

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, FEBRUARY 10, 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. Electrical Supervisor Report
 - b. Time Of Use
5. Action Items
 - a. Transformer Purchase
 - b. Digger Derrick Repair
6. Old Business
 - a. SIU Agreements 2020-2021
 - b. I-94 Broadband Update
 - c. Water/Wastewater Treatment Facility Plan Update
 - d. RDB/Molly's Hill Projects
7. New Business
 - a. Land O' Lakes/Proliant Pipe Issues
 - b. Legislative Update
 - c. PFA Application
 - d. MRES Recognition of Local Policymakers
8. Informational Items
 - a. Schools and Conferences
9. Adjournment

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

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, February 10, 2020 at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Eric Seanger, Jeremy Kraemer and Joe Finken, Electrical Supervisor Roger Avelsgard, Water/Wastewater Supervisor Tim Vogel, City Administrator Colleen Winter, Finance Director Tessa Beuning, and City Clerk Patti Haase. 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 submitted.

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a. the minutes from the Commission's January 13 Regular meeting
- b. list of bills in the amount of \$997,228.47 (See attached list)
- c. Investments Report for the month of January (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. Electrical Supervisor Avelsgard reported on the projects the department has been working on:
 1. Utilismart
 - a. Integration to Sensus is about 95% complete
 - b. Integration to Civic is 90% complete. We are working on the billing file currently. This should be completed this month to use in March for billing.
 - c. Residential Energy manager (REM) is at 85%. There is a time alignment issue that we are working on. Once this is completed, we will be ready to roll out. Staff has worked on flyers for this and will be installed in this month's bill. We are still waiting to get the commercial water meters loading into this. This is the portal for Commercial customers to monitor the water usage.
 - d. Commercial and Industrial Manager (CIEM) is 95% complete. We are having the same time alignment issue as REM once this is complete then The CIEM will be complete. I have meet with three customers to show the CIEM portal. They are signed up and have the data available to them.
 - e. HealthMap portal will be continuing as a work in progress. The portal is available for the electric department staff to monitor and use. We still

have a ton of GIS information and meter to transformer links to get to Utilismart for them to get in their system. This is going to be a powerful tool for load projections and issue with the system. We will be using this to monitor outages, to monitor meters when we get calls for outages, and to look at individual transformer loading. The goal for complete integration will be summer of 2021 on this portal. Although as we get the information loaded into program it will give us that information. Currently the only completed area is the rural line. All the meters are populating information onto HealthMap just not transformer and lines.

- f. Staff has set February 24 and 25 to hold an open house for customers to come in and look at and sign up for the portals. I am continuing as time allow to go out to the larger commercial customers and show the portals individually.

2. South of interstate underground project

- a. This project has completed the installation of all underground ducts. This was done by Anderson underground. They still have some landscaping and a couple of the risers we have issues with that will be completed this spring.
- b. MPU staff has completed the wire installation along the county road starting at Dairy Queen going south to where it crosses to the lift station. This underground has been commissioned and is operating as normal. We still need to remove the old cabinets along this route.
 - i. A note on this we added some ducts to convert some overhead to underground. An extra duct was added along the route for future streetlight circuit.
- c. MPU staff will be working on finishing up installation and commissioning the wire in the rest of the area this spring and summer.
 - i. Staff had to add some extra boring in some areas where streetlight circuits had faulted and went bad. In this area Staff had determined that replacement was needed rather than repairs being performed. We have had a lot of issues with the streetlight wire in the past with faulting.
 - ii. Staff also found feeders by American legion that was pored in to be replaced. This was missed in initial design. This wire that was installed is same vintage as the rest that we were replacing.

3. Rural Substation transformer

- a. The underground and transformer ground sleeve have been installed and commissioned
- b. The transformer we have had some issues with delivery. As of 2/5/2020 the testing issues have been completed. We are waiting for the final leak test to be completed.
- c. Delivery is expected either next week or in March.
- d. After delivery Staff will be looking for some favorable weather to complete the cutover to the new transformer.
- e. Metering cabinet has also been ordered from HK Schulz and will need to be installed. It was decided to install metering on this transformer to be able to track the amount of load and other information on the rural

distribution system. This metering will be same setup as we installed on the primary voltage transformers at JOTS. This is working phenomenally.

4. Casey's

- a. This project is back on. We used transformer and basement in another installation. We have ordered the basement and transformer for this installation. I called Joel to get a go ahead. This is on the agenda for final approval this month. The projected completion date is late summer for Casey's. Lead time for the transformer is out 16-20 weeks. Therefore, I called Joel to get transformer ordered early
- b. This project will have to have a short section of underground put in from transformer to box installed in 2018 for this project.

