

Bagley Public Utilities
Commissioners Meeting
June 16, 2025

Chairman Thomas Lillegaard called to order the regular meeting of the Bagley Public Utilities Commission on June 16, 2025 at 10:00am with Commissioners Dennis Merschman and Stuart Lien present. Also at the meeting were managers Bill Masterson and Vicky Fletcher, Allison Brooks, and guests City Clerk Lyle Mathison, Mayor Duane Lewis, and Dave Berg.

Berg, contracted by BPU to perform an electric rate study, attended the meeting to present his report and recommendations to the Board. Berg explained two key points reviewed in a study are the effects on cash balances and cost of service as rates relate to costs for customer types. Berg stated the cost of service for Bagley's current rate structure is proportionate. Berg summarized the results that to maintain sufficient cash, BPU should consider implementing a 2.5% annual increase across all rates, although he suggested a slightly higher adjustment to ripple rate for the first year. Wholesale power rates were discussed briefly. Berg left the meeting at 10:25.

Motion made by Merschman to approve the minutes as written for the regular board meeting held May 14, 2025 and the special meeting on June 6, 2025. Motion was seconded by Lien and carried.

May 2025 expenditures were reviewed. Motion by Lien and second by Merschman to approve the May 2025 checks written and electronic payments as presented. Motion carried.

The Commission discussed invoices submitted for payment in June. Lien made the motion to pay all June bills as listed. Merschman seconded and motion carried.

Motion by Merschman to approve the consent agenda for items related to the water/sewer project including 1) Reierson Construction Pay App #6 on Phase 2/3 for \$613,699.38; and 2) Request #6 from MN PFA for grant funds in the amount of \$643,901.38. Motion was seconded by Lien and carried.

Manager updates:

- Due to weather delays for the contractor, the water tower project will not begin until after July 4th. Reierson plans to start work June 19th for Phase V with tie-ins work on Getchell, then will continue to Gordon, Geary, and Brown once de-watered. Work at the sewer ponds is expected to start around July 1st.
- Masterson distributed reports from Team Lab to show results from using "bugs" to treat the sludge problem at sewer ponds and associated monthly costs. The process has been effective in maintaining present influent and reducing accumulated sludge. MRWA concurs with the reports and results. Masterson recommends BPU continue with weekly treatment.

- New underground electric and cable distribution lines along with services have been installed on Brown Street. BPU will work on wrecking out old equipment and setting poles for streetlights.

All joined an open discussion of combining the utility and street departments into one as the public works, primarily to help with on-call rotations. Board also discussed advertising options to hire a lineman.

Motion by Merschman to approve hiring William Gray and Charles Kaiser as summer employees at \$12.00 per hour. New employees started May 23, 2025. Motion was seconded by Lien and carried.

Board discussed BPU continued participation in Powersavers program. Merschman made the motion to end BPU participation in Powersavers program effective January 1, 2026. Lien seconded and the motion carried.

Commissioners reviewed financial reports for April 2025.

The Board reviewed electric rates and increases recommended by Berg. Motion by Lien to raise all kWh rates by 4%, with exception of the ripple rate going to .07. Facility charges will also increase to \$21.00 for residential and \$31.00 for commercial and three phase services. Motion was seconded by Merschman and carried.

Mathison has contacted Banyon to present a software demonstration for utility billing options and fund accounting package for all interested City staff, Council and BPU Board members. A virtual meeting will be scheduled for June 20, 2025.

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

Thomas Lillegaard, Chairman

Attest:

Vicky Fletcher, Business Manager