

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, AUGUST 14, 2023 – 4:45 P.M.**

AGENDA

1. Call to Order/Roll Call
2. Approval of Agenda
3. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills/Purchase Orders
 - c. Approval of Investments
 - d. HeatShare Agreement
 - e. Pay App #3 Molitor Excavating
 - f. Pay App #27 Magney Construction
4. New Business
 - a. MRES Presentation
 - 1) Electric Department
 - 2) Generation
5. Reports
 - a. Water/Wastewater Supervisor Report
 - b. Electric Department Report
 - c. Community Development Director Report
 - d. City Administrator Report
6. Action Items
 - a. MRES School Program
 - b. NPDES Required Testing
 - c. Guidelines and Procedures for the Minnesota Government Data Practices Act
 - d. 2022 Audit Review
 - e. Material Purchase – Wire
 - f. Electrical Supervisor Position
7. Old Business
 - a. WWTF Update
8. Informational Items
 - a. Electric and Water Comparative Statements
9. Adjournment

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, August 14, 2023, 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, Water/Wastewater Supervisor Tim Vogel, Journey Lineworker Steve Scholz, City Administrator Colleen Winter, Finance Director Ryan Meyer, Community Development Director Sheila Hellermann, and City Clerk Patti Haase. Also in attendance was Terry Wolf, Vice President of Power and Supply Operation and Jeff Bechtold, DM Superintendent with MRES, and Paul Davis with DGR. Commission Member Joe Finken arrived at 5:00 p.m. Vice Chair Seanger called the meeting to order.

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 submitted.

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a. The minutes from the Commission's July 10 Regular Meeting
- b. List of bills in the amount of \$1,518,528.03
- c. Investments Report for the month of July
- d. The HeatShare Agreement with the Salvation Army will expire on September 30, 2023. HeatShare is a voluntary fuel fund administered by the Salvation Army. In an effort to help families in Minnesota who have experienced trouble, the Salvation Army is seeking additional resources to help them. The Commission to take action approving entering into the agreement.
- e. Molitor Excavating has submitted Pay App #3 for the 2023 Street and Utility Improvement Project in the amount of \$69,443.42. Of this amount, \$12,272.68 is utility and \$ 57,170.74 the general fund portion of the invoice. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.
- f. Magney Construction has submitted Pay App #27 in the amount of \$110,165.88 for the work completed through 7/31/2023. 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 to approve the Consent Agenda items.

A.I. #4 NEW BUSINESS

- 4a. **Electric Department** – Terry Wolf, MRES Vice President, and Jeff Bechtold, Distribution Maintenance Superintendent provided information to the Public Utilities Commission regarding the Distribution and Maintenance Services that MRES provides.

Generation -Terry Wolf, Jeff Bechtold with MRES, and Paul Davis with DGR presented information on expanded generation capacity.

Mr. Finken chaired the remainder of the meeting.

A.I. #5 REPORTS

- a. Water /Wastewater Supervisor Tim Vogel provided an update. The WWTF project is near completion. Staff have identified some issues and are working on addressing

them. It is anticipated to host an open house this fall.

- b. Electric Department Journey Lineworker Steve Scholz provided an update. The department has installed new streetlights on 4th Street. They have also set a new transformer at St. Mary's Rectory and assisted Sauk Centre with an outage. They have begun boring for the utility work for Kwik Trip. The department changed out 7 services from overhead to underground on Central Avenue and worked on getting fiber from Sauk River Park to the city center.

- c. Community Development Director Hellermann provided an update

In the Sauk River Park, the restroom re-model continues. City staff will be doing the subcut for the basketball court, so it is ready when the contractor is ready.

The closing for the Railroad West development project is set for t for Monday, August 28th.

Riverside Flats next to City Center has been busy forming and pouring the walls for the underground parking garage. Framing of the 1st, 2nd and 3rd floors will begin soon.

Kwik Trip is busy installing their gas tanks, pumps, and canopies.

There has been significant interest in the rehab grant/ loan program. The subcommittee of MADA will be reviewing those applications as they come in.

The League of Minnesota Cities has awarded Melrose a grant for up to \$5,000 to assist with the preparation of the technical design parts of grants. The PUC is interested in receiving grant funding for the substation tie project and the moving of overhead lines to underground lines. We are currently in the final stage of consideration for the Grid Resilience and Innovation Partnership grant with the Department of Energy.

- d. City Administrator Winter provided the following update:

Electric Supervisor Update – Interviews were conducted with three candidates for the Electric Supervisor position. None of the candidates met the preferred qualifications for the position. We had a joint meeting with the PUC and City and a determination was made to meet with MRES. AdHoc also met and discussed with MRES on a TEAMS meeting how their distributive management contract works and also Supervisory capabilities.

MRES presentation on Generation – Staff has been in discussions with MRES related to generation capacity and the need for future capacity.

Wastewater project – Work continues at the WWTF. Magney no longer has a crew on site. Pete Devick is still there and has assured us that he will be there until all punch list items are addressed.

Budgeting – We have conducted a budget workshop with City staff and will be meeting with the Council on August 24th. We will be finalizing the PUC budgets and will present at the regular meeting in September. As part of the overall budget process, we asked that a SWOT analysis be completed. In addition to requiring City employees to complete that analysis we are also seeking input from the various commissions.

