

**MELROSE PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
MONDAY, APRIL 6, 2026 – 3:30 P.M.**

1. CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Special Meeting April 6, 2026 at 3:26 P.M. at the Melrose City Center pursuant to due notice being given thereof. Present were Public Utilities Commission members Joe Finken, Jeremy Kraemer and Eric Seanger, Police Chief Craig Maus, Human Resources Coordinator Doris Rieland, Finance Director Jackie Niehaus, and Water/Wastewater Supervisor Jeremy Schrantz. Chair Finken presided thereat.

2. APPROVAL OF AGENDA

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the agenda.

3. ACTION ITEMS

3a. Line Department Workforce Discussion

Vice Chair Seanger asked Sam Jones from Missouri River Energy Services (MRES) about the options for Missouri River Energy Services to support the Melrose Line Department. He stated that the two options on the table are for either MRES to take over staffing from the City, or for the City to continue to staff the Line Department. Secretary Kraemer stated that in his discussions with Terry Wolf from MRES, Wolf has stated that MRES may be hesitant to take on staffing for Melrose. Jones stated that he believes Melrose has the revenues and ability to staff internally. Wolf stated that Melrose is adequate size, and that communities of Melrose's size usually do not have issues maintaining staff in their line departments. MRES wants municipalities to succeed, and they will help support cities when they need it, but they do not want to take over operations for cities that can staff their own departments. There are many communities that MRES works in that cannot support their own line departments and so they need to prioritize those areas more.

Secretary Kraemer stated that a large issue for the City is finding a supervisor for the Line Department. The turnover in the position has made it tough to have stability in the position and the Department as a whole. Jones stated that compensation is certainly a major component, and leadership training is important in developing people in supervisory positions. Secretary Kraemer stated that Melrose had a unique issue where a large number of experienced employees retired around the same time, and the remaining employees did not want to take on the supervisor position.

Chair Finken said that compensation and on-call requirements are the big issues that he hears about as being issues for the Line Department. Private companies are able to

require their employees to be on-call much less than the City because they have more staff than the 4–5-person crew that the City employs. The Commission members discussed that they would want to post for an Electric Supervisor as soon as possible to try and have that position filled for the Line Department. If there is not interest in the position or good candidates then the Commission would consider different options. Secretary Kraemer asked Jones and Wolf whether they would be fine with waiting until the next regular PUC meeting in May for a decision to be made based on how the Electric Supervisor posting goes. They stated that scope of the job and compensation should also be considered before posting for the position again. There was discussion about whether the administrative and supervisory aspects of the role are making it harder to find candidates.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to advertise for an Electric Line Supervisor.

Item 3c. was moved up in the agenda.

3c. DGR Recommendation of Award of Contract–County Road 169 Project

Police Chief Maus presented. DGR Engineering has submitted a recommendation of award for the contract for the County Road 169 Project. They are recommending AEI Construction Inc. to be awarded the contract based on their quote being the lowest.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and carried to award the contract for the County Road 169 Project to AEI Construction Inc. Chair Finken abstained.

Vice Chair Seanger then left the meeting.

A motion was made by Secretary Kraemer, seconded by Chair Finken, and unanimously carried to take a recess in the meeting at 3:50 P.M.

A motion was made by Chair Finken, seconded by Secretary Kraemer, and unanimously carried to resume the meeting at 4:16 P.M.

3b. Pump and Blower Building Improvements - Melrose Water/Wastewater Treatment Plant

Three firms were interviewed for the CMAR role for this project: Lakehead Constructors Inc., Magney Construction, and Rice Lake Construction Group.

4:16 P.M.-4:47 P.M. - Lakehead Constructors

Kirk Illenda, Vice President of Business Development; Kirk Burbach, Senior Construction Manager/Estimator; and Jeremy Uncini, Vice President of Construction presented for Lakehead Constructors.

The company has been in operation for 110 years now, and work in various areas including maintenance and modification of industrial plants, which is a large part of their business. Many of their customers are long-term, repeat customers. Phase 1 of their proposal would be the Preconstruction phase. This would include a kick-off meeting with Nero Engineering and the City to get the initial design and expectations for the project set up. They always seek to ask questions about if the City has any preferences or local knowledge such as for subcontractors. They see early dialogue in the start of the process as a major factor towards making the project a success.

Phase 2, Construction, would include setting up the job site and quality and safety expectations. Their construction team will manage the general conditions, and field crews will be self-performing demolition, pouring and forming concrete, pipefitting, setting pumps and blowers, site utilities – trenching/backfilling. Subcontracted work would be the electrical and HVAC.

Lakehead Constructors values good relationships with clients and engineers and they feel that their collaborative, honest approach helps to create good outcomes on projects.

Water/Wastewater Supervisor Schrantz stated that a major challenge of this project will be the wet well valve replacement, and that Lakehead had a unique approach to this issue. He asked what number of staff Lakehead would anticipate for the project? Illenda stated that about 6 employees would be anticipated to be working on the project onsite.

