

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, SEPTMEBER 9, 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, September 9, 2024, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Eric Seanger, Jeremy Kraemer, and Joe Finken, Water/Wastewater Supervisor Jeremy Schrantz, City Administrator Colleen Winter, Community Development Director Sheila Hellermann, and City Clerk Patti Haase. Chair Seanger called the meeting to order. Commission Member Finken arrived at 4:47 p.m.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Kraemer seconded by Mr. Seanger and unanimously carried to approve the agenda as amended.

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a) The minutes from the Commission's August 12 Regular Meeting
- b) List of bills in the amount of \$1,173,750.45
- c) Investments Report for the month of August.
- d) Molitor Excavating has submitted Pay App# 4 for the 2024 Main Street Improvements for work completed through 8/30/2024. The pay application is in the amount \$311,165.24. Of this amount, \$123,743.08 is utility, and \$187,422.16 is the general fund portion. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.
- e) C & L Excavating has submitted Pay App #5 for the 2023 Railroad Avenue NW Street and Utility Improvements in the \$58,175.91. Of this amount \$17,684.96 is utility and \$40,490.95 is the general fund. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.

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

A.I. #4 REPORTS

- a. City Administrator Winter provided the following update:
Main Street is progressing, and all sanitary sewer, water and storm sewer are complete and sidewalks and curbs are finished. Paving should begin September 16th.

We are currently hiring for the following positions:

Police Officer

Part time Street Maintenance

Electric Operations Director –

Journey Lineworker –

Administrator Winter stated that she spoke with SEH regarding repairs to the power plant building as a result of the fire. The Commission directed staff to repair the wall with the correct materials, utilizing a contractor other than Boulder Creek.

- b. City Administrator Winter provided an update on the Electric Department. The department has been installing equipment at Blue Door Storage and has energized the billboard on the west end of town. Anderson Underground is expected to begin underground boring in Industrial Park for Carstens Industries. The department is looking to complete the installation of services to Carstens Industries, the Highland development, and Stearns Electric headquarters.
- c. Water/Wastewater Supervisor Jeremy Schrantz provided an update. The water/wastewater department continues to do locates, and grass cutting along with jetting sewer lines. The department received numerous complaints of milky looking water. Mr. Schrantz believes this is caused by the of cavitating on Well #7. They will be backing off that well for the time being. The biosolid samples have been sent in and hope to be hauling sludge soon. The stator on one of the centrifuge pumps will need to be replace.
- d. Community Development Director Sheila Hellermann provided an update. Main Street is scheduled to be paved on Wednesday, September 18th and Thursday, September 19th. The Highlands Boulevard Road project is scheduled to begin on Monday, September 16th.

Administration and public works staff met with the construction team at Stearns Electric this week to discuss their construction plan – when they need electric, when they are wanting to hook to water and sewer. It was an interesting two weeks as Stearns Electric and Wells set the panels into place.

Staff worked with Blue Door Storage on another access/approach. With nine sheds constructed and four more planned, a second access was advisable.

A grant application was submitted on behalf the Public Utility Commission to support our work in changing overhead electric lines to underground. It was through the Minnesota Commerce Department and it was called Strengthening the Reliability and Resiliency of Minnesota's Electrical Grid. We have this project in our capital plan – it is identified as needed in our studies, and we are just seeking other sources of funding for some of these projects. It is the same funding as the national grant through the U.S. Department of Energy we applied for last year when we got through the first round, but not the final. This time we are trying at the state level.

A.I. #5 ACTION ITEMS

- a. Missouri River Energy Services (MRES) is gearing up for its twelfth year of offering the MRES Smart Energy Squad education program to 5th grade students.

Please note that the curriculum is already prepared, and the materials are all provided at no cost to the schools. Also, the student kit includes activities for students to do at home with their families.

MRES cost-shares the program 50/50 with members. The cost per student is approximately \$32, which comes to approximately \$16 per student for our utility.

Curriculum topics include energy – forms of energy and natural resources including renewable and non-renewable; natural gas; electricity – getting it to your home,

conserving at home and measuring energy consumption. Standards correlation charts are included showing teachers how the curriculum meets state standards in math, science and language arts.

Each student also receives a kit – branded with our utility’s logo – containing two ENERGY STAR® LED bulbs, two LED night lights, a digital thermometer, a personalized Quick Start Guide, reminder sticker and magnet pack, along with a book on Tips on Saving Money and Energy in Your Home (both English and Spanish versions).

This is a turn-key program, and the level of our utility’s involvement is up to you. All we need to do is contact our school(s) about participating and inform MRES they are participating. Once MRES has received the school contact information from your community, our vendor – Tinker LLC – will contact the school, confirm student numbers, and provide the materials to the schools when they want them delivered.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried to offer the MRES Smart Energy Squad education program to the local schools.

- b. At the July 18, 2024, meeting the City Council approved the plans and specifications for the Highlands Boulevard Extension. Bids were opened via QuestCDN at 2:00 p.m. on August 15, 2024. A total of 8 bids were received ranging from \$371,273.70 to \$451,557.48. The low bid was submitted by Northern Lines Contracting, Inc. of Hanover MN in the amount of \$371,273.70.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried concurring with the Council to award the bid to Northern Lines Contracting Inc., in the amount of \$371,273.70.