A.I. #6 ACTION ITEMS

- a. Missouri River Energy Services (MRES) is gearing up for its eleventh 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 magnet pack, along with a book on Tips on Saving Money and Energy in Your Home (both English and Spanish versions). The attached document – Smart Energy Squad Flyer - 2023-2024 – provides a complete description of the program and materials

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. Kraemer, seconded by Mr. Seanger and unanimously carried to offer the MRES Smart Energy Squad education program to the local schools.

- b. Currently it takes staff 3 days to perform testing. The Water/Wastewater Department either needs additional staff or outsource the NPDES testing, which will allow staff to address other and more important tasks. By outsourcing the NPDES testing requirements, staff would reduce the testing time from three days to one day per week. Water/Wastewater Supervisor has obtained quotes for outsourcing the NPDES testing. Mr. Vogel is recommending utilizing the bidder UC Laboratories. We are using UC Laboratories at this time to conduct our biosolids testing.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried approving the quote from UC Laboratories in the annual amount of \$20,214.46 for NPDES testing.

- c. City Attorney Scott Dymoke has reviewed the Guidelines and Procedures for the Minnesota Government Data Practices Act to be in compliance with the Minnesota Government Data Practices Act (MGDPA), The basic structure and content of the Melrose Policies and Procedures remain in compliance. However, there are some obsolete references that need to be updated.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried approving the revisions to the Guidelines and Procedure for the Minnesota Government Data Practices Act.

- d. Finance Director Ryan Meyer, presented the 2022 Audit Reports for the year ended December 31, 2020 for the General and Utilities Funds.

Mr. Meyer reviewed the management communication presentation for the City's General and Utilities Funds, which outlines the highlights of the 2022 Audit. He stated that the City's audit received a clean opinion and that the audit controls included a thorough review of the draft audit.

Mr. Meyer stated that the city's water, wastewater and electric funds have strong reserves, all with funds that increased in 2022; the water fund by \$425,240, wastewater fund by \$1,661,193 and electric fund by \$1,881,180. The wastewater increase was due, in part, to revenues received for construction of the wastewater treatment facility upgrades.

A motion was made by Mr. Kraemer seconded by Mr. Seanger and unanimously carried approving the 2022 Audit Report as presented.

- e. Electrical Journey Worker Steve Scholz has obtained quotes for the purchase of wire. Mr. Scholz is recommending purchase from the low bidder, Irby.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried authorizing the purchase of wire from Irby.

- f. Earlier this evening MRES presented information on the DM services they provide. Staff has also researched other options for filling the Electrical Supervisor position.

After further discussion a motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried to revise the current job description removing some of the generation requirements of the job description, and directing staff to contract with Dave Drown and Associates for the hiring process.

A.I. #7 OLD BUSINESS

- a. Water/Wastewater Treatment Facility Update from SEH.

Structure	Status of Construction	Upcoming Construction
Preliminary Treatment Building (02)	• Startup Complete May 8, 2023	• Screenings auger part replacement • EQ valve actuator replace from open/close to modulating. Awaiting parts from manufacturer. • Punch list
Control Building (03)	• Removed old recirculation pump, and pump base • Started installing WAS Pumps • Installed 4" flow meter on WAS line • WAS Pump 1 Start-up • Discharge pipe	• WAS pump 2 start-up & training

Pump and Blower Building (04)	• RAS piping in basement complete, including flowmeter installation. • RAS yard piping from 12 to basement tie in complete	• Punch list
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
New Final Clarifier (06)	• Clarifier live as of 2/28/23	• Punch list
Digester Complex (07)	• Heat exchanger piping (ongoing) • West digester pipe upsized	• Punch list
Solids Thickening and Loadout Building (08)	• EFIS installation	• Exterior stair installation • Punch List
Splitter Structure (10)	• Base slab and walls poured. • Valves on effluent pipes installed. Piping stubbed toward each final clarifier. • Structure live as of 2/28/23	• Punch list
Existing 48 ft Clarifier (11)	• Sludge tie-in to route sludge to new Structure 12 complete 2/27/23	• Punch list
Sludge Return Metering Vault (12)	• Structure live as of 2/27/2023	• Punch list
Yard	• Majority of the sidewalk has been poured at the site. • V-gutter in driveway complete. • Seeding / Restoration approximately 70% complete.	• Correct failing asphalt pavement • Finalize seeding and landscaping • Punch List
	• Modular Block Wall NE corner PTB installed. • Pavement installed • Fencing installed at final clarifier south side	

OUTSTANDING ITEMS:

Item	Description	Cost Impact	Schedule Impact	Notes
New smaller WAS Pump	Received quote from Magney/Vogelsang for smaller WAS Pump #2.	21,712.92	Not tied to final completion. Expect to be done Oct 2023	Magney to submit WAS pump for approval.
Misc T&M changes, mostly yard piping	See attached table			
Digester Manway Credit	Removed digester manways from scope	(~\$27,000)	NA	SEH asked Magney for revision on credit.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Comparative Revenue and Energy Statement for the Electric Department, and the Production and Distribution Statement for the Water Department

A.I. #9 ADJOURNMENT

A motion was made by Mr. Kraemer seconded by Mr. Seanger and unanimously carried that the meeting be adjourned at 6:06 p.m.

PATRICIA HAASE – CITY CLERK