

Present: Mayor Steve Stotko
Council Member Tom Ollig
Council Member Bonnie Quast
Council Member Dave Mochinski
Council Member George Schulenberg

Staff Present: Brad Martens, City Administrator
Amanda Zeidler, Utility Billing and Payroll Clerk

1) Mayor Stotko called the meeting to order at 6:00 p.m.

- a) The Pledge of Allegiance was taken.**
- b) 125th Anniversary Momentous Writing Donation**

Mayor Stotko accepted a donation of a 125th Anniversary Momentous Writing in honor of the City of Winsted's 125th Anniversary from Ms. Pam Fiecke.

2) Consent Agenda

Council Member Mochinski made a motion to adopt the Consent Agenda as presented. Council Member Schulenberg seconded the motion. Motion carried 5-0.

- a) Minutes – City Council – Work Session – March 6, 2012**
Approved the minutes of the March 6, 2012 City Council Work Session.
- b) Minutes – City Council – Regular Meeting – March 6, 2012**
Approved the minutes of the March 6, 2012 Regular City Council Meeting.
- c) Minutes – February 8, 2012 Winsted Planning Commission Meeting**
Approved the minutes of the February 8, 2012 Winsted Planning Commission Meeting.
- d) Minutes – February 14, 2012 Winsted Municipal Airport Commission Meeting**
Approved the minutes of the February 14, 2012 Winsted Municipal Airport Commission Meeting.
- e) Minutes – December 13, 2011 Winsted Park Commission Meeting**
Approved the minutes of the December 13, 2011 Winsted Park Commission Meeting.
- f) Resolution R-12-07 – Reestablishing Unchanged Precincts and Polling Places**
Adopted Resolution R-12-07 – Reestablishing unchanged precincts and polling places for the City of Winsted.
- g) Reschedule Public Hearing – Building Permit Fee Schedule Amendment**
Rescheduled a Public Hearing that was scheduled for Tuesday, March 20, 2012 to Tuesday, April 17, 2012 at 6:00 p.m. at the Winsted City Hall Council Chambers, 201-1st Street North, Winsted, Minnesota, 55395 to consider amendments to the Building Permit Fee Schedule.

h) February, 2012 Financial Report

Approved the February, 2012 Financial Report.

i) February, 2012 Building Permit Report

Approved the February, 2012 Building Permit Report.

j) Claims

Approved the claims list for March 20, 2012.

3) No Public Hearings.

4) No Old Business.

5) New Business

a) Vollmer Room Use – Winsted Arts Council

Martens stated that this item was briefly discussed at the City Council Work Session, and members of the Winsted Arts Council were in attendance. Martens stated that the City Council is responding to a request that was made at the March 6, 2012 City Council meeting, under the Open Forum section of the agenda, for the Winsted Arts Council to use of the Vollmer Room at City Hall at no charge to provide art classes. He added that a nominal fee would be charged for the classes to cover the cost of supplies and the instructor, and the Winsted Arts Council would not receive any net profit from the event.

Martens stated that the City Council decided that the intent and the wording of the Vollmer Room Use Policy does allow for the Winsted Arts Council to have classes in the Vollmer Room and charge fees to strictly cover the expenses of the class itself, and the fees do not generate any net profit. He added that with that intent, the City Council does not need to make any determinations, and the Vollmer Room Use Policy can be left as it is.

b) Uncollected Special Assessments

Martens stated that in 2002, Resolution 388-06-04-02 was adopted to assess the cost of improvements to Winsted on the Lake, second (2nd) and third (3rd) additions. The improvements included the installation of new sanitary sewer and a water trunk line, and the installation of a new bituminous surface on Zion Avenue. Martens stated that there were a total of thirty (30) properties that were assessed for the improvements, and twenty-two (22) of the properties paid the assessment in full prior to going on the tax rolls. Martens stated that there are eight (8) remaining properties that chose to pay for the assessment over a ten (10) year period.

Martens stated that there are two (2) parts to the assessment. The sanitary sewer and water trunk line assessment included an interest-only payment for 2003 and 2004, followed by an interest and principal payment from 2005 to 2012. He added that this project was assessed at an eight percent (8%) interest rate. The bituminous portion of the special assessment included a principal-only payment from 2003 to 2012.

Martens stated that the resolution was submitted to McLeod County in 2002, with instructions to follow the previously outlined payment schedule. During the 2010 Audit, completed in 2011, assessment documents were reviewed and it was noticed that McLeod County did not begin principal collection on the sanitary sewer and water trunk line assessment in 2005, as instructed. An interest-only payment of sixty dollars (\$60) was collected each year, instead. Martens noted that the only reason the City's auditor caught the error during the 2010 audit is due to a new, more detailed assessment form that was received from McLeod County beginning in 2010.

Martens stated that there is a deficit in the amount of \$540 per assessed property, for the sanitary sewer and water trunk line. He added that the bituminous overlay was assessed as it should have been, so there is no issue with that assessment. Martens outlined the thirty (30)

properties that were originally assessed, the eight (8) properties that have outstanding assessments, as well as the assessment roll for the project.

