

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JUNE 9, 2025 – 4:45 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, June 9, 2025, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members, Jeremy Kraemer, Eric Seanger, and Joe Finken, Water/Wastewater Supervisor Jeremy Schrantz, City Administrator Colleen Winter, and City Clerk Patti Haase. Electric Line Supervisor Justin Henrichs was absent. Also in attendance was Kevin Young with SEH. Chair Jeremy Kraemer called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Seanger seconded by Mr. Finken 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 May 12, 2025, Regular Meeting
- b) List of bills. In the amount of \$891,539.83
- c) Investments Report for the month of May.
- d) Pay Application No. 6 (final) for the 2023 Railroad Avenue NW Street & Utility Improvements. SEH has reviewed this application and recommends final payment of \$20,090.88 for the work completed through May 6, 2025.

Also enclosed is the final compensating change order (Change Order No 2) which represents a reduction in the contract price of \$14,017.68 for your review and approval.

The project will be split between the City and PUC as noted below. This payment represents all quantities for the project and the complete payment of retainage.

Totals for Payment No. 6 are: City. \$ 15,854.9, PUC \$ 4,235.99.

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

A.I. #4 REPORTS

- a. City Administrator Colleen Winter provided an update on the following:

State Legislature:

The MN Legislature adjourned on May 19th with a lot of unfinished business. The Governor immediately announced that a Special Session would be called when the House and Senate agreed on all remaining bills. Bills pending in a conference committee included Energy, Commerce and Consumer Protections, and Environment and Natural Resources. At the session's close, there was no bonding bill or agreement on data centers, and the House and Senate versions of the Tax bill were still sitting on their respective floors waiting for a vote.

Housing proposals: The House bill (HF 2437) was taken up and passed out of the House Tax Committee. It includes changes to TIF for Greater Minnesota that would help with housing and redevelopment.

Budget Reductions: The Senate tax bill includes a permanent \$20 million cut to LGA. If passed that would mean a loss of \$36,543 or 3.1% LGA for Melrose. We will continue to monitor this closely.

MRES and other utility lobbyists continue to work to protect customers' interests as a potential data center bill is being negotiated.

1. Data Center language should NOT undermine the off-ramps of the 2040 mandates that were promised to municipal and cooperative utilities. These off-ramps May 12, 2025, established to protect ratepayers in the event that compliance with the 2040 mandates threatens reliability, resiliency, or affordability, and should not be diminished.
2. Data Center language should not impose additional mandates on municipal and cooperative utilities, including hourly REC retirements, additional reporting requirements, or additional IRP modeling.
3. Data Center language should not promote interference with customer-owned utility operations or ratemaking authority.

Land O Lakes

Water/Wastewater staff has been working with Land O Lakes over the past several weeks regarding the effluent they are sending to the plant, which contains a very high concentration of solids. Land O Lakes pretreatment was not working as it should have been and while local staff was working on the problem, and our own Water/Wastewater staff was dealing with the problems it was creating at the plant. Corporate staff became involved the week of June 2nd, with Josh Milleson coming down to Land O Lakes to troubleshoot the issues. CA Winter spoke with Josh Milleson, Environmental Manager for Land O Lakes and expressed the urgency of the issue and the negative effect it was having on our WW operations. Milleson acknowledged the issue and stated that they will do a better job of communicating with the City and a protocol was established as to how that communication will work. His hope is that the effluent will be in normal ranges very soon and that with internal process changes at Land O Lakes this will not happen again.

- b. The City Administrator provided an update on behalf of Electric Line Supervisor Justin Henrichs.

Proliant is 60% completed. The service upgrade for Todd Beckers is still open. The electric department staff identified three poles that are rotted. Due to staff shortage Legacy Power will be replacing the poles.

Boring on the 1st Street project has been completed. The electric department still needs to set the transformer and do the cut-over.

The electric department has made the repairs to engine #2. Urge testing will take place in two weeks.

Two non-related boxes have been replaced. These back feed the wastewater treatment plant.

Cole Jordahl's last day was Friday May 30. Staff will be interviewing four candidates for the Apprentice Line worker 1000 hours. Interviews will be conducted on Thursday, June 5 and Friday, June 6.

Staff received applications for the Journey Line Worker position. The deadline for accepting applications is Monday, June 9.

- c. Water/Wastewater Supervisor provided the following update.

The water leak at the Wastewater Treatment Facility has been repaired. Staff have received a fair number of water complaints mainly due to low pressure issues on old,

galvanized pipes and some rusty water.

JWC was out last week. They finished the south side couldn't finish north side as they only had one gear box. They will be back later this summer to fix the north side. The rehabbed final clarifier is ready to be put back online. The plan is to have it online by the end of the week. The new F350 truck is back from having the vplow and airbags installed.

