

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, MAY 11, 2026– 4:45 P.M.**

1. CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Regular Meeting May 11, 2026 at 4:46 P.M. at the Melrose City Center pursuant to due notice being given thereof. Present were Public Utilities Commission members Joe Finken, Jeremy Kraemer and Eric Seanger, Police Chief and City Point of Contact Craig Maus, Human Resources Coordinator Doris Rieland, Finance Director Jackie Niehaus, Water/Wastewater Supervisor Jeremy Schrantz, and Journey Lineworker Seth Ryan. Chair Finken presided thereat.

2. APPROVAL OF THE AGENDA

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the agenda with one change, moving item 5h. Hiring of Electric Supervisor, to the end of the meeting.

3. CONSENT AGENDA

The following items were considered for approval under the consent agenda.

- a. Approval of the February 24, 2026 Special PUC Joint Meeting Minutes with the City Council, the March 9, 2026, Special PUC Joint Meeting Minutes with the City Council, the March 12, 2026 Special PUC Meeting Minutes, the March 12, 2026 Special Joint Meeting Minutes with the City Council, the April 6, 2026 Special PUC Meeting Minutes, and the April 13, 2026 Regular PUC Meeting Minutes.
- b. Approval of Bills / Purchase Orders
- c. Approval of Investments Report for the month of April
- d. On May 29, 2026, Water/Wastewater Supervisor Jeremy Schrantz will complete 20 years of service with the City of Melrose. He will receive a 20-year recognition award of \$75 as outlined in the City Personnel Policy Employee Recognition Program. Mr. Schrantz is to be commended for his 20 years of service.

Mayor Finken recognized Water/Wastewater Supervisor Schrantz for his service to the City of Melrose over the past 20 years.

4. REPORTS

4a. Water/Wastewater Supervisor Report

Water/Wastewater Supervisor Schrantz provided the following update. Hauling has been completed. The holding tank and the north digester tank have been taken down. A lot of grit was found in both of these tanks. This is not what we want to be seeing, as it is an

indication that the grit system is not performing like it should. This is something we may need to look at in the future. Schrantz stated that the system has not always worked the best. Hydrant flushing is about 75 percent complete after today. A new gearbox was installed on the effluent screw pump that was on order that just arrived. Land O' Lakes has been having issues for the last few weeks. They had a large discharge that overwhelmed the pre-treatment building and caused a flood. This is a violation of the SIU agreement and we did not receive notification that they were having issues previously. We did not get a composite sample from their sampler on the day either, as the sample was dumped. They would not let us look at their plant either, which is another violation. Schrantz has reached out to our engineers and they also recommended talking with an attorney on how to deal with these violations as well. He said that we have not dealt with something like this since he has started working at the city. The samples for Land O' Lakes have also continued to not look good. Schrantz asked whether the PUC was comfortable with him reaching out to the attorney on this. Secretary Kraemer stated that he had sat in on a meeting with Schrantz and the engineers, and it was pointed out that our SIU agreements are lacking in several areas, so those should be looked at and updated. The sewer ordinance also needs to be looked at. Secretary Kraemer stated that a meeting between the city and Land O' Lakes should also be set up as well. Schrantz was also notified on Friday that there had been a spill at the plant as well into a storm drain.

4b. Electric Department Update

Journey Lineworker Ryan provided the following update. Locates have been taking up most of the day to day work at the moment. They are working on the County Road 169 project and following Arvig's progress and working along with them. He is hoping by the end of this week that the main stretch will be able to be energized.

4c. City Point of Contact Report

Police Chief and City Point of Contact Maus provided the following update. Most of the past few weeks has consisted of working on the County Road 169 project, so he has been working with Journey Lineworker Ryan on that. The county will be coming in to start their work in this area on June 1, so we are trying to get our work done before the county starts. As Water/Wastewater Supervisor Schrantz mentioned the Land O' Lakes situation has also been dragging on through April and May here.

5. ACTION ITEMS

5a. Continuing Services Agreement – Nero Engineering

Police Chief and City Point of Contact Maus presented. A proposed agreement has been submitted to the City by Nero Engineering. This agreement may be utilized to assist Melrose Public Utilities with general engineering support, permitting, significant industrial user agreements, and general plant operational assistance. Any design-related tasks associated with a project delivery such as the Blower Building Upgrades Project will be

executed under a separate, project-specific Engineering Services Agreement. Nero recommends authorizing a funding amount under the agreement in increments of \$10,000 for this agreement to be able to fund specific task orders.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve the Continuing Services Agreement from Nero Engineering.

5b. 500 kVA Transformer

Police Chief and City Point of Contact Maus presented. The Electric Department has received two quotes for a 500 kVA Transformer, which is planned to be on hand for upcoming projects. There is a 6-week lead time on this item. The first quote is from Wesco for \$27,791. The second quote is from Irby for \$31,000. The Electric Department is recommending going with Wesco for this order.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the quote from Wesco for the purchase of a 500 kVA Transformer for the Electric Department.

