

**MELROSE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
MONDAY, MARCH 9, 2020– 4:45 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
4. Reports
  - a. Power Factor Report – MRES
  - b. Update on Time of Use
  - c. Electrical Supervisor Report
5. Action Items
  - a. 2020-2021 LMCIT Worker's Compensation Insurance Quote
  - b. EFT Policy
  - c. Industrial Park Underground Bid Approval
  - d. Time of Use Rates
6. Old Business
  - a. Strategic Plan Update
  - b. Water/Wastewater Treatment Facility Plan Update
7. New Business
  - a. Town Hall Meeting
  - \* b. Potential Land Purchase
8. Informational Items
9. Adjournment
- \* Amendment

**MELROSE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
MONDAY, MARCH 9, 2020 – 4:45 P.M.**

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

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, March 9, 2020 at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Jeremy Kraemer, Eric Seanger, and Joe Finken, Electrical Supervisor Roger Avelsgard, City Administrator Colleen Winter, Finance Director Tessa Beuning, Community Development Director Lisa Atkinson, and City Clerk Patti Haase, and Utility Billing Clerk Sharon Blaskowski. Water/Wastewater Supervisor Tim Vogel was absent. Chair Finken called the meeting to order.

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

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

**A.I. #3 CONSENT AGENDA**

The following were considered for approval under the Consent Agenda:  
Approval of the following:

- a. the minutes from the Commission's February 10 Regular Meeting
- b. list of bills in the amount of \$915,595.69 (See attached list)
- c. Investments Report for the month of February (See attached list)

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried to approve the Consent Agenda items.

**A.I. #4 REPORTS**

- a. The MRES Power Factor Report was presented This report is intended to provide an indication as to the performance of the utility with respect to maintaining an acceptable power factor. This assessment is performed annually by MRES.
- b. Melrose Public Utilities is partnering with MRES and the Electric Power Research Institute (EPRI) in a residential time-of-use (TOU) pilot study. The pilot study will take place from June 1, 2020 through March 31, 2021.
- c. Electrical Supervisor Avelsgard reported that the Electric Department will be installing underground conversion on 2<sup>nd</sup> Street NW between 4<sup>th</sup> and 5<sup>th</sup> Avenue.

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

- a. The Commission gave consideration approving the quote received from the League of Minnesota Cities Insurance Trust (LMCIT) for worker's compensation insurance for the period of March 7, 2020 through March 7, 2021. The net premium costs for the upcoming period are \$81,284. The quote in 2019 was \$75,776, which is an increase of 7%. The experience modification decreased to 0.88% for the 2019-2020 coverage period, down from 0.93% for the 2019-2020 coverage period. It is

recommended that the City again approve the regular premium option.

The General Fund share of the premium is \$60,201 and the Utilities' share is \$21,083 (compared to \$53,744 and \$22,031, respectively for the past year).

The City Council approved the workers comp insurance renewal quote from LMCIT in the amount of \$81,284 at its February 20th meeting.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried approving the quote from LMCIT for worker's compensation insurance in the amount of \$81,284 of which \$21,083 is the Utility Fund's share of the premium.

- b. The State of Minnesota statutes requires that municipalities enact an electronic fund transfer policy if such payments are occurring. The City/PUC utilizes electronic payments in some circumstances to pay bills electronically or remotely. These payments are all included for Commission review and approval on the monthly List of Bills report. Staff is recommending approval of the Electronic Fund Transfer Policy to ensure compliance with Minnesota State Statutes.

A motion was made by Mr. Kraemer, seconded by Mr. Seanger and unanimously carried approving the Electronic Fund Transfer Policy.

- c. Electrical Supervisor Avelsgard reviewed the Map for the Industrial Park Underground Project. Staff continues to work on the plans and specifications.

Commission gave consideration authorizing staff to obtain bids for the Industrial Park Underground project.

A motion was made by Mr. Kraemer, seconded by Mr. Seanger and unanimously carried authorizing staff to obtain bids for the Industrial Park Underground project.

- d. The proposed time-of-use rates were not available, therefore this item was tabled. The Commission by consensus scheduled a Special Meeting to be held on Wednesday, March 25, 2020 at 4:45 p.m. at the Melrose City Center.

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

- a. On February 20, 2020 Marcy Douglas of MRES facilitated the first step in a Strategic Planning process by going through a Visioning session with the City of Melrose. Present at the meeting were the City Council members and Department Heads less Administrator Winter who unfortunately was sick that day. Attached is the results of that Visioning session. The question that was asked was – What do we want to see in place in 3-5 years as a result of our actions? This was then broken down into 4 categories Growing our Community, Efficiently Managing Resources, Community Network Information, and Community Attractions. While this is a good first step in the process, there is still more work that can be done. MRES has developed a Strategic Planning format at a very low cost to its members. While it states in their marketing materials it is for member utilities in our case it would be for the City and PUC. The overall cost is \$1,000.00. Questions and items to consider:

1. Does the City/PUC want to continue the Strategic Planning process with MRES?

2. If the City/PUC elects to continue the process it is strongly recommended that we then have a Retreat format (meeting 3-5 hours over a Saturday or an evening).
3. If the City/PUC chooses to not complete the Strategic Planning process through MRES how do we want to develop a Work Plan to implement the Vision?

