

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, SEPTEMBER 8, 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, September 8, 2025, 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 Jeremy Schrantz, Electric Line Supervisor Justin Henrichs, and City Administrator Colleen Winter, and Finance Director Jackie Niehaus. City Clerk Patti Haase was absent. Also in attendance was Nick and Gwen Shaw a potential developer and via Teams was Susan Danzl 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 submitted.

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a) The minutes from the Commission's August 11, 2025 Regular Meeting
- b) List of bills in the amount of \$265,475.57
- c) Investments Report for the month of August.
- d) Finance Director, Jackie Niehaus will complete one year of service with the City on September 23, 2025. City Administrator Colleen Winter has conducted Ms. Niehaus's review, and it is favorable; therefore, recommends she receive a step increase from Step 1 to Step 2 on the wage schedule

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 did not have an update at this time.
- b. Electric Line Supervisor Justin Henrichs provided the following update
List of current projects
 - Proliant
 - Todd Beckers
 - Highland Street Lighting
 - UND rebuild to wastewaterCompleted projects
 - 4th Street Cut Over
 - Changed out school emergency siren pole
 - Changed out hit transformer/basement by city center
 - Transformer changeout/cutover for Jon Klaphake

General Information

- Staff is looking for approval to obtain bids through DGR for breaker testing
- Pillar Construction should be here to do the outside of the power plant the week of September 22, 2025 Kraemer Lumber has accepted doing the interior of the

- power plant scheduled for the 3rd week in November
- Starting converting to silver smith
- Submitted EPA data on generation plant for compliance

The Commission would support staff having discussions pursuing generation.

- c. Water/Wastewater Supervisor Jeremy Schrantz provided the following updates
- Staff has obtained a quote for a new equalization basin actuator – The quote for a new actuator is \$5,900 with a 20–24-week lead time
 - Staff have been busy jetting sewers this last month (3/4 complete)
 - The sludge loadout pump rebuild is complete besides the split seal install
 - Aeration basin snail cleanout is still on hold
 - Staff has completed our effluent toxicity test and submitted those results to the MPCA
 - Sampled our biosolids for fall hauling, PFAS
 - Prepping equipment for hauling season

A.I. #5 ACTION ITEMS

- a. Missouri River Energy Services (MRES) is gearing up for its twelfth 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 (the same as last year). Utility Billing Clerk Lisa Braun has reached out to the schools and only St. Mary's is interested in participating which is approximately 20 students.

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 and magnet pack, along with a book on Tips on Saving Money and Energy in Your Home (both English and Spanish versions).

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. Finken, seconded by Mr. Seanger and unanimously carried to offer the program to the local schools.

- b. Bids were opened at 2:00 p.m. on Tuesday, September 2, 2025, for Contract A Well

10 Construction and Well 7 Abandonment. A total of one bid was received from Traut Companies of St. Joseph MN in the amount of \$331,920.00.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried awarding the bid to Traut Companies in the amount of \$331,920.

A.I. #6 OLD BUSINESS

a. Water/Wastewater Treatment Facility Update from SEH.

STATUS OF CONSTRUCTION: IN PROGRESS – PUNCH LIST.

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 installed the newly manufactured auger shafts, the gearbox, the fan cover, and shaft seal on the south screw conveyor augers (6/3/25). The new shafts are manufactured with a bias on the small end of the tolerance. • 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.	• Replace north end gearbox and shaft seal with new parts under warranty. Gearbox on site. JWC scheduling site visit. • Obtain spare parts from JWC.

