

Bagley Public Utilities
Commissioners Meeting
January 16, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on January 16, 2020 at 10:00am. Also present at the meeting were

Commissioners: Dennis Merschman, Stuart Lien;

Managers: Bill Masterson, Vicky Fletcher;

IBEW Local #294: Dan Hendrickson, Joe Miller.

Merschman made a motion to approve the minutes as written for the regular meeting held December 18, 2019. Lien seconded, motion carried.

Commission reviewed January bills. Lien made the motion and Merschman seconded to approve payment of the list as presented. Motion carried.

Hendrickson and Miller were at the meeting to discuss terms for the union contract renewal. Hendrickson stated the BPU offer dated December 20, 2019 was rejected and reviewed counter proposal from union dated January 9, 2020 which included request to leave all language in the contract as previous ones. The Board reiterated the need to change method of compensation for on call time, and suggested another option. Board and Union agreed the Commission should draft offer to formally submit via Hendrickson for employee consideration.

Hendrickson and Miller left the meeting.

Masterson reported to Commission on information from meeting with USDA regarding PER, steps for BPU/City of Bagley to apply for funding, and process to retain engineering services. Commission asked Masterson to contact engineering firms and arrange interviews.

Commission discussed next step with union negotiations. Lien will draft response, Fletcher will consult with all board members, and if draft is approved then submit it to union. Pay increases for Board members and other employees was briefly discussed and tabled.

BPU will continue practice to hold regular meetings the first Wednesday following the 10th of the month at 10:00am in City Council Chambers. Motion by Merschman to approve schedule of the 2020 meeting dates. Lien seconded, motion carried.

Being no further business to come before the Commission, a motion was made by Lien, seconded by Merschman, and carried to adjourn the meeting.

February 12, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on February 12, 2020 at 10:00am. Present were Commissioners Stuart Lien and, via skype, Dennis Merschman; also managers Bill Masterson and Vicky Fletcher.

Lien made a motion to approve the minutes as written for meetings held on January 16, 2020, the special at 9:00am and the regular meeting following at 10:00am. Merschman seconded, motion carried.

Motion to approve the December 2019 expenditures was made by Lien, seconded by Merschman, and carried.

Commission reviewed February bills. Lien made the motion and Merschman seconded to approve payment of the list as presented. Motion carried.

Commission discussed latest response from IBEW #394 regarding contract negotiations, and the discussion held at the January Commissioners' meeting. Lien will draft a response to address the two main concerns, allowing a 4th licensed utility worker and changing compensation method for week of call, and to clarify that nothing has been agreed upon at this point.

Masterson and Fletcher reported on meeting with Ben Oseien and Joe Janson, representatives from MRWA. BPU will be able to access MRWA help with engineer selection, project plan review, water and sewer rate study, financing, overseeing projects, and other items. Fletcher stated a few of the recommendations to address first include:

- A) the Commission should select and hire an engineer;
- B) inform the public and get the customers on board with the project;
- C) review current BPU policy determining utility versus property owner's responsibility for repairs on service lines; and
- D) encourage customers in targeted zones to consider replacing services all the way to structure. Once new mains are installed, infiltration is reduced and the issue of ground water rising results in other issues.

Masterson gave brief updates on the Hwy #2 Project, and Hwy #92 project with regard to Reiersen repairing the sags in sewer line.

Fletcher commented on the December financial reports. Water repairs totaled almost \$53,000 and sewer repairs went over \$40,000, which accounted for the offset of predicted net profit. BPU will need to adjust rates in 2020 for electric, water, and sewer but Fletcher did not have proposals ready.

Commission asked about delinquent accounts.

Being no further business to come before the Commission, a motion was made by Lien, seconded by Merschman, and carried to adjourn the meeting.

March 18, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on March 18, 2020 at 10:00am. Present were Commissioners Stuart Lien and, via skype, Dennis Merschman; also managers Bill Masterson and Vicky Fletcher.

Lien made a motion to approve the minutes as written for the meeting held February 12, 2020. Merschman seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for January 2020 and February 2020.

Commission reviewed monthly bills. Lien made the motion and Merschman seconded to approve payment of the March bills as presented. Motion carried.

Masterson discussed the draft copy of RFQ and briefly outlined timeline for advertising and reviewing applications. Motion by Lien authorizing Masterson to proceed with the proposed steps to select and secure an engineer for the PER and ER submittals, and the ensuing water/sewer infrastructure project. Motion was seconded by Merschman and carried.

