

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, APRIL 12, 2010 – 5:00 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. Delinquent Accounts Report
 - e. Payroll Reports
 - f. Charged-Off Accounts/Accounts Collected
4. Reports
5. Action Items
 - a. Pay Request #2 – Larson Excavating – 2009 Railroad Avenue Utility Extension
 - b. Power Line
 - c. MRES 45th Annual Meeting
 - d. Electric Department Warehouse and Power Plant Improvements
 - e. Generator Water Meters
 - f. Municipal Interconnection & Interchange Agreement/Certificate of Concurrence
 - g. Performance Evaluation Forms
 - h. Wastewater Treatment Facility Exterior Doors
 - i. Wastewater Treatment Facility Building Maintenance
 - j. City of Melrose Capital Assets Policy
 - * k. Tree Removal
6. Old Business
 - a. MMUA Scholarship/Utilities Scholarship
 - b. East City Limits Water/Wastewater Utility Extension
 - c. Staffing Study Update
7. New Business
 - a. Schedule Meeting with Industry
 - b. Sauk River Watershed District Board Opening
8. Informational Items
 - a. Purchases
9. Adjournment

* Amendment

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REGULAR MEETING
MONDAY, APRIL 12, 2010 – 5:00 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, April 12, 2010 at 5:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Lyle Olmscheid, Tom Budde and Ralph Wiehoff, Public Works Director John Harren, Electrical Supervisor Dale Lyon, Water/Wastewater Supervisor Scott Gilbertson and Assistant City Administrator/Treasurer Karen Thostenson. Chair Wiehoff presided thereat.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Budde, seconded by Mr. Olmscheid and unanimously carried to approve the agenda as amended.

A.I. #3 APPROVAL OF CONSENT AGENDA

The following were considered for approval under the consent agenda:

- a. The minutes from the Commission's March 11 Regular Meeting and March 11 Special Joint Meeting with the Council.
- b. List of bills in the amount of \$878,728.21. (See attached list)
- c. Investments for the month of March (See attached report).
- d. Delinquent Accounts Report for the month of March.
- e. 2009 Yearend Payroll Report and 2010 First Quarter Payroll Report on all employees, volunteers, and boards/commissions.
- f. Charging off the following uncollectible utility billing accounts for the first quarter, 2010:

Tiffany Steeves & Robert Coghlin	#8-254-3	\$55.85
Stephen Steinhofer	#13-500-13-1	64.14
Maria E Aranda	#8-322-2	53.88
Miguel Antibonez	#8-300-1	<u>118.30</u>
TOTAL		\$292.17

There were no collections of charged off accounts in the first quarter.

A motion was made by Mr. Olmscheid, seconded by Mr. Budde and unanimously carried to approve the Consent Agenda.

A.I. #4 REPORTS

None

A.I. #5 ACTION ITEMS

- a. Consideration was given to approval of Pay Request #2 (Final) from Larson Excavating Contractors, Inc. for the 2009 Railroad Avenue Utility Extension. The pay request was in the amount of \$5,738.63, and is the final pay application. This will complete the project. The Council, at its Mach 18 meeting, approved the pay request and accepted the project as complete.

A motion was made by Mr. Budde, seconded by Mr. Olmscheid and unanimously carried to approve Pay Request #2 in the amount of \$5,738.63 to Larson Excavating Contractors, Inc. and to accept the 2009 Railroad Avenue Utility Extension Project as complete.

- b. Director Harren then reported that, in conjunction with the CSAH #13 improvements, Electrical Supervisor Lyon is requesting to bury the City's power line from the south end of Country Club Drive to the Klaphake Turkey Farm on 370th Street. A second project being considered would be from Ninth Avenue South to Twelfth Avenue South along East Main Street in conjunction with the proposed wastewater and water extension project. As a result of the pole testing program, some of the poles in these areas have been identified as needing to be replaced and burying the line instead of replacing the poles would be a viable option. Work on both projects will be done by City staff. The cost for material for both projects is estimated at \$25,000.

