: Areas 1, 4 and 5 are similar in scope and size. Areas 2 and 3 are larger and will require easement exhibits and descriptions for each property involved.

Area 1 – Main St E, 5th Ave NE & 6th Ave NE

Area 4 – Railroad Ave NW

Area 5 – 4th Ave SE, 3rd St SE & 4th St SE

- Research online plats, section info and property records.
- Initial survey to locate existing property corners.
- Review of existing surveyed property corners by a Professional Land Surveyor (PLS) for computation of Right of Way and property lines needed for staking.
- Right of Way and property lines staked as specified on map provided by client.

Area 2 – Land O Lakes area

- Research online plats, section info and property records.
- Initial survey to locate existing property corners.

- Locate underground utility marking provided by client.
- Review of existing surveyed property corners by a Professional Land Surveyor (PLS) for computation of Right of Way and property lines needed for staking.
- Right of Way and property lines staked as specified on map provided by client.
- Draft new easement exhibits and descriptions as needed over existing and proposed utility lines per client's direction. Estimating 2 or 3 exhibits that will be needed.

Area 3 – Riverside Ave NW

- Research online plats, section info and property records.
- Initial survey to locate existing property corners and house locations.
- Review of existing surveyed property corners by a Professional Land Surveyor (PLS) for computation of Right of Way and property lines needed for staking.
- Right of Way and property lines staked as specified on map provided by client.
- Draft new easement exhibits and descriptions as needed for proposed utility lines per client's direction. Estimating 20 exhibits will be needed.

A motion was made by Mr. Finken seconded by Mr. Kraemer and unanimously carried approving the Surveying Proposal.

A.I. #6 OLD BUSINESS

- a. Water/Wastewater Treatment Facility Update from SEH.

STATUS OF CONSTRUCTION: IN PROGRESS

Structure	Status of Construction	Upcoming Construction
Preliminary Treatment Building (02)	•Screw pump base slab complete •Magney has been setting rebar and forms on the east/west screw pump walls. They are planning to pour these walls in 3 vertical tiers. The lowest of these tiers was completed today, 3/1/22.	•Magney forming, placing rebar, and pouring concrete on the remaining 2nd and 3rd tier of the screw pump walls. Expect this to take several more months. •Once screw pump walls are complete, will proceed to pouring •sloped screw pump raised base facing west.
Control Building (03)		
Pump and Blower Building (04)		
Existing Final Clarifier (05)		

New Final Clarifier (06)	•Walls and launder trough have been poured. •Passed leak test •Set scum lift station structure	
Digester Complex (07)		
Solids Thickening and Loadout Building (08)		
Splitter Structure (10)	•Base slab and walls poured. •Passed leak test	•Installing valves and piping towards the final clarifiers (spring)
Existing 48 ft Clarifier (11)	•Installed bypass around 52-ft final clarifier	
Sludge Return Metering Vault (12)	•Finished pouring all the concrete for this structure. Top slab poured 1/31/22 •Stripped forms	•Leak testing will happen in the spring once temperatures are warm enough
Yard	•Working on yard piping coming out of Clarifier 06 and going to/ around the splitter structure •Installed below-grade piping for 48-ft clarifier bypass to chlorine contact tank. •52-ft Clarifier demolition started •Installed 4" scum line past the splitter structure	•6" Primary Sludge Pipe re-route •All yard work on hold until spring/warmer weather

- b. The Park Board has been meeting for the last couple of months to finalize the plans for the Sauk River Park. Staff presented a plan for the campsites and how they will be served with water and electricity. The Park Board is looking at various funding options and have scheduled another meeting for March 16th to go over those options. In addition to the camping, per the requirements of Stearns County a bathroom/shower building is required when there are more than 10 campsites. The old facilities were grandfathered in. In addition to bringing water, sewer and electric into the bathroom facilities, we will also need to expend funds on the electric side in order to get materials ordered as soon as possible just to be able to get everything put in in 2022 at the individual campsites. The PUC did meet and tabled the discussion of cost participation until March.

At their regular meeting on February 17, 2022, the City Council did approve the bid for electric in the amount of \$34,058.08. However, they also requested that the PUC take action at their regular meeting in March to cost share on this project. The Sauk River campground is very popular and last year had 617 guests that used the campground facilities. In the CIP for 2022, there is funding allocated for park purposes that was originally set aside for the replacement of the basketball court and a plaza area for the RDB project. The Park Board is recommending that that funding be reallocated towards the campground. With the requirements of the

shower/bathroom facility the Park Board is looking at all possible funding sources including applying for an Outdoor Recreation grant from the State of MN, as well as funding under the LCCMR program. This is a great opportunity to make what was already a popular camping destination even better.

The Melrose Public Utilities Commission by consensus did not support the cost sharing of the utility pedestals for the Sauk River Park Campgrounds.

- c. The City's Personnel Policies have become out of date. Staff have revised, updated and reformatted the Personnel Policies using template language provided by the League of MN Cities, as well as from comment provided by our personnel legal counsel, Flaherty & Hood. The draft templates were reviewed with the City Council and Public Utility Commission at a joint meeting on February 14, 2022. After modifying the policies based upon the Council & Commission's recommendations, draft copies were sent to the employees as well as the bargaining unit representatives for their review and comments.

A few minor changes have been made to the document since the special joint meeting.

The Policies will have an adopted date of 3/14/2022 for the Public Utility Commission and 3/17/2022 for the City Council, with an effective date of 4/17/2022.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried adopting Resolution No 2022-3 Resolution Approving City of Melrose Personnel Policies.

A motion was then made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried adopting Resolution No. U.C. 2022-4 Resolution Approving City of Melrose Drug and Alcohol Testing Policies.

A.I. #7 NEW BUSINESS

- a. The Commission will receive the Fiscal Year 2021 Audit Report and Auditor's Management Letter on April 17, 2022. In prior years, Abdo presented these reports and audit summary either in person, or the last two years over zoom at a special joint meeting. Will reviewing our overall audit processes with Abdo, the question was raised if this presentation is something that the Commission and Council finds value in for a joint meeting. Other options would be a recorded presentation, or an audit summary included on the Council and Commission's regular meeting agendas. Justin Nilson, the Senior Manager, would like to present the audit to the Council and Commission in the format that they would find most beneficial, and as always is available for questions at any point in time.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The following is a list of schools and/or conferences where registrations were made:
 - 1. MMUA Summer Conference August 22-24 Attending Electrical Supervisor Roger Avelsgard
 - 2. Safety and Loss Control - March 30 in Alexandria. Attending: Electrical Supervisor Roger Avelsgard.

- b. The Certificate of Achievement for Excellence in Financial Reporting has been awarded to the City of Melrose by the Government Finance Officers Association of the United States and Canada for its Annual Comprehensive Financial Report for fiscal year 2020. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This is the 6th year that the city has received this award. It is anticipated that the city will again receive this certificate for its fiscal year 2021 report.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried that the meeting be adjourned at 5:50 p.m.

PATRICIA HAASE – CITY CLERK