

Bagley Public Utilities  
Commissioners Meeting

January 13, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on January 13, 2021 at 10:00am. Present were Commissioners Dennis Merschman and Stuart Lien, and managers Bill Masterson and Vicky Fletcher.

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

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

Invoices to be paid in January 2021 were reviewed and Lien made the motion to authorize payment. Merschman seconded, motion carried.

Masterson reported the PER has been submitted to USDA. Ben Osien with MRWA will be in Bagley this week to review the application with Masterson.

Regarding the Hwy #92 project, Masterson discussed the latest correspondence with WSN and review of video with Johnson Jetline. No update from MNDOT. Commission discussed situation and decided BPU will not accept anything less than replacement of the whole block of sewer main. Commission agreed to initiate legal process to resolve the issue and start by contacting MN Senator Utke then Flaherty and Hood, city attorney.

Masterson has received two applications for licensed utility worker/lineman position.

Commission suggested Masterson contact applicants and references, and Fletcher expand reach for advertising.

Masterson informed Commission he submitted letter of intent to Zef Engineering nominating Bagley as site for an electric vehicle charging station.

Lien presented a summary of language changes proposed by BPU during 2020 union negotiations. Lien incorporated the summary into a counter proposal, along with the Board's response to union requests for 2021 contract. Commission approved the draft and the offer for a one-year contract with 2% wage increase. Lien and Fletcher will do final review and then remit to Dan Hendrickson, IBEW #294.

Merschman and Lillegaard agreed Lien should receive credit for a special meeting as compensation for his extra work on union contract negotiations.

Fletcher explained that retransmission contract negotiations have concluded and rates are set for the 'off-air' channels. The total subscriber fees increase for 2021 ended up being lower than estimated. Merschman moved to override the motion to raise cable rates approved at the December 2020 meeting, by changing the increase to \$5.00. New rates, now to be effective March 1, 2021, will apply to the basic cable package, purchased with and without internet, and the Lifeline package. Motion seconded by Lien and carried.

November financial reports were reviewed.

January 13, 2021

Commission approved the list of monthly meeting dates for 2021, maintaining protocol of the first Wednesday after the 10<sup>th</sup> of the month.

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

Bagley Public Utilities  
Commissioners Meeting  
February 17, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on February 17, 2021 at 10:00am. Present were Commissioners Dennis Merschman and Stuart Lien via Zoom, managers Bill Masterson and Vicky Fletcher, and Dan Hendrickson with IBEW #294 joined via Zoom.

Hendrickson addressed the Commission regarding the latest proposal offered by the BPU in union contract negotiations. Hendrickson asked for clarification of 'holiday pay' regarding current practice and proposed changes. Hendrickson intends to meet with represented employees February 22<sup>nd</sup> and expects to submit a response to the proposal by the following day. Hendrickson left the meeting.

Merschman made a motion to approve the minutes as written for the meeting held January 13, 2021. Lien seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for January 2021.

Commission reviewed the list of bills presented to be paid in February 2021 and Merschman made the motion to authorize payment. Lien seconded, motion carried.

Project Updates:

Masterson informed the Board that Karvako Engineering has split the PER into three phases, prioritizing the areas, and re-submitted to USDA. Depending on financing equations, a portion of the project could possibly happen yet this year.

Masterson has been working with Curt Meyer, WSN to determine solution regarding sags in sewer line from Hwy #92 project. Masterson suggests City/BPU negotiate settlement to retain \$10,100 for future cleaning expenses and mandate Reieron fix fernco in main.

Masterson reported on applications received for the Licensed Utility Worker/Lineman position.

The new satellite dishes are necessary to accommodate satellite/channel changes due to the broadband reallocation. The cost of dishes and related setup expenses will be reimbursed by Lump Sum funding through FCC.

There is a water main break at second block of south Sand Lake Ave. Masterson noted this is in the top priority area for scheduled repairs stated in PER.

Minnkota Power has been utilizing load control, especially during the extremely cold weather. The new generator at Cornerstone Senior Living failed to run twice during this period and could affect BPU demand rate. Masterson will work with Minnkota to determine impact of the demand load for those incidents.

