

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, OCTOBER 12, 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
 - e. Charged-Off Accounts/Accounts Collected
4. Reports
 - a. Southwest Substation/Underbuilt Project Update
 - b. Water/Wastewater Treatment Facility Improvements/Levee Update
5. Action Items
 - a. Pay Request #1 Wastewater Treatment Plant/ Levee – Magney Construction
 - b. Final Pay App/Transformer/Southwest Substation – Delta Star
 - c. Pay Request #3 - Southwest Substation - Harold K Scholz Co
 - d. Pay Request #1 – 2015 Circuit 4E Underground Electric Distribution
 - e. MMUA Scholarship/Utilities Scholarship
 - f. Underbuilt Project Material Purchase
 - g. Water/Wastewater Supervisor Position
 - * h. People Service Contract
6. Old Business
7. New Business
 - a. 320 Main Street West - Water Main
 - b. LMCIT & MMUA Power Plant Assessment
 - c. Notice of Appointments
 - d. Streets/Parks and Water/Wastewater Maintenance Worker
8. Informational Items
 - a. 2015 MRES Regional Meeting
 - b. 2016 APPA / MRES Legislative Rally
9. Adjournment

* Amendment

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MONDAY, OCTOBER 12, 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, October 12, 2015 at 4:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Eric Seanger, Lyle Olmscheid, and Dick Christenson, Electrical Supervisor Dale Lyon, Water/Wastewater Coordinator Tim Vogel, City Administrator Michael Brethorst, Finance Director Tessa Beuning, and City Clerk Patti Haase. Chair Seanger called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

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

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a) the minutes from the Commission's September 14 Regular Meeting.
- b) list of bills in the amount of \$ 968,629.69. (See attached list)
- c) Investments Report for the month of September. (See attached list)
- d) The Delinquent Accounts Report for the month of September.
- e) Utility uncollectible accounts in the amount of \$90.05 have been submitted to Revenue Recapture, collections, or written off. A complete list of accounts is on file at the City Office.

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

A.I. #4 REPORTS

- a. Electric Supervisor Lyon provided an update on the Southwest Substation and the Underbuilt project. Mr. Lyon noted that the two projects are on schedule. The Southwest Substation is scheduled to be energized by November 15, 2015. The Melrose Public Utilities portion of the Underbuilt project should be completed by November 1, 2015.
- b. Water/Wastewater Coordinator Vogel provided an update on the Water/Wastewater Treatment Facility Improvements/Levee project. Mr. Vogel noted that the sheet pilings for the levee are in place. The pilings will be leveled to the designated height and capped. The project will now shift to the water/wastewater facility improvements. The next construction meeting will take place on Thursday, October 15 at 11:30 a.m. Staff will discuss with SEH engineers the vortex in the grit removal system and ask for input regarding redesigning the floor to have more of a downward slope.

A.I. #5 ACTION ITEMS

- a. Chair Seanger noted that Magney Construction was awarded the contract to complete the levee and Wastewater Treatment Facility improvements. The project is broken into two main projects - the levee and the Wastewater Treatment Facility improvements. The levee work is being worked on this fall and early winter. About 50% of the levee-related project costs will be reimbursed from the DNR Flood Reduction Grant. This reimbursement will be submitted upon payment authorization for Payment #1.

Original Contract amount:	\$ 2,699,916.00
Change Orders:	\$ 0.00
Total Completed Work:	\$ 386,050.00
5% Retainage:	\$ 19,302.50

Pay # 1 Amount Due: \$ 366,747.50

Levee Work Budget Remaining: \$ 1,831,566.00

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried approving Pay Request No. 1 in the amount of \$366,747.50 with a retainage of \$19,302.50.

- b. Chair Seanger noted that DGR has confirmed that Delta Star has met all the requirements as per the contract for the transformer for the Southwest Substation; therefore, DGR is recommending final payment of the retainage in the amount of \$62,949.38.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried authorizing final payment to Delta Star in the amount of \$62,949.38.

- c. The Commission gave consideration to Pay Request #3 from Harold K Scholz Company in the amount of \$257,461.88 for the 15KV switchgear and control panel for the Southwest Substation.

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried approving Pay Request #3 from Harold K. Scholz Company

- d. The Commission next gave consideration to Pay Request #1 from Anderson Underground for the 2015 Circuit 4E Underground Electric Distribution. This pay request is for \$133,135.90.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried approving Pay Request #1 from Anderson Underground in the amount of \$133,135.90.

- e. City Administrator Brethorst stated that MMUA has again budgeted \$5,000 for its Tom Bovitz Memorial Scholarship Award program that is available for high school seniors who are, or whose legal guardian is, a customer of an MMUA-member municipal electric or gas utility. The scholarship fund is split into \$2,000, \$1,500, \$1,000 and \$500 scholarships, and awarded to essay contest winners who plan on attending a post-secondary educational institution. High school seniors are eligible to enter the essay contest. The due date to submit essays to MMUA is April 15, 2016; therefore, all local essays must be submitted by 4:30 p.m. on Friday, March 28.

Entries must be submitted to the governing body of the municipal utility, and the local governing body picks a local winner. Every MMUA member may then enter the one local essay contest winner to the state contest. The MMUA Communications/Member Services Committee selects the winners, with an announcement in mid-May 2016.

