

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
TUESDAY, JANUARY 13, 2026 – 4:45 P.M.**

1. CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Regular Meeting January 13, 2026 at 4:45 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, City Administrator Colleen Winter, Community Development Director Sheila Hellerman, Water/Wastewater Supervisor Jeremy Schrantz, Electric Line Lead Justin Lundblad, and City Clerk Connor Kockler. Because this was the Commission's Organizational Meeting for 2026, City Administrator Winter called the meeting to order.

The Commission recited the Pledge of Allegiance.

2. OATH OF OFFICE

City Administrator Winter administered the oath of office to Joe Finken and Eric Seanger. Joe Finken was sworn in to a one-year term as the City Council Representative on the Public Utilities Commission. Eric Seanger was sworn in to a three-year term on the Public Utilities Commission as an at-large member.

3. APPOINTMENT OF OFFICERS

The Commission's January meeting each year is the Organizational Meeting; therefore, the Commission is to appoint the Officers for 2026. These are Chair, Vice Chair, and Secretary. In 2025, the positions were as follows:

Chair – Jeremy Kraemer
Vice Chair – Joe Finken
Secretary – Eric Seanger

A motion was made by Commission Member Seanger, seconded by Commission Member Kraemer, and unanimously carried appointing the Chair, Vice Chair, and Secretary as follows:

Chair – Joe Finken
Vice Chair – Eric Seanger
Secretary – Jeremy Kraemer

Chair Finken presided for the remainder of the meeting.

4. APPROVAL OF AGENDA

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

5. CONSENT AGENDA

The following items were considered for approval under the consent agenda.

- a. Approval of Minutes from the Commission's December 8, 2025 Meeting
- b. Approval of Bills / Purchase Orders
- c. Approval of Investments
- d. Step Increase for Steve Kortenbusch

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

6. REPORTS

- a. Water/Wastewater Supervisor Report

Water/Wastewater Supervisor Jeremy Schrantz provided the following update. There was a 2" water main break at the Water/Wastewater Treatment Plant right before Christmas. Mayers did the repair and found the water main was buried next to a concrete wall and the pipe froze. The chlorine contact tank was also offline at the time. The homeowners at a house left the state for the season and had no heat on in the house, and their pipes burst. The Water/Wastewater Department was unable to shut off the water at the curb stop because the standpipe was bent. Staff members were able to get into the house through a window with Police Department supervision and shut off the water at the meter. Mayers will be installing a new standpipe. Two staff members, Evan and Andy, are testing for their CDLs this week. New staff member Spencer Notch is fitting in very well with the team and will be a great asset for the Department. The north boiler circulating pump went out. Staff installed a new one, the pump was originally installed in 1988. They are still battling a ferric chloride tank issue. The new vendor is providing higher strength product but the tanks at the Water/Wastewater Treatment Plant are not plumbed correctly. There might be a project in the summer to replumb the tanks to be able to use the higher strength product effectively. Annual lift station checks were performed by Quality Flow Systems, they found some issues with both pumps in the Riverside Lift Station. They installed a single pump for the time being waiting for a quote for new pumps. The current pumps were installed in 2007.

- b. Electric Department Report

Electric Line Lead Justin Lundblad provided the following update. The Electric Department is finishing up inventorying their equipment to start the year with accurate numbers and entering everything into the electronic database. Cleaning and reorganizing will be the next step after this. They are currently helping the Streets Department with

snow removal and are learning the process so they can assist if needed in an emergency. The Christmas décor in the City has been taken down. HKS break/relay testing is almost done. New staff members completed digger truck safety training in December so everyone is now certified on that. Two staff members, Seth and Jake, will be attending transformer training. Meter training is also upcoming. The power plant is being cleaned out, maintenance has not been kept up there over the past few years. ABM Boom testing will be done on the bucket and digger trucks to test those vehicles. Earlier last month, electric load had to be shifted on Riverside as a transformer was overloaded due to new electric demand. The changes made have been working out and there have not been further issues so far. The air compressor went down in the power plant; a replacement air compressor is on the agenda tonight. There is a transformer at Jennie-O that may need to be upgraded if their current transformer fails another test. This would require a new level of transformer that the Electric Department does not have on hand, and it would require more extensive work to install.

c. City Administrator Report

City Administrator Colleen Winter provided the following update. The City has been meeting with Missouri River Energy Services about whether our Electric Department could transition to being MRES employees rather than City employees. There have been two new hires in the Electric Department who will be taking part in the Minnesota Municipal Utilities Association apprentice program. Part of our requirement through our Municipal Pollutant Discharge Elimination System (MPDS) permit is monitoring chlorides. Land O' Lakes is starting to monitor chlorides, but their monitoring probes have not been set up yet. Will set up a meeting with Land O'Lakes to talk about this. Their water softeners will need to be replaced in 2029. There is a new contact from Jennie-O who took over from our previous contact, so will be meeting with them soon.