December financial reports were reviewed, including the budget comparison for 2020. Electricity and water sales affected by business closures due to COVID were discussed.

Fletcher explained the reports filed for MN Pay Equity Report, and stated BPU received notice of compliance. Merschman made the motion to approve report as filed. Lien seconded, motion carried.

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

March 17, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on March 17, 2021 at 10:07 am. Present were Commissioner Stuart Lien, Commissioner Dennis Merschman via skype, managers Bill Masterson and Vicky Fletcher.

Lien made a motion to approve the minutes as written for the regular monthly meeting held February 17, 2021. Merschman seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the expenditures as listed for February 2021.

Commission reviewed the list of bills presented to be paid in March 2021 and Merschman made the motion to authorize payment. Lien seconded, motion carried.

Manager Updates:

Masterson stated WSN is still working on option to repair the fernco that is offset on sewer main for Hwy #92. Masterson met with Luke Johanneck, MNDOT to inspect several sidewalk/cement areas that will need to be repaired/replaced. The City of Bagley will require resolution on these issues before approving MNDOT close project.

Masterson reported all applicants for the Licensed Utility Worker/Lineman position are at apprentice level. Board discussed hiring for position utilizing steps as outlined in union contract. Lien will work with Fletcher to contact IBEW regarding open position.

The City Park Board would like to expand internet service at City Park and Masterson asked Commission to verify BPU position on providing service. Commission agreed it would not be financially sound to install additional nodes or fiber to upgrade the BPU system just at City Park.

Discussion held regarding the latest correspondence from IBEW #294. Board agreed for Lien to conduct negotiations on behalf of BPU directly with Dan Hendrickson from IBEW.

Commission discussed resuming disconnection procedures once the Cold Weather Rule expires on April 15<sup>th</sup>. Fletcher stated a bill stuffer and other resources will be used to inform customers.

Fletcher reported software transition for handheld devices has been completed. AMR goal now is to increase number of meters read via downloaded route. Once AMR system is fully utilized, BPU can perhaps move billing period to align with cost of sales cycle for power and gas.

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

April 14, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on April 14, 2021 at 10:14 am. Present were Commissioners Stuart Lien and Dennis Merschman, managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the regular meeting held March 17, 2021 and the special meeting held April 9, 2021. Lien seconded, motion carried.

Motion was made by Lien, seconded by Merschman, and carried to approve the March 2021 expenditures as listed.

Commission reviewed the bills to be paid in April 2021. Merschman made the motion to authorize payment and Lien seconded. Motion carried.

Manager Updates:

Masterson distributed copies of WSN proposal to MNDOT to resolve problem with sewer main for Hwy #92 project. Masterson opposed the proposal for two reasons because a) he had told WSN that Bagley would not be doing any part of the repair, and b) he felt the deduction from project cost for future cleaning expenses should be calculated from manhole to manhole. MNDOT has not yet responded.

Masterson explained that a phase burnt off on the pole serving the waterplant causing damage to a control card and VFDs within the waterplant. Claim has been filed with insurance. The waterplant is now functional and running although some work still needs to be done by IPS, Inc. to complete repairs.

Scott Caouette has setup one of the new satellite dishes but is not able to align it with BPU equipment to receive signal. He has contacted company for quote and service schedule to do alignment for both dishes.

Several years ago, BPU started a smaller electrical project to put the overhead lines underground in the “half” alley between Clearwater Ave NW and Bagley Ave NW. The project has not been completed because the service on one house has not been changed to accommodate underground line. Masterson asked for BPU to hire an electrician to update the private service, and perhaps cover a portion of expense, to eliminate the hazard of a low-hanging power line across neighbor’s yard. Commission recommended Masterson consult with customer first and consented to action necessary for project completion.

Lien reported on his conversation with Dan Hendrickson from IBEW #294. Commission discussed at length personnel challenges and proposed contract changes. Board appointed Lien to negotiate directly with union on behalf of BPU to finalize language changes and contract terms. Commission tabled all decisions regarding employee positions until contract differences were settled.

Board reviewed January and February profit/loss reports for 2021.

Motion made by Lien to authorize Fletcher renew the RFD channel contract through NCTC. Motion was seconded by Merschman and carried.