Martens stated that City staff has spoken to the City Attorney, the League of Minnesota Cities, and McLeod County regarding this issue. He stated that the City Attorney made a recommendation to send a "demand letter" to McLeod County for the remaining assessment; the League of Minnesota Cities made a recommendation to use the Supplemental Assessment Process under Minnesota Statute 429.071; and McLeod County made a recommendation to follow the recommendation that was made by the League of Minnesota Cities.

Martens stated that City staff recommends that the City Council follow the Minnesota Statute for the Supplemental Assessment process, in the amount of \$540 for each of the remaining eight (8) properties. He added that City staff is also making a recommendation to charge no additional interest to the property owners, since it was a mistake that was made by McLeod County for the total that was not assessed. Martens also stated that the City Council could set a three (3) to four (4) year term; however, the term length can be decided in the future.

Martens stated that a Supplemental Assessment requires a notification process for each of the property owners, and it also requires a public hearing, so each of the property owners will have the opportunity to speak to the City Council. Martens stated that the City Council will have the opportunity to work through this project in 2012, since the assessments for 2012 have already been designated.

Ollig asked Martens if it is his intention to personally contact each of the home owners. Martens stated that he will personally contact each of the home owners, and added that there is at least one property that is bank owned, and the owner versus renter situation may be difficult; however, the owner is the person responsible for paying the assessment. He stated that he will attempt to contact each of the eight (8) property owners by the next City Council Meeting on April 3, 2012.

Council Member Ollig made a motion to direct City staff to begin the Supplemental Assessment process for uncollected assessments from Resolution 388-06-04-02. Council Member Quast seconded the motion. Motion carried 5-0.

6) No Organization Report.

7) Department Reports

a) Metro West Inspection Services, Incorporated

Martens stated that the Building Inspector's report has been postponed until an April, 2012 City Council Meeting.

b) PeopleService, Incorporated

Doug Rainforth and Paul Christensen were present to give a report on behalf of PeopleService, Incorporated. Rainforth informed the City Council that he is the new Central Region Manager, and has filled the position that was previously held by Dan Wroge. He stated that it is his intent to continue on with the high level of communication and service that Dan Wroge provided. Rainforth reviewed his personal and professional background for the City Council and stated that he has worked in municipal and industrial services. Rainforth added that he appreciates what Winsted has to offer in regards to staffing and equipment.

Rainforth stated that the new wastewater treatment permit that was issued in December, 2011 triggered a mechanism within the contract with PeopleService, Incorporated that had been anticipated and has been in effect since January 1, 2012. He stated that there is also a contract modification that will be developed and brought before the City Council. Rainforth stated that he will be working with Martens to develop the new contract, and the tentative date for the City Council to review the contract is May 1, 2012.

Rainforth stated that the wastewater treatment permit mainly affects the phosphorous limits and the process for chemical treatment. He added that engineering studies have been

performed, and it is agreed by all that the limits can be achieved through chemical treatment. Rainforth stated that the timeline is viable to achieve the treatment limits by the June 8, 2012 deadline.

Rainforth stated that another action that is required with the new permit is the decommissioning of the treatment ponds at the Wastewater Treatment Facility (WWTF). He stated that there are scheduled events to achieve this, and they will need to monitor and produce documentation regarding this activity for the Minnesota Pollution Control Agency (MPCA). Rainforth commented that PeopleService, Incorporated does not see anything that is unachievable at this point.

Rainforth stated that the City of Winsted is involved in a very exciting opportunity to produce income for the City in a wastewater application, with the acceptance of landfill leachate at the WWTF. Rainforth added that he is highly confident that this program will continue and it will continue to generate revenue for the City. Rainforth stated that one caveat is that they have experienced some staining in the water, and there is a potential impact on the ultraviolet (UV) light transmittance that is used for bacteria control in the summer months. He added that the UV light is currently being implemented and tested, and he has a high level of confidence that the program will continue without any issues.

Rainforth stated that there is a possibility of accepting more leachate in the future, based on the treatability of the leachate, and the equipment needed to maintain compatibility with the treatment process. He added that the revenue generated from this program could be approximately \$20,000 per year. Christensen commented on the leachate program that has been in effect since early January, 2012. He stated that PeopleService, Incorporated has done some sampling to make sure that the product was similar to what was marketed, and it was very close to what was anticipated. Christensen added that a composite sample was taken from approximately twenty (20) loads and sent to the lab and analyzed for all of the metals that need to be monitored for the bio-solids program. Christensen stated that the sample results came back exceptionally clean, and they were very pleased.

Christensen stated that the only thing that is hesitant about the leachate program is the staining that is in the effluent, and the staining is not elevating any levels, so the only question is whether the staining will allow the light to transmit through it that the UV system needs. Christensen reiterated that the UV system is being implemented early to alleviate any problems before the actual limit is in effect. Christensen stated that the leachate program has been very successful so far and PeopleService, Incorporated will continue to monitor the program to make sure that it does not become an issue for the City of Winsted.