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)	- JWC onsite 7/16/24 to inspect screening augers. JWC found that the connection between the shaft and drive is too rigid. Material is accumulating on the auger hangers. - Freeport and SEH assessed electrical components on 7/17/24 to determine if moisture was more widespread than the garage door. The only corrosion was the garage door push button.	- South screw pump and north pump desiccant on gear box starting to turn pink, indicating moisture. Continued discussion with manufacturer. - JWC is redesigning drive/auger connection point. - Magney to replace garage door pushbutton.
Control Building (03)	WAS pump 2 start-up & training April 15, 2024 by Magney and Vogelsang	No additional work
Pump and Blower Building (04)		No additional Work
Existing Final Clarifier (05)	Clarifier start-up 6/6/2023	Magney to grout effluent launder once existing 48-ft clarifier (11) repair is completed.

New Final Clarifier (06)	Clarifier live as of 2/28/23	No additional Work
Digester Complex (07)		No additional Work
Solids Thickening and Loadout Building (08)		No additional Work
Splitter Structure (10)	Structure live as of 2/28/23	No additional Work
Existing 48 ft Clarifier (11)		City working on repairs to mechanism.
Sludge Return Metering Vault (12)	Structure live as of 2/27/2023	No additional Work
Yard	SEH provided survey elevations of paving/v-gutter to Magney.	

Ms. Danzl reviewed the outstanding issues with the preliminary treatment plant. There are still several items that are being worked through with the contractor and SEH. The Commission expressed concern with the use of controls as the means to prevent the drainage to the river due to its potential for failure.

Supervisor Schrantz and Operator Elfering had toured Detroit Lakes, however, the difference in the industries between Detroit Lakes and Melrose was discussed.

The Commission directed SEH to bring back to the next meeting two options to correct the drainage concerns regarding discharge to the river. The Commission also directed SEH to have resolutions to all remaining problematic issues.

- b. City staff, building officials, and the city attorney have been actively involved in discussions about the structural integrity of the building at 406 Main Street East. All utilities were ordered cut by the building officials and the building was posted. The City has entered into an agreement with the owner for demolition of the structure. The PUC was updated on the situation.
- c. Per the direction of the PUC last month, the job description that was adopted for the Electric Supervisor position in 2014 was brought back for Commission review. Commission Member Seanger offered to write the job description for the Electric Supervisor position. City Administrator Winter stated that she had contacted Stearns Electric and Sauk Centre Public Utilities Manager regarding on-call time coverage. Although neither Stearns Electric or the Sauk Centre Utilities would commit to be included in the on-call rotation, they would be available for mutual aid.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried authorizing Commission Member Seanger to write the job description for the Electrical Supervisory position and to post the position.

Commission Member Seanger will contact Stearns Electric regarding assisting with on-call.

Staff were directed to contact MRES and have them present at the next Public Utilities Commission meeting.

A.I. #7 NEW BUSINESS

- a. Per the request of Commissioner Eric Seanger, the Commission reviewed the 2024 rate schedule as it pertains to small and large commercial rates. Kris Dickhaus of Melrose Screen Printing expressed some concerns about the rates.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried changing the small and large commercial monthly fee to be applied at 50 kw rather than at 25 kw.

- b. We currently have two line workers in the electric department and they are on call every other week. Administrator Winter is requesting that the PUC consider entering into a MOU under the existing AFSCME contract to pay double time when a line worker is on call.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried authorizing entering into a MOU under the existing AFSCME contract to pay double time when a line worker is on call.

- c. City staff interviewed three candidates for the Finance Director position and brought two of the candidates back for a second interview. The position has been offered to Jackie Niehaus who will be starting at Step 1 which is \$90,697.74 on the salary scale.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving the hiring of Jackie Niehaus for the Finance Director position at Step 1 subject to successful background check and drug screening. Ms. Niehaus would start on Sept. 23, 2024.

- d. Harland Hector has purchased Bueckers Biffy's. Water/Wastewater Supervisor Jeremy Schrantz informed the Commission that Harland Hector is requesting that he be able to dump the waste at the wastewater treatment facility. Mr. Schrantz noted in the past the previous owner dumped at the waste station at no charge. The concern is two-fold, one the amount and the second not knowing the content of what is being dumped

The Commission directed staff to contact Mr. Hector and advise him that they will allow him to dump at the wastewater treatment, however there will be a charge. Staff to work with SEH to determine a cost.

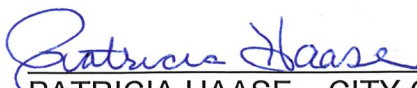
A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The following is a list of schools and/or conferences where registrations were made:
1. Civic Symposium – September 11-13 in Wisconsin. Attending Receptionist Alexandra Evenson, and Utility Billing Clerk Lisa Braun

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried that the meeting be adjourned at 5:35 p.m.


PATRICIA HAASE – CITY CLERK