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

April 16, 2021

Chairman Thomas Lillegaard called to order a special meeting for the Bagley Public Utilities Commission on April 16, 2021 at 10:00am with Commissioner Stuart Lien present and Commissioner Dennis Merschman via Skype. Managers Bill Masterson and Vicky Fletcher were also in attendance.

Purpose of the special meeting was to discuss union contract negotiations and course of action to hire for open positions.

Commission discussed contract language changes and in conclusion, BPU will offer the following choices to the union:

- 1) Article IV Section 11: compensation for the week of on-call will be the following Friday off with pay (current practice) **OR** receive 9 hours of regular pay with no time/day off;
- 2) Article V Section 1, Article IV Section 4: no language revisions **OR** new language eliminating ratio of licensed utility workers versus utility workers AND revised schedule for pay outside normal working hours including holidays.

Provided other contract issues are resolved, Commission agreed to two-year contract with 2.25% wage increase each year.

Commission debated legalities of advertising and hiring for open positions.

Motion by Lien authorizing Masterson to hire one of the two remaining applicants as a Licensed Utility Worker, starting as soon as available at 90% of full wage for position. New employee will be expected to sign letter of understanding, when drafted, that will outline progress steps throughout the journeyman lineman training program and related wage percentage increases. Masterson to convey there will be a six month probation period. Motion was seconded by Merschman and carried.

Commission approved Dennis Danielson using vacation time to fill last pay period in April, thus final day of employment will be April 30, 2021.

Motion was made by Lien, seconded by Merschman, and carried to adjourn the meeting.

May 12, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on May 12, 2021 at 10:06 am. Commissioners Dennis Merschman and Stuart Lien were present, and managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the regular meeting held April 14, 2021 and the special meeting on April 16, 2021. Lien seconded, motion carried.

Motion to approve the April 2021 expenditures as listed was made by Lien, seconded by Merschman, and carried.

Commission reviewed the May 2021 bills. Merschman made the motion to authorize payment and Lien seconded. Motion carried.

The 2021-2022 IBEW #294 Union Contract for BPU was distributed to and recently agreed upon via email. Effective date for the contract is January 1, 2021, entitling employees Dennis Danielson, Brian Gunderson, and Scott Caouette to backpay for additional wages calculated with 2.25% raise. Language changes regarding pay for work done outside normal business hours and holidays will be implemented effective May 1, 2021. Motion by Merschman, second by Lien to formally approve the contract and subsequent actions. Motion carried.

Discussion held on promoting Brian Gunderson to Licensed Utility Worker with responsibility for natural gas department, per contract terms. Commission approved the position change effective May 1, 2021 and will re-evaluate after probationary period.

Manager Updates:

With no applicants at journeyman status, Masterson hired two apprentice linemen as Licensed Utility Workers at 90% of union wage. The new employees will eventually participate in MMUA training provided by BPU to obtain journeyman level. Austin Arvik began employment on May 10<sup>th</sup> and Tayler Belle will start May 17<sup>th</sup>. New hires are subject to a six-month probation period.

Masterson reported the ponds tested at acceptable levels, without alum treatment, and are now discharging.

BPU received quote around \$8,000 from United Service Source Inc to assemble second satellite dish and align both. Caouette is working to schedule services. Expenses will be reimbursed from monies BPU expects to receive through Lump Sum Funding from FCC. Masterson noted additional information was recently requested and submitted as part of the process to establish bank accounts and prepare for transfers.

Curt Meyers with WSN notified Masterson with Hwy #92 Project update. MNDOT is waiting for response from Reiersen Construction on the suggested procedure to correct fernco offset in sewer main. Masterson is doubtful of contractor or state doing any more work and foresees the project will need to be closed by financial negotiations.

Merschman made a motion to increase office staff wages 2.25% effective January 1, 2021. The motion covers employees Fletcher, Levi Gray, and Natalie Olson, and will include retroactive pay. Motion was seconded by Lien and carried.

Masterson asked Commission to compensate Caouette for additional responsibilities accepted due to recent personnel changes. Following discussion on possible consequences from such action, Merschman went forward with the motion to give Caouette \$1 per hour wage increase effective May 1, 2021. Motion was seconded by Lien and carried.

