

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, DECEMBER 12, 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. Pay App #19 Magney Construction
 - e. Water/Wastewater Operator Step Increase
 - f. Stearns County Invoices for RDB Project
 - g. City Planner Step Increase
4. Reports
 - a. Water/Wastewater Supervisor Report
 - b. Electrical Supervisor Report
 - c. City Administrator Report
5. Action Items
 - a. Authorization for Staff to Work with Professional Firms
 - b. DGR Amendment to Agreement
 - c. Approval for Lineworker to Attend 2023 MRES Leadership Training
 - d. Austine Etcheverry- Installation of Solar Panels Interconnection Agreement
 - e. Proposal for Professional Services – Power Plant Exterior Improvements
 - f. IIJA Grant Application/GRIP
 - g. Change Order #3 WWTF
 - h. Purchase of Millerbernd Street Poles
 - i. Finance Director Hire
6. New Business
 - a. Discussion of WWTF Budget, Timeline and Centrifuge
7. Old Business
 - a. 2023 Proposed Budgets/ 2023-2027 Five Year Capital Improvement Plan / 2023 Rate Schedule
 - b. Retail Rate for Distributive Energy
 - c. WWTF Update
8. Informational Items
 - a. MRES Rate Schedule B & C to the S-1 Power Sale Agreement (S-1 Agreement)
 - b. Schools and Conferences
9. Adjournment

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, DECEMBER 12, 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, December 12, 2022, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Jeremy Kraemer, Eric Seanger, Joe Finken, Water/Wastewater Supervisor Tim Vogel, City Administrator Colleen Winter, and Finance Director Tessa Beuning, Utility Billing Clerk Sharon Blaskowski, and City Clerk Patti Haase. Ryan Meyer Electrical Supervisor Roger Avelsgard, Amy Prok and Susan Danzl with SEH attended via GoToMeeting. Chair Kraemer called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Finken seconded by Mr. Seanger 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 October 14 SJM with the Council, October 25 SJM with the Council the November 2 SJM with the Council, and the November 14 Regular Meeting Minutes
- b. List of bills in the amount of \$1,570,268.59 (See attached list)
- c. Investments Report for the month of November. (See attached list)
- d. The Commission at its February 8, 2021, approved the bid for Magney Construction for the WWTF Project. Magney Construction has submitted Pay App #19 in the amount of \$298,384.16 for the work completed through 11/30/2022. SEH has reviewed the Payment Request and is recommending payment as outlined in the invoice.
- e. Water/Wastewater Operator, Even Gregory will complete one year of service with the city on January 01, 2023. Supervisor Tim Vogel has conducted Mr. Gregory's review, and it is favorable; therefore, recommends he receive a step increase from Step 1 to Step 2.
- f. The Utility received Invoice #243-2022 in the amount of \$411,792.02 for our portion of the construction fees. The breakout of the invoice is \$325,537.96 General Fund and \$86,254.06 Utility. The Utility received Invoice #241-2022 in the amount of \$31,629.24 for our portion of the engineering fees. The breakout of the invoice is \$28,482.02 General Fund and \$3,147.21 Utility.
- g. City Planner, Sheila Hellermann will complete 6 months of service with the city on January 7, 2023. Supervisor Colleen Winter has conducted Ms. Hellermann's review, and it is favorable; therefore, recommends she receive a step increase from Step 1 to Step 2.

A motion was made by Mr. Seanger seconded by Mr. Finken and unanimously carried approving the consent agenda items.

A.I. #4 REPORTS

- a. Water/Wastewater Supervisor Vogel provided an update on the projects they are working on. Staff has submitted the Biosolids report. The booster pump on well

number 7 has gone down there is one on order. The MDH facility inspection has been completed.

- b. Electrical Supervisor Avelsgard provided update on the following.
 - Streetlights on Main Street completed. Majority of streetlights are now LED
- c. City Administrator Winter reported on the following:
 - **Sauk River Park** – The electric and water is in at all of the campsites in Sauk River park, and the campsites and road have been constructed.
 - **Job openings/Interviews** – Staff interviewed for the Ambulance Coordinator position and Gina Eggert will be the new coordinator effective Feb. 1, 2023.