A motion was made by Mr. Olmscheid, seconded by Mr. Budde and unanimously carried to authorize staff to obtain quotes for the materials needed to bury the power lines and to proceed with the project utilizing the low quotes for materials.

- c. Director Harren reported that MRES will be holding its 45th Annual Meeting on May 12-13 at the Sioux Falls Convention Center. The meeting starts at 10:30 a.m.; therefore, attendees would need to leave Melrose by 5:30 a.m. He inquired whether any of the Commission Members wished to attend. Mr. Olmscheid expressed interest in attending.

A motion was made by Mr. Budde, seconded by Mr. Olmscheid and unanimously carried to authorize Director Harren and Mr. Olmscheid to attend the MRES meeting.

- d. Director Harren reported that in the Five Year Capital Improvement Plan, \$80,000 has been allocated for improvements to the Electric Department warehouse and Power Plant buildings. These buildings require some new roofing, siding, insulation and windows. Mr. Budde stated that staff should obtain local quotes for this project.

A motion was made by Mr. Budde, seconded by Mr. Olmscheid and unanimously carried to obtain quotes for these building improvements.

- e. Director Harren reported that the only company that still manufactures the generator water meters that are used by the City's Water Department will discontinue manufacturing this type in 2011. Staff contacted MRES regarding the status of their demand side management program. Director Harren noted that MRES has a tentative vendor selected and they will be implementing a pilot study in two communities this summer. The vendor is Cooper/Yukon and the contract that MRES has solicited allows all members to purchase under this contract. However, Cooper/Yukon does not have a fully developed water metering system that is compatible.

A motion was made by Mr. Budde, seconded by Mr. Olmscheid and unanimously carried to authorize staff to research options available to the City on this issue and to report those findings at a future meeting.

- f. Xcel Energy Services, Inc. is filing with the Federal Energy Regulatory Commission (FERC) an amendment to their rate schedule and is requesting that the City execute a Certificate of Concurrence indicating that Melrose is not opposed to the filing. Terry Wolf with MRES reviewed the proposed amendments to the Interconnection and Interchange Agreement, submitted recommendations to Xcel, and Xcel has incorporated Mr. Wolf's recommendations into the agreement. Therefore, Mr. Wolf recommends adoption. Director Harren noted that the proposed rate changes will not have an effect on Melrose. He also stated that all power supply contracts are approved by both the Commission and Council. The Council will take action at their April 15 meeting.

A motion was made by Mr. Olmscheid, seconded by Mr. Budde and unanimously carried to authorize execution of the proposed agreement with Xcel and to make recommendation to the Council to also adopt same.

- g. Next reviewed was the proposed revised Performance Evaluation Form as drafted by City staff consisting of Department Heads, Supervisors, and Human Resource Technician Diane Gruber. Revisions to the City's current form have been discussed for a few years but were not worked on until now. The Commission felt the proposed updated form needed some additional modifications and provided some input on same. The updated form to be placed on the Commission's May meeting for further consideration. The Council will give consideration to this proposed form at their April 15 meeting.

- h. Director Harren reported that two quotes have been obtained for refinishing eight exterior doors at the Wastewater Treatment Facility. The low quote is from Tom Avant Painting, Inc. in the amount of \$6,000.

A motion was made by Mr. Olmscheid, seconded by Mr. Budde and unanimously carried to approve the low quote of \$6,000 from Tom Avant Painting, Inc.

- i. Water/Wastewater Supervisor Gilbertson stated he is also obtaining quotes for tuck pointing, stucco maintenance, and painting of the building at the Wastewater Treatment Facility. This maintenance of the facilities is in the Five Year Capital Improvement Plan and is estimated at \$25,000. Quotes will be provided at the Commission's May meeting for consideration. The Commission requested that local

quotes be requested.

A motion was made by Mr. Olmscheid, seconded by Mr. Budde and unanimously carried to authorize staff to seek quotes to perform the maintenance work at the Wastewater Treatment Facility.

- j. Assistant City Administrator Thostenson stated that staff has reviewed the City of Melrose Capital Asset Policy, which was adopted in 2003 as a GASB34 requirement, to determine if any changes were necessary to reflect actual implementation and capitalization. She stated the proposed changes are minor and are designed to reflect actual protocol regarding the capitalization and depreciation of fixed assets. The Council to give consideration to this updated policy at its April 15 meeting.

