

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, NOVEMBER 18, 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. Utilities Fund Financial Quarterly Report
5. Action Items
 - a. National Lineman APPA Rodeo Attendance
 - b. Transformer Purchase
 - c. Utilities Policies:
 - 1) Section II – Billing, Collections, and Disconnects
 - 2) Section IV – Conditions of Service – Water
 - ** d. ~~Proposal for Feeder Line to Industrial Park~~
 - e. Pump Inspection / Repair Well #5
6. Old Business
 - a. SIU Agreements
 - b. Wastewater Treatment Facilities Update
 - c. Bright Energy Solutions
7. New Business
 - a. 2020 Meeting Schedule
8. Informational Items
 - a. Schools and Conferences
 - b. Pay Equity Compliance
9. Adjournment

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MONDAY, NOVEMBER 18, 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, November 18, 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, City Administrator Colleen Winter, 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 items were considered for approval under the Consent Agenda:

- a) The minutes from the Commission's October 14 Regular Meeting.
- b) List of bills in the amount of \$901,435.26. (See attached list)
- c) Investments Report for the month of October. (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. Finance Director Beuning presented the Utilities Fund Financial Third Quarter Report of revenues and expenses for the Water, Wastewater, and Electric Departments. Ms. Beuning noted that the Water Department revenues are at 80% as of the third quarter. Interest earnings have exceeded total budgeted revenues due to staff investing more funds to maximize yields as well as better performing rates.

The Wastewater Department revenues are at 94% of budget. Expenses are at 78% of the budgeted costs for the year.

Revenues and expenditures for the electric funds are at 62% and 57% of the budget, respectfully. Commerical sales are running lower than budgeted at 57%. Maintenance costs for the City Center are higher than average due to the ongoing repairs needs with the HVAC system, as well as cameras for the City Center.

A.I. #5 ACTION ITEMS

- a. Electrical Supervisor Avelsgard is requesting approval for Apprentice Lineworker Tanner Ellis plus one additional Lineman to attend the APPA National Lineman Rodeo in Kansas City in April of 2020.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried authorizing Apprentice Lineworker Tanner Ellis plus one additional Lineman to attend the APPA National Lineman Rodeo.

- b. Electrical Supervisor Avelsgard noted that as a result of oil tests and the age of transformers, the Utilities has the need to replace four transformers at Land O'Lakes and one at the CentraCare facility. Staff also looked through inventory and found that we were short a couple of sizes in inventory. On November 7, bids were accepted for transformers. There were a total of six bids from four suppliers received.

The Resco bid from Ermco when evaluated was the second lowest bid. These transformers are the standard high efficiency transformers that the Utilities have been purchasing. The bid price was \$146,072.75 and the evaluated price was \$243,845.76. Electrical Supervisor Avelsgard is recommending to go this route. Mr. Avelsgard has contacted Paul Davis with DGR Engineering and spoke with him about this. Mr. Davis stated that knowing the close proximity in pricing of the evaluated bids, this would be his recommendation also. For Land O'Lakes, these transformers will most likely be a better transformer with a better track history.

Irby bid Howard amophourous core transformers which are ultra-high efficiency cores. These transformers have been around awhile but are still fairly new and do not have much of a track record. This bid price was \$170,955 and the evaluated price was \$242,893.91.

Electrical Supervisor Avelsgard is recommending purchasing (4) 1,000 kVa, (1) 300 kVa, and (2) 2,000 kVa transformers from Ermco for a bid price of \$146,072.75.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving the purchasing of (4) 1,000 kVa, (1) 300 kVa, and (2) 2,000 kVa transformers from Ermco for a bid price of \$146,072.75.

- c. City Administrator Winter stated that staff has reviewed the Utilities Policies and is recommending the revisions to Section II – Billing, Collections, and Disconnects and Section IV – Conditions of Service – Water as outlined in the draft documents.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried approving the revised Utilities Policies.

- d. Deleted

- e. Water/Wastewater Supervisor Tim Vogel has obtained a quote from Their Well for the inspection and repair of sthe pump in Well #5. For budgeting purposes, the quote includes the price of replacement components as well.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving the quote from Their Well for the inspection and repair of the pump from Well #5

A.I. #6 OLD BUSINESS

- a. City Administrator Winter noted that she has met with Industry to go over the new rate schedule with them and incorporate in the SIU agreement. They all have concerns about the increases in Tier II and the surcharge. Administrator Winter will continue to work with them and bring back any changes and/or further recommendations in December.
- b. City Administrator Winter, Susan Danzl and Amy Prok of SEH met with the Water/Wastewater Department to discuss the preliminary design of the plant and upgrades. While it was a long meeting, it was very critical and helpful to have staff input. Additional meetings have been scheduled and will continue to seek staff input.
- c. City Administrator Winter stated that she has had the opportunity to go out and visit with key accounts with the Bright Energy Solutions team and City staff to talk about the new programs that will be available in 2020. This is an area that the City plans on making sure that there is a key account person in the office that is keeping up to date on this program.

A.I. #7 NEW BUSINESS

- a. The Commission to review the 2020 meeting schedule and discuss whether any changes should be made.

The Commission, by consensus, approved the 2020 meeting schedule with a start time of 4:45 p.m.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were reviewed:

- a. The following are schools and/or conferences where registrations were made:
 - 1) Excel Training – October 24, 2019. Attending: Office Assistant II Sharon Blaskowski
 - 2) MESERB Fall Meeting – November 6, 2019. Attending: Finance Director Tessa Beuning
 - 3) Technical & Operations Conference – December 3-5, 2019. Attending: Electrical Supervisor Roger Avelsgard
 - 4) MMUA Meter School – February 11-14, 2020. Attending: Apprentice Lineworker Tanner Ellis
 - 5) MMUA Transformer School – December 10-13, 2019. Attending: Apprentice Lineworker Tanner Ellis

- b. In July, the City was notified that they were not in compliance with Minnesota Pay Equity. A letter was written to the State Pay Equity Coordinator for reconsideration. The City was notified in October that they have reviewed our letter and justifications as to why we are in compliance, and our request has been approved. The City has been awarded compliance for the 2019 Pay Equity Report, and we will be required to report again in three years.

A.I. #9 ADJOURNMENT

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

PATRICIA HAASE – CITY CLERK