Lakehead Constructors has worked on large industrial projects before where time was of the essence and so they understand the issue of needing to keep operations moving and/or minimize disruption so that services and output are not affected during the construction. Uncini stated Lakehead would definitely want to stay in contact with the industrial users in the City to see if they can find windows where the work can be done to minimize disruption to their operations.

4:47 P.M.-5:21 P.M. - Rice Lake Construction Group

Wade Leonard, President; Jaime Berry, Project Manager; Scott Molitor, Senior Superintendent; and Sherri Leonard, Director of Collaborative Delivery, presented for Rice Lake Construction Group.

Berry stated that the team Rice Lake is preparing for this project has recently worked on or is working on several other water/wastewater plant projects in the state. Wade Leonard highlighted that Rice Lake maintains a 0.50 Experience Modification Rate, which shows a commitment to safe work environments. Rice Lake is a self-performing contractor, they do everything but electrical and painting by themselves. Rice Lake has worked on 1,400 water/wastewater facility projects over the last 36 years. Sherri Leonard stated that Rice Lake understands that since the plant will need to continue to be running, they have the experience to manage this type of project successfully.

Molitor stated that this is not the first time they have worked with the valve issue that

Melrose has at the Water/Wastewater Treatment Facility and has a process and technique to work on it. This will also not disrupt operations. Berry talked about the blower part of the project. There is limited redundancy with this system as well. Rice Lake has experience with setting up temporary blowers during projects and using advance procurement to get these systems ordered and then installed quickly. Molitor said that discharge header valve installation will also be a challenge. They will attempt to minimize disruption either through short-duration outages, or through temporary conveyance pumping if possible.

Sherri Leonard emphasized the CMAR process and that it starts with listening. At the first meeting, Rice Lake will be absorbing as much as they can learn so that they can optimize the process. They want the staff at Melrose to be comfortable with the new equipment and the temporary set-ups while the construction is going on. Wade Leonard stated that the plant owner really gets to decide how they want the CMAR process to go. You want to pick someone you can work with. Rice Lake has a lot of experience and he feels that when you sign up to work with Rice Lake, you really are getting their whole company team and experience to help solve a client's needs.

5:21 P.M.-5:47 P.M. - Magney Construction

Kevin Vranicar, President; Dan Fuhrman, Preconstruction Manager; Peter Devick, Project Superintendent; Peter Nordang, Project Manager; and Travis Huntley, General Superintendent presented for Magney Construction.

Magney Construction has been working with the City of Melrose for three decades on various projects. Their primary focus as a firm is the construction of water and wastewater treatment facilities. They have staff who have already worked on the Melrose Water/Wastewater Treatment Facility and so they feel that they have knowledge to work effectively with the City of Melrose. Magney has had success in the CMAR process in previous projects as a contractor that can get stuff done and use their experience in this area to their clients' advantage.

Maintaining operation of the pump and blower systems while completing this project is something that Magney knows is important with this project. They would start with hiring an electrician for the electric upgrades so that is completed before any of the pump and blower systems are replaced. The pump and blower equipment would then be ordered ahead of time so it is all ready before replacement starts. They would also modify the door in the building to allow for easier installation of the new equipment.

There was discussion about how to replace the electrical systems while still keeping the plant operating, as well as other systems that might need to be worked around during construction and replacement.

Jennifer Sverness from Nero Engineering asked about Magney's proposed changes to the CMAR contract. They stated on past CMAR projects, Magney has come up with a contingency factor on the project with the engineer. The contingency is to account for

things that cannot be planned for. Initial planning would reduce the amount of issues that could come into play with contingency. Magney stated that they have not previously had change orders made to projects because they have had additional items added through allowance or contingency.

Vranicar stated that he sees the benefit of CMAR as that there can be a collaborative approach between the contractor, engineer, and owner to anticipate needs and make sure the project is done to the requirements of the owner. Fuhrman stated that their experience working with Melrose over numerous projects shows that they are willing to work with the City of Melrose and able to work on challenging projects over time.

Discussion

Discussion then began on presentations. Members discussed that Lakehead did not have as much water/wastewater experience. Rice Lake was seen as having more water/wastewater experience, and their presentation had better solutions for the project. Secretary Kraemer stated that Lakehead also had a lack of local experience compared to the other two bidders. Members stated that they felt Rice Lake was the best prepared. Eric Meester from Nero Engineering stated that he has had good experience with Rice Lake even in challenging project situations. Secretary Kraemer stated that he appreciates the CMAR process as it creates more ability for the contractor to bring ideas to the table and come up with ideas that might have been missed before. The old way it was done often created issues between owners, engineers, and contractors that were bad for project outcomes. The Commission agreed that Rice Lake would be ranked first for presentation, Magney second, and Lakehead third. Meester stated that Nero Engineering would get a recommendation put together for the PUC meeting on April 13.

4. ADJOURNMENT

A motion was made by Chair Finken, seconded by Secretary Kraemer, and unanimously carried to adjourn the meeting at 6:01 P.M.

A handwritten signature in black ink, appearing to read "Connor Kockler", written over a horizontal line.

CONNOR KOCKLER – CITY CLERK