

**MELROSE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
MONDAY, FEBRUARY 9, 2015 – 4:00 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
4. Reports
5. Action Items
  - a. Single Phase/Three Phase Padmount Transformers
  - b. Southwest Substation Easement
6. Old Business
  - a. DNR Grant Extension / Resolution No. UC 2015-1
  - b. Southwest Substation – Primary Power Cable and 115 kV Circuit Switcher
  - c. Southwest Substation – Distribution Feeders and Power Plant Bus Tie
  - d. Southwest Substation – Financial Report
  - e. Xcel Pole Rental Agreement
7. New Business
8. Informational Items
  - a. Schools and Conferences
  - b. Secretary Mary Hollenkamp Recognition Award
  - c. City Administrator Performance Evaluation
  - d. Red Rock Hydroelectric Project / MRES
  - e. Central Minnesota Water Education Alliance (CMWEA)
  - f. Electric and Water Comparative Statements
  - g. 2015 APPA National Conference
9. Adjournment

**MELROSE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
MONDAY, FEBRUARY 9, 2015 – 4:00 P.M.**

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

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, February 9, 2015 at 4:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Lyle Olmscheid, Eric Seanger, and Dick Christenson, Electrical Supervisor Dale Lyon, City Administrator/Treasurer Michael Brethorst, Finance Director Tessa Beuning, and City Clerk Patti Haase. Water/Wastewater Coordinator Tim Vogel was absent. Chair Seanger called the meeting to order.

**A.I. #2 APPROVAL OF AGENDA**

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid 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 January 8 Special Joint Meeting with the Council, the January 12 Regular Meeting, and the January 22 Special Joint Meeting with the Council.
- b) list of bills in the amount of \$ 954,756.44. (See attached list)
- c) Investments Report for the month of January. (See attached list)
- d) the Delinquent Accounts Report for the month of January.

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

**A.I. #4 REPORTS**

None

**A.I. #5 ACTION ITEMS**

- a. Chair Seanger noted that Electrical Supervisor Lyon has solicited quotes for Single Phase and Three Phase Padmount Transformers – (2) 3/0 Padmount Transformers 112.5 KVA, (5) 1/0 Padmount Transformers 50 KVA, and (3) 1/0 Padmount Transformer 37.5 KVA.

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried authorizing staff to award the bid to the best value bidder.

- b. City Administrator Brethorst stated that the City has been in contact with the parcel owners that will require easements for the placement of the feeds from the Southwest Substation back to the Power Plant. An inventory has been completed of all parcels affected to impacts by the project. This includes tree removal, sidewalk, and driveway cuts. Dymoke Law Office is preparing the easements and they will be presented to the property owners for signature. Electrical Supervisor Lyon has gotten preliminary agreement by all parcels owners. He is also working with a handful of owners to finalize the removal of trees as needed.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried authorizing the easements as presented.

### **A.I. #6 OLD BUSINESS**

- a. Administrator Brethorst stated that as noted at the January 12 meeting, the Minnesota DNR has agreed to reimburse up to \$450,000 for FY 2015 construction costs. The DNR will provide the formal written agreement by mid-March or late February. In accordance to the grant agreement, a resolution must be passed to pledge commitment to fund the 'City's Share" of the design phase.

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried adopting Resolution No. UC 2015-1, Committing Funds for Levee Phase 1 Construction.

- b. Electrical Supervisor Lyon noted that the bid opening for the Primary Power Cable and the 115 kV Circuit Switcher was held on Wednesday, January 28 at 1:00 p.m. at the Melrose City Center. Bids were forwarded to DGR Engineering for their review and recommendation. DGR is recommending the bid for the 115 kV Circuit Switcher be awarded to the Stuart C Irby Co in the amount of \$63,780. Eight bids were received for the Primary Power Cable; however, one bidder did not submit the required bid security and one was an unapproved cable manufacturer; therefore, they were disqualified. DGR is recommending the bid be awarded to Irby Utilities in the amount of \$224,162.19.

A motion was made by Mr. Olmschied, seconded by Mr. Christenson and unanimously carried awarding the bid for the 115 kV Circuit Switcher to the Stuart C Irby Co in the amount of \$63,780.

A motion was then made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried awarding the bid for the Primary Power Cable to Irby Utilities in the amount of \$224,162.19 as per DGR's recommendation.

- c. Electrical Supervisor Lyon stated that the bid opening for the 2015 Electric Distribution Feeders and Power Plant Bus Tie was held on Wednesday, February 4 at 1:30 p.m. at the Melrose City Center. The general nature of the work which was bid consists of connection of a 115 kV underground primary cable system, duct banks and a manhole. Bids were forwarded to DGR Engineering for their review and recommendation. DGR Engineering is recommending the bid be awarded to Dig America Utility Contracting Inc. of St Cloud in the amount of \$475,338.88.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried awarding the bid for the 2015 Electric Distribution Feeders and Power Plant Bus Tie to Dig America Utility Contracting Inc. in the amount of \$475,338.88.

- d. Finance Director Beuning provided a cash flow analysis on the Southwest Substation Project. Director Beuning noted that the engineers' project estimate is \$3,500,000 and to date, the various bids received are approximately \$1,634,881.07, coming in under engineering estimates at approximately \$104,118.93.
- e. Administrator Brethorst noted that Xcel Energy has expressed a desire to amend the pole rental agreement. It was last updated in 1975 at which time it addressed the fee for rent. Xcel will provide a draft amendment and upon receipt, a current agreement will be negotiated.

#### **A.I. #7 NEW BUSINESS**

None

#### **A.I. #8 INFORMATIONAL ITEMS**

The following informational items were then reviewed:

- a. The following is a list of schools and/or conferences where registrations were made:
  - 1. 78<sup>th</sup> Annual Water Operation Conference – March 25-27. Attending: Water/Wastewater Coordinator Tim Vogel and Water/Wastewater Operator Josh Elfering
  - 2. MWOA Conference – July 28-31. Attending: Water/Wastewater Operator Jeremy Schrantz
  - 3. Legislative Conference – February 4-6. Attending: City Administrator Brethorst and Commission Member Lyle Olmscheid
  - 4. Energy Design Conference – March 24-25. Attending: Billing Clerk Rosie Athmann
- b. On January 7, Secretary Mary Hollenkamp received her 25-year recognition award of \$100 as outlined in City Personnel Policy – Employee Recognition Program. Ms. Hollenkamp is to be commended for her years of service.
- c. On January 22, the Council and Commission conducted the annual performance evaluation of City Administrator Brethorst. The evaluation was favorable. Performance and goals were discussed.
- d. An independent review panel has given its approval to construction work thus far at the Red Rock Hydroelectric Project, located on the Des Moines River near Pella, Iowa. The panel also said that after examining test section of elements of the project, work could proceed on remaining elements following the means, methods, and procedures used in the test section. Work on the project began in August 2014 and is expected to be completed by early 2018. When complete, the Red Rock Hydroelectric Project will produce 36.4 megawatts of electricity – enough to meet the needs of about 18,000 homes.

- e. The 2014 Central Minnesota Water Education Alliance Annual Report.
- f. Comparative Revenue and Energy Statement for the Electric Department, and the Production and Distribution Statement for the Water Department for the month of December.
- g. 2015 APPA National Conference.

**A.I. #9 ADJOURNMENT**

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried that the meeting be adjourned at 4:25 p.m.

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PATRICIA HAASE – CITY CLERK