

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JULY 8, 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, July 8, 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, Journey Lineworker Steve Scholz, City Administrator Colleen Winter, Finance Director Ryan Meyer, Community Development Director Sheila Hellermann, and City Clerk Patti Haase. 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 amended.

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a) The minutes from the Commission's June 10 Regular Meeting and the June 18, Special Meeting
- b) List of bills in the amount of \$ 1,091,944.41
- c) Investments Report for the month of June.
- d) Molitor Excavating has submitted Pay App# 2 for the 2024 Main Street Improvements for work completed through 6/28/2024. The pay application is in the amount \$547,965.16. Of this amount, \$350,465.12 is utility, and \$197,500.04 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:
Work is continuing on Main Street. Phase 1 utilities have been completed, and Phase II utilities began on the west end and construction is heading east. The water main should be completed by July 15th and work should start on sanitary sewer that week as well.

Workforce – We are hiring for several positions right now including:

- Electric Operations Director
- Journey Lineperson
- Police Officers (2)
- Part time Streets worker

The CEO of Land O' Lakes was at the Melrose plant a couple of weeks ago and noticed the Kraft Drive street sign. A request has been made for the City to consider changing the name to Dairy Drive or another similar name to celebrate how important Dairy is in the area.

- b. Electric Journey Lineworker Steve Scholz provided the following update.

The department has finished installing street lights on Railroad Avenue and installed one more street light in front of Kwik Trip. They also repaired an air compressor motor in the power plant.

There was an outage with the lighting storm that took out feeder 2 in the Southwest substation.

We changed a pole out on the farm line that broke off when M3 contracting was plowing in fiber.

Gen 5 had trouble with the DEF system, we had Cummins out and what they had us replace the DEF fluid they said it has a shelf life and it was getting old, we'll have to see if we will still get error codes.

The Electric Department installed new transformer for the new storage sheds out on Riverside West.

We had a 300 KVAR capacitor go bad at Land O Lakes which we replaced

The department also repaired some bad street light wire and installed a couple of secondary services.

We're doing much more locating than other years, with the contractors installing fiber for Arvig.

- c. Water/Wastewater Supervisor Jeremy Schrantz provided an update. The department continues to change out meters. Staff addressed a water complaint. They flushed the hydrant which seems to have cleared up the issue. The Main Street project is consuming much of the department's time. The department is also trying to spend 2-3 hours a week on GIS work. There was a lighting strike at the wastewater plant which created several electrical issues. The department continues to work with Magney and SEH with ongoing issues at the plant. The department is also spending time performing ground maintenance.
- d. Community Development Director Sheila Hellermann reported that Caseys North is still for sale. Bruder's Butcher is out of mortgage foreclosure and is for sale. The Empire Memorial building is also for sale. Riverside Flats occupancy is filling up. Wobegon Crossing plans to open in approximately 2 months. The parking lot has been paved.

A.I. #5 NEW BUSINESS

- a. Another round of strengthening the Reliability and Resiliency of Minnesota's Electrical Grid Grant Program is due August 26th. We have applied for a similar grant at the Federal level and received feedback from that application. Staff is looking for direction from the PUC as to whether or not an application should be submitted.

The Commission by consensus approved applying for the Electrical Grid Grant Program.

- b. Staff presented to the Commission the current process on dealing with accounts that are 30-60-90-120 days overdue. Staff would like to modify when disconnects are sent out. Bump up disconnect at the 60 day rather than the 90 days.

A motion was made by Mr. Kraemer seconded by Mr. Finken and unanimously carried to move up the disconnect notification be sent at 60 days rather than 90 days.

- c. Community Development Director Sheila Hellermann provided an update on projects that staff is currently working on with developers. The preliminary plat for Melrose Highlands North was approved by the Planning & Zoning Commission on June 24th. It will be reviewed by the Council on July 18th. The final plat will be reviewed at the July 29th Planning & Zoning Meeting. The developer has a sign up and is actively marketing the lots.

A preliminary plat for KL Properties #1 will be reviewed by the Planning & Zoning Commission on Monday, July 29th. We are hoping to have a preliminary plat for the PUC to review at the meeting. The city has completed a feasibility study on the Highlands Blvd. extension. It is being designed now by SEH. The plan is for construction yet this fall.

Stearns Electric is working on footings. Their precast walls will be delivered in early August.

