

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, OCTOBER 14, 2024 – 4:45 P.M.**

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

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, October 14, 2024, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Eric Seanger, Jeremy Kraemer, and Joe Finken, Water/Wastewater Supervisor Jeremy Schrantz, City Administrator Colleen Winter, Finance Director Jackie Niehaus, Community Development Director Sheila Hellermann, HR Generalist/Payroll Clerk Doris Rieland, and City Clerk Patti Haase. Also in attendance was Susan Danzl and Chad Westbrook from SEH. Chair Seanger called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

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

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a) The minutes from the Commission's September 9, 2024 Regular Meeting
- b) List of bills in the amount of \$1,061,097.84
- c) Investments Report for the month of September
- d) The City's HeatShare Agreement with the Salvation Army expired on September 30, 2024. HeatShare is a voluntary fuel fund administered by the Salvation Army. In an effort to help families in Minnesota who have experienced trouble, the Salvation Army is seeking additional resources to help them. The Commission to take action approving entering into the agreement.
- e) Molitor Excavating has submitted Pay App# 5 for the 2024 Main Street Improvements for work completed through 9/30/2024. The pay application is in the amount \$534,157.87. Of this amount, \$15,372.19 is utility, and \$518,785.68 is the general fund portion. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.
Once paid, the City will invoice Stearns County for \$265,578.73 and be reimbursed.
- f) Northern Line Contracting has submitted Pay App #1 for the Highlands Boulevard Extension Project for the work completed through 9/27/2024. The pay application is in the amount of \$177,003.29. Of this amount \$127,397.55 is utility and \$49,605.44 is the general fund portion. 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 approving the consent agenda items.

A.I. #4 REPORTS

- a. City Administrator Winter provided the following update:

We are currently hiring for the following positions:

Police Officer – the training is going well with Adam Root, and so we will begin

advertising again for another Police Officer at the end of October.

Part time Street Maintenance - We have received one application for this position and will be conducting an interview the week of Oct. 14th

Journey Lineworker – We have received one application and staff will be completing a phone interview.

Electric Line Supervisor – to be discussed further on the agenda

- b. Water/Wastewater Supervisor Jeremy Schrantz provided an update. The department has taken Well #7 off-line due to air in the line and resident concerns. Water/Wastewater Operator Evan Gregory and Andy Klaphake have finished sewer jetting. Staff has completed hauling bio-solids. They hauled 163 loads equaling 870,000 gallons. They have taken one of the new clarifiers off-line and have put the smaller clarifier on-line. Water/Wastewater Supervisor Schrantz attended the meetings with Land O'Lakes s and Jennie-O Turkey Store to review the SIU Agreements.
- c. City Administrator Winter reported on the Electric Department projects. The Electric Department has finished the installation at Carstens Industries and are now working on the new Stearns Electric facility.
- d. Community Development Director Sheila Hellermann provided the following update. The Planning & Zoning Commission approved the final plat of KL Properties and it will be going before the Melrose City Council at the October 23, 2024, meeting for approval of the final plat. There is a strong interest for those lots.

The TIF District for the Roach Development has been approved. The Development Agreement and Authorization for closing will come before the Council in October.

Nate Hiltner with Northstars Property has entered into a Purchase Agreement with the property owner of 406 Main Street E. Mr. Hiltner meet with MADA on Thursday, October 10, 2024, and approved \$75,000 in funding on the back end of the project.

We have completed 3rd quarter and building permits year to date are \$28.9 million. We surpassed last year which had been the 2nd highest year ever at \$27.1 million.

A.I. #5 OLD BUSINESS

- a. Susan Danzl and Chad Westbrook were in attendance at the PUC meeting to discuss options for drainage at the new pretreatment plant and to discuss other WWTF items. The Commission discussed the various options presented my SEH. Water/Wastewater Supervisor Jeremy Schrantz brought forth the idea of a bypass in addition to option #3.

The Commission directed SEH and staff to obtain cost for option 3 including the bypass

Option 3: Provide Bypass of Pretreatment Building

This option includes a 14-inch overflow pipe in MH53 that routes to existing Wet Well No. 1. This bypass is something the operations staff believe is necessary due to reliability concerns over the influent screw pumps. To initiate the bypass of the Pretreatment Building, operators would close the influent gates at the screw pumps

or shut off the screw pumps, backing up wastewater in the influent 36-inch sewer, which will overflow in the proposed 14-inch pipe to Wet Well No. 1. This operation would be manual at times of planned outage, or if an emergency condition requires bypass of the Pretreatment Building.

Although there are other options to bypass the Pretreatment Building in an outage, after the recent electrical failure caused by a lightning strike, the City determined they would prefer to have this bypass available.

If this bypass is to be provided, an automated means of stopping the influent screw pumps when flows are backing up at the Pretreatment Building would result in influent flows bypassing the Pretreatment Building going to Wet Well No. 1. After discussions, the best solution identified for this is to add diaphragm-style pressure transmitters to the screening chutes. The first place water backs up is in the screw conveyors. A pressure transmitter in the chutes would trigger when the pressure reaches a set value, turning off the screw pumps and passively routing flow to Wet Well No. 1.

Sizing: In discussing with operations staff, it was decided a 14-inch bypass would be sufficient (estimated capacity would be 5.75 MGD). However, the inserta-tee fitting for the manhole is provided as a 15-inch size, which would provide even greater capacity.

Cost: SEH estimates that the cost to implement this \$165,000. This cost has not been quoted by a contractor and is an estimate, but was reviewed with Magney.

