

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JUNE 8, 2026 – 4:45 P.M.**

1. CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Regular Meeting June 8, 2026 at 4:45 P.M. at the Melrose City Center pursuant to due notice being given thereof. Present were Public Utilities Commission members 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, Journey Lineworker Seth Ryan, and Community Development Director Sheila Hellermann. Public Utilities Commission member Joe Finken was absent. Vice Chair Seanger 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.

3. CONSENT AGENDA

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

- a. The May 11, 2026, Regular PUC Meeting Minutes
- b. List of bills for the month of May
- c. Investments Report for the month of May
- d. On June 27, 2026, HR Generalist/Payroll Clerk, Doris Rieland will complete 10 years of service with the City of Melrose. She will receive a 10-year recognition award of \$25 as outlined in the City Personnel Policy Employee Recognition Program. Ms. Rieland is to be commended for her 10 years of service.
- e. City Clerk/Licensing Coordinator, Connor Kockler will complete 6 months of service with the city on July 5, 2026. Police Chief and acting City Administrator Craig Maus has conducted Mr. Kockler's review, and it is favorable; therefore, recommends he receive a step increase from Step 1 to Step 2 on the wage schedule.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the consent agenda.

4. REPORTS

4a. Water/Wastewater Supervisor Report

Water/Wastewater Supervisor Schrantz provided the following update. Hydrant flushing is completed, the guys have been busy doing locates and ground maintenance. They took down the clarifiers last week and are doing routine maintenance on those. We are running

one clarifier right now, to see if we have better effluent quality on the weekends, this has been going decent. We will continue to monitor this when flows pick up during the middle of the week. He has been working on the lead and copper site plan with Sheila, this has now been approved by the Department of Health. Twenty homes need to participate in this program and they were able to complete sign-ups. This goes from June to the end of August.

We did verify at Land O' Lakes that their storm drain is tied to our sanitary sewer line, which is an issue. Land O' Lakes said that they will get this capped off. He had a meeting with Proliant, they have been having some water quality issues. Their chemical vendor came up and did a water quality assessment, and told us that there is too much chlorine in the city water and that was affecting their stainless steel pipes. Secretary Kraemer stated that he is familiar with this discussion and is confused on how chlorine levels could be too high and affecting stainless steel and yet copper and steel pipes are fine. Schrantz stated that chlorine cannot go any lower than it already is or else there would be different tests that the city would be failing.

There have been weekly meetings for the Blower Building Project at the Water/Wastewater Treatment Plant. This has included equipment selection so the process has been moving forward well there, they are still trying to figure out the bypass sequencing down. He thinks they have a good plan on how to do this. It sounds like for the July PUC meeting they would like to have a guaranteed maximum price for the project to review. There are still a few things that need to get approved through the MPCA and they are hoping to hear back on that soon.

4b. Electric Department Update

Journey Lineworker Ryan provided the following update. The Electric Department wrapped up the County Road 169 project up north and the area is ready for the County development. There was a drunk driver that crashed into a switch last week, that has been added onto the agenda this week for replacement, but that has been fixed now. Last week, the generation test went well, we were able to generate 6 megawatts for over an hour. For the test on the 30th, we will need to generate 8 to 9 megawatts so the power plant should be on track to be able to do that. Got quotes from DGR and Arvig for the Roach development on Railroad West. Otherwise working on inventory, locates, and disconnects.

4c. City Point of Contact Report

Police Chief and City Point of Contact Maus provided the following update. The staff budget retreat will be on July 1st. Hopefully this will generate ideas and help look forward to 5 to 10 years down the road and have items getting ready for action later this year.

