

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, APRIL 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, April 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, and Joe Finken, Water/Wastewater Supervisor Tim Vogel, Interim 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. Commission Member Jeremy Kraemer was absent. Chair Seanger 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 March 11 Regular Meeting
- b) List of bills in the amount of \$1,148,777.03
- c) Investments Report for the month of March.
- d) Utility Billing Clerk, Lisa Braun will complete one year of service with the City on April 11, 2024. Supervisor Ryan Meyer has conducted Ms. Braun's review, and it is favorable; therefore, recommends she receive a step increase from Step 1 to Step 2 on the wage schedule.

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

A.I. #4 REPORTS

- a) Electric Journey Lineworker Steve Scholz provided an update. The department has been working on equipment maintenance and truck inspections. They are also working on tree trimming and have installed temporary meters at Riverside Flats until AMI meters are received. The department will have to manually read the meters until such time when the AMI meters are installed. The Electric Department has obtained transformer bids and boring bids.
- b) Water/Wastewater Supervisor Jeremy Schrantz provided an update. Lakeside will be out again next week to work on the screw pumps. JWChas installed a new air cylinder and has adjusted the spray bars. Tri-State Pump and Control was out and installed the Hellbender pumps. Slip lining has been completed on 2nd Street on north side of town. Staff has begun flushing hydrants. Magney has installed the new WAS pump. Freeport Electric Well #7 transformer is back on line.
- c) Community Development Director Sheila Hellermann provided an update. With 1st quarter 2024 done we had 40 building permits totaling \$1.795 million. Kwik Trip's sidewalk is in and the additional signage should be going up soon – hopefully this week – to prevent

the exiting onto County Road 13. Riverside Flat had an open house on Sunday afternoon. Stearns Electric officially approved the new headquarters last week and things are moving quickly now. The shed needs to be moved by April 29th and we have assigned the site a new, separate address. Church of St. Mary's has submitted an application this week for a shed. Blue Door Storage this week submitted an application for the first shed in its expansion. MKI Enterprises is beginning dirt work for its two sheds. And a permit was received this week for the 1st of the new homes along 5th Ave NW. We had a preconstruction meeting for the County Road 168 sidewalk. They will begin soon as road restrictions came off on Monday. We are working on finalizing a Letter of Intent with developer for the undeveloped property on railroad west.

- d. City Administrator Winter provided an update.

WW/W Operator: – We received 5 applications for the WW/Water Operator position and will be conducting interviews April 10th or 11th. If we are successful in finding a qualified candidate and extending an offer, we would like the PUC to approve the hiring before the next regular PUC meeting. So we are requesting a special meeting of the PUC in the morning the week of April 15th. The meeting would be very brief.

GIS update – GIS has transitioned over to WSB and staff will have training on April 9th.

Lead Line Inventory – SEH has been contracted by the MN Dept of Health to conduct a lead line inventory for the City of Melrose. We were able to obtain grant funding to assist in that effort.

The Lead and Copper Rule Revisions require public water systems to identify the service line (SL) materials of all service connections in their distribution system regardless of ownership status. The rule determines the minimum information required in lead service line (LSL) inventory, how to communicate about the inventory, and how often to update the inventory. MDH is requesting that the inventory be completed by August 21, 2024.

In order to help SEH in these efforts, we have identified a number of ways that homeowners will get notified regarding potential lead and or galvanized service pipes. The WW/W dept has a map that identifies areas that potentially can be affected and those areas that are not affected. We will send out a letter to those property owners who may be affected and walk them through how to identify their service pipes and where to send the data. In addition, SEH has indicated that if the homeowner allows it, SEH will be sending folks into the home to make the identification. As an incentive for people to fill out the inventory, staff is requesting that the PUC consider giving a credit on upcoming utility bills.

As an example we could allocate \$300 in incentives and give away 3 - \$100 credits; 6- \$50 credits or 12 - \$25 credits and if a resident returns their information or allows an in person review by a certain date, they would be put in a drawing and be eligible for a credit.

The Commission concurred with City Administrator Winter allocating a total of \$300 in give-aways for completing the lead and or galvanized pipe survey.

A.I. #5 ACTION ITEMS

- a. The Commission at its February 12, 2024, meeting authorized the hiring of an Apprentice Line Worker – 750 Hours. Five applications were received. Staff interviewed four candidates on Thursday, March 28. Staff is recommending hiring Douglass Baker Jr. for the Apprentice Line Worker position at Step 1 on the electric apprentice wage schedule.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the hiring of Douglas Baker Jr at Step 1 on the electric apprentice wage scale.

- b. Bid opening for the 2024 transformer purchase was held on March 21, 2024, at 11:00 a.m. The low bid was from Resco. Electric Journey Linework Steve Scholz is recommending removing the 750 KVa transformer from the purchase. He does not believe it is necessary at this time.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried authorizing the purchase of the transformers from Resco removing the 750 KVa transformer and approving the 500 KVa 480/277 transformer for a total of \$ \$108,007.00.

- c. Journey Lineworker Steve Scholz obtained two bids for the 2024 boring projects. The low bid was from Anderson Underground for a total of \$31,840. Staff is advising awarding the bid to Anderson Underground.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried awarding the directional boring bid to Anderson Underground, and allowing staff to obtain additional bids should Anderson Underground not be able to handle the work load.

- d. The Water/Wastewater Operator position needed clarification and general cleanup of the job description. City Administrator Winter, Water/WW Supervisor Vogel, Water/WW Operator Schrantz, and HR Generalist/Payroll Clerk Rieland reviewed the job description.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the revised Water/Wastewater Operator job description.