There have been numerous locates.

Vogelsang pumps are heavily corroded and deteriorated from the ferric chloride and snails. They are only lasting about 2 years.

CWC the new ferric chloride vendor gave us a polymer for the daft and centrifuge. It will save the department around \$3,000/tote. We currently use around 15 totes per year.

A.I. #5 ACTION ITEMS

- a. The City-owned billboard by the golf course needs to be updated. The current design is a cost-shared board with Missouri River. The City looked at the idea of an electronic board at that location but it was determined, because of the residential area that it was not appropriate. Staff worked with Missouri River Energy on a cooperative board, where the cost of installation will be split. Staff estimates the Utilities share of the cost to be approximately \$1000.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the proof of the billboard and cost share the updating of the golf course billboard with Missouri River Energy Services.

- b. Justin Lundblad's hire letter stated that with favorable performance evaluations he would advance on the wage schedule at twelve months. City Administrator Winter is requesting the Commission to consider moving Journey Line Worker Justin Lundblad from step 1 to step 2 on the electric wage schedule at his six-month performance evaluation which was May 13, 2025.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving Mr. Lundblad moving to Step 2 on the electric wage scale schedule at his six-month performance evaluation which was May 13, 2025.

- c. The Journey Line Worker job position needed clarification and general cleanup of the job description. City Administrator Winter, Electric Line Supervisor Henrichs, and HR Generalist/Payroll Clerk Rieland reviewed the job description.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the revised Journey Line Worker Job Description.

- d. On June 5 & 6, 2025, Electric Line Supervisor Justin Henrichs and HR Generalist/Payroll Clerk Doris Rieland interviewed 4 candidates for the Apprentice Line Worker 1000 hrs. position. After careful consideration, a unanimous decision was reached to offer the position to Turner Beuning. Starting wage will be Step 1 on the 2025 wage schedule.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the hiring of Mr. Beuning to the Apprentice Line Worker 1000-hour position at Step 1 on the wage schedule.

A.I. #6 OLD BUSINESS

a. Water/Wastewater Treatment Facility Update from SEH

STATUS OF CONSTRUCTION: IN PROGRESS

Structure	Status of Construction	Upcoming Construction
Preliminary Treatment Building (02)	- JWC screw conveyor auger shaft replacement segments for both north and south auger arrived on site in January 2025. - JWC was on site 1/28-1/31 2025 to install the auger shafts. The south gear box and shaft were fused together, rendering the south auger inoperable. The new shaft segment was installed and is ready for gear box installation. - JWC was on site 2/12-2/14 to install the new gear box on the south auger. - No work is to be performed on the north auger at this time because it must remain functional for the City's operations. - Freeport fixed the conduit at the south auger. - Water conditioning system has been installed JWC is on site today, 6/3, to install the newly manufactured auger shafts on the north and south screw conveyor augers. The new shafts are manufactured with a bias on the small end of the tolerance. - JWC developed a plan to remove the south gearbox and shaft using a gearbox puller that was shipped to site - The static screen automatic spray system alignment has slipped and requires realignment. JWC to adjust the spray system when on site. - SEH is preparing a draft letter for City review and delivery to Magney addressing payment for SEH time associated with unproductive site observation of JWC.	- Install auger shafts, gearbox, fan cover, and shaft seal - Obtain spare parts from JWC

Structure	Status of Construction	Upcoming Construction
Control Building (03)	WAS pump 2 start-up & training April 15, 2024 by Magney and Vogelsang	Coordinate call with Vogelsang to discuss corrosion
Pump and Blower Building (04)		No additional Work
Existing Final Clarifier (05)	- Clarifier start-up 6/6/2023 - Input shaft and bushings replaced by Envirodyne 4/25/2025. Metallic shear pin replaced with delrin (plastic) shear pin, ten (10) spares left with Jeremy. Confirmed torque switches function. - Magney grouted effluent launder this morning. New high point is 1187.10 (low point is 1186.66).	Coat clarifier launder. SEH inspector on site today, 6/3, to inspect the surface prep.
New Final Clarifier (06)	- Clarifier live as of 2/28/23 - Input shaft and bushings replaced by Envirodyne 4/25/2025. Metallic shear pin replaced with delrin (plastic) shear pin, ten (10) spares left with Jeremy. Confirmed torque switches function.	Take offline and inspect for solids buildup
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)		No additional Work.
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.	- Paving correction. - Influent bypass and PTB drain installation

c. Well #7 Replacement Project Progress Report Update

PROGRESS UPDATE

- Delivered 50% design documents to Melrose staff for review
- Held 50% design review meeting with Melrose staff.
- Delivered attached memorandum outlining differences in drilling methods for Well 10 and reviewed with Melrose staff
- Based on information provided to SEH prior to the memorandum being prepared, achieving a sustainable well flow of 1,000 gpm does not appear likely.
- Received Well Construction Preliminary Assessment from DNR. Preliminary permitting efforts are complete.
- Determined information received from Their Wells was not applicable to Well 7.
- Received additional information on Well 7 from Utility.