In 2014, the Melrose Public Utilities offered two local scholarships in the amounts of \$500 each. The Public Utilities did not receive any applicants.

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried to offer a \$1,000 local scholarship in conjunction with the MMUA Tom Bovitz Scholarship.

- f. Electrical Supervisor Lyon noted that four quotes were received for the overhead material for the Underbuilt Project. DGR has reviewed the bids and has recommended awarding the bid to the low bidder WESCO in the amount of \$20,768.63. Due to time constraints, staff has approved the material purchase.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried concurring with staff awarding the bid to WESCO in the amount of \$20,768.63.

- g. City Administrator Brethorst stated that current Water/Wastewater Coordinator Tim Vogel was the only applicant for the Water/Wastewater (W/WW) Supervisor position. City Administrator Brethorst and HR Coordinator Diane Gruber met with Mr. Vogel on Thursday, October 8 to discuss his application and to present a proposal to Mr. Vogel. Due to his experience at the W/WW facilities and his being the W/WW Coordinator for the past two years in the absence of a Supervisor, it is recommended that Mr. Vogel start at Step 5 on the wage scale which is \$65,272.00 with an increase to Step 6 which is \$68,109.91 after a favorable six-month probationary period. This Supervisory position is required to take on-call with an additional annual salary of \$4,015.61.

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried approving the hire of Mr. Vogel at Step 5 with an effective date of October 12, 2015 at 12:01 AM and with an increase to Step 6 after a favorable six-month probationary period.

- h. Administrator Brethorst stated that the Utilities holds a contract with People Service for the NPDES requirement for the Utilities to maintain a Class A License at the Wastewater Treatment Facility. With the hiring of the Supervisor whom holds a Class A license, we are no longer in need of maintaining this contract; therefore, staff recommends providing the 30-day notice of contract termination to People Service with a termination date of November 12, 2015.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried providing People Service with a 30-day notice of contract termination.

A.I. #6 OLD BUSINESS

None

A.I. #7 NEW BUSINESS

- a. Water/Wastewater Supervisor stated that the property owner located at 320 Main Street W has been experiencing low water pressure. The property owner will be replacing the water line located on the property. This project has been completed.
- b. City Administrator Brethorst stated that the League of Minnesota Cities Insurance Trust and MMUA conducted an assessment at the Power Plant. The Electric Department has qualified for the second time in a row for the incentive, which will result in a 10% premium credit to the Utility property for the City's current coverage term.
- c. Administrator Brethorst noted that at the Council's first meeting in January 2016, consideration will be given to making appointments to the various boards and commissions. A notice regarding same will be published in the Melrose Beacon on October 21 and November 4 informing residents that those interested in seeking appointment should submit their application to the City Clerk by no later than Friday, November 13. Applications are available at the Melrose City Center. Terms are expiring on the following boards and commissions:
- Housing and Redevelopment Authority – one member (five-year term)
Term expiring: Nancy Roering
 - Planning and Zoning Commission – two members (four-year term)
Terms expiring: Jason Seanger and Kevin Thomes
 - Melrose Area Development Authority – one member – (six-year term)
Term expiring: Bob Mayers
 - Melrose Public Utilities Commission – one member – (three-year term)
Term expiring: Lyle Olmscheid
 - Parks and Recreation Board – two members – (three-year term)
Terms expiring: George Jensen and Kevin Thomes

- d. Chair Seanger stated that the Streets/Parks and Water/Wastewater Maintenance Worker Ron Tieman has submitted his letter of retirement effective December 18, 2015. Mr. Tieman began his employment with the City on May 2, 2005 and will have served the City for 7.5 FTE years.

As recommended by the 2010 Staffing Study and as directed by the Council and Utilities Commission, staff consisting of City Administrator Mike Brethorst, HR Coordinator Diane Gruber, Street/Parks Supervisor Gary Middendorf, Water/Wastewater Coordinator Tim Vogel and Electrical Supervisor Dale Lyon conducted a full review of the full-time Streets/Parks and Water/Wastewater Maintenance Worker position and are recommending that the full-time position be replaced with a $\frac{3}{4}$ time position up to 1,600 hours per year. This position would work close to 40 hours per week during the months of May – October mostly with maintenance of parks and lawn mowing and then on an as-needed basis during the winter months for snow removal and building maintenance.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried approving staff to move forward with the hiring process of a $\frac{3}{4}$ time Streets/Parks and Water/Wastewater Maintenance Worker and to post internally for the position.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The Alexandria Area Meeting (2015 MRES Regional Meeting) - Thursday, October 29; starting at 9 a.m. Lunch will be served following the conclusion of the meeting. Location: The Broadway Ballroom | 115 30th Ave. East | Alexandria, MN.
- b. The Annual Rally is set for March 7-9, 2016 in Washington, DC. The block of rooms for the conference will open up November 1, 2015. If interested in attending, please contact Administrator Brethorst. Administrator Brethorst is planning to attend the APPA and MRES Legislative Rally. Sauk Centre Utilities will also be attending the Rally.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried that the meeting be adjourned at 4:40 p.m.

PATRICIA HAASE – CITY CLERK