Masterson informed Commission he has hired Al Spring for the City to temporarily help with mowing but will need to advertise for summer help for both BPU and the City. Quantity and quality of applications will determine hiring decisions.

Board discussed accounts currently on delinquent list.

Masterson reported there are no updates from USDA or Karvakko Engineering for the PER/Water & Sewer Infrastructure Project.

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 16, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on June 16, 2021 at 10:00 am. Commissioners Dennis Merschman and Stuart Lien were present, and managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the monthly meeting held May 12, 2021. Lien seconded, motion carried.

May 2021 expenditures included annual refunds on transformer deposits for Team Industries and Cenex, with Bagley Carwash refund still pending. Discussion held on current practices for new three phase services as well as proposed policy changes. Motion to approve the May 2021 expenditures as listed was made by Lien, seconded by Merschman, and carried.

Commission reviewed the June 2021 bills. Lien made the motion to authorize payment and Merschman seconded. Motion carried.

#### Manager Updates:

The scales at the waterplant, which measure by weight the chemicals added to treat water, are not working. Although Hawkins quote was slightly higher, Masterson preferred to purchase new scales through vendor that supplies the treatment chemicals.

BPU received quote of \$600 from Team Laboratory to measure the sludge in two primary ponds. Information will be used to determine removal process.

Reierson Construction responded to MNDOT regarding Hwy #92 Project issues with offer to pay half of the future cleaning deduction per contract and half cost to repair the fernco offset. Curt Meyers with WSN is compiling response to reject settlement offer stating that Reierson did not install fernco properly when repairing the initial sag in sewer line. Therefore, Reierson should be responsible for 100% of cost to repair fernco offset. Furthermore, the contract clearly defines the deduction costs for substandard construction thus Reierson should pay future cleaning expenses for the sewer main line as calculated. Meyers is also working with Pat Conroy to prepare invoice for engineering fees to submit final draw on MN PFA funds.

Masterson reported no updates available on USDA project or Lump Sum funding.

Masterson hired Zachery Swenson on June 2, 2021 as temporary utility helper at \$11.14 per hour. Motion by Stuart Lien and second by Merschman to approve the employee and wage. Motion carried.

Commission discussed progress of employees in new positions.

Board approved to reimburse apprentice linemen for purchase of FR clothing basics such as couple shirts and pair of pants, per Masterson request, until employees are enrolled in uniform program.

Merschman asked Commission for opinion regarding wages for manager position as the Council will be addressing city employee raises at their next meeting. Commission agreed Masterson entitled to cost of living increase.

Commission reviewed financial reports for April.

Motion by Merschman to set the annual interest rate on service deposits at .1% effective July 1, 2021. Motion was seconded by Lien and carried.



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 29, 2021

Chairman Thomas Lillegaard called to order a special meeting for the Bagley Public Utilities Commission on June 29, 2021 at 10:00am with Commissioners Dennis Merschman and Stuart Lien present. Also in attendance were managers Bill Masterson and Vicky Fletcher.

Purpose of the special meeting was to discuss the USDA funding offered for the comprehensive water and sewer infrastructure project. The EDU (equivalent dwelling units) calculation, used to determine target water and sewer rates for Bagley and affordability for City to handle the loan payments, was point of confusion to interpret USDA calculations and projections. Fletcher provided information on current bonds payable, including the MN PFA loan recently retired. Commission compared option of tackling several, smaller replacement projects to the large, comprehensive project proposed.

Fletcher left the meeting at 10:15.

Board continued discussion, then tabled decisions and requested more information/explanation from USDA or Karvako on how the numbers were derived.

Masterson read through list of bids received for BPU property that was inadvertently advertised for sale by sealed bid with City of Bagley property.

2000 GMC 1500 4x4	Bidder: Dave Anderson	Bid: \$405.00
	Bidder: Darin Halvorson	Bid: \$465.01
	Bidder: Carrie Harmon	Bid: \$400.00

Motion by Merschman to sell the vehicle to highest bidder for \$465.01. Lien seconded, motion carried.

2000 Ford F-150 4x4	Bidder: Dave Anderson	Bid: \$600.00
	Bidder: Darin Halvorson	Bid: \$200.00

Motion by Lien to sell pickup to highest bidder for \$600.00. Merschman seconded, motion carried.

