

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, MARCH 11, 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, March 11 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 Tim Vogel, Journey Lineworker Steve Scholz, City Administrator Colleen Winter, Finance Director Ryan Meyer, Community Development Director Sheila Hellermann, and City Clerk Patti Haase. Chair Seanger called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Kraemer seconded by Mr. Finken 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 February 12 Regular Meeting, and the February 21 Special Meeting
- b. List of bills in the amount of \$2,541,554.25
- c. Investments Report for the month of February
- d. Magney Construction has submitted Pay App #29 requesting to reduce retainage from 5% to 1.5% (\$140,394.76) The Contract allows 250% of the value of the work to be completed/corrected from the punch list items to be withheld, and the 1.5% retainage covers this amount.

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

A.I. #4 REPORTS

- a. Water/Wastewater Supervisor Vogel provided an update. Staff is compiling the samples for the 40-day digestion sludge analysis. Staff have also begun sludge hauling. Two water/wastewater operators attended training in St. Cloud. Staff continue to work on issues at the wastewater treatment plant. Lakeside will be out tomorrow to address the issues with the gear box. The department will also begin working on determining the existence of lead and galvanized services in the city. The Environmental Protection Agency has established a rule requiring all public water supply systems to document the pipe materials that are included in their system, with a special focus on service laterals.

Commission Member Finken was called away from the meeting at 4:54 p.m.

- b. Journey Lineworker Steve Scholz provided an update. The Electric Department did a great deal of maintenance in the Power Plant- Replaced by-pass oil filters in engine #3 & #4. They replaced the by-pass oil pump seals in engine #4 and engine #2. A new surge tank was installed for the jacket water in the Powerplant. Currently

Mission Mechanical is repairing an exhaust leak on engine #2. The department also cut and trimmed trees around the overhead powerlines. Staff is currently obtaining bids for some new transformers. The department is also replacing some faulty equipment that showed up on the infrared testing.

- c. Community Development Director Hellermann provided an update. Stearns Electric is in the process of bidding for their new headquarters. The Church of St. Mary's will be constructing a storage shed. There are two parties interested in the Bruder's Butcher property. Stearns County is looking to locate a veteran's service office on Main Street in Melrose. There are three businesses interested in the Commercial Rehab Loan program, however it is difficult to find contractors to perform the work. Some additional signage will be added at Kwik Trip. We are working with them on that and their installation of a sidewalk off the corner, leading to the store to get walking traffic on a path and off Kraft Drive. The Grand Opening will be held on Thursday, March 14 from 10 – 12 a.m. with ribbon cutting ceremony at 11:00 a.m. The sidewalk on County Road 168 should begin as soon as road restrictions are off. We are working with the Melrose Lions on the installation dates for the playground near the campground.
- d. City Administrator Winter provided an update. City staff has completed the interrogatories that were requested by Melrose Community LLC and submitted to James Thomson (Kennedy and Graven atty representing the City). The Judge has ordered mediation ahead of a trial and that is scheduled for the end of March. As discussed with the PUC and City Council and with Thomson, our position is that we are well within our legal rights to charge base and variable sewer fees. Thomson agrees and will defend the City based on that assertion. Currently Melrose Community LLC owes the City over \$25,000.00 for past due sewer charges.

SIU meetings – Winter, Vogel and Susan Danzl met with JOTs, Land O Lakes and Proliant individually to discuss their 2023 charges and SIU agreements. Overall the meetings went pretty well.

JOTs has requested some additional testing related to their BOD's as those numbers were higher than normal. So staff will continue to work through that process.

We also discussed MPCA's new rule making in two areas – Total Nitrogen and Sulphates. Starting with our next permit in 2026 we will need to put together a compliance schedule, similar to what we did for nitrates. As we obtain more information we will bring back recommendations to the PUC.

A.I. #5 ACTION ITEMS

- a. The Commission gave consideration to approving the quote received from the League of Minnesota Cities Insurance Trust (LMCIT) for worker's compensation insurance for the period of March 7, 2024 through March 7, 2025. The net premium costs for the upcoming period are \$113,139. The quote in 2023 was \$121,528, which is a decrease of 6.9%. Due to claim history, the experience modification changed to a 1.08% debit (\$9,423) for the 2024-25 coverage period, up from a 0.98% credit for the 2023-24 coverage period. Overall workers' compensation rates for 2024 have decreased for the first time in three years.

It is recommended that the Commission again approve the regular premium option. The General Fund share of the premium is \$88,132 and the Utilities' share is \$26,816 compared to \$94,055 and \$27,473, respectively for the past year.

A motion was made by Mr. Kraemer, seconded by Mr. Seanger and unanimously carried approving the LMCIT workers' comp insurance at the regular premium option.

- b. At a special joint City Council/PUC meeting held on March 6th, Mark Goldberg from DDA went over the JET system – a job evaluation system based on 7 different factors and reviewed the list of other cities used for obtaining market data. An internal committee consisting of Colleen Winter, Doris Rieland, Ryan Meyer and Jeremy Schrantz has been formed to meet with DDA and have met twice. At the joint PUC and Council meeting the City appointed Tony Klasen to serve on that internal committee.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried, appointing Mr. Finken to serve on the Compensation and Classification Study internal committee.