7. ACTION ITEMS

a. Designation of the following:

1) Grievance Representative

For 2025, Commission Member Jeremy Kraemer was the Commission representative and Council Member Travis Frieler served as the Council representative. The Council at its January 6, 2026, meeting appointed Mark Niehoff as the Council Representative.

A motion was made by Vice Chair Seanger, seconded by Chair Finken, and unanimously carried to appoint Jeremy Kraemer as the Public Utilities Commission Grievance Representative for 2026.

2) Ad Hoc Labor and Personnel Committee Representative

In 2025, Tony Klasen served as the Council representative and Eric Seanger served as the Commission representative. The Council at its January 6, 2026, meeting reappointed

Mr. Klasen as the Council Representative.

A motion was made by Chair Finken, seconded by Secretary Kraemer, and unanimously carried to appoint Eric Seanger as the Public Utilities Commission Representative to the Ad Hoc Labor and Personnel Committee for 2026.

b. Riverside Lift Station Pump Repair

Water/Wastewater Supervisor Jeremy Schrantz presented this item and had two quotes from Quality Flow Systems and options for the Commission to consider. The first option was for the repair of the existing pump, for a cost of \$7,386.00. The second option was for the purchase and installation of two new pumps for a cost of \$24,032.00. He said that the original two pumps at the Riverside Lift Station had been installed in 2007, and that it was better to have two new pumps installed than to replace one at a time.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve the second option, the purchase of two new pumps for the Riverside Lift Station from Quality Flow Systems for \$24,032.00.

c. Air Compressor

Electric Line Lead Justin Lundblad presented this item for the Commission's consideration. He said that the Electric Department needed to replace an air compressor that went down that was original to the Generation Plant. He was able to get a quote from Industrial Pneumatic Systems for a replacement air compressor for \$10,726.68. He also reached out to three other companies to get quotes but the largest limiting factor was the 250-psi requirement that their compressors couldn't work up to. He did receive one additional quote from Atlas Copco for \$12,375.50, but he recommended the Industrial Pneumatic Systems air compressor as the best option.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to purchase the air compressor from Industrial Pneumatic Systems for \$10,726.68.

d. Hiring Nero Engineering as Water/Wastewater Consultant

City Administrator Winter presented. The City sent RFQs to several engineering firms to apply to be the Water/Wastewater Consultant firm for the city. Several firms provided proposals and then presented at the December 8, 2025 meeting. Following this, staff are recommending Nero Engineering to be chosen as Water/Wastewater Consultant.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to hire Nero Engineering as Water/Wastewater Consultant for the City of Melrose.

e. Proposed Amendment to Public Utilities Rate Schedule

City Administrator Winter presented. There was a rural line rate change that was added to the fee schedule for the city but it has not been approved by the Public Utilities Commission yet.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to approve the amendment to the Public Utilities Rate Schedule.

f. Proposed 5 Year Service Agreement for North and South Water Towers

Water/Wastewater Supervisor Jeremey Schrantz presented this item. Worked on this with KLM Engineering, which is a firm we have not worked with before, but they are recommended by Sauk Centre. He said the proposed agreement was received last Thursday and that the agreement can be tweaked to cost \$11,000 instead of the full \$20,000. He said he does not believe that an inspection needs to be done for the water towers every year. There is new technology that can be used to do the water tower inspections now. KLM Engineering would use a remote operated vehicle inside the water tower and can take pictures underwater to do the inspections.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to have staff work on and agree to a modified agreement with KLM, rather than signing the agreement as proposed.