PROGRESS OUTLOOK

- 90% design will be completed, and a design review meeting will be held with staff at the end of June.
- SEH water engineers and hydrogeologists will review new information received from staff related to Well 7 capacity and extrapolate data to re-estimate a sustainable well capacity for proposed Well 10

SPECIAL INSTRUCTION/ASSISTANCE FROM CITY

- Need direction from City on which drilling method should be specified for Well 10 construction.

The Commission reviewed a comparison between two common municipal well drilling methods: Mud Rotary and Dual Rotary. Both techniques are widely used in the well drilling industry, each with its unique advantages and disadvantages. Historically, the City of Melrose has utilized the Mud Rotary technique for drilling their wells. However, this approach has yielded varying results in terms of well production.

The Commission, by consensus, directed staff to utilize the dual rotary method for the project.

c. Blower Building Project Progress Report Update

PROGRESS UPDATE

- Process staff have been in contact with blower and pump manufacturer's representatives to schedule site visits and exchange information on the blower and pump selections. Several reps have visited the site and although this process has taken longer than anticipated, we are close to finalizing equipment selection.
 - SEH met with Colleen and Jeremy on 6/2/2025 to discuss blower sizing. We discussed the results of our Biowin modeling vs. the size of the existing blower. We mutually agreed that the two new blowers will be 125 hp but will have a similar turndown to the existing 60 hp blower.
 - A Preliminary Layouts meeting was held with City staff on May 15, 2025, at which we discussed general pipe and equipment layout, site overviews, and flow sheets and P & IDs
- Final Layouts are due from other disciplines on 6/6/2025. However, drawing progress has been slowed by equipment selection.

PROGRESS OUTLOOK

- A meeting with Jeremy is planned for 6/5/2025 to discuss pump selection and try to determine if self-priming pumps or dry pit submersible pumps are a better fit for the application.
- After completion of the equipment selection, the process team will finalize piping layouts. The equipment selection will inform other disciplines designs as well and will allow them to move forward more quickly. We anticipate Final Layout Drawings will be complete by mid-June 2025, after which we will schedule a meeting with City staff to discuss. We'll use notes from that meeting to develop the construction drawings and specifications.
- The design team will meet every two weeks to discuss progress and keep the team on schedule.

d. Water Tower Maintenance Report

PROGRESS UPDATE

- Both North and Sount tanks were cleaned, inspected and maintenance completed.

PROGRESS OUTLOOK

- Reports and contract extension options will be presented mid-July.

A.I. #7 NEW BUSINESS

- a. We have changed how we are billing for the summer months. The billing follows our policy, but at some point in the past (prior to anyone that is currently working with the city) a decision had been made to follow the Cold Weather rule all year long. This causes a long list of delinquent accounts and internally staff has made the decision to follow what is written in policy. This will be a big change, but it will allow the delinquent accounts to catch up during the summer months. Here is how it would work:

25th – Bills are Due

5 days later – late fees assessed

7 more days later – Disconnect notice

8 more days later – Disconnect Day

Disconnects happen 22 days past the due date. In the past it had been 60 days.

Customers can either set up a payment plan or pay their full balance to be reconnected.

At a minimum they will be required to pay the current month balance, along with any balance that is past due to get their past due balance zeroed out by September 30th.

If the PUC does not agree with how staff deals with delinquent accounts, then the policy needs to be changed.

Another area that we wish to discuss with the PUC is the handling of Social Security numbers and who is responsible for paying the utility bill if a tenant moves out. Attached you will find information about other MRES utility providers and what they request. Our policy does state that we require Social Security numbers. The purpose is for Revenue Recapture. City Administrator Winter has requested that our City Attorney, Scott Dymoke look into this matter and see whether or not we can mandate Social Security numbers for service.

A.I. #8 INFORMATIONAL ITEMS

- a. The following informational items were then reviewed:

The following is a list of schools and/or conferences where registrations were made:

- 1) Civic Symposium September 10-12. Attending: Finance Director Jackie Niehaus and Accounting Clerk/Office Coordinator Stacy Funk

A.I. #9 ADJOURNMENT

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


PATRICIA HAASE – CITY CLERK