

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, APRIL 8, 2019 – 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
 - d. Charged Off Accounts/Accounts Collected
 4. Reports
 - a. Certificate of Excellence in Reliability – Electric Department
 5. Action Items
 - a. MDM Update
 - * b. Water Metering
 6. Old Business
 - a. HVAC System
 7. New Business
 - a. Water Quality Standards for Class 3 Industrial Consumption and Class 4 Agricultural and Wildlife Usage
 - b. Melrose Power Supply Mix
 - c. Banners
 - d. Meeting Schedule
 8. Informational Items
 - a. MMUA Scholarship / Utilities Scholarship
 - b. Schools and Conferences
 - c. 2019 Laramie River Station Tour
 9. Adjournment
- * Amendment

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, APRIL 8, 2019 – 4:45 P.M.**

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

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, April 8, 2019 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, Water/Wastewater Supervisor Tim Vogel, Finance Director / Acting City Administrator Tessa Beuning, and City Clerk Patti Haase. Chair Kraemer called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Finken, 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:

- a) the minutes from the Commission's January 28 Special Joint Meeting with the Council, March 11 Regular Meeting, and the March 21 Special Meeting.
- b) List of bills in the amount of \$866,590.97. (See attached list)
- c) Investments Report for the month of March. (See attached list)
- d) Utility uncollectible accounts in the amount of \$457.73 have been submitted to Revenue Recapture, collections, or written off. A complete list of accounts is on file at the City Office. There was also a total of \$1,170.65 collected from account holders during this quarter.

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

A.I. #4 REPORTS

- a. Electrical Supervisor Avelsgard reported that 12 member utilities that are members of MRES have earned national recognition for achieving exceptional electric reliability in 2018. Melrose Public Utilities was one of the 12. Certificates of Excellence in Reliability was awarded by the American Public Power Association.

A.I. #5 ACTION ITEMS

- a. Staff provided an update on the MDM integration to the RNI with Sensus. Core and Main has provided cost for the setup, installation and integration in the amount of \$19,570. Staff is working to negotiate that price down.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the contract with Core and Main for setup, installation and integration at the cost of \$19,570 and directing staff to continue cost reduction negotiations with Core and Main.

- b. Electrical Supervisor Avelsgard stated that the Melrose Public Utilities Policy, as it currently reads, does not allow for submetering. Currently, one of the mobile home parks is submetering water, which is in violation of Section 4.4.0(b). Staff has contacted City Attorney Dymoke for clarification on this issue. Attorney Dymoke is not aware of any state law prohibiting submetering referencing MN ST 327C.04, subd. 2 permits submetering, so long as the manufactured home tenant is not charged more than the cost of the water to the park owner and MN ST 216B.022 allows submetering for electric service, it only requires a master meter.

The Commission, by consensus, directed staff to have policy reflect what is in Minnesota State Statutes.

A.I. #6 OLD BUSINESS

- a. The Commission next discussed the HVAC system and a potential change order to the project. Staff met with SEH and Mission Mechanical and they are recommending the addition of the humidification units. The change order is in the amount of \$23,184.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the change order and using Carnes humidifiers for the deduction of \$1,925.

A.I. #7 NEW BUSINESS

- a. Finance Director Beuning stated that the Utility received notice from MESERB that the Minnesota Pollution Control Agency (MPCA) has published a request for comments on planned amendments to water rules (*Minn. R.* chapters 7050 and 7053) governing water quality standards for Class 3 industrial consumption and Class 4 agricultural and wildlife usage. These are the rules that govern the limits for the salty water quality parameters, such as specific conductance, bicarbonates, hardness and TDS. In summary, the changes being considered by MPCA would:

- replace numeric standards for existing subclasses 3A–3D with a single narrative standard, condensing the subclasses into a single industrial consumption use class;
- replace numeric Class 4A standards for bicarbonate, boron, pH, specific conductance, total dissolved salts and sodium with a narrative standard and include a process to translate the narrative standard into a numeric effluent limit or limits for permitted dischargers;
- update numeric standards for Class 4B to reflect current science;
- remove the Class 4C designated use (protection of wetlands for agriculture and wildlife) and designate wetlands as Classes 4A and 4B instead of 4C;
- move wetland standards for chloride and settleable solids from Classes 3D and 4C to Class 2D, and move the narrative Class 4C standard to 7050.0186, to more appropriately reflect the uses being protected; and
- maintain applicability of the Classes 3, 4A, and 4B uses on all waters of the state.