- e. We received 2 quotes to replace the flooring at the City Office, the areas would be carpet tiles in the back office area, reception area and vinyl flooring in the copy room. The 2024 budget amount was \$20,000 (\$10,000 from General Acct & \$10,000 from Utility Acct). The quotes came in under budget: Hennen's Flooring quote came in at \$15,182.22 and Carpet One-Alexandria came in at \$17,452 & \$20,798.00 (2 different options). We are requesting to go with low bidder Hennen Flooring in Freeport.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried awarding the bid to Hennen Flooring in the amount of \$15,182.22 and to a 50/50 cost share with the general fund.

A.I. #6 OLD BUSINESS

**a. Water/Wastewater Treatment Facility Update from SEH.
STATUS OF CONSTRUCTION: IN PROGRESS – PUNCH LIST.**

Structure	Status of Construction	Upcoming Construction
Preliminary Treatment Building (02)	• Water heater installed for screen cleaning • 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. • The south screw pump was started up with no issues 1/24/2024. • JWC was on site 2/6 - 2/7, to correct the following: – Install a new spray nozzle for Screen #1	• South screw pump gearbox and backstop coordination with Lakeside (ongoing). Lakeside to be on site 4/10 or 4/11 to perform full oil change out of the recommended front port. • Vent pipe

Structure	Status of Construction	Upcoming Construction
	• Install and calibrate a new pneumatic solenoid for Screen #6 • Install a new gasket for the union in Screen #4 • Perform staff training • JWC was on site 4/2/24, to replace the air cylinder on screen #6	
Control Building (03)	• Installed 4" flow meter on WAS line • WAS Pump 1 Start-up	• WAS pump 2 start-up & training. Magney expected on site to install week of April 8th.
Pump and Blower Building (04)	• RAS piping in basement complete, including flowmeter installation. • RAS yard piping from 12 to basement tie in complete	• No additional Work
Existing Final Clarifier (05)	• Installed new inlet piping to convert from peripheral to center-feed • Installed new equipment • Placed aluminum dome • 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)	• West digester pipe upsized	• No additional Work
Solids Thickening and Loadout Building (08)	• Exterior stair installation	• 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

A.I. #7 NEW BUSINESS

- a. At a special joint meeting on March 21, 2024, the Council and MADA met to discuss residential development. There is interest from the property owner and a developer to open additional lots in Highlands. The Council and MADA discussed the special assessments to extend Highland Blvd west, connecting to 1st Ave East and creating 8 additional lots.
MADA and Council discussed incentives to encourage the development, including reduction of some special assessments. They recommended that PUC consider incentivizing the westerly expansion by offering WAC and SAC waiver if the 8 additional

lots are built on within 3 years. In the past, incentives have been offered.

6 lots are ready to go now, if platting is complete. The services are there, and curb cuts are already complete.

Commission Member Seanger requested additional information. He will be contacting City Administrator Winter with questions. This will be brought back at a future meeting.

- b. City Administrator Winter PROVIDED information regarding this potential land purchase. PID Number 12.06924.0005.

Purchase or sale of real or personal property Minn. Stat. § 13D.05, subd. 3 (c). A public body may close a meeting to determine the asking price for real or personal property to be sold by the public body. • Review confidential or protected nonpublic appraisal data. • Develop or consider offers or counteroffers for the purchase or sale of real or personal property. Before holding a closed meeting under this exception, the public body must identify on the record the particular real or personal property that is the subject of the closed session. The closed meeting must be recorded. The recording must be preserved for eight years and must be made available to the public only after all real or personal property discussed at the meeting has been purchased or sold, or after the public body has abandoned the purchase or sale. The real or personal property that is being discussed must be identified on the recording. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. The actual purchase or sale of the real or personal property must be approved at an open meeting, and the purchase or sale price is public data.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried to close the meeting at 5:07 p.m.

In attendance was Commission Members Eric Seanger, Joe Finken, City Administrator Colleen Winter, Finance Director Ryan Meyer, Community Development Director Sheila Hellermann, and City Clerk Patti Haase.

City Administrator Winter presented the proposal from the property owner of approximately 47 acres near the wellhead protection area. Commission Member Seanger noted that this land cannot be used for Commercial Development. Mr. Seanger stated that prior to moving further staff will need to confirm if solar would be allowed on this property. Mr. Seanger stated that the legal opinion of the property needs to be vetted. City Administrator Winter stated that Mr. Meyer from MN Rural Water Association believes that funding could be obtained for the purchase of the land for water conservation.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried to open the meeting at 5:18 p.m.

The Commission directed staff to further research the legal opinion of the trust for land development of the property.

A.I. #8 INFORMATIONAL ITEMS

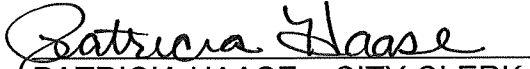
The following informational items were then reviewed:

- a. The following is a list of schools and/or conferences where registrations were made:
1. Stepping into Leadership MMUA – 56 hours April and May Attending: Streets/Parks Supervisor Andrew Rousslange and Water/wastewater Supervisor Jeremy Schrantz

2. LMC Safety & Loss Training. March 27 in Alexandria Attending: Streets/Parks Supervisor, Accounting Clerk Office Coordinator Stacy Funk. April 23 in St. Cloud City Administrator Colleen Winter, and Finance Director Ryan Meyer.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried that the meeting be adjourned at 5:18 p.m.


PATRICIA HAASE – CITY CLERK