Rainforth stated that the projected chemical cost for phosphorous removal, which is already addressed throughout the WWTF is approximately six dollars (\$6) per load of leachate, or approximately six (6) or seven (7) percent of the income. He added that aeration costs are negligible, and there is some sampling and labor costs, so the anticipated cost for the City is approximately \$200 per month in additional sampling. Rainforth stated that the income per month is approximately ninety dollars (\$90) per day, five (5) days per week. Mochinski asked if there are still costs involved if no leachate loads are received. Rainforth stated that the costs are treatment or sample related, and are only incurred when loads are received.

Ollig asked if the leachate program is being implemented in any other cities that contract with PeopleService, Incorporated. Christensen stated that septage is being accepted at other facilities, but not leachate. He added that the primary goal is to cover the City's investment and utilize the extra capacity that is available at the WWTF. Christensen stated that there has been no additional investment from the City of Winsted up to this point, and as the program moves forward, PeopleService, Incorporated will have to re-evaluate what is necessary, and then the City Council can weigh the potential gains against the potential expenditures, and decide if it makes sense to proceed with the program.

Mochinski asked for clarification regarding the proposed upgrade at the WWTF. Martens stated that there has been some discussion of investing in a storage tank at the WWTF to receive a significant amount of leachate at one time, and then slowly introduce the leachate into the system throughout the day, rather than all at one time. Martens added that there could perhaps be a joint equipment purchase between the landfill and the City of Winsted,

which essentially allows the WWTF to accept a larger amount of leachate and slowly inject it over time.

Rainforth stated that one of the challenges with a biological treatment system is that it relies on living organisms to decompose the waste, and if the leachate can be dispensed over a twenty-four (24) hour period, the biomass is much more capable of treating the leachate without a negative impact. Rainforth stated that a holding tank and dispensing mechanism would be the only type of infrastructure needed to increase the amount of leachate that can be accepted at the WWTF. Quast asked for the approximate cost of a holding tank and dispensing mechanism. Rainforth and Christensen stated that it is early in the program, and there are other items that will need to be addressed before any items are purchased for the infrastructure of the WWTF. Christensen added that they will take time to fully inform the City Council of any cost measures or modifications in the future. Martens stated that if an investment would be made, the City would require an agreement with the landfill asking them to guarantee revenue for the City over a period of time.

Schulenberg asked if there are any conflicts with any state or federal guidelines to have an additional tank installed. Rainforth stated that there are no conflicts. Stotko asked if the City of Winsted is the only WWTF that accepts leachate. Christianson stated that every landfill hauls leachate to a facility for processing. The reason the City of Winsted is involved is due to the location geographically, and the proximity to the landfill. Christensen stated that the leachate program is new for Winsted; however, it is not new to the industry.

Martens asked how many gallons of leachate have been hauled to the WWTF. Christensen stated that sixty (60) loads have been hauled so far with 6,000 gallons per load, for a total of 360,000 gallons. Martens stated that the City budgeted revenue for 400,000 gallons for 2012.

Mochinski asked for clarification regarding the City Council report that was received from PeopleService, Incorporated. Rainforth explained that they provide a report based on the current year, and also provide information from the previous year to offer a comparison. Mochinski asked for clarification regarding a spike in the phosphorus levels in February, 2011. Christensen stated that there was an anomaly in which they suspected that one of the industries dumped a high phosphorous item into the wastewater system. He added that a letter was mailed to the industries at that time, to communicate that if they have a spill, they should notify the WWTF so they can deal with the spill. Christensen stated that planning should not be based on the high level of phosphorus in February, 2011. He added that if the high level is found with testing, additional chemical can be added to resolve a high load that comes in to the plant.

Mochinski asked if large amounts can be caught before entering the WWTF. Christensen stated that it cannot be discovered before entering the WWTF, but it can be tested and treated while it is being processed in the plant. Mochinski asked if the City of Winsted can be penalized if the plant is in violation and expels a higher level of phosphorous, once the upgrade has been made at the plant. Christensen stated that the City is required to meet its permit limits, and there could be penalties if the City maintains a history of not maintaining the permit limit. He went on to explain that a one-time event is usually not an issue, because there is only so much a City can control; however, if there is a repeated history that the City is not dealing with the issue, then there may be penalties involved.

Christensen stated that there will be a limit of one (1) milligram of phosphorous per liter as of June 8, 2012, and the limit will be reduced to .06 milligrams per liter in 2023. He stated that the engineer has done a fantastic job of planning for the future phosphorous limits, and there is plenty of time to upgrade the WWTF before the phosphorus limits are imposed.

8) **No Open Forum.**

9) **No Announcements.**

10) **Adjournment**

Council Member Quast motioned to adjourn the meeting. Council Member Schulenberg seconded the motion. Motion carried 5-0. The meeting adjourned at 6:41 p.m.

Steve Stotko

Steve Stotko
Mayor
City of Winsted

ATTEST:

Amanda Zeidler

Amanda Zeidler
Utility Billing and Payroll Clerk
City of Winsted