Masterson distributed copies of the letter from WSN to MNDOT regarding the unresolved sewer main problems for Hwy #92 Project.

Bagley City Park Board would like to expand coverage for internet service at the city park. Scott Caouette has determined cost to accommodate request would be approximately \$2,000. Masterson stated he would like BPU to serve City Park, but also cited reasons for hesitating to invest the money. Commission discussed and agreed to leave internet service at city park as currently provided.

Masterson would like to adjust the connection fees for new city water and sewer hookups as follows:

- Water Connection Fee -- \$250 if curbstop exists
 - \$500 if no curbstop exists, up to (including) 1" service
 - \$1000 if no curbstop exists, > 1" service
- Sewer Connection Fee -- \$500 plus cost of materials.

Motion made by Merschman to adopt the new fee schedule effective January 1, 2020. Motion was seconded by Lien and carried.

Masterson informed Commission that BPU has locked in another portion of natural gas purchases to maintain stable retail pricing until 2028.

Discussion held regarding COVID-19 issue, and BPU response or procedures. Commission directed Masterson to act as he deems necessary, or call emergency Board meeting.

Commission authorized Fletcher, on behalf of BPU, to sign the Turner pre-commitment model with NCTC, which allows NCTC to utilize the cooperative benefits in negotiating a new contract and prohibits BPU from negotiating directly.

In regard to union contract negotiations, Commission agreed to wait for a response from IBEW #294 to the emails sent by BPU in February. Replies and/or counter proposals will be discussed at the April meeting. Commission further agreed to postpone wage discussion for office staff until the April meeting.

Being no further business to come before the Commission, a motion was made by Lien, seconded by Merschman, and carried to adjourn the meeting.

April 15, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on April 15, 2020 at 10:00am. Present were Commissioners Stuart Lien and, via skype, Dennis Merschman; also managers Bill Masterson and Vicky Fletcher. The meeting was held in City Council Chambers at Bagley City Hall with locked doors due to COVID-19 issues, however the public could join by requesting admittance.

Lien made a motion to approve the minutes as written for the meeting held March 18, 2020. Merschman seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for March 2020.

Commission reviewed monthly bills. Lien made the motion and Merschman seconded to approve payment of the April bills as presented. Motion carried.

Six engineering firms responded to Bagley's RFQ. Masterson will forward applications electronically to Board members for review. Commission will discuss and decide upon interviews at next meeting.

Two of three hydrants installed at industrial park during system expansion project late last year are different models from the others hydrants in Bagley, and require different equipment for connection. Masterson contacted Karvakko, and Tom's Backhoe will change out the hydrants to maintain consistency for fire department when contractor comes back to finish project. The new lift station, although not operating yet, leaks and contractor will also need to reseal inside.

MNDOT has distributed the plans for 2020 Hwy #2 Project. Hydro Klean, per Masterson request, examined the manhole by NAPA and verbally quoted \$2500 to reline the structure. Masterson will plan to coordinate the work with MNDOT project to avoid additional expense for traffic control. Masterson informed Commission he also plans to bore the overhead electric and cable services that cross Hwy #2 in conjunction with the 2020 project.

IBEW #294 submitted a counter proposal on March 25, 2020 via email to Commissioners. The counter proposal regarding the union contract was discussed at length by the Board, focusing on 'on-call' and 'call out' compensation. Commission agreed language revisions were needed to clarify details of call outs. Lien and Fletcher will draft response to the union proposal and send to Board for review.

Board tabled action on wages for office staff as increases will be retroactive.

Fletcher asked the Commission to adopt BPU Resolution 01-2020 which reiterates the new the rate schedule for water and sewer connection fees approved at the March 2020 meeting. Motion was made by Lien, seconded by Merschman, and carried to pass said resolution.

Fletcher distributed financial reports for January and February 2020.

In relation to the COVID-19 situation, the Commission agreed Fletcher should calculate April penalty amounts although the April late fees will be waived.

Being no further business to come before the Commission, a motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.

May 13, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on May 13, 2020 at 10:00am. Present were Commissioners Dennis Merschman and Stuart Lien, and managers Bill Masterson and Vicky Fletcher. The meeting was held in City Council Chambers at Bagley City Hall with locked doors due to COVID-19 issues, however admittance was available by request.

Merschman made a motion to approve the minutes as written for the meeting held April 15, 2020. Lien seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for April 2020.

Commission reviewed monthly bills, asking about payment to sports channels that do not air live events. Lien made the motion and Merschman seconded to approve payment of the May bills as presented. Motion carried.