2000 F-550 Bucket Truck	Bidder: Dave Anderson	Bid: \$3,300.00
	Bidder: Darin Halvorson	Bid: \$2,467.00
	Bidder: Daniel Ranisate	Bid: \$2,100.00

Merschman made the motion to reject all bids for the 2000 F-550. Motion was seconded by Lien and carried. Board agreed to advertise truck for sale at set price on the Bagley website.

Motion was made by Lien, seconded by Merschman, and carried to adjourn the meeting.

July 7, 2021

Chairman Thomas Lillegaard called to order a special meeting for the Bagley Public Utilities Commission on July 7, 2021 at 10:00am with Commissioners Dennis Merschman and Stuart Lien present. BPU managers Bill Masterson and Vicky Fletcher, and Zach Thoma from Karvakko Engineering were also in attendance.

Purpose of the special meeting was to discuss the USDA funding offered for the comprehensive water and sewer infrastructure project.

Thoma reviewed the information presented at previous meetings, including the following points:

- calculation of EDU, equivalent dwelling unit;
- estimation of the expenses for O&M and short-term assets in addition to loan payments when determining required revenue;
- factors that contributed to grant determination in funding formula;
- options for rate increases, utilizing spreadsheets from MRWA study, to navigate toward rates recommended by USDA based upon median household income;
- neighboring town rates comparison;
- other grant sources;
- coordinating project in NE Bagley with Clearwater County project for cost sharing;
- and several areas of concern raised by Board members.

Thoma explained Bagley has 30 days to accept the funding offer from USDA, from when Angie Bokovoy with USDA presented it at the June 23, 2021 City Council meeting. BPU/City would then be locked into the quoted rates and the funds would be reserved for the project, however, Bagley would still have option to reject the project and funding if after public hearings and further financial analysis the City Council and BPU Board deem it is not the best option for the city. Thoma will check into timeline specifics for accepting/rejecting the USDA finance package.

Thoma recommended BPU address water and sewer rates regardless of decision Council/Commission reach regarding the USDA funding.

Motion was made by Merschman, seconded by Lien, and carried to adjourn the meeting.

July 14, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on July 14, 2021 at 10:00 am. Also present were Commissioner Stuart Lien, managers Bill Masterson and Vicky Fletcher, and guest Mayor Sidney Michel. Commissioner Dennis Merschman was absent.

Lien made a motion to approve the minutes as written for the meetings held June 16, 2021, June 29, 2021, and July 7, 2021. Lillegaard seconded, motion carried.

Motion to approve the June 2021 expenditures as listed was made by Lien, seconded by Lillegaard, and carried.

Commission reviewed the July 2021 bills. Lien made the motion to authorize payment and Lillegaard seconded. Motion carried.

**Manager Updates:**

New scales have been installed at the waterplant. Hawkins and Filtronics will help BPU to set controls for chemical feeds. Masterson noted the wells are doing fine but will continue to monitor closely with drought issue and heavy draws by construction crews.

Team Laboratory conducted sonar test in sewer ponds to measure sludge accumulation. Masterson waiting for official results but estimates indicate 1.5-2' buildup. Exploring options to eliminate/dispose of sludge.

BPU has been approved for Lump Sum funding and will be notified when to apply for money.

No update on Hwy #92 Project.

Natural gas meeting with Constellation on July 30, 2021 at Fosston will cover pricing and purchase options for quantity locks.

Commission asked about delinquent accounts. BPU received letter from MN Department of Commerce stating utility companies will resume normal collection procedures in August. Board approved for BPU to reinstate penalty assessments and disconnection steps. Fletcher informed Commission assistance for customers with water/wastewater bills in arrears will be available through energy assistance resources starting October 1, 2021.

Masterson reported the new employees are working through natural gas modules to prepare for taking call.

Motion by Lien to accept the 2020 BPU Audit as prepared by Brady Martz. Motion was seconded by Lillegaard and carried. Board tabled decision to adjust the designated funds.

Masterson explained proposal of electrical project converting overhead to underground for approximately two blocks, running the alleys between Main St/Hwy #92 and Clearwater Ave.

