

Bagley Public Utilities
Commissioners Meeting
July 19, 2023

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on July 19, 2023 at 10:00am. Also present for the meeting were Commissioners Dennis Merschman and Stuart Lien, managers Bill Masterson and Vicky Fletcher, and Mike Karvakko via zoom.

Karvakko reported on construction progress in Phase I of Bagley water and sewer infrastructure project and status of \$7.2 million matching grant through state bonding funds. Bagley is waiting to receive an agreement from MN PFA that will provide instructions and details to proceed with disbursements from the award. According to MaryJane Schultz from MN PFA, the grant will cover construction costs beyond Phase I, with other expenses paid through RD/USDA funds. Phase II and Phase III will be combined and revised into three contracts to enable bidding by contractors qualified for the specific jobs.

Construction is on schedule with no significant issues to address. Karvakko estimated City of Bagley will borrow \$8.35 million for total project. Karvakko projected bid timeframe for remaining work to be February 2024 with construction starting in spring 2024. Karvakko left the meeting at 10:15.

Merschman made a motion to approve the minutes as written for the regular board meeting held June 14, 2023 and the special meeting held jointly with City Council on June 28, 2023. Lien seconded, motion carried.

Board reviewed the list of June 2023 expenditures and Lien moved to approve list as presented. Motion was seconded by Merschman and carried.

After the July 2023 invoices were discussed, Merschman made a motion to authorize payment of the July bills. Lien seconded, and motion carried.

Motion by Lien and second by Merschman to approve the draw #6 from interim loan funds for \$384,378.80. Funds will cover eligible expenses on Reiersen Construction Pay App #4. Motion carried.

Fletcher highlighted points from 2022 BPU Audit. Motion to accept the report from Brady Martz made by Merschman, seconded by Lien, and carried.

Department updates from Masterson:

- Well Head Protection plan is in year 8 of 10 and will need to be updated. Masterson will hire firm to renew plan;
- applied to state for funding to hire Karvakko to compile data for lead pipe water services database to comply with state mandate; and
- hired Dennis Danielson, MMUA, for proposed quote of \$1760 to work with Northern Pipeline to qualify two workers to work/weld on steel line in Bagley system and unify procedures for thirteen towns.

Merschman moved to approve purchase of 2016 Ford F250 truck with utility box from Michels Pipeline for \$17,500.00. Lien seconded, motion carried.

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Merschman made the motion to approve hiring Duane Lewis effective July 10, 2023 as licensed utility worker for six-month probation at 90% of full wage. Motion was seconded by Lien and carried.

Discussion held on updating BPU handbook for employees.

Fletcher asked Commission to adjust the wind energy rate effective May 1, 2023 to agree with NMPA 2023 Wholesale Rate. Motion by Lien and second by Merschman to adjust the rate as requested. Motion carried.

Board reviewed the financial reports for April and May.

Board discussed implementing a program, financed through BPU, to help customers that own their home and need to replace sewer service lines in the project area. Board decided not to pursue as future repairs should not disturb new street.

Masterson informed Commission that a customer, a business owner, has incurred large past due balance. Commission discussed collection options and suggested managers consult with attorney Stephen Larson.

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

Thomas Lillegaard, Chairman

Attest:

Vicky Fletcher, Business Manager