5. ACTION ITEMS

5a. Utility Box and Box Pad Replacement

Police Chief and City Point of Contact Maus presented. Journey Lineworker Ryan with the Electric Department has received quotes for a replacement utility box and box pad following a drunk driver crash last week. The first quote is from Wesco for a cost of \$27,025. A second quote for these items has also been received from Irby. The cost is \$31,292. There is a lead time of 20 weeks for these items. Ryan recommends the quote from Wesco.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the quote from Wesco and authorize the purchase of a replacement utility box and box pad for the Electric Department.

b. Electric Department Summer Hours Proposal

Police Chief and City Point of Contact Maus presented. It has been proposed that the Electric Department adopt summer hours of four days of nine-hour shifts, and one day with a four-hour shift each week. This is being done by the Streets and Administrative union, it was negotiated into their contract. This would be an MOU this time, and then would be finalized in a contract next time a negotiation time comes around. One clarification is that Streets/Parks would always still have one person working 8 hours on that Friday so that a staff member is present.

Commission Members stated their agreement with the proposal, but were wondering whether the union would be willing to incorporate it into an MOU. Human Resources Coordinator Rieland asked about the specific language and dates, Vice Chair Seanger stated it should be consistent with the other units. Police Chief and City Point of Contact Maus asked about whether the Water/Wastewater Department might also be interested in having a summer schedule. Water/Wastewater Supervisor Schrantz stated that his department's schedule which has been in place since 2020 has been working well for the employees.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve of the summer hours proposal for the Electric Department.

c. 2026 Property Insurance Renewal

Finance Director Niehaus presented. The city received our annual quote for general liability, errors and omissions, auto, equipment, and property insurance through the League of Minnesota Cities Insurance Trust (LMCIT) for the period of May 15, 2026 - May 15, 2027. The total quote is \$170,445, up from \$158,624 for the 2025-2026 coverage. The cost for the premium is shared between the General Fund at 34% and Utility Funds at 66%. Significant changes include an increase in the electric utility property and the increase in vehicles on the auto schedule. The overall premium is up 7.45% from the prior year.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the insurance quote of \$170,445 to waive the monetary limits on municipal tort liability, to keep the deductible at \$5,000/\$15,000, and not purchase excess liability or equipment breakdown coverage.

d. Purchasing Policy Proposed Changes

Finance Director Niehaus presented. She stated that she has reviewed the City Purchasing Policy and has proposed a few changes. It has not been updated in around 10 years. Under Section E. Credit Cards, the credit limit for credit cards issued to the City Administrator and Finance Director would be increased from \$10,000 to \$15,000. The credit limit for credit cards issued to Department Heads and Supervisors would also be increased from \$5,000 to \$10,000. These changes would be made due to the increasing price of items since the policy was last changed, and to increase flexibility in purchasing decisions by senior city staff.

Secretary Kraemer asked whether the policy was changing or if the card limits were changing? Finance Director Niehaus stated that just the card limits would be changed. Police Chief and City Point of Contact Maus pointed out that these limits end up being cumulative until the card balance is paid off. Since items are getting more expensive, under the current limits department heads end up running out of spending ability until the card balance is approved and paid off.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to increase the credit limit under Section E. Credit Cards of the City Purchasing Policy for credit cards from Magnifi Financial issued to the City Administrator and Finance Director from \$10,000 to \$15,000. The credit limit for credit cards from Magnifi Financial issued to Department Heads and Supervisors will increase from \$5,000 to \$10,000.

e. Wellhead Land Question

Police Chief and City Point of Contact Maus presented. Wayne and Aimee Hegg live at the end of Springhaven Road (parcel #12.07260.0004) and have land adjacent to city-owned land in the wellhead protection area. They have been maintaining a strip of city land on the north side of the property. They are asking if the city is interested in selling that strip of property. Considerations include: the Hegg parcel is outside the city limits, so does it raise annexation concerns? Also, use of city property by other landowners on Springhaven Road.

Secretary Kraemer asked what specific section the Hegg are looking to purchase, is it the half acre portion just north of them? Maus stated that it is his understanding as well. Community Development Director Hellermann stated that Wayne Hegg has stated if the city sells land to him, that their neighbors will all likely want to buy strips of city owned land as well across the road from their properties. Maus and Schrantz discussed how all of this property in question is part of the wellhead protection area and could affect that.

