MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, DECEMBER 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, December 8, 2025, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Jeremy Kraemer, Mayor Joe Finken, Water/Wastewater Supervisor Jeremy Schrantz, Journey Line Worker Lead Justin Lundblad, City Administrator Colleen Winter, Finance Director Jackie Niehaus, and Community Development Director Sheila Hellermann. Commission Member Eric Seanger was absent. Chair Jeremy Kraemer called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Finken seconded by Mr. Kraemer and carried to approve the agenda as submitted.

A.I. #3 PRESENTATIONS BY ENGINEERING FIRMS

City Administrator Winter sent out RFQ's to engineering firms for wastewater consulting services. Bolten and Menk, Nero Engineering, Apex, HDR, AE2S, Stantec, and DGR were sent RFQs. Two proposals were received and each presented at the meeting.

Representing Bolten and Menk were Kris Swanson, John Graupman, and Victor Fanth. Their presentation focused on relationship based engineering. They reviewed the principals who would be working in Melrose, experience around the state, transition examples, construction/operation services, and funding work. Questions from the Commission members - Mr. Kraemer asked about the treatment of Melrose as sanitary vs. industrial, and the struggle that presents. Mr. Finken asked about follow through after getting a contract and they assured staff that they will deliver. CA Winter asked about our pending NPDES permit and what we should expect, based on their experience. Discussion included chloride variance, sulfate limits, ammonia, nitrogen and PFAS. They also discussed oversight of SCADA contractors.

Nero Engineering/AE2S – Eric Meester and Jennifer Svennes represented Nero Engineering. Jayme Klecker and Scott Schaefer represented AE2S and they presented jointly.
Their presentation focused on a partnership and being an extension of city staff. Slides discussed benefits and concerns of WW plants for communities and being Construction Manager at Risk (CMAR). They discussed their project approach and putting together a recipe for success. Questions from the city included Mayor Finken asking about ownership of errors, Supervisor Schrantz asked about SIU agreements. Chair Kraemer asked about establishing rates and cost of use and permitting processes. 3 pillars were

presented by them – cost of service, rate design and revenue models to account for "what-ifs". They pointed out the need to be on the right side of state law. They acknowledged the concerns about sanitary vs. industrial design and the need for customized solutions based on the city's needs.

A.I. #4 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

a) The minutes from the Commission's November 10, 2025, Regular Meeting and the November 14, 2025, Emergency Meeting
b) List of bills
c) Investments Report for the month of November.

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

A.I. #5 REPORTS

a. City Administrator Colleen Winter reported an update on the city clerk search.

b. Water/Wastewater Supervisor Jeremy Schrantz provided an update.

- Traut Wells drilled the sonic test well. The location of the planned well 10 seems favorable from what we know at this point. We did have a change order to be presented later in the agenda for an 8" casing.
- MDH did a sanitary survey inspection last week. We had a two day notice but we were able to be prepared. They did have an issue with fluoride and chloride in the same room at a well house. It has been this way for years – we may need to look at building an addition/separate room.
- MPCA reviewed the NPDES application we submitted and they determined it was complete enough for processing.
- We met with and did plant tours with several potential new engineering firms.
- The biosolids annual report is complete.
- Spencer Notch started Monday.
- The guys cleaned and jetted the centrate line from the centrifuge.
- Ferric chloride tank has an issue with the suction line so we are in the process of replumbing the line.
- We had our annual lift station checks performed by Quality Flow. They found some issues with both pumps on the Riverside lift. They installed a loaner pump for now as we are waiting on a quote for new pumps. Current pumps were installed in 2007.

c. Journey Line Work Justin Lundblad provided an update on the Electric Department

- Cole started last Monday and Jake started two weeks ago.
- Christmas lights were put up in time for the holiday kickoff.
- Silversmith training happened and we are working with it to map line.
- Oil tests were all submitted and we are waiting for results.
- We got rid of old poles – it went well and they are all gone.
- Power plant ceiling was replaced last week by Kraemer. This week Freeport

Electric is installing lights.

- Gen 5/WWW generator was tested and everything checked out.
- We are working on inventory. It is a slow process as we are correcting issues.
- We started breaker and relay testing on Friday, likely it will take over a week.
- We are getting transformers back from B & B after they were rebuilt.
- December 16th we are doing a cold weather generator test with MRES.

A.I. #6 OLD BUSINESS

6a. Water/Wastewater Treatment Facility Update from SEH.
The outstanding items include spare parts, and the continued negotiations for the driveway work and clarifier grout. Chair Kraemer expressed his concern with the grout in particular since there are two levels of failure – contractor and inspector – who should be responsible for this repair and not the city.

It was also noted that the dispute about the design/engineering billing for the blower building has continued. The city has received another $5,000 bill for SEH services completed before all work ceased. Chair Kraemer pointed out that the city has almost exceeded its original quote for design and there have been no deliverables, which is very concerning.

6b. Well #7 Replacement Project Update from SEH was provided. Supervisor Schrantz also covered the items in his report earlier in the meeting.

A.I. #7 ACTION ITEMS

7a Finance Director Niehaus presented for final review the 2026 Budget, Five Year Capital Improvement Plan, and proposed rates for the Water, Wastewater, and Electric Funds for 2026. She pointed out that the budget numbers for the well project. slip lining, blower building were updated. Service work was added to the Main Street sidewalk project and the 5th Avenue manhole was removed as it was completed as part of the 2025 street project. The Roach project was moved to Housing. In the rate schedule, electric was increased 4% and wastewater 5%.

Motion by Mr. Finken, seconded by Mr. Kraemer and carried to adopt the 2026 Budget and Five-Year Capital Improvement Plan and 2026 Rate Schedule.

7b Commission was provided the water tower maintenance contract proposed by SEH. This would be a renewal of an ongoing contract that began in 2015. There are 4 different renewal options, and staff is recommending that the PUC consider a Five Year Contract Extension with Equal Annual payments.

Due to the ongoing concerns with SEH and potential legal action on the blower building project, Commission requests staff to get proposals from different engineering firms for the water tower maintenance. No action was taken on the SEH proposal.

7c Well Project - Contract A and Change Order No. 1, and certificate of Substantial Completion for Contract A – Test Well No. 10.
Attachment 7c1 – contract A and change order No. 1.
Attachment 7c2 – Certificate of Substantial Completion

Motion by Mr. Kraemer, seconded by Mr. Finken and carried to approve the contract and change order no. 1 as presented.

7d Change Order No. 8 WWTF 2021 project. Includes the credit for paving/valley gutter and the 50/50 split on the clarifier grout. CA Winter noted this is a $4,000 bill and a split is a cost to the City of $2,000.

With the comments noted earlier about this situation, Mr. Finken made a motion, seconded by Mr. Kraemer, and carried to split the cost.

A.I. #8 - NEW BUSINESS

8a. The Commission considered the hiring of an Engineering Consultant for wastewater services. Given the absence of Commission Member Seanger, it was the consensus of those present that a decision on the engineering contract wait until the full PUC has an opportunity to consider it.

A.I. #9 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- Change of January 2026 meeting date to Tuesday, January 13, 2026

- Schools and training
  Transformer School MMUA – 12/15 – 12/18 Jake Muellner
  Leadership & Supervisor Development – 4 sessions – Justin Lundblad

A.I. #10 ADJOURNMENT

A motion was made by Mr. Finken seconded by Mr. Kraemer and carried that the meeting be adjourned at 6:14 p.m.

Sheila Heller

SHEILA HELLERMANN – COMMUNITY DEVELOPMENT DIRECTOR