A.I. #5 ACTION ITEMS

- a. The Commission to give authorization for staff to work with the following professional firms in 2023:
 - DeWild Grant Reckert & Associates (DGR) – Electric engineers
 - McGrann Shea Anderson – Electrical attorney
 - Dymoke Law Office – City Attorney
 - Flaherty and Hood – Labor Negotiations, etc.
 - Total Controls – SCADA support
 - Relab – VT SCADA Electric Department
 - Short Elliott Hendrickson Inc (SEH) – Engineers

Approval of these firms would allow staff to contact them for miscellaneous items. In the case of larger projects, a total cost estimate would be obtained from the firm and submitted for Commission approval prior to proceeding.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried authorizing staff to utilize the firms in 2023 as listed

- b. Since 2001, Melrose Public Utilities has contracted services with DGR for electrical engineering needs. DGR has submitted their 2023 Miscellaneous Services Agreement. The fee for the calendar year 2023 will not exceed \$11,500 without prior approval

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the 2023 DGR Miscellaneous Service Agreement.

- c. Electrical Supervisor Avelsgard is requesting approval for Lineworker Cole Jordahl to attend the 2023 MRES Leadership Training in Sioux Falls SD.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving Lineworker Cole Jordahl to attend the 2023 Leadership Training.

- d. An application for a Conditional Use Permit has been approved by the Planning and Zoning Commission on July 25, 2022 will allow construction and installation of solar panels, in accordance with Section 1803 of Zoning Ordinance No. 1989-1-A as adopted with amendments by the Melrose Code of Ordinances. Per our ordinance,

Austine Etcheverry is required to enter into an interconnect agreement with the Melrose Public Utilities of the customer's intent to install an interconnected customer-owned generator

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the Interconnect Agreement.

- e. SEH has submitted a Proposal for Professional Services for the Power Plant Exterior Improvements.

A motion was made by Mr. Seanger seconded by Mr. Finken and unanimously carried approving the SEH Master Agreement for Professional Services for the Power Plant Exterior Improvements.

- f. Staff is working on grant applications to fund large capital investments in our infrastructure. Specifically, right now, we are focused on the dedicated tie line between SW Substation and the East Substation and getting the overhead circuit underground in the original part of the City. We are working with DGR Engineering, and these are projects identified on the system study. There are significant funds available from the federal government, in this case from the Department of Energy, but getting the funds is a process. Our first concept paper which is due this week is for the Grid Resilience and Innovation Partnership (GRIP) Program. This GRIP funding is coming from the Infrastructure Investment and Jobs Act (IIJA). Electrical Supervisor Avelsgard to provide information on the IIJA Grant.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried authorizing making application for the IIJA Grant

- g. SEH has submitted Change Order No. 3 for the WWTF project for a total of \$76,313.52

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving Change Order No. 3

- h. Commission Members were presented with a spreadsheet for street lighting poles. These poles will be for various areas around town. The two main areas that they will be used for are Kraft Drive and Railroad Avenue. Also included was an estimated cost for the aluminum breakaway bases. We do need to order just the bases. Supervisor Avelsgard presented two quotes.

Supervisor Avelsgard is recommending ordering the aluminum breakaway bases at this time because of locations and cost.

Electrical Supervisor Avelsgard is requesting authorization to purchase Millerbernd Street Poles.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the purchase of the Millerbernd Street Poles from Graybar in the amount of \$87,976.60

- i. On Friday, Dec. 9th interviews were conducted for the Finance Director position. Originally we had three applicants that we were going to interview, but 2 dropped out. We interviewed Mr. Ryan Meyer. Mr. Meyer had received the greatest

number of points on the Training and Education (T&E) system. This is the system that HR uses to ensure that applicants meet the minimum qualifications. Mr. Meyer exceeded the minimum qualifications and scored 106 out of 120 points. Another part of the interview process was an Excel Accounting exercise that had to be turned in ahead of the interview. Mr. Meyer clearly understood the assignment and did an excellent job. The interview committee included – Jeremy Kraemer, Joe Finken, Doris Rieland, Colleen Winter and Stacy Funk. It was a unanimous decision to offer the position to Mr. Meyer at Step 2 with an increase to Step 3 in 6 months subject to a successful probationary period.

Mr. Meyer informed me this afternoon that he will accept the position. He understands that it is subject to final approval of the PUC and Council and successful background check. Because this is a Finance position, we will need to conduct a more extensive and involved background check.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the hire of Mr. Meyer at Step 2 with an increase to Step 3 after 6 months contingent on a favorable review.

A.I. #6 NEW BUSINESS

- a. The WWTF project has experienced several delays and cost overruns due to changes in project scope, supply chain and other items. To date the PUC has approved three change orders for the project. Attached in the packet is the Melrose WWTC Summary. Amy Prok and Susan Danzl of SEH will be present to discuss the changes, answer any questions and talk about the Centrifuge. The Centrifuge was removed from the original project due to costs. The centrifuge was subtracted out of the budget in 2021. through our PFA loan we were able to receive principal loan forgiveness in the form of Green project reserve funds in the amount of \$780,679.00. The PFA loan was used at the beginning of the project and we are now utilizing our cash balance.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried that the centrifuge not be added to the WWTF project.