8. NEW BUSINESS

a. County Road 169 Electric Line Replacement

City Administrator Winter presented this item. She said that she, Steve Schultz and Electric Line Lead Justin Lundblad met with Sam Jones from Missouri River Energy Services, Mike Decker from the Stearns County Highway Department, and Paul Davis from DGR Engineering to discuss this project. Based on this discussion, staff is recommending that the Public Utilities Commission consider having DGR design an underground electric system. The pros and cons of both overhead and underground were discussed and there was a consensus that underground made the most sense in this area due to reliability for the large agricultural operations in that area. However, the estimate for underground came in at \$700,000, which is more than two times the budget originally set for the project at \$300,000.

Vice Chair Seanger asked Electric Line Lead Lundblad about whether an underground system would be more reliable. Lundblad said yes that it would be more reliable. There is potential for building an underground system in partnership with Arvig wanting to put cable out there, which could save the city money, but have not received numbers from Arvig yet. There are a lot of factors that could come into play with the existing systems out on County Road 169 as well. Some things would have to be replaced or changed when making an above-ground system and some changes would need to be made if an

underground system was done, so not a clear preferred option either way.

Secretary Kraemer asked about the overhead budget. City Administrator Winter answered that \$300,000 was just what we had originally budgeted.

Vice Chair Seanger asked if more details could be obtained about the project before moving forward. Secretary Kraemer concurred and said that there was no need to spend extra money on an underground system if an underground system was not needed. City Administrator Winter said going under a creek would also be a complication with an underground system in this area.

City Administrator Winter said that there was some more time to evaluate the project, as work could be delayed so that it would not start until July.

A motion was made by Chair Finken, seconded by Vice Chair Seanger, and unanimously carried to table this matter until more information could be provided on the project.

b. Seth Ryan Step Increase

City Administrator Winter presented. She said she has been requested by Journey Lineworker Seth Ryan and their AFSME Union Representative to request a six-month wage advancement effective January 7, 2026. Mr. Ryan's hire letter states that following twelve months of full-time employment and upon a favorable evaluation, it is recommended to move him to Step 2 which would take effect July 7, 2026. The Journey Lineworker position has two steps on their wage schedule which is attached. The Line Department prior to December 1 had been operating short-staffed and Mr. Ryan had to be on-call every other week. He is the second-most senior lineperson in the Department and along with Lead Lineworker Lundblad mentors and trains the new staff.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to approve moving Seth Ryan to Step Two on the Journey Lineworker wage scale, effective January 7, 2026.

9. OLD BUSINESS

a. Water/Wastewater Treatment Facility Plan Update

Water/Wastewater Supervisor Schrantz presented. Talked to Amy at SEH today about this. We are waiting on a spare parts list. There is a mini split AC unit that has not come in yet and last week there was an issue with a pump. The pump was under warranty which is good, a representative from Vesco will come out to take a look at it. A lot of equipment from this project has had issues. Winding down the work on this project with SEH.

b. Well 7 Replacement Progress Report

Water/Wastewater Supervisor Schrantz presented. He said there were not any updates at this time besides the project continuing to move forward.

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to authorize SEH to submit drawings and specifications for Contract B – Well 10 Raw Water Main, Electrical, and Pump House Improvements to Minnesota Department of Health for plan review approval and to send MDH a check for \$150 for the review fee.

A motion was made by Vice Chair Seanger, seconded by Secretary Kraemer, and unanimously carried to authorize SEH to advertise Contract B – Well 10 Raw Water Main, Electrical, and Pump House improvements for bidding.

10. INFORMATIONAL ITEMS

a. Schools and Training

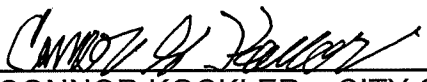
- Water/Wastewater Department employees Andrew Rousslange, Josh Elfering, Evan Gregory, and Jeremy Schrantz will be attending Minnesota Pollution Control-Refresher training. This training will be online.
- Finance Director Jackie Niehaus will be attending the Minnesota Public Finance Seminar on February 4-6.

b. The next Public Utilities Commission meeting will be held on Tuesday, February 9 at 4:45pm.

The March meeting of the Public Utilities Commission will need to be rescheduled. March 2nd, 16th, or the 23rd are possible dates for rescheduling. The March Public Utilities meeting was later rescheduled to March 23rd.

11. ADJOURNMENT

A motion was made by Secretary Kraemer, seconded by Vice Chair Seanger, and unanimously carried to adjourn the meeting at 5:26 P.M.



CONNOR KOCKLER – CITY CLERK