

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JUNE 10, 2019 – 4:45P.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. Distributed Generation
 - b. Standards of Apprenticeship
 - c. Time of Use Billing / MRES
 - d. Green Energy / MRES
 - e. Underground Service Policy
5. Action Items
 - a. LMCIT Insurance Quote
 - b. DAF Pump
 - c. Resolution No. U.C. 2019-4, Authorizing the Acting City Administrator to File and Application with the Minnesota Management and Budget Office for the Purpose of a Wastewater Treatment Facility Project
6. Old Business
 - a. Phone System Upgrade
 - b. Part-Time Streets/Parks & Water/Wastewater Maintenance Worker
7. New Business
 - a. Jennie-O Turkey Store MPCA Permit Notification
8. Informational Items
 - a. Journey Lineworker Steve Scholz Recognition Award
 - b. Utility Billing Clerk Carla Van Heel Recognition Award
9. Adjournment

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MONDAY, JUNE 10, 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, June 10, 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, Joe Finken, Acting City Administrator/Finance Director Tessa Beuning, Water/Wastewater Supervisor Tim Vogel, Electrical Supervisor Roger Avelsgard, 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 submitted.

A.I. #3 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a. The minutes from the Commission May 9 Special Joint Meeting with the Council and the May 13 Regular Meeting.
- b. List of bills in the amount of \$516,869.51. (See attached list)
- c. Investments Report for the month of May. (See attached list)

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 provided an update on the Distributed Generation. Minnesota adopted a rule that requires timelines for the Interconnection Process. Mr. Avelsgard presented the information.
- b. Electrical Supervisor Avelsgard provided an update on the Standards of Apprenticeship. Mr. Avelsgard has been working with the Minnesota Department of Labor. Apprentice Lineworker Tanner Ellis is already working within the guidelines of the program.
- c. Electrical Supervisor Avelsgard provided information on Time of Use billing.
- d. Electrical Supervisor Avelsgard provided information on Green Energy/MRES. It provides members an opportunity to purchase all green energy. The Commission, by consensus, directed the Electrical Supervisor to continuing the Green Energy Program.
- e. Electrical Supervisor Avelsgard reviewed the current Underground Service Policy. Mr. Avelsgard would like to revise the policy that all replacement utility lines be underground service. The Commission, by consensus, directed Electrical Supervisor Avelsgard to revise the policy and bring back before the Commission at its July meeting.

A.I. #5 ACTION ITEMS

- a. Acting City Administrator/Finance Director Beuning noted that the City received their annual quote for general liability, errors and omissions, auto, equipment, and property insurance through the League of Minnesota Cities Insurance Trust (LMCIT) for the period of May 15, 2019 - May 15, 2020. The total quote is \$81,408 from \$73,843 for the 2018-2019 coverage. The cost for the premium is shared between the General at 42% and Utility Funds at 58%.

The City's insurance coverage has a \$5,000 deductible, \$15,000 aggregate. The City needs to decide whether or not to waive the statutory tort liability limits. The decision to waive or not to waive the statutory limits has the following effects:

1. If the City does not waive the statutory limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the City purchases the optional excess liability coverage.
2. If the City waives the statutory tort limits and does not purchase excess liability coverage, a single claimant could potentially recover up to \$1,500,000 on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000 regardless of the number of claimants.
3. If the City waives the statutory tort limits and purchases excess liability coverage (\$1 million for \$9,963), a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants. In the past the City has not purchased the excess liability coverage.

In the past, the City has chosen Option 2.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried to approve the insurance quote of \$81,408, to waive the monetary limits on municipal tort liability, to keep the deductible at \$5,000/\$15,000, and not purchase excess liability coverage.

- b. Water/Wastewater Supervisor Tim Vogel has obtained a quote for the replacement of the DAF pump in the amount of \$17,800.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried authorizing the purchase of the DAF pump in the amount of \$17,800.

- c. Acting City Administrator/Finance Director Beuning stated that applications with the Minnesota Management and Budget Office for the 2020 capital budget request are due on June 14, 2019. She will be working with Mike Larson with SEH to complete the application to request bonding bill funding for the wastewater treatment facility updates. Part of the requirements for the application is a resolution of support from the governing body.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried adopting Resolution No. U.C. 2019-4 to show support for the application to the Minnesota Management and Budget Office for the 2020 bonding cycle.

A.I. #6 OLD BUSINESS

- a. The Commission, at their May 13 meeting, approved the lease option with Arvig to purchase new phones and upgrade the phone system. The Council voted to table this agenda item at their May 16 meeting. A Council member wanted to obtain additional information and bring it back to the June meeting. The recommendation of staff will be to stay with the leased option which is concurrent with the Utilities Commission action taken. It is anticipated that there are slight changes to the quotes that were initially brought to the Commission. Staff is requesting the Commission to concur with the action of the Council be taken at their June 20 meeting.

The Commission, by consensus, agreed to concur with Council action taken at their June 20 meeting.

- b. Acting City Administrator/Finance Director Beuning stated that four applications were received for the Part-time Streets/Parks and Water/Wastewater Maintenance Worker position. Three candidates were interviewed on June 6, 2019. Two individuals were offered the position, of which both respectfully declined the offer. Staff knew of another individual that was potentially interested in the position. Attorney Dymoke was contacted, and since the City has publicly advertised and opened this position, they are authorized to leave it open past the original dates without having to repost it. To keep the process moving efficiently and to fill the position in a timely manner, staff is requesting approval from the Commission to continue with the interview process and hire for this position.

The Commission, by consensus, authorized staff to continue with the interview process and hire for this position.

A.I. #7 NEW BUSINESS

- a. Jennie-O Turkey Store has obtained a permit from the Minnesota Pollution Control Agency (MPCA) to apply slurry by-product. Finance Director Beuning spoke with Kristi Oberdieck, the Type IV inspector for compliance. This by-product will be spread on three fields a couple miles out of Melrose. Ms. Beuning presented a map of the exact locations. Water/Wastewater Supervisor Vogel noted that a portion of the property is abutting to City limits; therefore, staff may receive complaints.

A.I. #8 INFORMATIONAL ITEMS

- a. On June 25, 2019, Journey Lineworker Steve Scholz will receive his 35-year recognition award of \$200 as outlined in City Personnel Policy – Employee Recognition Program. Mr. Scholz was commended for his years of service.
- b. On July 2, 2019, Utility Billing Clerk Carla Van Heel will receive her 35-year recognition award of \$200 as outlined in City Personnel Policy – Employee Recognition Program. Ms. Van Heel was commended for her years of service.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried that the meeting be adjourned at 5:05 p.m.

PATRICIA HAASE – CITY CLERK