

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, SEPTEMBER 12, 2022 – 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 #16 Magney Construction
 - f. Stearns County Invoice for RDB Project Engineering Invoice #176-2022
4. Reports
 - a. Water/Wastewater Supervisor Report
 - b. Electrical Supervisor Report
 - c. City Administrator Report
5. Action Items
 - a. South Water Tower Mixer
 - b. Relocate Network Panels
 - * c. Single Phase Transformer Purchase
 - * d. North Water Tower Sensus TGB
 - * e. Utility and Drainage Easement Vacation/ 66.36436.0005 located at 420 Kraft Drive
6. Old Business
 - a. WWTF Update
7. New Business
 - a. 2023 Preliminary Utility Budget, Rate Schedule & Capital Plan
 - b. Energy Assistance Open House
8. Informational Items
 - a. MRES Policy Maker Discussion and Dinner
9. Adjournment
- * Amendment

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MONDAY, SEPTEMBER 12, 2022 – 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 12, 2022, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Eric Seanger, and Joe Finken, Electrical Supervisor Roger Avelsgard, Water/Wastewater Supervisor Tim Vogel, City Administrator Colleen Winter, Finance Director Tessa Beuning, Utility Billing Clerk Sharon Blaskowski, and City Clerk Patti Haase. Commission Member Jeremy Kraemer was absent. Vice Chair Finken 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 August 8 Regular Meeting, and the August 23 Special Meeting
- b) List of bills in the amount of \$ 1,857,954.06 (See attached list)
- c) Investments Report for the month of August (See attached list)
- d) The City's HeatShare Agreement with the Salvation Army will expire on September 30, 2022. 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) Magney Construction has submitted Pay App #16 in the amount of \$515,015.09 for the work completed through 8/31/2022. SEH has reviewed the Payment Request and is recommending payment as outlined in the invoice.
- f) At its August 18, 2022, meeting, the City Council approved the payment of Invoice #176-2022. During the preparation of the July construction pay vouchers, the County's consultant found they had previously recorded items in the wrong category. They corrected this on the July invoice which resulted in an overall credit. The allocated Utility portion did have a balance due, but the larger General credit absorbed that amount and resulted in a total credit balance. The engineering fees are based upon the construction breakout. Therefore, due to those adjustments, the percentage charged for WSB engineering fees also resulted in a credit to the General fund. The total invoice of \$1,604.56 was broken out for General (\$2,402.01) and Utility (\$4,006.93)

A motion was made by Mr. Seanger seconded by Mr. Finken and unanimously carried to approve the Consent Agenda items.

A.I. #4 REPORTS

- a. Water/Wastewater Supervisor Vogel provided an update. Supervisor Vogel noted that the lift station maintenance is complete. Staff continues to work on reducing the

usage of ferric chloride. The target is a 20 percent reduction in usage.

- b. Electrical Supervisor Avelsgard provided a status update on their projects. There is a planned outage at Land O'Lakes on Thursday, September 15.
- c. City Administrator provided an update on the following:
Magney Construction is requesting an additional 70 days for project completion. Staff has not approved the extension at this time. The bridge construction continues to move forward. One of the units at Rose Park has been condemned however residents are still living in the mobile home. Staff will be working with Stearns County on this issue.

A.I. #5 ACTION ITEMS

- a. During their regular inspection in 2021, SEH came upon issues with a frozen cord and mixer operations at the South Water tower. There was nothing that could be done at the time as everything was frozen. During their inspection on June 9th, SEH found that the mixer was not operating. Following that inspection, the manufacturer was consulted again with the updated information about the frozen tank and the non-operational mixer after the tank had thawed. At that time the manufacturer indicated that the mixer should be replaced, and they could offer a rebuilt mixer with a one-year warranty or a new mixer with a 5-year warranty. The rebuilt mixer is only 20% less than the new mixer which has a longer warranty. I pushed back on the recommendation for a new mixer knowing that the mixer had not been run in a dry tank, which is the most common cause of failure. The manufacturer stated the average life of their mixer is 6 to 8 years, a rebuilt mixer may last a couple years, and would not have remaining warranty after one year. It is unknown if fixing the cord will fix the mixer but based on the age of the mixer being at the average life expectancy, the recommendation was made to replace the mixer with a new mixer including a new 5-year warranty. Due to the price increase that took effect as on September 1, City Administrator Winter authorized the purchase of the new mixer as per the attached quote.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried concurring with the purchase of the mixer for a cost of \$19,370.

- b. The current phone and internet network panels are in what is now the HR office. At the time of the original building design, this room had been available for an IT room. Due to the current layout, we have run out of space for any further additions, and the cabinet gets very warm. This results in us running a risk to the functionality of the system. In addition, for IT security, this equipment should be in a secured location.

Staff has worked in conjunction with our managed IT consultants at Arvig to determine the best solution. They've suggested to rerun the cables throughout the building along with the switches to our vault. This location is temperature controlled, secured, and is where our servers are stored.

We have received a quote from Arvig in the amount of \$6,351.90 to install a server rack, patch the panels, testing, labeling of the cables, moving and splicing fiber, moving network equipment and reconnecting and testing.

In addition, Freeport Electric has quoted \$12,400 to core drill the floor at the rack

location in the vault, run new Cat6 cables, and install the jacks and plates throughout the office.

The total project quote of \$18,751 would be split between the General Fund and the Electric Fund.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the quotes from Arvig & Freeport Electric to relocate the network panels.

- c. Electrical Supervisor Avelsgard obtained bids for single-phase transformers. Mr. Avelsgard is recommending the purchase of the 1247/7204 from Resco and the 7200 Delta be purchased from Irby.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried authorizing Electrical Supervisor Avelsgard to purchase the single-phase transformers.