Based on MPCA's response to a MESERB Data Practices Act, they determined that Melrose was one of the MESERB members that stand to be most impacted by this rulemaking. This means that MPCA has determined to have reasonable potential to cause or contribute to a violation of the Class 3 and/or 4 water quality standards and thus could receive permit limits under the current rules. Comments to be submitted by April 22, 2019.

The Commission, by consensus, was supportive of staff submitting comments as written by MESERB.

- b. Finance Director Beuning stated that the Melrose Public Utilities has an allocation of hydroelectric power from Western Area Power Administration (WAPA), the percentage of power received from renewable resources is, in the case of most MRES members, very high in comparison to the national average of 17 percent renewable energy (2017 average). Several members have asked MRES to calculate how much renewable energy their community receives (based on their WAPA allocation plus wind energy from MRES). Some of the Melrose customers who are interested in "green power" do not realize that they are already getting a substantial amount of renewable energy from Melrose Public Utilities, current power supply mix.

New this year, MRES has included in your graph the breakdown of resources from market purchases. In the past, market purchases have been listed as a separate category with no breakdown of which resources were used to generate those market purchases. The 2018 breakdown of market purchases is based on the state-wide generation averages from the Mid-Continent Independent System Operator (MISO) or the Southwest Power Pool (SPP). The market purchases contain a fairly substantial percentage of wind and nuclear power, so using the market purchase average increases both the renewable and carbon-free energy in your overall mix.

- c. Finance Director Beuning stated that the Chamber of Commerce is requesting to update the banners along Main Street. These would be double-sided banners that they would switch out two times per year. The Chamber would pay for the brackets, design fee and banners. They are requesting the Utility staff to hang these.

The Commission, by consensus, approved the Utility staff to hang the banners for the Chamber of Commerce.

- d. Abdo, Eick & Meyers, LLP will present the 2018 Audit at the Council and Utilities Commission's April 11 Special Joint Meeting at 5:00 p.m. Staff is also looking to schedule a special meeting on Tuesday, April 18, 2019 at 5:00 p.m. to award the South Interstate Project bids. However, staff is requesting additional time to review the bids and, therefore, is recommending the meeting be scheduled for Tuesday, April 23, 2019 at 5:30 p.m. The Commission agreed with the meeting date and time.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. At its February 11, 2019 meeting, the Commission approved one \$1,000 scholarship to coincide with the MMUA scholarship program. No essays were received.

- b. The following is a list of schools and/or conferences where registrations were made:
- 1) Smart Grid Focus Group Meeting – MRES – April 4-5. Attending: Finance Director Tessa Beuning and Electrical Supervisor Roger Avelsgard.
 - 2) MWOA Conference – July 24-27. Attending: Water/Wastewater Supervisor Tim Vogel and Water/Wastewater Operator Jeremy Schrantz.
 - 3) Laramie River Station, Grayrocks Dam and Reservoir Tour – August 27-28. Attending: Electrical Supervisor Roger Avelsgard.
 - 4) Underground School – May 14-17 in Marshall. Attending: Line Worker Tanner Ellis.
- c. Once every three years, MRES hosts a tour of the Laramie River Station a coal-fired Power Plant and its operations that support and supply power to its members. The event is set for August 27 and 28. The cost for this educational and policy-focused event is \$600 per participant. The Utility has budgeted for this type of event. Mike Brethorst and Jeremy Kraemer attended the tour in 2016. Roger Avelsgard will be attending the tour. The deadline to register is June 21, 2019, but it is a first come-first serve event. The Commission approved Journey Line Worker Steve Scholz to attend the Laramie River Station tour.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried that the meeting be adjourned at 5:15 p.m.

PATRICIA HAASE – CITY CLERK