A motion was made by Mr. Olmscheid, seconded by Mr. Budde and unanimously carried to approve the updated Capital Assets Policy.

- k. Director Harren reported that staff has requested consideration be given to adopt a tree replacement program for those trees that grow under and into the City's power lines, and require regular trimming. It was noted that homeowners may be agreeable to removal of those trees if the City were to either replace the tree elsewhere on their property, or implement an allowance of \$150 to be reimbursed to property owners when they have replaced the tree removed by the City.

A motion was made by Mr. Budde, seconded by Mr. Olmscheid and unanimously carried to approve reimbursing property owners for up to \$150 of the costs to replace any trees the City removes from under its power lines.

A.I. #6 OLD BUSINESS

- a. At its January 11 meeting, the Commission approved a \$1,000 scholarship to coincide with the MMUA scholarship program. The Tom Bovitz Memorial Scholarship/Public Utilities essay was due on April 1, 2010. Only one essay by Kristen Orth was received.

A motion was made by Mr. Olmscheid, seconded by Mr. Budde and unanimously carried to award the \$1,000 scholarship to Ms. Orth and to forward her essay to MMUA to compete in the state pool. Director Harren will present Ms. Orth with her scholarship at the annual awards banquet.

- b. Director Harren also reported that, at the Commission's March 11 meeting, staff was requested to send letters to the homeowners on Twelfth Avenue SE regarding the potential extension of water and wastewater services to the north side of the Lake Wobegon Regional Trail (LRWT). He stated that, to date, three of the four property owners had returned the letter indicating no interest in the services.

Director Harren then requested Commission authorization for staff to obtain quotes for the preparation of a feasibility study for the extension of the wastewater main from Eleventh Avenue SE to the LWRT on Twelfth Avenue SE and the extension of the water main to the LWRT. The feasibility study, once completed, will need to be approved by the Council per Minnesota Statute Chapter 429. Due to the assessments involved with the project, the City will be responsible for the project from that point forward.

A motion was made by Mr. Budde, seconded by Mr. Olmscheid and unanimously carried to authorize staff to obtain a cost estimate for the preparation of the feasibility study for the proposed wastewater and water main extensions.

- c. Director Harren gave an update on the staffing study. He stated that the first draft of the staffing study is tentatively scheduled to be completed by June 1, 2010. Mr. Budde inquired whether the entire Council and Commission would be providing their input at the onset of the study versus just reviewing the draft upon completion. It was agreed that the meeting with Dave Unmacht of Springsted Inc. scheduled for April 19 be posted as a Special Joint Meeting of the Council and Utilities Commission. Mr. Budde also inquired whether this project could be named either a succession planning study or organizational study to better reflect the actual intent and goal of the study.

A.I #7 NEW BUSINESS

- a. Consideration was then given to scheduling the annual meeting with Industry. Staff recommended this be held at some time in June. Staff will provide 2011 budget and rates projections at the May 10 meeting for Commission review and approval. The information will then be presented at the Industry meeting. It was the consensus that the meeting with Industry be schedule for either a Tuesday or Wednesday morning in June.
- b. Director Harren reported that the Sauk River Watershed District (SRWD) has a Board seat open, and that he would be interested in applying for the seat. He stated it would be on his own time; however, he is asking for Council and Commission endorsement in the event anyone feels that sitting on the Board would create a conflict for the City. The Commission felt that it could be a benefit to the City to have a representative on this Board and stated their support of Director Harren's application for appointment to the SRWD.

A.I. #8 INFORMATIONAL ITEMS

The following informational item was then reviewed:

- a. The following purchase no longer requires Commission approval, but is reported as informational:
 - 1) Resource Training and Solutions – 40 cases of copy paper - \$1,381.26 Cost to be shared between General and Utilities Funds.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Budde, seconded by Mr. Olmscheid and unanimously carried that the meeting be adjourned at 6:30 p.m.

PATRICIA HAASE – CITY CLERK