

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, MARCH 9, 2026 – 4:45 P.M.**

1. CALL TO ORDER

The Melrose Public Utilities Commission met in a Regular Meeting March 9, 2026 at 4:45 P.M. at the Melrose City Center pursuant to due notice being given thereof. Present were Public Utilities Commission members Joe Finken, Jeremy Kraemer, Eric Seanger, Community Development Director Sheila Hellerman, Police Chief Craig Maus, Water/Wastewater Supervisor Jeremy Schrantz, Finance Director Jackie Niehaus, Human Resources Generalist Doris Rieland, and City Clerk Connor Kockler. 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.

3. CONSENT AGENDA

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

- a. Approval of Minutes from the Commission's February 9, 2026, Meeting
- b. Approval of Bills / Purchase Orders
- c. Approval of Investments
- d. Step Increase for Lisa Braun

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

4. REPORTS

4a. Water/Wastewater Supervisor Update

Water/Wastewater Supervisor Schrantz provided the following update. A fluoride chemical feed pump went out at Well 8 and 9 and so a new one will be ordered. Have been adding PM weekly records into the Silversmith database. Preparations have begun for the chlorination season. The booster pump at the Water/Wastewater Plant was not working well. New parts were needed for it. The gearbox is bad on an effluent pump, will get a quote for the next meeting to fix this. Himself and Josh Elfering went to the Minnesota Rural Water Conference last week. Spencer Notch completed a training at that conference as well.

4b. Electric Department Update

There was no update provided.

5. ACTION ITEMS

5a. Hiring of 1,000-Hour Apprenticeship for Electric Department

Police Chief Maus presented. At the regular February 9, 2026, PUC meeting a summer apprentice position for the Electric Department was approved for 1,000 hours. Turner Beuning has been working as an Intern under the 1,000 hours from last year and is willing to continue under another 1,000 hours. The Electric Department and City Administrator both feel that keeping Turner on the team is beneficial.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to hire Turner Beuning for an additional 1,000 hours summer apprenticeship for the Electric Department.

5b. Boerger FL 1036 Pump Parts

Water/Wastewater Supervisor Schrantz presented. He has received a quote from Quality Flow Systems for replacement parts for an FL1036 Pump. The cost is \$11,163.15 including the parts and delivery. The efficiency of the pump has been dropping, so new parts will get it working better again.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve the quote from Quality Flow Systems for replacement parts for the FL1036 Pump.

5c. County Road 169 Electric Line Replacement

Paul Davis from DGR Engineering submitted a memo detailing his comparisons of the overhead and underground options for the County Road 169 Rural Line Replacement Project. At the February 9, 2026, regular PUC meeting the PUC made a motion to approve overhead lines for this area. Since that time, there has been some additional information provided to the City, and both Missouri River Energy Services (MRES) and Arvig have been consulted.

Vice Chair Seanger invited Sam Jones from MRES who was in attendance in person and Paul Davis who was in attendance remotely to provide an update. Jones stated that the issue that we are up against is the timetable from the County, and that if overhead is chosen, there will be a delay in starting construction. Paul Davis stated that the short timeframe is a factor. For the cost, an overhead system would be about \$350,000, and an underground system would be about \$495,000. He has consulted with Arvig, as they will be working underground already and could share some costs. For an overhead system, we would need to find a contractor, which would be a longer process versus going with the underground system.

Vice Chair Seanger asked whether the number for the underground system took into account Melrose being able to do some work ourselves? Sam Jones stated that there is

potential for Melrose to be able to self-perform some of the work and save on the estimated underground system cost. Jamie who was in attendance from Arvig stated they will have crews along the whole line and will be there anyway so they can help out.

Vice Chair Seanger stated that he wanted to be able to see some numbers about what costs would specifically be with Melrose performing some of the work and working in conjunction with Arvig on an underground system. Secretary Kraemer agreed, and stated that the biggest sticking point for him is the \$150,000 difference. If there is a way to reduce the costs of the underground system that would be helpful as that is a large amount to never recoup for a small group of customers.

Sam Jones stated that some costs can likely be saved with the actions that have been stated but that it will likely not move the needle that much. He stated that ultimately the timetable with the county will be the most difficult part and he is unsure if the county has any ability to sanction the city for holding up the county's work they are planning to do as well if the electric line construction does not start fast enough.

Paul Davis stated for the cost breakdown that the majority of the cost for an underground system would be in materials. Vice Chair Seanger asked whether he could send the full cost breakdown to city staff to be reviewed and then a special meeting could be scheduled to review those costs and make a decision. There was discussion by the Commission members and it was decided that a special meeting would be set for 6:30 A.M. on Thursday, March 12, to decide on this issue.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to table this item and schedule a special meeting on Thursday, March 12, at 6:30 A.M. to discuss this item.