Mayor Michel attended meeting to share information on USDA funding proposal. After discussion on other grant opportunities and funding sources, Lien moved to recommend the Council sign the letter of commitment presented by USDA. Motion seconded by Lillegaard and carried.

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

August 11, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on August 11, 2021 at 10:10 am with Commissioners Dennis Merschman and Stuart Lien present. Also attending were managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the regular board meeting held July 14, 2021. Lien seconded, motion carried.

Motion to approve the July 2021 expenditures as listed was made by Lien, seconded by Merschman, and carried.

Commission reviewed the August 2021 bills. Lien made the motion to authorize payment and Merschman seconded. Motion carried.

Masterson shared results of testing at sewer ponds. There is about 1 foot of sludge buildup which equates to approximately 90 days holding capacity. MRWA advised treatment to reduce the buildup versus utilizing mechanical method. Costs for chemical treatment are estimated at \$3,630 for the initial treatment, and \$155 per week for subsequent applications. Commission agreed Masterson should proceed with first application, assess results, and then determine next step.

Masterson has received one quote so far to bore lines for the electric project in alley between Clearwater Ave and Main Ave, waiting for second quote, and has requested proposal from electrical engineer to design the two-blocks conversion from overhead to underground.

The contractor hired to assemble and align new satellite dishes at the headend has completed work. Scott Caouette will finish wiring by September 1<sup>st</sup> deadline. Caouette will attend webinar on August 12<sup>th</sup> for latest updates on lump sum funds.

Cory Koning with Constellation is compiling some numbers to provide information for Bagley to review quantity options and lock in pricing for gas purchases extending to 2028.

Masterson updated Commission on the new employees, and Lien informed others about his meeting with Dan Hendrickson, IBEW and Brian Gunderson.

Merschman moved to charge the Clearwater County Fairboard at regular commercial customer rate of \$6.10 per 1,000 gallons, for water used at the grandstand area during the fair. Motion was seconded by Lien and carried.

Discussion held on USDA infrastructure project and funding. Open house to inform public about project is scheduled for August 31, 2021 from 2:00-7:00pm at the Bagley Public Library. Masterson and Fletcher have met recently with Angie Bokovoy from USDA, Lori Blair from MRWA, and Jason Murray from David Drown Associates, Inc. regarding proposed funding.

## Bagley Public Utilities

Motion by Merschman to formally recommend the City Council sign contract with Karvakko Engineering to proceed with design for the Bagley water and sewer infrastructure project. Seconded by Lien, motion carried.

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

September 22, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on September 22, 2021 at 10:00am. Commissioners Dennis Merschman and Stuart Lien and managers Bill Masterson and Vicky Fletcher were present.

Merschman made a motion to approve the minutes as written for the regular board meeting held August 11, 2021. Lien seconded, motion carried.

Fletcher explained expenditures listed for August 2021 included payment for three invoices that were billed to City instead of BPU. Also, the Powersavers and MPC rebates for one customer were not paid out because the equipment installed did not qualify. Lien made the motion to approve August 2021 expenditures, seconded by Merschman, and carried.

The Karvakko invoice for engineering services on Phase I prompted discussion on USDA project. Motion by Lien to formally recommend the City Council pursue financing with Minnesota Rural Water Association for the midi-loan to cover expenses for engineering design, legal fees, and bidding the project until the temporary loan is effective. In addition, the BPU Commission supports funding the interim/temporary construction loan through MRWA. Motion seconded by Merschman and carried.

Commission reviewed the bills for September 2021. Discussion held on invoices from Thompson Gravel and Northwoods Plumbing & Heating that related to Jane Merschman sewer service repair. Decision made that PBU will pay both bills, but invoice Jane Merschman for Thompson charges of \$1540. Lien made the motion to authorize payment of September 2021 bills and Merschman seconded. Motion carried.

Masterson informed Commission of details for the latest gas lock on price, quantity, and delivery charge.

MNDOT has responded to WSN with three options for proceeding to repair the fernco offset in Hwy #92 sewer main. Masterson recommended having Reiersen Construction take care of repair, and BPU receive payment for deduction as contract allows. Commission agreed, Masterson will inform WSN and MNDOT.