Masterson led discussion on the Engineer RFQs received, noting each applicant was qualified and capable to handle project. Commission chose not to interview any applicants, and agreed Karvakko had provided satisfactory work at the airport and lift station at industrial park. Motion made by Merschman to recommend City Council contract with Karvakko Engineering of Bemidji to compile and submit the PER and ER needed to apply for funding for the comprehensive water and sewer reconstruction project in Bagley. Motion was seconded by Lien and carried.

Several sewer services on Red Lake Ave NW have been plugged lately, and problems are in service lines under the road. Masterson has been working with Johnson Jetline and Northwoods Plumbing to determine pipe condition and clear lines. Efforts will focus on maintaining service to defer replacing lines until reports are filed and funding process is in place.

2020 Hwy #2 Project is scheduled to start June 8, 2020. Northern Paving has been awarded as the general contractor.

Masterson gave updates on various projects including the sewer ponds, NMPA current issues, and utilities serving new customer at Bagley Hardwood Products location.

Regarding union negotiations, Lien has revised last BPU offer rejected by union. Lien explained adjustments made to contract terms and language for the new proposal including:

- wage increases and contract length;
- call out/overtime and on call compensation; and
- defined steps for Brian Gunderson to attain licensed utility worker position.

Commission approved the changes and directed Fletcher to send the proposal to Dan Hendrickson, IBEW #294. Fletcher also to include with the proposal a request to schedule a meeting for negotiation purposes if the latest offer is rejected.

Wage increases for office staff will be addressed immediately following closure of union contract negotiations.

Fletcher asked Commission to act on Turner Networks renewal through NCTC. Fletcher directed to check on other options for a news channel and report to Commission via email.

Fletcher distributed financial reports for March 2020.

Being no further business to come before the Commission, a motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.

June 17, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on June 17, 2020 at 10:00am with Commissioners Dennis Merschman and Stuart Lien present. Also present were managers Bill Masterson and Vicky Fletcher.

Lien made a motion to approve the minutes as written for the meeting held May 13, 2020. Merschman seconded, motion carried.

Motion was made by Merschman, seconded by Lien, and carried to approve the expenditures as listed for May 2020.

Commission reviewed monthly bills. Commission agreed Masterson should submit claim for property damage at 112 Red Lake Ave NW resulting from limb/tree removal. Merschman made the motion and Lien seconded to approve payment of the June bills as presented. Motion carried.

Masterson reported on the 2020 Hwy #2 Project, relaying his discussion with the general contractor regarding caution while working around street lights and conduit/wire.

Masterson discussed need for a new lawnmower at BPU. He has obtained two quotes, around \$12,000 for Cub Cadet and \$9,500 for Altoz, but would like to test how mower handles on slopes at ponds before purchasing.

Masterson stated the City Council approved hazard pay for all City employees. Motion by Merschman to pay the following BPU employees from June 18th to June 30th their regular base wage and the following lump sum for hazard pay:

Scott Caouette \$640.00

Dennis Danielson \$640.00

Vicky Fletcher \$640.00

Kraig Fontaine \$640.00

Levi Gray \$640.00

Brian Gunderson \$640.00

Natalie Olson \$384.00.

Motion seconded by Lien and carried.

Union negotiations have been delayed due to emergency/personal issue for Dan Hendrickson, IBEW #294 representative. Office wages will also remain on hold.

Fletcher consulted with Masterson and Scott Caouette and, in order to act before deadline of June 15th, signed Turner Networks renewal through NCTC. Commission did not approve. Fletcher directed to check into other options for a news channel.

Fletcher and Masterson updated Commission on voluntary collection procedures during COVID-19 pandemic as discussed during MMUA zoom meeting held May 29, 2020. Commission discussed issue.

Commission reviewed April financial reports.

Being no further business to come before the Commission, a motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.

July 15, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on July 15, 2020 at 10:00am with Commissioners Dennis Merschman and Stuart Lien present. Also present were managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the meeting held June 17, 2020. Lien seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for June 2020.

Commission reviewed various invoices on the list of payables. Lien made the motion and Merschman seconded to approve payment of the July bills as presented. Motion carried.

Masterson reported on progress of the 2020 Hwy #2 Project, and the latest time estimate for Reiersen Construction to correct sewer main issue on Hwy #92.

Masterson hired Keith Lowrey again as temporary summer utility helper with 2020 pay rate of \$12.25 per hour. Lowrey started season on May 26, 2020.