5. Industrial park

- a. Arvig received the grant for the broad band
- b. Staff has meet with Arvig engineering to go over needs and requirements.
- c. Staff and Arvig had a conference call with DGR. This call was to go over what requirements are needed for integration into their system. We also discussed with DGR to get a a cost to add Arvig's portion to our plan and specs (outside MPU route of feeder). This cost will be billed to MPU and Invoiced to Arvig.
- d. I have included preliminary route drawings to look at.
- e. DGR and staff has been in contact for the permit from MN DOT. Initially they told us that we were going to be required to cross the interstate at a 90-degree angle. I told DGR to request a conference call to discuss this. MN DOT then came back and said that the preferred route would be ok that we initially provided to them.
- f. We will continue to work with DGR on the specs and design.

Expect this in March for approval to go out for bids. With an award sometime in April.

- b. Electrical Supervisor Avelsgard provided an update on The Time of Use (TOU) pilot study. Staff has been working with Missouri River Energy Service (MRES) and EPRI. We have had multiple meetings both in person and via phone conferences.

The TOU study will commence on June 1 2020 thru September 30 2020, then again December 1 2020 thru March 31 2021. This will be our customers July 2020 thru October 2020 bills and January 2021 thru April 2021 bills.

1. We had to work thru and decide the number of participants to be able to get a good sampling. We have decided on 600 to be part of the study. This 600 was our beginning number to look at. Within the group of 600 customers, 300 of the customers will be the test group will be on the TOU rates and 300 will be the control group. This group was chosen by Craig at DNV GL Energy, Craig's company was hired by EPRI to help with the Study.
 - a. Staff has received the group of 600 customers these customers are all residential. Within that 600 it was determined that there will be 11 accounts taken out of the study. There were seven accounts that was inactive, meaning that there is no meter activity (lots are vacant). There

- were three accounts that was garages. One account was determined to not be a good fit for the selection.
- b. Staff went thru the 600 accounts to provide some demographics for the study. The demographics that we provided was type of residence (single, multifamily, apartment, trailer, etc:). We also provided whether they had electric heat. Two other areas that we commented on was whether they are rural or part of a rural business, which none of the chosen accounts was.
2. Staff and MRES staff have been working thru the rates. We looked at hourly loading for the last year. We then broke it down to weekday and weekend hourly load data.
 - a. It has been decided to use three time frames on weekdays (Monday thru Friday)
 - i. On-peak will be from
 1. 2 pm to 7 pm
 - ii. Mid-peak will be from
 1. 6 am to 2 pm
 2. 7pm to 10 pm
 - iii. Off peak will be from
 1. 12 am to 6 am
 2. 10pm to 12 am
 - b. It was decided to use two periods on the weekend (Sat and Sunday)
 - i. Mid-peak will be from
 1. 10 am (starting time may move still determining) to 7 pm
 - ii. Off peak will be from
 1. 12 am to 10 am
 2. 7 pm to 12 am
 - c. MRES is still looking at rate structure. This will be coming to you for approval in the near future.
 3. Staff has been working with Utilismart to get information for the study.
 - a. We have had Utilismart provide us a list of address and meter numbers to use in the demographics. We were only provided with an account number for the 600 customers in the study from EPRI.
 - b. We have been working with Andre at Utilismart to get the reports that will be needed for MRES and EPRI in the study. Some of the reports that are going to be needed are below.
 - i. Hourly interval data for each month. This will be provided back to May of 2019. This is when Utilismart started loading our data from Sensus.
 1. We will need it as an aggregated amount with all 600 meters added together
 2. We are also going to need each individual meter interval data. This will allow EPRI to look at loading for each customer and decided if there was any change in usage.
 4. Staff MRES has talked a little bit about marketing materials. This will be worked on in the next few weeks.
 5. Contacting the approximately 300 customers that will be on the TOU pilot rates should be in April (hopefully early April). After the letter is sent out to each of

them staff will look thru and see if they have signed up for Residential Energy Manager (REM). The ones that have not signed up Staff will attempt to contact and show them the REM. The REM will really be the customers way to track daily their energy usage for the Pilot program and track how they are using it. Mr. Avelsgard would like to get this available for them to start tracking their usage before the pilot kickoffs in June.

A.I. #5 ACTION ITEMS

- a. Electrical Supervisor Avelsgard has obtained a quote for a transformer to be installed at Casey's General Store located at 817 County Road 3 SE.

A motion was made by Mr. Kraemer, seconded by Mr. Seanger and unanimously carried approving purchasing the transformer and box pad from Resco.

- b. Electrical Supervisor Avelsgard has obtained estimate from Altec in the amount of \$14,746.77 to repair the digger derrick for oil leaks and the pilot valve. Due to the need of essential equipment Supervisor Avelsgard and City Administrator Winter have authorized the repair. Due to the cost exceeding the \$10,000 limit Commission approval is required.

