

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, SEPTEMBER 14, 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. HeatShare Program Agreement
 - f. MMUA Safety Program Contract
4. Reports
5. Action Items
 - a. Relay & CT Testing at the Power Plant, East Substation and New Southwest Substation and LTC Maintenance
 - b. Water/Wastewater Supervisor Position
 - c. Vacation of Utility Easement
 - d. Pay Request No. 4 – 2015 Electric Distribution Feeders and Power Plant Bus Tie
6. Old Business
 - a. Visu-Sewer Televising 4th Avenue NE
 - b. CentraCare Health System - Melrose
7. New Business
 - a. S-1 Power Supply Agreement Schedule A
8. Informational Items
 - a. Fluoridation Law – Rule Variance Process
 - b. Cold Weather Rule
 - c. Electrical Supervisor Dale Lyon Recognition Award
 - d. City Clerk Patti Haase Recognition Award
 - e. Schools and Conferences
9. Adjournment

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REGULAR MEETING
MONDAY, SEPTEMBER 14, 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, September 14, 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, Finance Director Tessa Beuning, Human Resource Coordinator Diane Gruber, and City Clerk Patti Haase. 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 August 10 Regular Meeting and the August 20 Special Joint Meeting with the Council.
- b) list of bills in the amount of \$1,409,495.07. (See attached list)
- c) Investments Report for the month of August. (See attached list)
- d) the Delinquent Accounts Report for the month of August.
- e) The City's HeatShare Agreement with the Salvation Army will expire on September 30, 2015. HeatShare is a voluntary fuel fund administered by the Salvation Army. In an effort to help families in Minnesota who have experienced trouble, the Salvation Army is seeking additional resources to help them. The Commission to take action approving entering into the agreement.
- f) The Commission to give consideration approving the 2015-16 Safety Management Program Contract between the City of Melrose and the Minnesota Municipal Utilities Association (MMUA) for their safety program. The agreement is in effect from October 1, 2015 through September 30, 2016. The Commission to take action approving the Safety Management Program Contract.

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 three bids were received for the Melrose Relay and CT Testing at the Power Plant, East Substation, and the New Southwest Substation along with LTC Maintenance. DGR has reviewed the bids and is recommending the bid be awarded to the low bidder Utilities Plus Energy Services, Inc. in the amount of \$19,998.

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried awarding the bid to Utilities Plus Energy Services Inc. in the amount of \$19,998.

- b. Chair Seanger stated that at the time of Scott Gilbertson's resignation as Water/Wastewater Supervisor in 2013, the City was unable to secure employment with a Class A Wastewater Supervisor; therefore, the decision was made to contract with People Services, Inc. for its Class A Wastewater requirements. An internal review was conducted and it was determined that a trial would occur to see if a four-person Department would be possible. A posting was made within the Water/Wastewater Department for a lead person. Tim Vogel applied and an agreement was made with the union and wage set and a lead operator was created (Water/Wastewater Coordinator) which was not supervisory or required to manage the budget. Mr. Vogel has filled this role for the past 24 months.

At that time, it was estimated that the current Water/Wastewater Operator would be able to test for his Class "A" license in summer 2015. Mr. Vogel has tested and obtained his Class A Wastewater license.

It is recommended that the City post for a Water/Wastewater Supervisor with a Class A Wastewater license. As per City Personnel Policy, this opening would be posted both internally and externally. The People Service contract can be discontinued with a 30-day notice. The MOU with the AFSCME unit terminates when a Water/Wastewater Supervisor is appointed or there is no longer the need for a lead operator.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried directing staff to move forward with the hiring process of a Class A Water/Wastewater Supervisor. Staff was also directed to notify People Service that there is a potential of terminating the contract effective November 1, 2015.

- c. Finance Director Beuning noted that the City has a five foot permanent utility easement on Parcel 66.36873.0000 located at 304 1st Street SW. This easement was recorded with Stearns County on June 5, 2015. The property owners are petitioning for a vacation of the easement. After further discussion with the property owner, he would agree to a five foot electric utility only easement, if the Council approves the vacation. The original easement would need to be vacated, and a new easement recorded, if approved. A public hearing will be held on Thursday, September 17, 2015. The decision is ultimately decided by the Council, but looking to the Utilities Commission for their recommendation on whether to retain or vacate the easement and reasons to support that recommendation.

A motion was made by Mr. Seanger, seconded by Mr. Christenson and unanimously carried recommending the Council approve the vacation of the utility easement on Parcel 66.36873.0000 located at 304 1st Street SW and approve obtaining an electric utility easement as it may be required for future development.

- d. The Commission next gave consideration to Pay Request #4 from Dig America in the amount of \$32,728.39 for the 2015 Electric Distribution Feeders and Power Plant Bus Tie.