Commission discussed latest counter proposal on union contract received via email from Joseph Miller, who is handling negotiations for IBEW #294 and represented employees while

Dan Hendrickson is unavailable. BPU Commissioners agreed to proposed items regarding pay raise and contract length, language changes, and the step/scale to move Brian Gunderson into Licensed Utility Worker position. The on-call compensation was not accepted. Commission agreed Fletcher could meet with Miller to verify both sides fully understand contract terms proposed.

BPU Board discussed office staff wages but tabled decision regarding 2020 raises.

Fletcher presented information on adding another news channel. Board discussed Internet service for the City Park. Fletcher briefly talked about rates, 2019 audit, 2020 budget, depreciation, and capitalized projects.

Merschman made a motion to adjust annual interest rate paid on customer service deposits to 1.5% effective July 1, 2020. Motion was seconded by Lien and carried.

Motion by Merschman to transfer to the City of Bagley the payment of \$24,093.75 from Team Industries, received as compensation for the water and sewer main lines and portion of utility easement relinquished by BPU to allow construction of the new building at the industrial park. Motion was seconded by Lien and carried.

Commission reviewed May financial reports.

Discussion held on COVID-19 related issues.

Being no further business to come before the Commission, a motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.

August 12, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on August 12, 2020 at 10:00am with Commissioners Dennis Merschman and Stuart Lien present. Also present were managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the meeting held July 15, 2020. Lien seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for July 2020.

Commission reviewed invoices presented for payment and Masterson explained charges on some billings. Merschman made the motion and Lien seconded to authorize payment of the August bills. Motion carried.

Masterson updates:

Last working day for the 2020 Hwy #2 Project is supposed to be August 19, 2020. Masterson still getting quotes for repair work on manhole by NAPA.

Reierson Construction is scheduled to be here week of August 17th to correct sewer main issue on Hwy #92.

BPU has locked in pricing for additional percentage of gas purchases as recommended by Constellation.

Masterson obtained quote for around \$2300 from Hwy 2 Auto Recycling for new trailer to haul lawn mower, better adept for loading and unloading new mower. Masterson plans to convert old trailer into a paint trailer for City.

Commission discussed message from Joseph Miller, IBEW #294, regarding negotiations for union contract received via email on July 29, 2020. Commission directed Fletcher to respond with following points:

- a) Statement is confusing as staff understood terms were basically settled after meeting with Miller on July 21st;
- b) Board has decided to rescind all previous offers, and propose instead to extend the 2019 contract for one year with no changes;
- c) If the union agrees to the extension offer, then meetings can be setup in October or November to begin 2021 contract negotiations.

BPU Board discussed office staff wages, regarding raises for 2020, and decided to follow City of Bagley action. Motion was made by Merschman to implement 2% increase for the three office staff positions (including Business Manager, Full Time Office Assistant, and Part Time Office Assistant) retro-active to January 1, 2020 and another 2% increase to take effect July 1, 2020. Motion was seconded by Lien and carried.

Lien made a motion to accept the 2019 Audit as prepared by Brady Martz. Motion was seconded by Merschman and carried.

Commission reviewed June financial reports.

Discussion held on past due accounts related to COVID-19 issues.

Being no further business to come before the Commission, a motion was made by Lien, seconded by Merschman, and carried to adjourn the meeting.

September 23, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on September 23, 2020 at 10:00am with Commissioners Dennis Merschman and Stuart Lien present, and managers Bill Masterson and Vicky Fletcher. Also present was Zach Thoma with Karvako Engineering Inc.

Thoma reported to Commission on progress of PER compilation and data collected so far. Sewer ponds and lift stations are in good condition, and the force main appears to be also. Approximately twenty blocks of distribution pipes are in need of repair.

According to Thoma Bagley is expected to qualify for 45% grant funding, possibly even 75%, based on 2010 census information and comparative cities receiving USDA monies. Thoma was confident the report would be submitted by the end of 2020 but perhaps as early as later October.

In regard to the water system, the wells, treatment plant, and tower are in good shape needing only minor repairs. The pipes are largest concern again. Although flow tests indicated pressure was adequate, line replacement will bring some areas up to standard pipe size of 6" which will help increase pressure too. Commission questioned Thoma about estimate for total project costs, awarding bid regulations, timeline of process, and including repairs paid out of pocket by BPU in the grant request. Thoma presented map of Bagley highlighting areas that will be addressed in the comprehensive plan.

Thoma left the meeting.