Masterson gave brief update on Lump Sum funding.

One of the primary sewer ponds has been treated with bugs to start process for eliminating the sludge buildup, utilizing theory the bugs will enter second pond through transfer process. BPU should realize cost savings with the change in treatment plan, and eventually reclaimed storage in ponds.

Personnel discussion covered items such as last day for Austin Arvik will be September 24<sup>th</sup>, advertising for lineman position, and two applications received recently.

After consulting with Scott Caouette to confirm there were no contract changes other than subscription price for ESPN and Disney, Fletcher signed the renewal contract through NCTC to meet the deadline. Motion by Merschman and second by Lien to approve Fletcher action. Motion carried.

BPU and the City of Bagley participate in the MMUA Safety Program. Motion made by Lien, seconded by Merschman, and carried to approve the annual contract renewal.

Merschman made the motion to continue participating in the energy conservation program, Powersavers under the guidance of Minnkota Power Cooperative, through 2022. Motion was seconded by Lien and carried.

Commission reviewed July 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.

October 13, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on October 13, 2021 at 10:00am. Present at the meeting were Commissioners Dennis Merschman and Stuart Lien, and managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the regular board meeting held September 22, 2021. Lien seconded, motion carried.

Lien moved to approve September 2021 expenditures as listed. Motion was seconded by Merschman and carried.

Commission reviewed the bills for October 2021. Lien made the motion to authorize payment of October 2021 bills and Merschman seconded. Motion carried.

Discussion held regarding workforce situation, open positions, and advertising for help. Commission agreed Masterson should post notice for Licensed Utility Worker.

Masterson explained request for new policy mandating by-pass meter bases for all new and replacement installations. Motion made by Merschman to adopt Resolution #2021-01 effective immediately. Motion seconded by Lien and carried.

MNDOT notified Masterson that Reierson Construction has contacted a company to line the ferro offset in Hwy #92 sewer main, and work is scheduled to be done yet this fall.

Commission discussed BPU transformer deposit policy for new three phase services, and specifically the Bagley Hwy #2 Car Wash deposit. Fletcher presented spreadsheet that detailed option of refunding the deposit on percentage basis, as a ratio of actual usage compared to required usage. Motion by Merschman to refund the Bagley Hwy #2 Car Wash deposit based on annual percentages, adjusting for years 2019 and 2020, then adding 2021 calculation. Motion was seconded by Lien and carried.

Masterson outlined proposal for a revised policy to guide BPU when customer requests new, three phase, electrical service. Merschman made the motion and Lien seconded to adopt Resolution #2021-02 which implements the revised policy effective immediately. The Three Phase Power Policy will be added to the BPU Handbook for Operations and supersede any previous policies regarding three phase service installation. Motion carried.

Commission reviewed August 2021 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.

November 16, 2021

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on November 16, 2021 at 10:00am. Present at the meeting were Commissioners Dennis Merschman and Stuart Lien, managers Bill Masterson and Vicky Fletcher, and guests Mayor Sydney Michel and Loren Solberg.

Solberg attended the meeting to present an option for Bagley to contract his services as a lobbyist. Solberg explained the basics of how he could help Bagley reach out to legislators for funding possibilities. He began his presentation by sharing his background and qualifications, and concluded with contract terms and pricing. Solberg left the meeting at 10:45am.

The Commission and Mayor discussed Solberg's proposal weighing benefits and costs. Michel left the meeting at 11:00am.

Merschman made a motion to approve the minutes as written for the regular board meeting held October 13, 2021. Lien seconded, motion carried.

Lien moved to approve October 2021 expenditures as listed. Motion was seconded by Merschman and carried.

Commission reviewed the bills for November 2021. Lien made the motion to authorize payment of November 2021 bills and Merschman seconded. Motion carried.

At the recent NMPA Board meeting, Star Energy, a company that works with alternative energy power and interconnections, introduced options for the municipalities to update current policies or contract for maintenance services on an annual basis. Masterson suggested BPU consider the offer as BPU lacks expertise in this area and, because there are grant funds available, Bagley could soon have customers engaging in the technology. Merschman made a motion to go with annual contract for Star Energy services at quoted price of \$2800. Motion was seconded by Lien and carried.