Control Building (03)	• WAS pump 2 start-up & training April 15, 2024 by Magney and Vogelsang • Call with Vogelsang & Magney to discuss corrosion 6/25/2025.	• City sent a copy of sludge sample to test against Vogelsang elastomers. Vogelsang determined the pump elastomers are compatible with the Melrose sludge. Vogelsang is recommending tungsten carbide wear plates and housing segments in these pumps. We will schedule a meeting to discuss.
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Structure	Status of Construction	Upcoming Construction
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). • Coating clarifier launder completed 6/5/2025.	• None.
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. • Gear box is not running smoothly. Envirodyne inspected on site 8/15/25. All upper drive components on both units were found to be in original, like-new condition. The primary reducer was removed, all components regreased, and the hollow bore annular gap was packed full of heavy-duty grease to combat any environmental issues that may have been contributing to the nuisance noise.	• None.
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

Magney has provided pricing for the drainage bypass. Eagle Construction has also provided a cost however they really didn't want to get in the middle of the project. The cost provided by Eagle Construction was only for the inside work. Commission Member Kraemer stated that he would like Magney to just fix the pavement and close the project.

The Commission by consensus directed that Magney is to make pavement repairs and close out the project.

The City sent a copy of sludge sample to test against Vogelsang elastomers. Vogelsang determined the pump elastomers are compatible with the Melrose sludge. Vogelsang is recommending tungsten carbide wear plates and housing segments in these pumps. Supervisor Schrantz inquired as to who would cover the cost, as they were not specified as requiring the tungsten carbide wear plates, and therefore should have been able to withstand the conditions. The smaller pump is under warranty, however the larger pump is not. Staff will rebuild the larger pump in house with the tungsten carbide wear plate.

- b. Well #7 Replacement Project Update from SEH.

PROGRESS UPDATE

- SEH staff met with City staff on 8/26 to discuss piping layouts and blower selection. There remains to be some uncertainty to the blower sizing based on expected BOD and Ammonia removal in processes upstream of the aeration basins. However, Jeremy elected to move forward with selection of two new 60 hp blowers. SEH will follow up with some edits to a blower design memo and we'd like to the City and PUC's buy-in on that memo before finalizing design.
- Now that equipment selection is finalized, the design disciplines can work on finalizing their drawings and specifications. We will meet internally on September 3 to discuss expected timeline for completion of the construction drawings and bidding of the project.

PROGRESS OUTLOOK

- The design team will meet every two weeks to discuss progress and keep the team on schedule. We will report back to City staff after meeting internally to develop a schedule for completion of the documents and bidding of the project.
- Budget: As of the end of July, 55% of the total engineering design budget has been expended. We have estimated that we need to reserve approximately 10% of the budget for the thickening study. Considering a significant amount of time was spent on the project in August, which is not accounted for in the percentages mentioned, it's likely that we will be nearing the not-to-exceed amount on the project soon and that we will require an amendment to the contract. As a reminder, the schedule for the project was modified due to additional time related to equipment selection. Rather than matching existing equipment sizes, as originally anticipated, additional modeling and calculation

time was required. These are prudent steps to take in ensuring the equipment installed meets the expectations of City staff, however it does take additional time.

The Commission reviewed the Technical Memorandum from SEH. The Water/Wastewater Department met with SEH on the Blower project and the department is requesting different size blowers than what SEH recommends. The technical memo prepared by SEH outlines its basis for the blower equipment sizing recommendation, and an acknowledgement to be signed by city staff and the PUC as we move forward approving the blowers recommended by staff.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the Technical Memorandum from SEH.

c. Well #7 Replacement Project Update from SEH.

PROGRESS UPDATE

- Uploaded bidding documents for Contract A Well 10 Construction and Well 7 Abandonment to QuestCDN.
- Submitted Contract A bidding documents to the Minnesota Department of Health for plan review approval.
- Bids for Contract A Well 10 Construction and Well 7 Abandonment were opened on September 2, 2025. See attached bid summary letter and bid tabulation for results. The bid was over the engineer's opinion of probable cost by \$76,478.50, nearly all of which was associated with cost of the pump and pitless adapter. The cost of the well construction was in line with the drilling method comparison memorandum provided to the City in May 2025.
- The updated project budget including the as-bid cost for Contract A is included in the table below:

Description	Budget
Contract A - Well Construction (as-bid)	\$331,920
Contract B - Utilities & Electrical Construction	\$238,620
Construction Subtotal	\$570,540
Contingencies (10%)	\$57,054
Total Controls Systems SCADA Upgrades	\$68,368
SEH Permitting, Design, Bidding & Construction	\$87,000
Soft Costs (~3%)	\$17,120
Total Opinion of Probable Cost	\$800,082

PROGRESS OUTLOOK

- Contract B - Well 10 Raw Water Main, Electrical, and Pump House Improvements will be finalized and submitted to MDH for plan review upon approval from PUC. SEH recommends waiting to advertise for bidding, since this work won't begin until after the sonic (test) hole for Contract A is constructed later this fall.
- Upon contract award, Traut Companies will construct a sonic (test) hole at the proposed location of Well 10 to confirm the hydrogeologic conditions and collect samples for screen sizing.

d. At the last PUC meeting, the discussion regarding hiring an additional operator was tabled. The Commission wanted to wait until everyone was at the meeting. Here is some additional information to consider:

- The budget that will be presented later in the agenda accounts for the hiring of another operator, It would cost approximately \$125, 000.00.
- WWW had 6 full time employees at one point now down to 4.
- Most class A majors have at least 5 operators and a separate water department staff.
- We need to stay consistent on taking down the Aeration tanks yearly so we stay on top of the snail issue. The primary clarifiers have only been down once for cleaning in 20yrs.
- We haul around 400 to 450 loads of Biosolids per year and wash down tanks which requires at least 2 guys for the tank cleaning and one in the tractor.
- Sewer Jetting requires 2 guys and lasts about one month
- Still have around 2 hrs of Lab work that has to get done 7 days a week 365 days a yr
- Water Meter change outs will only increase due to life expectancy of the batteries
- We have 148 pumps and electric motors to maintain.
- Every week our dept starts off the week short handed due to scheduled Mondays off and factor in vacation days.
- Hydrant flushing would be our department responsibility if we can get another operator hired and I would prefer that so the job is done correctly
- Locates need to be done daily from April to Nov
- Reporting and additional monitoring keeps increasing\
- Safety best practices should be complied with at all times. For certain jobs – cleaning of the tanks, anytime an operator is in a confined space it is critical to have a minimum of two people dealing with that job task.
- Growth in the community – City has grown over the past three years and there are consistently capital projects that need to be completed
- SIU's – We have three SIU's in the community and we should be meeting with them regularly.

Commission Member Seanger is requesting staff to provide a breakdown of a maintenance person's duties they could perform, and the amount of time required

A.I. #7 NEW BUSINESS

- a. A portion of the Massmann farm is listed for sale – specifically 11 acres east of the driveway. This is in the city limits - parcel 66.36493.0015. A local developer is interested in the parcel, creating larger acreage lots, along with adding lots along 5th Avenue NW (across from Sawyers) which have city services already. They have asked staff about the possibility of utilizing private sewer systems and wells as they design a plat. The developer will be in attendance to discuss the project.
 - Do we require the developer to plan to connect at a time when services are available?
 - Do we further require them to provide that plan now?
 - Does this affect the west side of the property when it eventually comes for sale?
 - Does it matter how many lots the developer is going to develop?

Nick Shaw, an interested developer, stated that he is interested in developing the property with larger lots, however due to cost restraints he is requesting the possibility of utilizing private sewer systems and wells.

The Commission by consensus was opposed to allowing private sewer systems and wells.

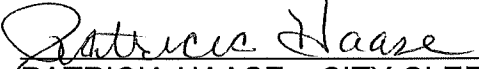
- b. Finance Director Niehaus presented the proposed 2026 budget recommendations, the proposed 2026 water, wastewater and electric rates, and the 2026-2030 capital plan.

A.I. #8 INFORMATIONAL ITEMS

None

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken seconded by Mr. Seanger and unanimously carried that the meeting be adjourned at 5:55 p.m.


PATRICIA HAASE – CITY CLERK