Merschman made a motion to approve the minutes as written for the meeting held August 12, 2020. Lien seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for August 2020.

Commission reviewed invoices presented for payment. Masterson asked to hold two checks, the MNDOT payment until punch list items were completed and the one for Northern Paving until BPU and City of Bagley have received payment from them. Lien made the motion and Merschman seconded to authorize payment of the September bills, holding the two checks for Masterson approval for payment. Motion carried.

Masterson opened the bids on sale of used equipment for BPU and City of Bagley. Five of the seven bids received were for BPU items and as follows:

Mower #2

Al Spring	\$102.00
Dave Anderson	\$301.06
Scott Caouette	\$150.00

2000 GMC 1500 4x4

Dave Anderson	\$251.06
Lex Masterson	\$150.00

2000 Ford F150 4x4

Dave Anderson	\$351.06
Lex Masterson	\$150.00

2000 F550 bucket truck

Dave Anderson	\$2001.00
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Levi Gray	\$757.00
Lex Masterson	\$500.00.

Commission discussed bids and decided to reject all bids on 2000 GMC 1500 4X4, 2000 Ford F150, and 2000 F550 bucket truck. Motion by Lien to accept the high bid of \$301.06 from Dave Anderson for BPU lawnmower and to reject all bids on the other three vehicles. Motion seconded by Merschman and carried.

Masterson department updates:

The 2020 Hwy #2 Project is not completed but nothing major left to do.

Nothing to report on Reiersen Construction correcting sewer main issue on Hwy #92, and Commission discussed next step to force repair/action.

New motor is tripping breaker so pump for Well #5 doesn't run. BPU working with Integrated Process Solutions Inc. and Their Well to resolve issue.

The ponds tested slightly over on phosphorus level so will need to treat with alum in order to discharge.

Sewer service line for 112 Bagley Ave SW was plugged going into main so repair meant digging under the street. BPU will be responsible for repair costs.

BPU hired Roxanne Hacker to submit FCC Lump Sum filing on behalf of BPU. Masterson said Scott Caouette estimated it will take about \$50,000 to get video in compliance and working with broadband changes.

Masterson and Caouette have contacted Jean Edhlund with Cooperative Network Services to negotiate renewal contracts for the network channels due to expire the end of 2020, at quoted price of \$850 per contract. NCTC may be able to conduct negotiations for BPU regarding contract with Gray TV.

The gas meter installation on County #22 is completed and should now provide more accurate data for Bagley consumption.

Commission discussed the letter from Dan Hendrickson, IBEW #294, dated September 8, 2020 received via email. Merschman moved to accept the offer of no contract changes, a 2% wage increase, and for the year 2020. Lien seconded, motion carried.

Commission discussed the letter submitted by Kraig Fontaine. Motion made by Merschman to send written response to Fontaine via certified mail stating request for leave of absence is denied, and therefore retirement (end of employment at BPU) is accepted. Motion was seconded by Lien and carried.

Masterson has contacted Bruce Bjerke at Clearwater Polk Electric about providing coverage for electric department until BPU fills the open position.

Motion by Lien, second by Merschman, and carried to advertise for a licensed utility worker with lineman license.

Lien made the motion authorizing Fletcher to sign the renewal forms for TBN (Trinity) and the Outdoor Channel on behalf of BPU. Merschman seconded, motion carried.

Commission reviewed July financial reports and discussed rates.

Being no further business to come before the Commission, a motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.

October 14, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on October 14, 2020 at 10:00am with Commissioner Dennis Merschman present and Stuart Lien joining via skype. Also present were managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the meeting held September 23, 2020. Lien seconded, motion carried.

Motion was made by Merschman, seconded by Lien, and carried to approve the expenditures as listed for September 2020.

Following review of invoices presented for payment, Merschman made the motion and Lien seconded to authorize payment of the October bills. Motion carried.

Masterson updated the Board on Hwy #92 Project. Reierson Construction dug up and replaced two sections of sewer main that the mandrel would not pull through. There are still issues with the line but WSN recommends leaving it as is because would likely cause more damage to do repair. MN DOT will see to it Reierson performs mandrel test again in 30 days, and BPU will have Johnson Jetline video the line next week. The asphalt patch is rough and will also need to be addressed.

Masterson commented on various other current operations including Well #5 pump, ponds discharge, FCC Lump Sum filing, retransmission contracts, and progress on Hwy #2 project.

