

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JULY 11, 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 #14 Magney Construction
 - e. RDB Project Invoice
4. Reports
 - a. Electrical Supervisor Report
 - b. Water/Wastewater Supervisor Report
 - c. City Administrator Report
5. Action Items
 - a. MRES School Program
 - b. Concrete Pad at Warehouse
6. Old Business
 - a. Water/Wastewater Treatment Facility Plan Update
 - b. Water Tank Maintenance Report
7. New Business
 - a. WAPA Proposed Rate Adjustment
8. Informational Items
 - a. MRES Leadership Academy
9. Adjournment

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

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, July 11, 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 Eric Seanger, Electrical Supervisor Roger Avelsgard, Water/Wastewater Supervisor Tim Vogel, City Administrator Colleen Winter, Utility Billing Clerk Sharon Blaskowski, and City Clerk Patti Haase. Commission Member Joe Finken, and Finance Director Tessa Beuning were absent. Chair Kraemer called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Seanger, seconded by Mr. Kraemer 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 June 13 Regular Meeting
- b) List of bills in the amount of \$1,592,465.86 (See attached list)
- c) Investments Report for the month of June. (See attached list)
- d) Magney Construction has submitted Pay App #14 in the amount of \$251,792.54 for the work completed through 6/30//2022. SEH has reviewed the Payment Request and is recommending payment as outlined in the invoice.
- e) Stearns County has submitted invoice #160-2022-RDB engineering costs for the RDB project. \$9,282.73 is the water fund portion, and \$39,231.41 is the general share.

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

A.I. #4 REPORTS

- a. Electrical Supervisor Avelsgard provided an update. Anderson Underground has completed work on Railroad Avenue, 4th Avenue and 3rd and 4th Street. They are currently working on West Riverside. Star Energy is conducting pole testing on rural lines. MRES has conducted partial discharge testing and infrared testing on transformers 300 and above. Infrared testing was also completed on part of the distribution system. The generation plant passed the urge test.
- b. Water/Wastewater Supervisor Vogel provided an update. The water main for the RDB project has been charged. Centrifuge proficiency testing is completed and has been submitted. Staff will be starting jetting soon.
- c. City Administrator Winter provided an update. MADA will be closing on the Middendorf property and Theiler property in the upcoming weeks. The City received one proposal on the Development RFP. Shelia Hellermann has been hired as the City Planner.

A.I. #5 ACTION ITEMS

- a. Bright Energy Solutions® Power Team education program to 5th grade students.

Please note that the curriculum is already prepared and the materials are all provided at no cost to the schools. Also, the student kit includes activities for students to do at home with their families.

MRES cost-shares the program 50/50 with members. The cost per student is approximately \$44, which comes to approximately \$22 per student for our utility. MRES and the member also share one-time costs for a watt-meter that stays in each classroom. Our share of that cost is about \$10.

Curriculum topics include energy – forms of energy and natural resources including renewable and non-renewable; natural gas; electricity – getting it to your home, conserving at home and measuring energy consumption. Standards correlation charts are included showing teachers how the curriculum meets state standards in math, science and language arts.

Each student also receives a kit – branded with our utility's logo – containing two ENERGY STAR® LED bulbs, two LED night lights, a digital thermometer, a personalized Quick Start Guide, reminder sticker magnet pack, along with a book on Tips on Saving Money and Energy in Your Home (both English and Spanish versions).

This is a turn-key program, and the level of our utility's involvement is up to you. All we need to do is contact our school(s) about participating and inform MRES they are participating. Once MRES has received the school contact information from your community, our vendor – AM Conservation – will contact the school, confirm student numbers, and provide the materials to the schools when they want them delivered.

A motion was made by Mr. Kraemer, seconded by Mr. Seanger and unanimously carried to participate in the cost share of the MRES school program.

- b. Electrical Supervisor Avelsgard has obtained bids for a concrete pad at the warehouse. Supervisor Avelsgard has not received the final number from A & H Concrete.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried authorizing installation of concrete pad and bunker bin blocks at east warehouse for a cost not to exceed \$18,406.66.

A.I. #6 OLD BUSINESS

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

STATUS OF CONSTRUCTION: IN PROGRESS

Structure	Status of Construction	Upcoming Construction
	- Finished working on footings and foundation walls for screening room - Poured floor of collection/mechanical room - Backfilled the unexcavated portion beneath the screening room.	Set precast for the screening room portion of the building
Control Building (03)	Removed old recirculation pump, and pump base	Install WAS pumps
Pump and Blower Building (04)		
Existing Final Clarifier (05)		- Sludge piping - New mechanism on site. Start installation once new final clarifier 06 is up and running.
New Final Clarifier (06)	- Walls and launder trough have been poured. - Passed leak test - Set scum lift station structure - Magney has started working on installing the new Mechanism	- Complete the install of the new mechanism on site. - Coatings
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	Continue work on thickened sludge line in the centrifuge room.
Solids Thickening and Loadout Building (08)		
Splitter Structure (10)	- Base slab and walls poured. - Passed leak test - Coatings completed - Installed the slide gates	Installing valves and piping towards the final clarifiers
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 - Passed Leak test. - Coatings have been completed (June 2022)	Continue working on pipe leaving

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	• Piping leaving the splitter • Sludge pipe from Existing Clarifier (05) to Sludge R Metering Vault (12) • Work on the relocation of primary inflow • Work on installing new w and hydrant
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b. Water Tank Maintenance Report from SEH.

PROGRESS UPDATE

- Project is nearing completion (#159785)
- Contractor performed unsatisfactory site restoration and has been requested to return to improve (#159785)

PROGRESS OUTLOOK

- SEH will be requesting project closeout (#159785).
- Both water towers will have visual surveys in 2022
- Next scheduled drain for cleaning and touch-ups will be in 2025

A.I. #7 NEW BUSINESS

- a. Staff presented find information regarding the Western Area Power Administration (WAPA) rate adjustment proposal. Based upon discussions related to the Power Repayment Study (PRS) with WAPA UGPR staff, the study does not solve at the present composite rate of 24 mills/kilowatt-hour (kWh). This requires WAPA to adjust both the base rate component and drought adder component of the rate to ensure WAPA can cover the annual expenses and meet required payments. The projected composite rate starting in 2023 is now expected to rise to 27.91 mills/kWh. In aggregate, this increase will result in an annual cost impact of \$7.5 million to our Member communities.

MRES understands that a rate increase is warranted due to several factors: (1) persistent low water conditions in the Missouri Basin region, (2) increasing market

power pricing, (3) costs incurred during the 2021 Polar Vortex, (4) inflation on operations and maintenance costs and capital investments. We understand that the full rate increase of 16.3 percent is necessary in 2023 due to WAPA running a deficit for fiscal year 2022. Also, a required payment of \$24 million for original investment is due in 2024. During that time frame, WAPA UGP will begin to make payments on the \$92 million deficit due to the Polar Vortex event in 2021.

Electrical Supervisor Avelsgard has drafted comments in response to the Federal Registration Notice.

A motion was made by Mr. Kraemer, seconded by Mr. Seanger and unanimously carried approving the correspondence and authorizing Electrical Supervisor Avelsgard to send comments on behalf of the Melrose Public Utilities.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. MRES Leadership Academy Brochure

A.I. #9 ADJOURNMENT

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried that the meeting be adjourned at 5:10 p.m.

PATRICIA HAASE – CITY CLERK