A.I. #7 OLD BUSINESS

- a. The Commission conducted a final review of the 2023 Budget, Five Year Capital Improvement Plan, and proposed rates for the Water, Wastewater, and Electric Funds for 2023.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried adopting the 2023 Budget and Five-Year Capital Improvement and the 2023 Rate Schedule.

- b. MRES has provided the proposed 2023 Average Retail Rates

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the 2023 Average Retail Rates.

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

Structure	Status of Construction	Upcoming Construction
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Preliminary Treatment Building (02)	• Screw pump sidewall concrete pours complete	• Complete sampler equipment installation
	• Pour upper and lower screw pump bearing blocks • Influent slide gates installed • Doors and most windows are installed • Ductwork ongoing (95% complete) • Electric heaters installed • Electrical equipment installation ongoing. PLC is running. • Screens and screw conveyors are installed • Center walkway is installed	• Continue to install interior process piping • Screw pump equipment installation • Ductwork ongoing • Coatings
Control Building (03)	• Removed old recirculation pump, and pump base • Started installing WAS Pumps •	• Temporary piping to run existing WAS pumps while waiting for new motors
Pump and Blower Building (04)	•	• RAS piping to 04 Bldg in December
Existing Final Clarifier (05)	• The aluminum dome cover has been assembled but not placed on structure yet.	• Sludge piping • New mechanism on site. Start installation once new final clarifier 06 is up and running.
New Final Clarifier (06)	• Dome is installed • Coating mechanism	• Startup scheduled for Dec. 12, 2022
Digester Complex (07)	• Installed new thickened sludge pipe through the floor in the centrifuge room and out to the sludge holding tank. • Rerouted LSG line • Cored and stubbed pipe into sludge holding tank • Backfilled yard piping	• Heat exchanger piping likely spring 2023
Solids Thickening and Loadout Building (08)	•	• Need 02 PTB to be up and running
Splitter Structure (10)	• Base slab and walls poured. • Valves on effluent pipes installed. Piping stubbed toward each final clarifier.	• Startup scheduled for Dec. 12, 2022 via bypass from existing splitter structure • Influent piping toward Clarifier 05
Existing 48 ft Clarifier (11)	• Installed bypass around 52-ft final clarifier • Aluminum dome cover complete	
Structure	Status of Construction	Upcoming Construction

Sludge Return Metering Vault (12)	• Finished pouring all the concrete for this structure. Top slab poured 1/31/22 • Stripped forms • Passed Leak test. • Coatings have been completed (June 2022) • Grating has been installed over the openings • Slide gates installed	• Startup scheduled for Dec 12, 2022. New RAS piping from #12 to 04 Blower Building
Yard	• Yard piping from 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 mostly complete • Installed sludge pipe from Final Clarifier (06) to Sludge Return Metering Vault (12) • Installed 4" scum line past the splitter structure • Rerouted 6" Primary Sludge Pipe • Finished working on the 6" overflow drain • Installed sludge line for 48' Clarifier • New Hydrant line has been installed • Piping to EQ is installed • Installed new valve for WM • Started installing the 36" influent sewer • Grit structure bypass to primary clarifiers complete (10" and 16")	• 4" Scum Piping from shared manhole between Clarifier 05 and 06 (In Progress) • 20" Influent to Splitter Box #10 (Dec 12th 2022) • RAS piping from #12 to #04 wet well (Dec 12th 2022) • Demo telescoping valve pit (December 2022) • Sludge pipe from Existing Final Clarifier (05) to Sludge Return Metering Vault (12) • Continue working on 36" influent sewer pipe final N/S stretch by existing influent piping and 2 sticks of E/W piping by MH 53 (Spring 2023) • Grit structure bypass to primary clarifier effluent (Spring 2023)

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Rate Schedule B & C to the S-1 Power Sale Agreement (S-1 Agreement)
- b. The following are schools and/or conferences where registrations were made:
 - 1) NESC Regional Workshop – January 31, 2023, Attending Journey Lineworker Steve Scholz and Pat Lomax and February 14, 2023, Attending Electrical Supervisor Roger Avelsgard and Lineworker Cole Jordahl

ADJOURNMENT

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

PATRICIA HAASE – CITY CLERK