The preliminary and final plats for Melrose I-94 Industrial Park Second Addition were approved by Planning & Zoning on June 24th and by the Council on June 26th. We are waiting on the mylars for closing. Carstens has parts of the building delivered and waiting. There will be considerable dirt work to get done.

Blue Door Storage is working through permits on their 2nd and 3rd buildings for 2024. #1 for 2024 is complete. More are planned, possibly for this year. The 3rd building will be much larger with individual units with water and electric to each unit, separately metered.

A purchase agreement with Roach Development for the 11 acres/2 cul-de-sacs in Railroad West has been signed. The land was transferred to the city (rather than MADA holding it). A TIF district and development agreement is being worked out now and will be signed at the real estate closing – which will occur before December 1st. Mr. Roach has told staff he will be providing a layout of the 11 acres in the next 30

A.I. #6 OLD BUSINESS

- a. Water/Wastewater Treatment Facility Update from SEH Staff was directed to put pressure on SEH to remedy the situation. A person from SEH will be asked to be in attendance at the next regular meeting.

Structure	Status of Construction	Upcoming Construction
Preliminary Treatment Building (02)	Water heater installed for screen cleaning	Discuss Preliminary Treatment Building electrical failure and next steps. Meeting tentatively scheduled

Structure	Status of Construction	Upcoming Construction
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	• 1/18/2024: Nord confirmed that the backstop on the south screw pump was installed backwards during Nord's last visit on 1/9/24. – The gear oil was drained, the backstop cover and backstop was removed, gasket sealant cleaned, and a full oil change performed. – Nord performed an assessment of the backstop and a bore scope. There were no signs of corrosion or wear marks. – The same backstop was re-installed. – Nord believes the first backstop failed and allowed water to enter and then the new one was installed backwards. Nord to provide a report. – 3/13/24 Lakeside came to site and drained oil and replaced it on the south pump. Sampled oil and mailed to Nord. Installed new moisture-detecting breather on gearbox. – 3/21/24 Nord on site. Drained oil on south pump and replaced. Backstop was corroded. Replaced with new backstop. • Lakeside to be on site 4/10 and performed full oil change out of the recommended front port. • JWC was on site 2/6 - 2/7, to correct the following: – Install a new spray nozzle for Screen #1 – Install and calibrate a new pneumatic solenoid for Screen #6 – Install a new gasket for the union in Screen #4	for July 8, 2024 with Magney, Total Control, Freeport Electric, City, and SEH. Failure occurred at 12:10 am on the June 18, 2024. • South screw pump and north pump desiccant on gear box starting to turn pink, indicating moisture. Discussion with manufacturer to be scheduled. • Temporary welding of south screening auger crack on shaft and flight completed 6/4/2024 on site. Permanent solution for auger shaft and flight damage under discussion with JWC and Magney. • Water leaking into electrical room when water on floor of upper level. Added to punch list.
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Structure	Status of Construction	Upcoming Construction
	– Perform staff training • JWC was on site 4/2/24, to replace the air cylinder on screen #6	
Control Building (03)	• WAS pump 2 start-up & training April 15, 2024 by Magney and Vogelsang	• No additional work
Pump and Blower Building (04)		• No additional Work
Existing Final Clarifier (05)	• Clarifier start-up 6/6/2023	• Punch list -coatings
New Final Clarifier (06)	• Clarifier live as of 2/28/23	• Punch list - coatings
Digester Complex (07)		• No additional Work
Solids Thickening and Loadout Building (08)		• No additional Work
Splitter Structure (10)	• Structure live as of 2/28/23	• No additional Work
Existing 48 ft Clarifier (11)	• Sludge tie-in to route sludge to new Structure 12 complete 2/27/23	• No additional Work
Sludge Return Metering Vault (12)	• Structure live as of 2/27/2023	• No additional Work
Yard	• Asphalt corrected.	• No additional Work

WORK CHANGE DIRECTIVES & CHANGE ORDERS:

NO OUSTANDING WORK CHANGE DIRECTIVES OR CHANGE ORDERS.

OUTSTANDING ITEMS:

Item	Description	Cost Impact	Schedule Impact	Notes
02 PTB Vent	Burping vent solution			City will test defoamant
Closeout paperwork	Coordinate with Magney			In Progress
Punchlist Coatings	05 and 06 Clarifiers have coatings corrections on the punchlist.			City and Magney to discuss.
02 Drain	City requests another floor drain or trench drain option in 02			Consider going into sanitary manhole to the west.