- d. Electrical Supervisor Avelsgard has obtained a quote for the North Water Tower Sensus TGB. The cost of the TGB for the North Water Tower is approximately \$40,000

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried authorizing Electrical Supervisor Avelsgard to purchase the Sensus TGB for the North Water Tower at a cost of \$40,000.

- e. Harland Hector owns a parcel located in the City of Melrose, Stearns County, Minnesota. The parcel number is 66.36436.0005 located at 420 Kraft Drive, Melrose, MN 56352. He has been constructing storage units on the property and now would like to build a fifth building east-west along Kraft Drive, perpendicular to buildings one, two and three.

The City of Melrose received from the State of Minnesota a turnback of Trunk Highway 52, and Hector's property includes a 117.50 feet easement from the center of now existing Kraft Drive. After discussion with department heads for electric, sewer and water, it was agreed that 80 feet would be sufficient.

The City Council at a special meeting on Monday, October 3rd at 7 AM will hold a public hearing. Notice is being published in the legal newspaper September 14 and September 21, and neighboring property owners within 350 feet are being notified.

This easement actually runs longer and wider than this property, but it was agreed in consultation with the City attorney, to limit the easement vacation to the Hector property. The property to the north is the Bonner property/Rose Park.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried recommending Council approval of a partial easement vacation, going from 117.50 feet to 80 feet on parcel number 66.36436.0005.

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)	• Screw pump base slab complete • Magney Finished pouring all 3 tiers of the screw pump walls	• Magney will be working on forming and pouring the concrete sloped slab for the screw pumps along
	• Finished working on footings and foundation walls for screening room • Poured floor of collection/mechanical room • Backfilled the unexcavated portion beneath the screening room. • Underground piping in building footprint complete • Precast walls and roof have been set besides one wall panel • Floor in screening room has been poured, • Started installing screens and	
Control Building (03)	• Removed old recirculation pump, and pump base • Started installing WAS Pumps	• Finish Install WAS pumps
Pump and Blower Building (04)	•	•
Existing Final Clarifier (05)	•	• Sludge piping • New mechanism on site. Start installation once new final clarifier 06 is up and running.
New Final Clarifier (06)	• Walls and launder trough have been poured. • Passed leak test • Set scum lift station structure • Magney has started working on installing the new Mechanism • Concrete has been coated • New Mechanism has been installed • Started working on the aluminum dome cover • Bottom of structure grouted	• Finish installing the dome cover

Digester Complex (07)	- Installed new thickened sludge pipe through the floor in the centrifuge room and out to the sludge holding tank. - Rerouted LSG line	Continue work on thickened sludge room.
Structure	Status of Construction	Upcoming Construction
	- Cored and stubbed pipe into sludge holding tank - Backfilled yard piping	
Solids Thickening and Loadout Building (08)		
Splitter Structure (10)	- Base slab and walls poured. - Passed leak test - Coatings completed - Installed the slide gates - Installed grating over openings	Installing valves and piping towards the final clarifiers
Existing 48 ft Clarifier (11)	Installed bypass around 52-ft final clarifier	
Sludge Return Metering Vault (12)	- Finished pouring all the concrete for this structure. Top slab poured 1/31/22 - Stripped forms - Passed Leak test. - Coatings have been completed (June 2022) - Grating has been installed over the openings	Continue working on pipe leaving structure
Yard	- Yard piping from Clarifier 06 and going to/ around the splitter structure - Installed below-grade piping for 48-ft clarifier bypass to chlorine contact tank. 52-ft Clarifier demolition mostly complete - Installed sludge pipe from Final Clarifier (06) to Sludge Return Metering Vault (12) - Installed 4" scum line past the splitter structure - Rerouted 6" Primary Sludge Pipe - Finished working on the 6" overflow drain - Installed sludge line for 48' Clarifier - New Hydrant line has been installed up to the road. - Piping to EQ is installed - Installed new valve for WM	- Piping leaving the splitter structure - Sludge pipe from Existing Final Clarifier (05) to Sludge Return Metering Vault (12) - Finish installing new water line and hydrant - Start working on 36" influent sewer pipe

A.I. #7 NEW BUSINESS

- a. Finance Director Beuning presented the proposed 2023 budget recommendations, the proposed 2023 water, wastewater and electric rates, and the 2023-2027 capital plan. Per review of the budget, as well as the water, wastewater, and electric rate studies performed, it is proposed to have a 1.25% increase for water rates, a 1% increase for wastewater rates, and remain flat on the electric rates. The Commission next reviewed the Five Year Capital Improvement Plan.

The Commission by consensus approved the preliminary budget and Five Year Capital Improvement Plan.

- b. In an effort to assist our utility customers, we have set up an open house in coordination with Tri-Cap to provide information relating to the energy assistance program and to help individuals apply for the program. This is scheduled to be held at City Hall on Wednesday, September 28, 2022, from 3-6:30pm.

Our goal is to reach those customers that have difficulty in understanding or completing the application and have not been enrolled in prior years but would be eligible for funding. The Utility Billing Clerk will be on hand during the meeting to provide individual usage information as needed, the Receptionist will be available to assist with translating, and Tri-Cap will have staff to provide information and work with individuals one on one to answer any questions.

This will be the first time that Tri-Cap has provided this service, and they are very excited about the opportunity and will possibly extend this to other service areas. In addition to the energy assistance program, they will be bringing information on other programs that residents may benefit from.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The MRES Policy Maker Discussion and Dinner will be held on Tuesday, September 20, 2022, at The Oaks at Eagle Creek, Willmar MN. In order to make reservations please let staff know if you wish to attend by Tuesday, September 13.

A.I. #9 ADJOURNMENT

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

PATRICIA HAASE – CITY CLERK