

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JANUARY 10, 2022 – 4:45 P.M.**

AGENDA

1. Call to Order/Roll Call
2. Oath of Office
3. Appointment of Officers
4. Approval of Agenda
5. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills / Purchase Orders
 - c. Approval of Investments
 - d. Pay App #8 Magney Construction
6. Reports
 - a. Water/Wastewater Supervisor Report
 - b. Electrical Supervisor Report
 - c. City Administrator Report
 - d. Finance Director Report
7. Action Items
 - a. Designation of the following:
 - 1) Grievance Representative
 - 2) Ad Hoc Labor and Personnel Committee Representative
 - b. SEH Master Agreement and Supplemental Letter Agreement
 - c. 2022 CIP Material Bids
 - d. DAF Pump
 - e. WWTF/Magney Construction Change Order No. 1
8. Old Business
 - a. Wastewater Treatment Facilities Update
9. New Business
 - a. MMUA Scholarship
10. Informational Items
 - a. Schools and Conferences
11. 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, January 10, 2022, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Eric Seanger, Commission Member Jeremy Kraemer, and Joe Finken, Electrical Supervisor Roger Avelsgard, Water/Wastewater Supervisor Tim Vogel, City Administrator Colleen Winter, City Clerk Patti Haase, and Utility Billing Clerk Sharon Blaskowski. Finance Director Tessa Beuning was absent. City Administrator Winter called the meeting to order.

A.I. #2 OATH OF OFFICE

The Council at its January 6, 2022, meeting reappointed Jeremy Kraemer to the Melrose Public Utilities Commission for a three-year term and Joe Finken to the Utilities Commission as the Council Representative for a one-year term. City Administrator Winter administered the Oath of Office to Mr. Kraemer and Mr. Finken.

A.I. #3 APPOINTMENT OF OFFICERS

The City Administrator then requested the Commission to appoint a Chair, Vice Chair, and Secretary for 2022.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried appointing the Chair, Vice Chair and Secretary as follows:

Chair – Jeremy Kraemer
Vice Chair – Joe Finken
Secretary – Eric Seanger

A.I. #4 APPROVAL OF AGENDA

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried to approve the agenda as presented.

A.I. #5 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a. The December 13, 2021 Regular Meeting Minutes
- b. List of bills in the amount of \$1,106,254.02 (See attached list)
- c. Investments Report for the month of December (See attached list)
- d. The Commission at its February 8, 2021, approved the bid for Magney Construction for the WWTF Project. Magney Construction has submitted Pay App #8 in the amount of \$235,964.62 for the work completed through 12/31/2021. 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. Seanger and unanimously carried to approve the Consent Agenda

A.I. #6 REPORTS

- a. Water/Wastewater Supervisor Vogel provided an update on the Water/Wastewater department projects. Mr. Vogel is working on the annual reports. The department is having issues with the chemical company on obtaining polymers. Currently, Kurita is the chemical supplier. Staff has made several attempts to contact the sales representative and have not received a response. Therefore, they are looking at using alternative vendors as their chemical supplier.
- b. Electrical Supervisor Avelsgard provided an update.
 - DGR is working on SCADA System equipment
 - Metering for Gen 5 up and running
 - Cole Jordahl has completed the MERCHANT Job Training and Safety Program

The Commission viewed the MRES Board Meeting

- c. City Administrator Winter provided an update on the following:
 - The city has contracted with Inspectron as the Building Official.
 - The city has contracted with West Central Sanitation for solid waste collection and recycling for residential customers
 - A newsletter was included with the utility bill with a letter from the mayor along with updates on the Sauk River Park restrictions for 2022, as well as the hiring of a new civil engineer and solid waste collection for residential customers
 - Staff is working on entering into a Land Option Agreement
 - City Administrator Winter has been contacted regarding a potential business wanting to locate in Industrial Park
- d. Finance Director Tessa Beuning submitted a written report with an update on the following:

Wastewater Treatment Plant Upgrade Financial Update

The Wastewater Treatment Plant project is well under way. The Utility obtained funding through the MN Public Facilities Authority under three sources:

1. Clean Water SRF Loan in the amount of \$2,096,321. This will be paid back over 20 years at 1% interest rate.
2. Clean Water SRF Principal Forgiveness Grant in the amount of \$780,679. This is also referred to as the Green Project Reserve and is awarded in conjunction with the loan and the loan principal in this amount will be forgiven.
3. 2020 SPAP WW Treatment Facility Bond in the amount of \$3,500,000, which is the state bonding dollars awarded to Melrose that will not need to be paid back.