On Tuesday, July 18th the WWTF experienced a power failure resulting in flooding of ww at the plant. The MPCA and PUC were informed, and tests were conducted on the sewage water that overflowed out of the headworks building and onto the yard. Brooks from Total Controls came out to the plant and here is a summary of his report:

“Everyone, When I got onsite Tuesday, June 18th I found the main PLC in the head works building had lost its program I was able to get the program downloaded and back up and running. There was also a bad Analog Output card in the PLC rack which I had Ryan from our office bring a new one out so I could get that fixed. I also found the Ethernet switch in the control panel was bad. I was able to get a new one installed and get communications back up and running. The Ethernet port on the Cmore Display was also bad causing the display to not read any of the data from the PLC.

We had to order a new display for this which I installed on Thursday the 27th. In the Scum pit panel I found the ethernet port on the PLC at failed and the Analog Input card had also failed. Ryan from our office also ran those parts out for me to be able to get the station back up and running. I also found that the EQ valve actuator was not working. I checked to make sure the actuator had power and the fuses in the actuator were good. We removed the actuator and are shipping it back to Auma to have it fixed.

I believe this whole event was caused by a lightning strike in the area of the WWTP. In past experiences with lightning strikes it is possible that it weakened other components in the system and we could see more failures in the coming weeks.

Thanks

Brooks Bredeson

A.I. #7 ACTION ITEMS

- a. Administrator Winter stated that Electric Journey Lineworker Steve Scholz has given notification of his retirement. Mr. Scholz has presented a proposal where he would work one day a week or more if generating for the city under the Phased Retirement Option through PERA. Mr. Scholz would be paid at this current hourly rate with no benefits. He would be provided with safety clothing and equipment and he would be allowed to set his own hours, as needed.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving Mr. Scholz's proposal under the Phased Retirement Option.

- b. The Commission at its May 13, 2024, meeting authorized the hiring of an Apprentice Line Worker – 1000 Hours. Five applications were received. Staff interviewed three candidates on Wednesday, June 26. Staff is recommending hiring Spencer Murphy for the Temporary Apprentice Line Worker position at Step 1 on the Temporary Electric Apprentice wage schedule.

A motion was made by Mr. Kraemer seconded by Mr. Finken and unanimously carried approving the hiring of Mr. Spencer Murphy for the Apprentice Lineworker -1000-hour position at Step 1 on the Temporary Electric Apprentice wage scale.

- c. Journey Lineworker, Steve Scholz has given notification of his retirement from the city effective August 30, 2024. Mr. Scholz has worked for the city for over 40 years. Staff is requesting to advertise and hire for the position.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried authorizing staff to advertise and hire for the Journey Lineworker position.

- d. City Administrator Winter noted that as of today we have not had anyone apply for the Electric Operations Director position. Administrator Winter requested that the Commission consider adjusting the wages or other strategies for attracting candidates to the position.

Staff was directed to continue advertising for the Electric Operations Director position.

- e. The city and KL Properties LLC have entered into a Residential Development

Agreement for the development of eight (8) residential lots in the Highlands area. Platting work has begun, and a preliminary plat is expected at the July 29, 2024, Planning & Zoning Commission meeting. As part of the project, Highlands Boulevard will need to be extended to the west, and 1st Avenue NE extended north. SEH has completed a feasibility study. At its next council on July 18, 2024, the Council will hold a public hearing to consider the special assessments on the proposed Improvement of the "Highlands Blvd. Extension," after which they will consider a resolution ordering the improvement. Minnesota Statute 429.031, subd. 2 requires the PUC do the same as the project includes water and sanitary sewer extensions.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving Resolution No. U.C. 2024- 1, Resolution Ordering Plans and Specifications for the Highland Boulevard Extension

A.I. #8 INFORMATIONAL ITEMS

- a. On July 28, 2024, Accounting Clerk/Office Coordinator Stacy Funk will complete 10 years of service. She will receive a 10-year recognition award of \$25 as outlined in the City Personnel Policy Employee Recognition Program. Ms. Funk is to be commended for her 10 years of service.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Kraemer seconded by Mr. Finken and unanimously carried that the meeting be adjourned at 5:30 p.m.


PATRICIA HAASE – CITY CLERK