A.I. #6 OLD BUSINESS

- a. Water/Wastewater Treatment Facility Update from SEH

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.	• South screw pump gearbox coordination with Lakeside (ongoing) • Vent pipe

	• 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 – Install and calibrate a new pneumatic solenoid for Screen #6 – Install a new gasket for the union in Screen #4 – Perform staff training	
--	--	--

Control Building (03)	• Installed 4" flow meter on WAS line • WAS Pump 1 Start-up	• WAS pump 2 start-up & training. Shop test results were approved 3/1/24 and pump is expected to ship
-----------------------	--	---

Structure	Status of Construction	Upcoming Construction
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. Staff has been approached by Mr. Thielen who rents in the wellhead protection area. He has inquired about the use of Status (5 oz per acre) and Sterling Blue (6-10 oz per acre) on the field. Staff has checked with: Aaron Meyer (Source Water Protection Specialist, Minnesota Rural Water Association – MN Department of Health), Casey Field (Soil Scientist, Pesticide & Fertilizer Management Division, MN

Department of Agriculture), Wayne Cymbaluk (Water Resource Specialist, Stearns County Soil & Water Conservation District), and Jon Roeschlein (Administrator, Sauk River Watershed District). The attached information was provided.

The Minnesota specific use restrictions include:

- DATE CUTOFF: No application shall be made south of Interstate 94 after June 12. North of Interstate 94, use is prohibited after June 30.
- TEMPERATURE CUTOFF STATEWIDE: No application shall be made if the air temperature of the field at the time of application is over 85 degrees Fahrenheit or if the National Weather Service's forecasted high temperature for the nearest available location for the day exceeds 85 degrees Fahrenheit. Forecasted temperature must be recorded at the start of the application.

The lease payment that the City receives from Mr. Thielen is \$450 annually. Staff recommends that the MN specific restrictions as noted be included in the lease agreement and further recommends that Mr. Thielen provide a report to the City by no later than July 1st every year that shows compliance.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried allowing Mr. Thielen the use of Status (5 oz per acre) and Sterling Blue (6-10 oz per acre) on the field this crop season providing he follows the MN specific restrictions, and that Mr. Thielen provides the city with a copy of the required compliance report by July 1st of every year.

- b. The City/PUC received one application for the Wastewater Supervisor position. Jeremy Schrantz interviewed for the position and was offered the position. Mr. Schrantz countered the wage offer made by the City/PUC.

The following procedure must be used to close a meeting under this exception: • The Commission must decide to close the meeting by a majority vote at a public meeting and must announce the time and place of the closed meeting. • Before closing the meeting, the Commission must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed. • A written record of all people present at the closed meeting must be available to the public after the closed meeting. • The meeting must be recorded. • The recording must be kept for two years after the contract is signed. • The recording becomes public after all labor agreements are signed by the city council for the current budget period. Minn. Stat. § 13D.03, subd. 3. If an action claiming that other public business was transacted at the closed meeting is brought during the time the tape is not public, the court will review the recording privately. If the court finds no violation of the open meeting law the action will be dismissed and the recording will be preserved in court records until it becomes available to the public. If the court determines there may have been a violation, the entire recording may be introduced at the trial. However, the court may issue appropriate protective orders requested by either party.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried to close the meeting at 5:16 p.m.

In attendance were Commission Members Eric Seanger and Jeremy Kraemer, City Administrator Colleen Winter, Finance Director Ryan Meyer, and City Clerk Patti Haase.

The Commission discussed Mr. Schrantz's counteroffer for the Water/Wastewater Supervisor position.

A motion was made by Mr. Kraemer, seconded by Mr. Seanger and unanimously carried to open the meeting at 5:29 p.m.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried approving the wages for the Water/Wastewater Supervisor position to Mr. Schrantz at a Step 1 on the wage scale plus longevity effective March 25, 2024, effective July 15, 2024 advance to Step 3 on the wages scale plus longevity and upon completely six months of full-time employment at Step 3 and upon receiving a favorable evaluation it would be recommended Mr. Schrantz be moved to Step 4 on the wage scale plus longevity.

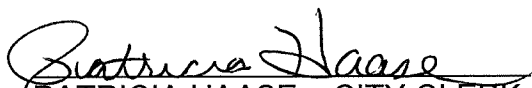
A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The Certificate of Achievement for Excellence in Financial Reporting has been awarded to the City of Melrose by the Government Finance Officers Association of the United States and Canada for its Annual Comprehensive Financial Report for fiscal year 2022. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and attainment represents a significant accomplishment by a government and its management. This is the 8th year that the City has received this award. It is anticipated that the City will again receive this certificate for its fiscal year 2023 report.
- b. The following is a list of schools and/or conferences where registrations were made:
 - 1) MRWA Annual Water and Wastewater Tech Conference March 5 -6 Attending: Water/Wastewater Operator Josh Elfering.
 - 2) Generation School April 16-18 Attending Journey Lineworker Pat Lomax

A.I. #9 ADJOURNMENT

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


(PATRICIA HAASE – CITY CLERK)