Commission reviewed financial reports and discussed decline in sales and profit margins for electric, water, and sewer departments. Motion made by Merschman and seconded by Lien to raise monthly base charge for water service to \$15. After further discussion, the motion was amended by Merschman to increase the monthly base charge for water services to \$14 and \$12 for sewer services effective October 15, 2020. This motion was seconded by Lien and carried.

Commission agreed to hold November meeting on the 10th as scheduled date would fall on holiday.

Being no further business to come before the Commission, a motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.

November 17, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on November 17, 2020 at 10:00am with Commissioner Dennis Merschman present and Stuart Lien joining via skype. Also present were managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the meeting held October 14, 2020. Lien seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for October 2020.

Following review of invoices presented for payment, Merschman made the motion and Lien seconded to authorize payment of the November bills. Motion carried.

Masterson updated the Board on various items:

- ponds were treated with alum and discharged,
- problem with the electronic panel to control pump for Well #5 was resolved,
- Clearwater Polk Electric has assisted with a couple electric projects,
- waiting for answer from WSN and MNDOT on acceptance of sewer main repair, and to do ab final walk-through with MNDOT to close out Hwy #92 Project,
- street lights need to be installed to finish up Hwy #2 Project, and
- MNOPS inspection went well.

Merschman moved to adopt Resolution 02-2020 to formally increase water and sewer base charges for residential and commercial services. Motion was seconded by Lien and passed unanimously.

Motion by Merschman authorizing Fletcher to renew Discovery Communications contract under NCTC. Lien seconded and motion carried.

Commission reviewed and discussed letter from union to open negotiations for 2021 contract renewal. Fletcher directed to contact Dan Hendrickson with IBEW #294 and setup a meeting for December 1, 2020. Lien and Fletcher will draft letter to union stating BPU list of items for discussion.

Being no further business to come before the Commission, a motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.

December 17, 2020

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on December 17, 2020 at 10:00am with the following members and guests present:

Commissioners Dennis Merschman and Stuart Lien,
Managers Bill Masterson and Vicky Fletcher, and
Karvakko Engineers Mike Karvakko and Zach Thoma.

Thoma and Karvakko took the Commission through the PER compiled for submission to USDA to apply for grants and funding of the comprehensive water and sewer infrastructure project in Bagley. Thoma reviewed the list of items to be repaired or replaced that were included in the report, with Karvakko adding comment and information. Data show the wastewater facility treats about 6.4 million gallons more than accounted for through metered sources, indicating an infiltration problem, common with aging systems. Total cost for the project is estimated at \$15.03 million, of which \$10.8 million is solely construction cost. Karvakko and Thoma advised Bagley to expect a minimum of 45% in grant monies. Discussion touched on funding options for interim financing and the BPU/City of Bagley portion of the project. Other topics of discussion included affordability of the project for Bagley, current water and sewer rates, interest rates and terms for loans, and legal counsel. Masterson and Board members also conferred about an emergency type situation forcing BPU to do a segment of the overall project early. Once USDA has approved the project and outlined a financial breakdown for funding, the City of Bagley is still not obligated to do the entire project, however Karvakko stated valid reasons in favor of Bagley proceeding. Karvakko and Thoma also suggested a timeline of events related to the project.

Karvakko will proceed with submitting the PER.

Karvakko and Thoma left the meeting.

Merschman made a motion to approve the minutes as written for the meeting held November 17, 2020. Lien seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for November 2020.

Following review of invoices presented for payment, Lien made the motion and Merschman seconded to authorize payment of the December bills. Motion carried.

Masterson updated the Board on recent communications concerning Hwy #92 project. WSN has determined the sags in sewer main be accepted as velocity in line should keep line clear, and digging up the line would cause additional issues. Mark Hallan, WSN has recommended a procedure to correct the fault on the rubber fernco that was installed to repair the original crushed pipe.

Masterson has received one application for licensed utility worker/lineman position. Commission directed Masterson to talk with applicant and any references, and Fletcher to expand advertising for position.

Motion by Merschman to raise current cable rates \$7.00 to cover the increase in retransmission fees. New rates, to be effective January 1, 2021, will apply to the basic

cable package, purchased with and without internet, and the Lifeline package. Motion seconded by Lien and carried.

Commission reviewed the October financial reports. Sales in all departments are lower than previous years, possibly due to COVID-19 pandemic.

Motion by Merschman and second by Lien to allow BPU to close along with the City at noon on December 24, 2020. Motion carried.

Lien agreed to accept another term as Commissioner on BPU Board. Merschman will inform Council for re-appointment.

Being no further business to come before the Commission, a motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.