The Commission by consensus supported continuing moving forward with the Strategic Planning process.

b Water/Wastewater Treatment Facility Update

- Susan Danzl with SEH submitted an update on the Wastewater Treatment Facility Improvement Project. The NPDES permit reissuance to MPCA has been submitted as well as the plans and specifications. A 90% design update meeting is scheduled for March 10 at 10:00 a.m. and a final budget scenarios meeting is scheduled for 1:30 p.m. that same day.
- Administrator Winter, Mayor Finken, and Council Member Hill went down to the Capital and testified in front of the House Capital Committee regarding our request for \$5,750,000.00 from the bonding bill for our project. Representative Anderson is the author on the House side and Senator Westrom is the author on the Senate side. There are over 40 bonding requests at a cost of over 5 billion. The largest proposed bonding bill is on the House side at 3.4 billion with the Senate's proposal closer to \$2 billion. Regardless there is a lot of needs out there. We will continue to make our case and really emphasize the economic benefits of our project.
- Funding for the WWTF. The City will be finishing up the application to apply to the PFA for a loan for the entire loan amount. Administrator Winter is recommending bringing a municipal advisor on board to look at financing options.

The Commission by consensus approved staff consulting with a municipal advisor on the Wastewater Treatment Facility Improvement Project.

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

- a. City Administrator Winter is proposing that the City/PUC consider hosting a Town Hall meeting in April or May. This meeting is an opportunity for the public to get to know City and Utility staff and be able to ask questions about various projects. A typical format is displays and department exhibits, a short presentation to discuss the vision and goals for 2020. There will be ample opportunities to ask questions of the City Council/PUC and staff. **Sample Agenda**
- 4:30 – 6:00 pm City Exhibits/Refreshments
  - 6:00 – 6:05 pm Welcome and Introductions
  - 6:05 – 6:20 pm State of the City address by the Mayor
  - 6:20 – 6:30 pm Vision and Goals by City Administrator
  - 6:30 – 7:00 pm Open for Public Comments/Questions

## Adjournment

Could go into regular meeting after that.

The Commission by consensus supported the City/PUC hosting the Town Hall meeting.

- b. The shortage of multi-family housing has been brought to the attention of the City on numerous occasions. Staff has been reviewing options to promote additional multi-family housing within the City. Staff conducted an analysis of available land that would be ideal for multi-family housing. Two areas in particular stood out as possible options. Staff ordered and received appraisals for these two properties. This confidential information will be provided.

The Public Utilities Commission to discuss the potential land purchase.

The PUC may wish to consider closing the meeting as it discusses the consideration of offers for the purchase of real property.

According to State Statutes, there are certain exceptions to the Open Meeting Law, which allow councils to close meetings. The City Council may, by majority vote in a public meeting, decide to hold a closed meeting to determine the asking price for real property to be sold by the public body, review confidential or nonpublic appraisal data; develop or consider offers or counteroffers for the purchase or sale of real or personal property. Prior to closing a meeting under any of the following exceptions, the public body must state on the record, the specific grounds that permit the meeting to be closed and describe the subject to be discussed, and identify the particular property that is the subject of the meeting. The meeting must be tape-recorded and the property must be identified on the tape. The recording must be preserved for eight years and must be available to the public after all property discussed at the meeting has been purchased or sold or after the public body has abandoned the purchase or sale. A list of Council Members and all other person present at the closed meeting must be made available to the public after the closed meeting. The actual purchase or sale of the property must be approved at an open meeting, and the purchase or sale price is public data.

A motion was made by Mr. Kraemer, seconded by .Mr. Seanger and unanimously carried to close the meeting at 5:16 p.m.

In attendance at the meeting was Commission Members Jeremy Kraemer, Joe Finken, Eric Seanger, Electrical Supervisor Roger Avelsgard, Community Development Director Lisa Atkinson, City Administrator Colleen Winter and City Clerk Patti Haase. The two parcels to be considered for potential purchase are PID 66.36486.0000 and a portion of PID number 66.36467.0000

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried to open the meeting at 5:30 p.m.

The Commission by consensus supports the City's desire to move forward with the purchase of property and extension of associated utilities.

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

None

**A.I. #9 ADJOURNMENT**

A motion was made by Mr. Kraemer, seconded by Mr. Seanger and unanimously carried that the meeting be adjourned at 5:32 p.m.

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PATRICIA HAASE – CITY CLERK