Secretary Kraemer asked whether if city land were to be sold, if it needed to be opened up to all buyers or if the city could sell directly to someone without a public opportunity to buy it? Vice Chair Seanger agreed that this could be a gray area. Both Kraemer and Seanger stated that they would be against a sale based on these concerns. No action was then taken by the Commission on this matter.

6. NEW BUSINESS

6a. Electric Line Supervisor/MRES Contract Discussion

Police Chief and City Point of Contact Maus presented. As the Commission may be aware, the individual the city was negotiating with for the Electric Supervisor position has now declined. Staff is seeking direction regarding the overall staffing strategy for the Electric Department. There is conversation with Missouri River Energy Services (MRES) about setting up a distribution management contract with them. Vice Chair Seanger and Secretary Kraemer stated that they would be interested in moving forward with a distribution management contract with MRES. Following discussions between staff and MRES, a contract would be placed on the agenda for a vote at a future meeting.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve city staff moving forward with discussions with Missouri River Energy Services to draft a distribution management contract between the City of Melrose and MRES.

6b. Bridge Plan

Police Chief and City Point of Contact Maus presented. The PUC recommended at the May 11, 2026, meeting to have the Ad Hoc Committee review the compensation for additional duties during the vacancy of the City Administrator. At the direction of the Ad Hoc Committee on May 20, 2026, Chief Maus is presenting the Memorandums of Understanding. Chief Maus is recommending approval for compensation for additional duties during the vacancy of the City Administrator. Finance Director Niehaus added some additional hours for compensation onto the plan as we will likely not have the new City Administrator in place until late July. What is being proposed is additional hourly rates being added to Police Chief Maus and Human Resources Coordinator Rieland's regular wages to compensate them for additional duties taken on, through July 31. These memorandums of understanding would be backdated to April 6.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the Bridge Plan and the memorandums of understanding with Craig Maus and Doris Rieland.

7. OLD BUSINESS

7a. Water/Wastewater Treatment Facility Update from SEH

Water/Wastewater Supervisor Schrantz presented. He stated that he did not have much of an update from SEH on this, except that we do have a \$23,000 bill from them that we have not paid yet as we are waiting on some items to be delivered.

7b. Well 7 Replacement Progress Report from SEH

Kevin Young from SEH attended remotely and presented. SEH notified Traut that Contract A is past its completion dates and they need to prioritize getting back to the site for development. Their schedule had been delayed a couple times due to delays on other projects where the development equipment was located. The contract substantial completion date was April 30, 2026 and the final completion date was May 29, 2026. Traut companies developed a plan for additional development of the well to include jetting the screen to loosen the gravel pack while simultaneously air lifting water out of the well at a higher flow rate than the amount of jetting water being used. The intent of this method is to pull fines within the aquifer formation through the gravel pack when it is loosened by jetting. This method has been successfully used on past wells for Traut Companies and SEH. Traut will perform additional development on Well 10. Traut feels that the work they put into the well to remove the grout from the screen stirred up sediments in the formation that are blocking flow. They noted that when the first began developing Well 10, they were only producing about 100 gpm but after development they were able to produce 1,000 gpm with a plugged screen. Development effectiveness will be evaluated by monitoring how much sediment is coming out of the well while developing as well as monitoring the water level in the well while air lifting, to determine if the well specific capacity is increasing.

8. INFORMATIONAL ITEMS

The following informational items will be reviewed:

- 8a. The next PUC meeting will be held on Monday, July 13 at 4:45pm.
- 8b. The Receptionist-Building Permit Tech position has been advertised. The closing date for applications is June 15th at 4:30 pm.

9. ADJOURNMENT

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to adjourn the meeting at 5:15 P.M.



CONNOR KOCKLER – CITY CLERK