Masterson updated Commission about several ongoing issues including Hwy #92 sewer main repair, ponds operation, and pending Lump Sum monies.

Discussion held regarding workforce.

NBCU contract through NCTC is due for renewal in December. The only channel in Bagley lineup from the NBCU package is Bravo. Board requested channel go dark until next month to determine customer interest before making a renewal decision.

Motion by Merschman and second by Lien to renew the Hallmark Channel contract through NCTC. Motion carried.

Fletcher reviewed the financial reports including a 2021 budget and comparison year-to-date through September.

Motion made by Merschman to adopt Resolution #2021-03 increasing water and sewer base charges by \$2 for all customers effective January 15, 2022. Motion seconded by Lien and carried. Copy of Resolution 2021-03 to be included with these minutes.

Fletcher presented proposal for rate increase on electric facility charges. Lien made the motion Merschman seconded, to adopt Resolution #2021-04 effective January 15, 2022 increasing the facility charge by \$2 for residential, single and three phase commercial customers. Motion carried. Copy of Resolution 2021-04 to be included with these minutes.

Commission asked Fletcher to contact Rep. Matt Grossell and setup special meeting to discuss Bagley's pursuit of MN bonding funds for the infrastructure project.

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 15, 2021



Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on December 15, 2021 at 10:00am. Also present were Commissioners Dennis Merschman and Stuart Lien, and managers Bill Masterson and Vicky Fletcher.

Merschman made a motion to approve the minutes as written for the regular board meeting held November 16, 2021. Lien seconded, motion carried.

Lien moved to approve November 2021 expenditures as listed. Motion was seconded by Merschman and carried.

Commission reviewed the bills for December 2021. Lien made the motion to authorize payment of December 2021 bills and Merschman seconded. Motion carried.

Masterson hired Christopher Podlak as an apprentice lineman. Podlak started work on December 1, 2021 at \$23.00 per hour with six month probation.

Masterson briefed Commission on latest with Lump Sum funding and plans to upgrade BPU internet.

Masterson clarified the annual costs for Star Energy services, a company BPU can contract to manage legalities for inter-connected loads. Masterson will complete paperwork to finalize agreement.

Merschman made a motion to approve hiring Podlak under terms established by Masterson. Motion was seconded by Lien and carried.

Commission discussed remaining open position, application received, and re-advertising for the position. Board decided to advertise locally for another two weeks, with wording to include “utility worker” and “experience with natural gas, municipal water or sewer systems helpful”.

Commission discussed wages. Scott Caouette and Brian Gunderson will receive 2.25% raise effective January 1, 2022 per union contract, and additional \$1.00 per hour for Caouette as approved in 2021. Masterson will recommend increases for Podlak in 2022 as he completes required training.

Motion by Lien to set Fletcher salary for 2022 based on \$32.00 per hour. Lien expanded motion to increase office staff wages for Levi Gray and Natalie Olson by 2.25%. Merschman seconded and motion carried.

Commission discussed options to seek funding for the water and sewer infrastructure project beyond the package offered by USDA. Points of interest covered the following items.

Fletcher is working with Karvakko Engineering to submit application to MN PFA to determine eligibility for grants available to use on water portion of the project.

Merschman asked for a Board decision on hiring a lobbyist to assist Bagley in seeking funds through MN Legislature. Board did not approve.

Fletcher has contacted Rep. Matt Grossell. Rep. Grossell is willing to help the Bagley campaign and requested information in writing about the project. Bagley should compile and Bagley Public Utilities

create an informative brochure, to provide data on the city of Bagley and the proposed project in a concise format.

Masterson informed the Commission that construction costs have increased and the bids for Phase I of the project may exceed original estimates even with contingency allowance.

Motion by Lien and second by Merschman to adopt the Procurement & Conflict of Interest Policy recently adopted by the City Council. Motion carried. Copy of policy added to BPU Handbook.

Board directed Fletcher to not renew NBCU contract through NCTC and to check into other news channel options.

Fletcher presented a schedule of 2022 meeting dates. Motion made by Merschman to approve dates, seconded by Lien, and carried.

Commission agreed to recommend City Council re-appoint Merschman for another term on BPU Board.

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