Advantages	Disadvantages
• This alleviates the issue associated with compounding flow.	• It requires maintenance and upkeep of Wet Well No. 1 to be able to handle influent flow volumes, though this would be required if the City wanted the bypass around the Pretreatment Building.
• This option allows the entire influent flow to bypass the building eliminating spillover once the gate valves are closed or pumps are stopped.	• It relies on instrumentation to bypass. The notification to turn off the influent screw pumps could also trigger an alarm call out, notifying the operations staff that drains were backing up.
• Offers mutual benefit of bypassing the entire Pretreatment Building for other maintenance.	• During time of bypass, no wastewater is being screened.

- b. At the regular August meeting, the rate study for water and wastewater was presented by Susan Danzl with SEH.

"The existing yearly rate structure is anticipated to provide significant revenue over the next 5 years, therefore it is not necessary to increase water/wastewater utility rates. Annual fluctuations are expected based on the value of capital improvements completed and variations in water use." Subject to an annual review process where the PUC reserves the right to adjust rates as necessary.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously

carried adopting the recommended rate increase of 0% for the 2025 water rates

A motion was then made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried adopting the recommended rate increase of 2-3% for the 2025 wastewater rates.

A.I. #6 ACTION ITEMS

- a. The Commission reviewed the Memo that was sent to JOTs and Land O' Lakes discussing how we will work together. The Commission reviewed the revisions of their respective SIU agreements. Administrator Winter, WWWW Supervisor Schrantz and Engineer Danzl (SEH) have met with JOTs and Land O' Lakes regarding modifications to their SIU agreements and other utility related matters. We will be meeting with Proliant in the next week. Staff presented the changes at the meeting for discussion and input

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried approving the changes as outlined in the JOTs agreement and return to JOTs for review and approval.

A motion was made by Mr. Kraemer seconded by Mr. Finken and unanimously carried approving the changes as outlined in the Land O Lakes Agreement and return to Land O Lakes for review and approval.

- b. Currently the Wastewater department is collecting samples from JOTs, Land O' Lakes and Proliant. On April 16, 2024, JOTs samples have been sent to UC Labs for testing. Starting on November 1, 2024, we will be sending out the lab testing for Land O Lakes and Proliant. We do not have a certified lab and for liability reasons we will be using a third party for testing. The lab test costs are invoiced directly to the industries and attached is a schedule for your review. Both JOTs and Land O Lakes are fine with this change in practice.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried, authorizing staff to utilize UC Labs (Utility Consultants) as the official testing lab for our SIU industries.

- c. Well No. 7 has been taken offline. This well will need to be replaced in the future and is currently not in the Capital Plan for replacement.

The Commission directed staff to obtain cost of a new well.to be presented at the next meeting.

- d. Staff presented the invoice from Total Control. Due to the invoice being above the \$10,000 threshold staff is looking for Commission approval. This invoice is for 9 months of service.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving payment of the invoice from Total Controls.

A.I. #7 NEW BUSINESS

- a. The Commission received a comprehensive report of lighting audits that were completed for the City's respective municipal buildings. The Commission reviewed the audit and directed staff to obtain pricing from 3 local contractors to bid each location individually.
- b. The City did an analysis of the utility accounts affected by Section 3.3.2)A.4 policy amendment adopted at the September 9th meeting. This policy states the following: all customers with three phase power and demand of less than 50 kW per billing period will pay a facilities fee charge in lieu of a demand charge. Customers have the ability to switch to single phase at their expense to avoid this charge. When a customer reaches 50 kW for three consecutive months, they will be transferred to large commercial rate.
There were 29 accounts that were affected by the amendment, resulting in an 11% average decrease and 17% total decrease in combined billing charges for these accounts, compared to the prior year's billing period.
- c. When the city did an analysis of the utility accounts, we found a billing error that affected 26 of our small commercial utility customers. For the three phase small commercial customers we were not charging them a facilities charge in the amount of \$29.90, as required per Section 3.3.2)A.4 and the 2024 Rate Schedule. Under section 2.8)B When a customer has been overcharged/undercharged, the difference shall be calculated between the amount collected for the service rendered and the amount that should have been collected for service rendered , plus interest of the City's current money saving market account rate, for the period beginning three (3) years of the date of discovery. No interest shall be accrued for under billing. When the city did the analysis, we also found that one of the meters at Land O' Lakes was not reading properly that has since been corrected.

The Commission by consensus agreed not to back charge the customers for the billing error.

- d. We currently have two full-time journey lineworkers in the Electric Department. Pat Lomax who is the most senior journeyman has been assuming the Supervisor tasks. The Commission reviewed the MOU that discusses the duties that Mr. Lomax has assumed and recommendations of how he is to be paid.

The Commission by consensus tabled action. This will be brought back to the Commission at its November regular meeting.

- e. The Commission at its September meeting discussed the Electric Line Supervisor position. The Commission had recommended having further discussion with MRES and expressed concerns regarding call time. City Administrator Winter stated that MRES was not available to attend the October meeting.

The Commission directed staff to post the Electric Line Supervisor position with a wage of \$4.00 per hour differential from the Electric Journey Lineworker position.

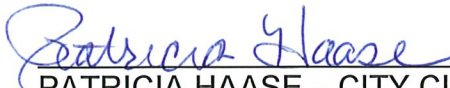
A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The following is a list of schools and/or conferences where registrations were made:
 - 1) Fall Forum League of Minnesota Cities Webinar. Week of October 21-25
Attending: Office Staff

A.I. #9 ADJOURNMENT

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried that the meeting be adjourned at 5:35 p.m.



PATRICIA HAASE – CITY CLERK