5c. Switchgear Fuse Boxes and Fuse End Fittings

Police Chief and City Point of Contact Maus presented. The Electric Department has received two quotes for six Switchgear Fuse Boxes and Fuse End Fittings. These items are to replace similar items being used during the construction season and for future projects. The lead time is approximately twenty weeks. The first quote from Federal Pacific is for \$138,621. The second quote is from Irby for \$167,700. The Electric Department is recommending going with Federal Pacific for this order.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve the quote from Federal Pacific for the purchase of Switchgear Fuse Boxes and Fuse End Fittings for the Electric Department.

5d. EQ Tank Mixer Repair/Replacement

Water/Wastewater Supervisor Schrantz presented. The Water/Wastewater Department has received quotes for the rebuild or direct replacement of an EQ tank mixer at the Water/Wastewater Treatment Facility. The type of pump involved here is one of the more expensive in the water and wastewater industry. He solicited quotes and the cost for the new pump is less than for a rebuild of the existing pump. The quote for rebuilding the mixer from Electric Pump is for \$11,979. The quote for direct replacement of the mixer from Quality Flow Systems is for \$11,286. Water/Wastewater Supervisor Schrantz is recommending the direct replacement option from Quality Flow Systems.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve the quote from Quality Flow Systems for the direct

replacement of an EQ tank mixer for the Water/Wastewater Department.

5e. MOU for Seth Ryan

Police Chief and City Point of Contact Maus presented. Journey Lineworker Seth Ryan has been temporarily completing the duties of the Electric Line Supervisor in the absence of a permanent employee in this position. At their April 13, 2026, Regular Meeting the PUC discussed entering into an MOU agreement with Ryan to be paid for Electric Line Supervisor duties until a permanent Electric Line Supervisor is hired. Discussion will be held on which day to backdate the MOU to based on correspondence with the union representative for Ryan.

The Commission Members agreed that the MOU could be backdated to March 1, when Ryan started taking on Electric Supervisor duties as the previous Electric Line Lead left their position at that time.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve the MOU for Seth Ryan regarding temporary Electric Line Supervisor duties and additional compensation, and to backdate the MOU to March 1.

5f. City Administrator Bridge Plan

Police Chief and City Point of Contact Maus presented. At the February 24, 2026, Special Joint Meeting of the City Council and PUC, Finance Director Jackie Niehaus presented information regarding coverage of duties of the City Administrator while the position is vacant. The only area that was agreed upon at that meeting was providing additional compensation for the Point of Contact role that Maus would be taking on. Since that time, Maus stated that he has seen additional roles that have been taking on duties with the City Administrator vacancy, as well as the intermittent health leave of the City Clerk. Finance Director Niehaus has then prepared proposed wage increases for employees for these additional duties they are taking on. These increases would be set to apply until July 31, as by that point hopefully a new City Administrator will be starting soon or at least a starting date for them will be on the horizon.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to table this item and send to the Ad Hoc Labor and Personnel Committee for review.

5g. MOU for Craig Maus

Police Chief and City Point of Contact Maus presented. Police Chief Craig Maus has been serving as the point of contact for the City since the City Administrator position became vacant on April 3, 2026. At their February 24, 2026 Special Joint Meeting, the City Council and PUC discussed a compensation structure for Maus for the additional duties the point of contact role would entail. Since that meeting there has not been any specific compensation change proposed yet on this topic. A MOU has now been prepared to

provide additional compensation to Maus.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to table this item and send to the Ad Hoc Labor and Personnel Committee for review.

6. NEW BUSINESS

6a. Battery System Customer Support Agreement – Ziegler Power Systems

Police Chief and City Point of Contact Maus presented. The City of Melrose entered into a Customer Service Agreement with Ziegler Power Systems for the time period of May 1, 2026 to April 30, 2029, for the maintenance of four battery systems owned by the City. The cost is \$4,504.33. No Commission action is required.

6b. Melrose Public Utilities Quarterly Financial Report

Finance Director Jackie Niehaus presented. For Water Fund revenues, water sales between the revenue classes range from 22-25% of the annual budget. Half of the annual anticipated revenues for water connection fees were collected in the first quarter. Interest income was strong in the 1st quarter, totaling 45% of this budgeted revenue. Niehaus continuously works with our investment advisors to monitor the Utility's investment portfolio to structure the funds to balance investment yield, security, and to plan for adequate cash flow. Also included in miscellaneous revenues are the rental agreement fees. There are several agreements for antennas on our water towers. Verizon and Charter made their annual payments bringing these revenues to 77% of the annual budget in the 1st quarter. For water fund expenditures, overall maintenance costs are low due to minimal work done during the first quarter on the wells or water tower maintenance. All other expense accounts appear to be consistent with budgeted expectations, as well as the prior year.

