

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, FEBRUARY 11, 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. Postage Meter and Folder/Inserter Renewal Agreement
4. Reports
5. Action Items
 - a. Resco Membership
 - b. 2019-2020 LMCIT Worker's Compensation Insurance Quote
 - c. Water Supply Plan
 - d. Wastewater Facilities Master Plan / Resolution No. UC 2019-2, Resolution Adopting the Wastewater Treatment Facilities Plan
 - e. South Interstate Underground
 - f. Rural Line Padmount Transformer
6. Old Business
 - a. HVAC System
 - * b. Power Factor
7. New Business
 - a. Water/Wastewater Summer Intern
 - b. Seasonal Hire – Public Works
 - c. MMUA Scholarship
 - * d. Land Acquisition
8. Informational Items
 - a. Electric and Water Comparative Statements
 - b. City Administrator Performance Evaluation
 - c. Schools and Conferences
 - d. Journey Lineworker Pat Lomax Recognition Award
9. Adjournment

* Amendments

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REGULAR MEETING
MONDAY, FEBRUARY 11, 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, February 11, 2019 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 Michael Brethorst, Finance Director Tessa Beuning, Community Development Director Lisa Atkinson, and City Clerk Patti Haase. Also in attendance were Tracy Ekola and Susan Danzl with SEH. Chair Kraemer called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Finken, seconded by Mr. Kraemer 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 14 Regular meeting
- b. List of bills in the amount of \$846,821.28. (See attached list)
- c. Investments Report for the month of January. (See attached list)
- d. The City's five-year lease for the postage meter and folder/insertor will be expiring in May. After review of the existing buyout clause and future maintenance, it was determined that a new five-year lease would be preferred. Both systems proposed to be leased are the updated versions of our current systems. The new lease under the state contract pricing is \$576.42. This is an increase of approximately \$78.71 per month from our current leased contract.

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

A.I. #4 REPORTS

None

A.I. #5 ACTION ITEMS

- a. Electrical Supervisor Avelsgard is recommending the Utilities Commission join the membership of Resco. With the dividends that are historically paid, the Utilities would have our initial \$500 membership reimbursed with one large transformer purchase. Staff just became aware that we are eligible for membership.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried authorizing membership to Resco.

- b. 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, 2019 through March 7, 2020. The net premium costs for the upcoming period are \$75,776. The quote in 2018 was \$105,087, which is a decrease of 28%. The experience modification decreased to 0.93% for the 2018-2019 coverage period, down from 1.26% for the 2018-2019 coverage period. It is recommended that the City again approve the regular premium option.

The General Fund share of the premium is \$53,744 and the Utilities' share is \$22,031 (compared to \$72,656 and \$32,431, respectively for the past year).

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the quote from LMCIT for worker's compensation insurance in the amount of \$75,776 of which \$22,031 is the Utility Fund's share of the premium.

The Council will review the worker's compensation insurance renewal quote from LMCIT in the amount of \$75,776 at its February 21 meeting.

- c. City Administrator Brethorst stated that the Melrose Public Utilities is required to adopt a water supply plan to manage the City's water system. Water/Wastewater Supervisor Tim Vogel has completed this plan in 2017 and submitted it. The Utilities has received notification that it has been accepted. In order to formalize the plan, the Melrose Public Utilities is now asked to formally adopt the Master Water Plan that has already been adopted the State.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried to adopt the previously drafted and State-approved Water Supply Plan.

- d. City Administrator Brethorst noted that the Utilities Commission has commissioned the development of a Facility Master Plan to address the needs of the Wastewater Plant. Susan Danzl with SEH presented the proposed Facilities Plan which addressed: 1) a complete description and evaluation of the existing wastewater treatment system and problems that need correction; 2) data describing the existing residential and non-residential wastewater flows and loadings; 3) data describing the future residential and non-residential wastewater flows and loadings within the next twenty [20] year period based on projected residential growth; and 4) an analysis of all feasible treatment alternatives that are capable of meeting the applicable effluent, water quality and public health requirements for twenty [20] years.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried adopting Resolution No. UC 2019-2, Resolution Adopting the Wastewater Treatment Facilities Plan.

- e. Electrical Supervisor Avelsgard presented an overview of the proposed underground project south of the interstate. Mr. Avelsgard is requesting authorization to finish specifications and bidding documents for boring of interduct and finalize major material specifications and bidding major material out for south interstate underground replacement.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried authorizing staff to finish specifications and bidding documents for boring of interduct and finalize major material specifications and bidding major material out for south interstate underground replacement.