A motion was made by Mr. Christenson, seconded by Mr. Olmscheid and unanimously carried approving Pay Request #4 from Dig America.

A.I. #6 OLD BUSINESS

- a. Water/Wastewater Coordinator Tim Vogel stated that the Commission, at its August 10 meeting, authorized Visu-Sewer to televise 4th Avenue NE. The televising shows that the main sewer line is offset from the manhole. It also shows that the private service lines are tapped into the main too far and there are roots growing into the line.

A motion was made by Mr. Seanger, seconded by Mr. Christenson and unanimously carried authorizing staff to obtain cost and to make necessary repairs provided that the cost does not exceed \$5,000.

- b. Finance Director Beuning stated that the Council held a Public Hearing on Thursday, August 20, 2015 at 6:00 p.m. at the Melrose City Center regarding a proposed business subsidy to be granted by the City and the Public Utilities Commission ("PUC") to CentraCare Health System - Melrose ("CentraCare") under Minnesota Statutes, Sections 116J.993 to 116J.995. The proposed subsidy involves granting a business subsidy by the City and the PUC (together, the "Business Subsidy") in connection with construction of a new hospital facility to be constructed by CentraCare to be located in the City. Following the Public Hearing, the Council took action authorizing a City contribution in the amount of \$150,000 to CentraCare Health System - Melrose for the construction of a new hospital. Staff has compiled a list of materials and labor that was provided at no cost to CentraCare as part of their latest construction project in anticipation of future construction of a new hospital. Ms. Beuning spoke with Melrose CentraCare Health Systems Administrator Gerry Gilbertson prior to the meeting. Mr. Gilbertson noted that it is estimated that should the Melrose Public Utilities waive the WAC and SAC charges plus the cost of the transformer as well as all labor costs associated with the installation of the utilities, CentraCare would realize a cost savings of approximately \$75,000. CentraCare has done a cursory review of the improvements that were upgraded at the time of the Park View project in anticipation of a new hospital. These upgrades were estimated to have a cost of approximately \$75,000. Staff and CentraCare will take a closer look at the improvements to determine a final cost savings. These dollars would then be included in the Utilities' pledge to the potential new hospital.

A motion was made by Mr. Olmscheid, seconded by Christenson and unanimously carried outlining the support of the Melrose Public Utilities for the proposed addition of a new hospital to the CentraCare Health-Melrose campus and its willingness to make a new in-kind utilities contribution consisting of materials, equipment and labor up to \$75,000 in addition to its previous in-kind contribution estimated at a minimum of \$75,000 made solely for the hospital project at the time of the Park View-North project in 2014.

A.I. #7 NEW BUSINESS

- a. MRES Board of Directors in in the process of reviewing a proposed amendment to the S-1 Power Sale Agreements. MRES has drafted a Schedule A for our municipality and is requesting assistance in reviewing the information for accuracy. DGR has reviewed Schedule A and has provided comment and recommended revisions.

A motion was made by Mr. Olmscheid, seconded by Mr. Christenson and unanimously carried approving the revisions to Schedule A as noted by DGR and directing staff to update Schedule A and submit to MRES by no later than September 21, 2015.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Minnesota Department of Health Fluoridation Law - Rule Variance Process. The U.S. Department of Health and Human Services has finalized new guidelines recommending a single national fluoride level at .07 mg/l at community PWS's. In light of this new optimal fluoride concentration in drinking water recently purposed by the HHS, MDH will begin a formal rulemaking process; however, until the rule has been revised systems can apply for a variance to the current rule as allowed by Minnesota Statutes 14.055. Therefore, the Melrose Public Utilities Water Department has requested a discretionary variance to Minnesota Rule 4720.0030. There will be long-term cost savings for municipalities. The Melrose Public Utilities will realize a cost savings of approximately \$5,000.
- b. Annual Notice to all Residential Customers in regards to the Minnesota Cold Weather Rule. This must be provided to all customers prior to October 15 of each year and will be included with the October utility mailing.
- c. On August 8, Electrical Supervisor Dale Lyon received his 40-year recognition award of \$250 as outlined in City Personnel Policy – Employee Recognition Program. Mr. Lyon is to be commended for his years of service.
- d. On August 18, City Clerk Patti Haase received her 10-year recognition award of \$25 as outlined in City Personnel Policy – Employee Recognition Program. Ms. Haase is to be commended for her years of service.
- e. The following are schools and/or conferences where registrations were made:
 - 1) MRES Municipal Leadership Academy – September 16-17 in Sioux Falls, SD. Attending: Commission Members Lyle Olmscheid and Dick Christenson
 - 2) MN Municipal Utilities Association – Work for It, October 12-15. Attending: Line Workers Jesse Umland and Pat Lomax

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.