A motion was made by Mr. Seanger seconded by Mr. Kraemer and unanimously carried concurring with Ms. Winter and Mr. Avelsgard authorizing the repair.

A.I. #6 OLD BUSINESS

- a. City Administrator Winter stated that Industries, with SIU agreements received a letter stating what their 2020 rates will be effective January 1st and part of the February utility billing. The letter serves as an Amendment to their SIU agreements through December 31, 2020, and the rates are based on the rates that were adopted in 2018. City Administrator Winter met with both Proliant and Land O' Lakes and discussed the NEW rates that could go into effect in 2021 along with changes to the SIU agreements. Administrator Winter has not met with JOTS yet. In March Ms. Winter plans to sit down with Industry again and present a draft SIU agreement for 2021 after the PUC has had a chance to look at the proposed changes.
- b. City Administrator Winter noted that Arvig received a broadband grant that included funding for increased broadband to the I-94 Industrial Park. The City of Melrose/Melrose Public Utilities will be putting in the trench under I-94 that Arvig will be able to utilize. In addition, the City will be providing just over \$10,000 in TIF funds for the project. The TIF funds are from an old district where the City did not use all of the administration dollars. Arvig has assured the City that this project is one of the first ones that will be completed this spring.
- c. The Wastewater Facility Plan Update from Susan Danzl was presented. 90% plans and specifications are completed. SEH performed additional survey on January 23, 2020 to verify existing conditions, particularly for the clarifiers. 90% design update meeting, and final budget scenarios meeting scheduled for March 10, 2020.
- d. City Administrator Winter noted that the City along with WSB will hold a kickoff

meeting with the Army Corps of Engineers and MNDNR on Feb. 14th to discuss the RDB project. Plans are also moving forward on the Molly's Hill project. At the last PUC meeting we had discussed the PUC cost for engineering services, Administrator Winter is hoping to provide a better break down of those costs at the March meeting.

A.I. #7 NEW BUSINESS

- a. When City Administrator Winter met with Proliant a couple of weeks ago, Proliant discussed their concern regarding the flows coming into their pipe from Land O' Lakes. This is not a new issue, Proliant has been concerned about this for many years. There is an email chain going back to 2018 to determine flows, etc. Winter believes that this is a private line and really a private issue between Land O Lakes and Proliant. The City/PUC is happy to facilitate the investigation at no cost to the City/PUC. Because of the volume Proliant believes there are time of day that the volume increases dramatically. Staff will continue to monitor the situation.
- b. City Administrator Winter stated that a bill for the 5.75 million dollars that the Melrose Public Utilities is requesting for in bonding funds for our wastewater project has been drafted by Representative Anderson and was sent over to the Senate side for Senator Westrom to cosign. It is HF2948. City Administrator Winter will be going down the first day of session – Feb. 11th to meet with Representative Anderson and Senator Westrom. Joining her will be Wade Einess and Gary Cerkvenik lobbyists that have been hired by SEH to assist the communities that SEH works with who are requesting bonding dollars. There are a lot of communities that are asking for bonding dollars this year and if Melrose is to rise to the top and have a chance at getting funding we will need to spend some time down at the Legislature, as well as engage with the politicians that serve on the Capital committee. As Ms. Winter was told by Senator Westrom if you are seen and heard you have a much better chance of getting funding. We typically will only know 48 hours in advance as to when we can testify. With the PUC's blessing Administrator Winter will also be asking for Industry to participate in going down to the Capital during session.
- c. City Administrator Winter noted that the City of Melrose is on the PFA's priority funding list and Intended Use Plan. The deadline for applying for funding is March 30, 2020. Administrator Winter and SEH staff will be meeting with Becky Sabie of the Public Facilities Authority on Feb. 11th to discuss strategy as to how to move forward with the Melrose WWTF application.
- c. City Administrator Winter stated that Missouri River Energy Services (MRES) recognizes those individuals that stand out as being very engaged in serving municipal utility, in promoting public power, and serving beyond the boundaries of their local community. Each year MRES considers nomination for both the Maurice A. TePaske Public Official Award and Community Leader Award. These awards are typically presented at the MRES Annual Meeting in Sioux Falls, South Dakota. Nominations must be submitted by Friday, March 20.

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) Lineworker Rodeo Clinic February 26 – 27, 2020 Attending Electrical Supervisor Roger Avelsgard and Apprentice Lineworker Tanner Ellis
- 2) Wastewater Operations Conference March 25 – 27. Attending: Water/Wastewater Operator Josh Elfering

A.I. #9 ADJOURNMENT

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

PATRICIA HAASE – CITY CLERK