

**MELROSE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
MONDAY, MARCH 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
4. Reports
  - a. MRES Amendment to the Membership Agreement and By-Laws
5. Action Items
  - a. Approval of Plumbing Work and Surge Tank
  - b. MRES and Utilismart Statement of Work
6. Old Business
  - a. Power Factor Policy
7. New Business
8. Informational Items
  - a. Schools and Conferences
  - b. MRES Power Factor
  - c. Minnesota Department of Transportation – Electric Cars
  - d. MPCA Wastewater Treatment Facility Operation Award
  - e. ACS Forks
  - f. 2018 Annual Benchmarking Report
9. Adjournment

**MELROSE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
MONDAY, MARCH 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, March 11, 2019 at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Jeremy Kraemer and Joe Finken, Electrical Supervisor Roger Avelsgard, Finance Director Tessa Beuning, and City Clerk Patti Haase. Commission Member Eric Seanger and Water/Wastewater Supervisor Tim Vogel were absent. 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 Special Joint Meeting with the Council, February 6 Special Joint Meeting with the Council, February 11 Regular Meeting, February 21 Special Joint Meeting with the Council, February 27 Special Joint Meeting with the Council, and March 4 Special Joint Meeting with the Council.
- b. List of bills in the amount of \$961,945.44. (See attached list)
- c. Investments Report for the month of February. (See attached list)

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

**A.I. #4 REPORTS**

- a. Electrical Supervisor Avelsgard presented the letter from Tom Heller at MRES. The MRES Board is looking at an amendment to the membership agreement and by-laws. This amendment to membership agreement and by-laws will be reviewed by the MRES Board in March at its annual meeting.

As the letter states, if the Board approves the amendments, the Utilities will be notified of the changes. After notification, the Utilities will have 15 days to request a referendum vote. If the Utilities are notified where it falls outside of the 15 days to meet the Commission's regular meeting, a special meeting would need to be called. At that meeting, the Commission can review and discuss the amendments and if we want to contest them, we will need to request a referendum vote. If there is 20% of the membership that request a referendum vote, then the amendments go to the entire membership.

## A.I. #5 ACTION ITEMS

- a. Electrical Supervisor Avelsgard is requesting authorization for plumbing work and surge tank at the Power Plant. Weidner Mechanical has provided a quote for a stainless steel tank at \$14,041 and a galvanized tank at \$13,548. The price includes material and labor. The surge tank for the generator cooling has been leaking and continues to get worse. Staff is not able to fill the tank to the proper level. Staff is recommending the stainless steel tank.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried authorizing the purchase of the stainless steel tank.

- b. Finance Director Beuning stated that the Commission approved entering into a six-year Smart Grid Technology Service Agreement with MRES at its January 14, 2019 meeting. The Statement of Work has been received and reviewed by staff and Core and Main. Core and Main will need to submit a Statement of Work.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried approving the MRES and Utilismart Statement of Work, contingent upon modification to include initial on-site training rather than webinar, and updated meter numbers.

## A.I. #6 OLD BUSINESS

- a. In an order to address the power factor and to apply it equitably to commercial and industrial customers, staff is recommending the following revision (new verbiage is italicized and deletion is stricken)

### **3.5 POWER FACTOR REQUIREMENTS:**

Power service customers must maintain an average power factor as close to 100% as possible but in no event less than 95% lagging. *Any customer with a peak demand over 200kW will have kW adjusted to reflect a 95% lagging power factor. The power factor will be adjusted as follows:*

*The City required power factor (95%) divided by account power factor, multiplied by account demand = adjusted demand for account. Then take adjusted demand for account and subtract account demand this equals demand charge for power factor correction. Example: account power factor is 75, account peak demand is 100kW. ( $95 \div 75 \times 100 = 127\text{kW}$ ;  $127\text{kW} - 100\text{kW} = 27\text{kW}$  additional kW corrected) -- customer's account bill will be charged at 127kW total demand of which 100 kW is service demand and 27 kW is for power factor correction.*

~~In the event the City installs equipment to correct a power factor, the City shall pass those costs on to the customer (Refer to rate schedule – per demand charge.)~~

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried adopting the revision to Section III Conditions of Service – Electric – Section 3.5 to be implemented beginning with the July 1, 2019 billing.

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

- a. The MRES Annual Conference will be held May 8-9 in Sioux Falls, South Dakota. Electrical Supervisor Roger Avelsgard has registered for this conference.

### **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) DER Interconnection Process -- MMUA – March 22, 2019. Attending: Electrical Supervisor Roger Avelsgard
  - 2) Annual Wastewater Operations Conference – March 27-29. Attending: Water/Wastewater Operator Josh Elfering
  - 3) MMUA Substation School – April 16-18. Attending: Journey Line Workers Steve Scholz and Pat Lomax
- b. MRES Power Factor Assessment
- c. Minnesota Department of Transportation Electric Car - State of Minnesota Vision
- d. MPCA Wastewater Treatment Facility Operation Award
- e. Staff has purchased eight-foot fork tines for the fork-lift at the Power Plant. This is for informational purposes as it was under the \$10,000 threshold.
- f. 2018 Annual Benchmarking Report.

### **A.I. #9 ADJOURNMENT**

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried that the meeting be adjourned at 5:10 p.m.

---

PATRICIA HAASE – CITY CLERK