For Wastewater Fund revenues, all classes of services are right on track with budgeted projections for wastewater sales. Similar to the Water Fund, the Wastewater Fund experienced a strong 1st quarter for investment earnings. For Wastewater Fund expenses, overall expenditures are on track, with the exception of maintenance of collection systems, which is currently trending higher than expected. Debt service payments are made in February and August of each year.

For Electric Fund revenues, as with the other funds, investment earnings were strong in the first quarter. All classes of services are right on track with budgeted projections for electric sales. Electric usage (kWh) is in line with the same quarter last year, showing no significant change. For Electric Fund expenditures, wages and benefits are slightly under budget relating to production and distribution due to wages being capitalized with the work orders. Maintenance costs remain low when compared to budget. All other expense accounts appear to be consistent with budgeted expectations, as well as the prior year.

Cash balances for the funds have been steadily increasing. In prior years, these balances were kept in a savings account. In the current year they are kept in various short-term certificates of deposit with varying maturity dates.

6c. On-Call Pay for Electric and Water/Wastewater Supervisors

Police Chief and City Point of Contact Maus presented. He stated that Vice Chair Seanger asked that this be put on the agenda after interviews for the Electric Supervisor position. Vice Chair Seanger stated that he believes when people are called in, they are doing lineman/operator work, not supervisor work and the compensation should reflect that. He asked how Maus received on-call pay. Maus stated that when the Department is short-staffed he gets paid his hourly rate but when he is on-call he receives a lower rate. Secretary Kraemer asked if the rules can be changed then to pay employees who are on-call at the lineman/operator rate? HR Coordinator Rieland stated that would have to be checked with legal. Maus stated that premium pay could be used as well in these situations. Rieland stated that a rate could be set for on-call or trouble call pay, but it would not be called overtime as exempt employees cannot receive overtime. There was discussion about whether this topic also needed to go to the Ad Hoc Labor and Personnel Committee for review.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to table this item and send to the Ad Hoc Labor and Personnel Committee for review.

7. OLD BUSINESS

7a. Water/Wastewater Treatment Facility Update from SEH

Water/Wastewater Supervisor Schrantz presented. He heard back on the manufacturer Vogelsang on a pump that is still under warranty and they stated they did not receive information from the engineers, so he will reach out to SEH on this. The gearbox is out on this pump as well. The vendor will replace the gearbox. SEH is also finalizing some of the plans on this project. We are also waiting on the JWC spare parts.

7b. Well 7 Replacement Progress Report from SEH

Water/Wastewater Supervisor Schrantz presented. The work has been a struggle, the well was blasted to try and loosen the grout in the screen. They tried several different methods to try and remove the grout as well. A test pump was then ran and it did not perform as well as hoped. A new well may need to be drilled if the issues cannot be resolved with the current well. Chair Finken asked how long the project would take if a new well needs to be drilled? The original estimate to repair the current well was June. Schrantz stated that it would be a delay.

8. INFORMATIONAL ITEMS

The following informational items will be reviewed:

8a. The next PUC meeting will be held on Monday, June 8 at 4:45pm.

Chair Finken indicated that he would not be able to attend the next meeting.

5. ACTION ITEMS

5h. Hiring of Electric Supervisor

According to State Statutes, there are certain exceptions to the Open Meeting Law, which allow councils to close meetings.

Labor negotiations under PELRA Minn. Stat. § 13D.03. A meeting to consider strategies for labor negotiations, including negotiation strategies or development or discussion of labor-negotiation proposals, may be closed. However, the actual negotiations must be done at an open meeting if a quorum of the council is present.

The following procedure must be used to close a meeting under this exception:

- The council must decide to close the meeting by a majority vote at a public meeting and must announce the time and place of the closed meeting.
- Before closing the meeting, the council must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.
- A written record of all people present at the closed meeting must be available to the public after the closed meeting.
- The meeting must be recorded.
- The recording must be kept for two years after the contract is signed.
- The recording becomes public after all labor agreements are signed by the city council for the current budget period.

If an action claiming that other public business was transacted at the closed meeting is brought during the time the tape is not public, the court will review the recording privately. If the court finds no violation of the open meeting law the action will be dismissed and the recording will be preserved in court records until it becomes available to the public. If the court determines there may have been a violation, the entire recording may be introduced at the trial. However, the court may issue appropriate protective orders requested by either party.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to close the meeting at 5:21 P.M.

The Commission discussed strategies for labor negotiations, including negotiation strategies or development or discussion of labor-negotiation proposals.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and

unanimously carried to close the meeting at 5:29 P.M.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve the counter-offer to the applicant's proposal.

9. ADJOURNMENT

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to adjourn the meeting at 5:29 P.M.

A handwritten signature in black ink, appearing to read "Connor Kockler", written over a horizontal line.

CONNOR KOCKLER – CITY CLERK