5d. MRES and City of Melrose Distribution System Operations and Maintenance Agreement for the Electric Department

Police Chief Maus presented. A draft agreement for a Distribution System Operations and Maintenance Agreement between the Electric Department and MRES has been provided to the city by MRES. Chris Hoodecheck with Flaherty and Wood is reviewing the document for the city. There were some areas in the proposed agreement that Hoodecheck stated could be reviewed by the Commission and his notes have been provided to the Commission members.

Vice Chair Seanger asked whether MRES would be willing to negotiate on the proposed contract. Terry Wolf from MRES who was in attendance remotely stated that MRES would be willing to set up a meeting with Chris Hoodecheck on behalf of the city and MRES to negotiate on the proposed agreement. Wolf asked when MRES could expect to have a decision from the Commission on whether to adopt the contract. Vice Chair Seanger stated once negotiations were finished and the Commission was ready to approve the contract, a special meeting would likely be called to then approve the contract.

5e. Request to Vacate Utility Easements – KL Plat No. 1

Community Development Director Hellermann presented. Staff has received a request from a property owner in Highlands who purchased two lots in KL Plat No. 1. They would like to start construction of a new home in April. They would like to build across the existing lot lines. To do that, we need to vacate the existing drainage and utility easements. A copy of the plat is attached. This would be subject to a public hearing before the city council at its Thursday, March 19th meeting. Staff are also asking the Public Utilities Commission if they see any issue with this. We expect the same request to come in for Lots 1 and 2. All services to these lots were run in the front (city water, sewer and electric & Centerpoint) and in the back (Charter). There are no utility services running in between the lots at this time. Jeremy Schrantz, Water & Wastewater Supervisor and Justin Lundblad, at the time Lead for the Electric Department, reviewed it and had no concerns.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the request to vacate utility easements in KL Plat No. 1.

5f. Billboard Question

Community Development Director Hellerman presented. MADA and the City Council have been discussing a potential lease with a digital billboard company, who approached the city about a site in the wellhead area. A map is attached along with the estimate prepared by Justin Lundblad. The east facing side would be static and the west facing side would be digital. There is potential, in the future, that the east facing sign would be converted to digital, depending on interest. A conditional use permit process was followed. The map indicates where existing services are and where the board would go. Electric services would need to be extended. A different billboard, on the north side of I-94, on private property within the city, is being serviced by Stearns Electric because the cost did not make sense given the return. This is different in that it is city property and will have more electric usage than a static board. Staff would work with the farmer leasing the property to ensure minimal disruption of his crop plan.

A motion was made by Secretary Kraemer, seconded by Vice Chair Kraemer, and unanimously carried to approve services being extended to allow for the digital board in the wellhead area on city property.

6. NEW BUSINESS

6a. Resolution 2026-14 Authorizing Utility Policy Changes

Police Chief Maus presented. Staff is recommending changes to Section II of the Utility Policies. These changes are to meet statutory requirements and also to reduce callbacks.

A motion was made by Secretary Kraemer, seconded by Vice Chair Kraemer, and unanimously carried to approve resolution 2026-14 Resolution Authorizing Utility Policy

Changes to approve recommended changes to Section II of the Utility Policies.

7. OLD BUSINESS

7a. Water/Wastewater Treatment Facility Update from SEH

Water/Wastewater Supervisor Schrantz presented. There was no update on this project provided to us by SEH. He submitted to SEH the ferric chloride data. There will still be a while before this project is completed, we are still waiting on a few things.

7b. Well 7 Replacement Progress Report from SEH

Water/Wastewater Supervisor Schrantz presented. Drilling started last week at the Well 7 site, got down to 64 feet and had some issues with the drill hitting some boulders. That is normal. Were back out there today. Hoping to have everything done with the well by the end of the month.

7c. Memorandum of Understanding between City of Melrose and AFSCME Local 65 re Minnesota Paid Family Leave

Human Resources Generalist Rieland presented. At the February 9, 2026 regular PUC Meeting, the PUC reviewed a proposed memorandum of understanding between the City of Melrose and AFSCME Local 65 regarding Minnesota Paid Family Leave. The language included 2028, when the agreement should have just included 2026 and 2027. Approval of the agreement was tabled until an updated agreement could be prepared. The updated agreement has been created and was approved by the City Council at their regular meeting on February 26, 2026.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to concur with the language in the MOU.

8. INFORMATIONAL ITEMS

The following informational items were then reviewed:

8a. Schools and Training

- Electric Department employees Seth Ryan, Jake Muellner, and Cole Baker attended MMUA Meter School on February 3-6.
- Water/Wastewater Department employees Evan Gregory, Spencer Notch, Jeremy Schrantz, and Josh Elfering attended Water Operator Bootcamp from February 18-19
- Electric Department employees Cole Baker and Jake Muellner will be attending MMUA Underground School from May 5-8.

8b. The next PUC meeting will be held on Monday, April 13 at 4:45pm.

9. ADJOURNMENT

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to adjourn the meeting at 5:06 P.M.

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

CONNOR KOCKLER – CITY CLERK