As of December 31, 2021, the Utility has submitted 3 draw requests for project construction costs totaling \$3,778,743.33. These were first drawn from the SPAP Bond to utilize all of the \$3,500,000 and will then be drawn from the PFA Loan. The final loan payback schedule will be provided at the end of the project when the

reimbursement requests have been completed to determine the final balance. The project reimbursements to date have included for Magney's Pay Requests #1-7.

TOU Billing Update

The Winter Period has started for the Time-Of-Use Pilot Program on December 1st, which is reflected on the most recent utility bills. Samples of these bills have been recalculated to ensure proper billing as well as reviewed for abnormal activity. Staff will update at the PUC meeting if any communication was heard from account holders on their utility bills.

Landlord Account Reviews

There are a number of buildings in Melrose that have multiple units, but only one water meter. Due to this, usage is not able to be attributed to specific units in the building. The current utility policy reads:

4.4 METERS AND METERING:

4.4.0) Water Meter Requirements

- A) Individual metering is required for all single-family dwellings, twin home/duplexes, and for commercial and industrial premises with one occupant.
- B) Master metering is recommended for each unit in multi-unit residential (three or more units), commercial and industrial premises; however, individual metering with sizes approved by the City may be allowed in cases where the owner so desires. If individual metering is installed, all meters shall be located in a common room. Where master metering is utilized, services shall not be submetered or resold to the individual tenants on the basis of usage. (Refer to Appendix C)

We had a building in question where the owner of the building/landlord was in one unit and had tenants renting in an upstairs apartment. In the past, we required that the services had to be moved to the owner's account from the renter's. Since that time, the owner moved out of the one unit and another tenant started renting it and moved utilities into their name. It was discovered that the water services remained on the utility account and thus, the downstairs tenant was paying for the entire building. We discussed this with the owner of the building and required them to set up a "house" account that covers all water and sewer charges. Electric services are individually metered so those could be directly billed to each tenant. Staff will be doing a review of all similar buildings in Melrose and move water/sewer services to a standalone account for the landlords. By doing this, if the landlord were to move out of one unit, the water and sewer would still remain with them and not inadvertently billed to the new renter. If the landlord wishes to have services billed to one/any of the tenants, they will have to absorb the cost and install individual metering to properly bill for usage.

AFSCME Union Contract Update

The AFSCME Union Contracts were approved at December's PUC and Council meetings and signed copies were distributed to the AFSCME representative and Melrose union reps.

During the January 4th payroll, payroll staff noted the overtime verbiage in the contract read that sick leave and holiday hours were not counted in the calculation of overtime. We reviewed past contracts and this language has been in the past few contracts. The City of Melrose Personnel Policy reads that only sick leave is not counted in calculating overtime and does not mention holiday hours. The LELS contract points to the City Personnel Policy on that. Past practice has always been to only exclude sick leave.

Staff spoke with the ad hoc representatives on this matter and if we were to treat AFSCME employees the same as other city/utility staff on this matter, and they determined it was a language oversight and that all employees should be handled the same. We will continue with past practices and revise the contract to reflect that in the next contract negotiation period.

Personnel Policy Update

The City of Melrose Personnel Policy has many sections that have not been updated in many years. There are parts that have been added or piecemealed together. In late 2021, Finance Director Beuning redrafted the Personnel Policy using the League of MN Cities guide as a template. This helps to ensure Melrose is using the correct language that may have been modified during the years and that policies such as family leave are now covering the proper individuals. The policy revision was primarily to update structure and language, but incorporated Melrose's practices. This policy was sent to our labor council at Flaherty & Hood for their review. Initially it was to be received back for approval at the December or January meetings to have in effect as of January 1, 2022, and they requested to push back their completion date to January 3rd. Staff has not obtained this review yet, so this will be brought to the PUC and City Council in February for their review and approval.

A.I. #7 ACTION ITEMS

- a. (1) The Commission to give consideration to designating the Grievance Representative for 2022. For 2021, Commission Member Jeremy Kraemer was the Commission representative and Council Member Joe Finken served as the Council representative. The Council to designate a Grievance Representative for 2022 at its January 6, 2022, meeting.

The Commission to take action appointing a Grievance Representative for 2022.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried reappointing Mr. Kraemer as its representative to the Grievance Committee for 2022.