- f. Electrical Supervisor Avelsgard is recommending relocating the rural line padmount transformer north of town. DGR has submitted a proposal for Scope of Engineering to prepare the technical specification and review the bids for the padmount transformer to feed the 7.2 kV, Delta load north of town and develop specifications for an overhead 7.2kV estimated a 150 kVAR capacitor bank. The proposal is estimated at \$2,600 for DGR costs.

A motion was made by Mr. Finken, seconded by Mr. Seanger unanimously carried approving the proposal from DGR.

A.I. #6 OLD BUSINESS

- a. City Administrator Brethorst stated that the Utilities has contracted with SEH to develop a design for the HVAC system and prepare plans and specifications to address the needs of the system. SEH has presented their draft plan, it is proposed to accept the plans as presented and to formally seek bids based on the draft plans. The Council will also provide consideration on this as the improvements are replacement versus repair.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried to accept design and direct final plans be completed and bids be sought.

- b. Electrical Supervisor Avelsgard stated that due to customers not meeting the power factor standard, Mr. Avelsgard is recommending the Commission consider a policy to address the issue

The Commission, by consensus, directed staff to draft policy to address the power factor and to continue to monitor and communicate with industries on power factor compliance.

A.I. #7 NEW BUSINESS

- a. Water/Wastewater Supervisor Vogel stated that annually the Water/Wastewater Department has brought on a summer intern to aid in the operations. The Department has historically worked with a local education institution to coordinate a summer intern. When this does not occur, the Department recruits a season temp to help at the Wastewater Treatment Facilities for three days per week. This has been a valuable resource for the Department as this person is able to assist with a number of projects. The pay is based on the Summer Seasonal Temp pay scale, which is at Start – \$11.33 per hour.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried to recruit a summer intern / seasonal help and allow for staff to make selection.

- b. City Administrator Brethorst noted that annually the City and Utilities has hired a seasonal employee to help with streets/parks and miscellaneous departments as needed. This temporary seasonal employee works mid-April to mid-September. It is approximately 24 hours per week. It is proposed to seek a direct appointment of Ron Tieman at \$13.67 per hour, as he has filled the position the past two summers.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried to appoint Mr. Tieman to the position.

- c. Finance Director Beuning 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 16, 2019; therefore, all local essays must be submitted by 4:30 p.m. on Friday, March 29.

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 2019.

In 2018, the Melrose Public Utilities offered one local scholarship in the amounts of \$1,000, however, there were not any applicants.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried for the Melrose Public Utilities to offer one \$1,000 local scholarship in conjunction with the MMUA Tom Bovitz Scholarship.

- d. Community Development Director Atkinson stated that the Melrose Public Utilities has been approached by a property owner to acquire their property. A detailed summary of property was presented.

After further discussion, the Commission, by consensus, determined that the property being mostly wetland would not benefit the Melrose Public Utilities.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Comparative Revenue and Energy Statement for the Electric Department and the Production and Distribution Statement for the Water Department.
- b. The 2018 Annual Performance Review of City Administrator Brethorst was completed on January 14, 2019 by the Council and Commission. His performance meets expectations and has a satisfactory review.

- c. The following is a list of schools and/or conferences where registrations were made:
 - 1) MRWA Technical Conference – March 5-7, 2019. Attending: Water/Wastewater Supervisor Tim Vogel and Electrical Supervisor Roger Avelsgard
 - 2) MCFOA Conference – March 19-22, 2019 in St. Cloud. Attending: City Clerk Patti Haase
 - 3) Safety and Loss Control Workshop – March 23, 2019. Attending: Electrical Supervisor Roger Avelsgard and Community Development Director Lisa Atkinson
- d. On January 10, 2019, Journey Lineworker Pat Lomax received his 25-year recognition award of \$100 as outlined in City Personnel Policy – Employee Recognition Program. Mr. Lomax is to be commended for his years of service.

City Administrator Brethorst stated that this being his last Utilities Commission meeting wanted to thank the Commission for their support and to express his gratitude at having had the opportunity to work with the Commission for the past eight years. Chair Jeremy Kraemer thanked Mr. Brethorst for his commitment to the community and for his leadership in securing funding for community projects.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried that the meeting be adjourned at 5:53 p.m.

PATRICIA HAASE – CITY CLERK