(2) The Commission to give consideration to designating an Ad Hoc Labor and Personnel Committee Representative. In 2021, Mark Hill served as the Council representative and Eric Seanger served as the Commission representative. The Council, at its January 6 meeting, appointed Mark "Bunker" Hill to the Committee.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried reappointing Mr. Seanger as its representative to the Ad Hoc Committee for 2022.

- b. The Master Agreement and Supplemental Letter Agreement are still under review and negotiation. This item was tabled and will brought back to the Commission at its February Regular Meeting.

- c. Electrical Supervisor Roger Avelsgard presented quotes for the 2022 CIP project material bids.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the purchase of the decorative lighting in the amount of \$204,316.42

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the purchase of the switches in the amount of \$373,978.00

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the wire purchase in the amount of \$287,571.38

Next a motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the miscellaneous material purchase in the amount of \$ 301,894.01

- d. Water/Wastewater Supervisor is requesting authorization to purchase a DAF pump. The cost will exceed the \$10,000 limit as set by the purchasing policy. Mr. Vogel presented the quote from Tri-State Pump and Control in the amount of \$10,538.82 plus installation.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the purchase of the DAF pump in the amount of \$10,538.82 plus installation.

- e. SEH has submitted Change Order #1 for the WWTF project. The change order addresses the following

- Electric Service Re-Route & 480V Panel and Transformer
- Water Service and Hydrant
- Scum Lift Station and Instrumentation
- Scum Manhole Coating

The total of the change order is \$104,117.23

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried to approve Change Order No. 1 from Magney Construction for the WWTF Project in the amount of \$104,117.23.

A.I. #8 OLD BUSINESS

- a. City Administrator Winter presented the WWTF Update submitted by SEH.

STATUS OF CONSTRUCTION: IN PROGRESS

Structure	Status of Construction	Upcoming Construction
Preliminary Treatment Building (02)	• Magney has poured the base slab for the screw pumps • Magney has poured the first portion of the screw pump walls (West side/influent chamber)	• Magney will continue pouring the screw pump walls in several series
Control Building (03)	•	•
Pump and Blower Building (04)	•	•
Existing Final Clarifier (05)	•	•
New Final Clarifier (06)	• Walls and launder trough have been poured. • Passed leak test • Set scum lift station structure	•
Digester Complex (07)	•	•
Solids Thickening and Loadout Building (08)	•	•
Splitter Structure (10)	• Base slab and walls poured. • Passed leak test	• Installing valves and piping to towards the final clarifiers
Existing 48 ft Clarifier (11)	• Installed bypass around 52-ft final clarifier	•
Sludge Return Metering Vault (12)	• Magney poured the base slab, the walls for the lower (wet) portion of the vault, and the higher base for the meter portion (dry) of the vault	• Continue laying rebar and formwork for the walls of the meter vault and pour once finished.
Yard	• Magney working on yard piping coming out of 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 started • Installed 4" scum line past the splitter structure	• 6" Primary Sludge Pipe re-route • All yard work on hold until spring/warmer weather

A.I. #9 NEW BUSINESS

- a. City Administrator Winter stated that MMUA has again budgeted \$5,000 for its Tom Bovitz Memorial Scholarship Award program that is available for high school seniors who are, or whose legal guardian is, a customer of an MMUA-member municipal electric or gas utility. The scholarship fund is split into \$2,000, \$1,500, \$1,000 and \$500 scholarships, and awarded to essay contest winners who plan on attending a post-secondary educational institution. High school seniors are eligible to enter the essay contest. The due date to submit essays to MMUA is April

20, 2022; therefore , all local essays must be submitted by 4:30 p.m. on Monday, April 4, 2022.

Entries must be submitted to the governing body of the municipal utility, and the local governing body picks a local winner. Every MMUA member may then enter the one local essay contest winner to the state contest. The MMUA Communications/Member Services Committee selects the winners, with an announcement in mid-May 2022.

In 2021, the Melrose Public Utilities offered one local scholarship in the amounts of \$1,000.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried for the Melrose Public Utilities to offer one \$1,000 local scholarship in conjunction with the MMUA Tom Bovitz Scholarship.

A.I. #10 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. Emergency Preparedness Conference. January 25-26. Attending: Electrical Supervisor Roger Avelsgard

A.I. #11 ADJOURNMENT

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

PATRICIA HAASE – CITY CLERK