

City of Winsted
City Council Work Session
Lewis Room
Tuesday, July 19, 2016
5:00 p.m.

Present: Mayor Steve Stotko
Council Member George Schulenberg
Council Member Bonita Quast
Council Member Patty Fitzgerald

Absent: Council Member Tom Ollig

Staff Present: Mr. Daniel Tienter, City Administrator
Ms. Raquel Kirchoff, City Clerk-Treasurer

Also Present: Mr. Fran Eggert, City Attorney
Mr. Jake Saulsbury, Bolton and Menk, Incorporated
Mr. Shannon Sweeney, David Drown Associates

I. Call to Order

Mayor Stotko called the meeting to order at 5:00 p.m.

II. Wastewater Treatment Facility Improvements

Mr. Tienter provided background information regarding the Wastewater Treatment Facility Improvements (WWTF) project, stating that the City was issued a National Pollutant Discharge Elimination System (NPDES) Permit from the Minnesota Pollution Control Agency (MPCA) and that initiated a 30 day comment review period. During that comment period, the Minnesota Center for Environmental Advocacy filed a petition for a contested case hearing which began approximately eight to nine months of review by the MPCA. This review resulted with the MPCA's denial of the contested case hearing. A 30 day appeal window then followed with the petitioner filing an appeal, which halted the WWTF Improvements project.

Mr. Tienter stated that City staff, the City Attorney, and the City Engineer have been investigating what, if anything, the City can proceed with for the WWTF project in the interim while the appeal is pending.

Mr. Tienter stated that an estimated timeline for a decision on the appeal is 10-12 months.

Mr. Fran Eggert and Mr. Jake Saulsbury reviewed the reason why the Minnesota Center for Environmental Advocacy filed an appeal. They stated that the Minnesota Center for Environmental Advocacy wants the phosphorus limits to be as low as possible and because the City's plan is to route to Crane Creek versus South Lake, this gives the City a slightly higher limit which they are not satisfied with.

Mr. Saulsbury reviewed the proposed options regarding the WWTF Improvements project.

Option 1 – Do nothing until the appeal process is complete.

Mr. Saulsbury stated that the risk with proceeding with this option is that if there are further maintenance issues and failures at the WWTF there may be issues with operations at the facility and meeting the discharge permit limits.

Option 2 – Proceed with the construction as planned with the low bid from Di-Mar Construction.

Mr. Saulsbury stated that the major risk with this option is that if the MPCA loses the appeal and the City's permit ends up being modified or changed, parts of the project may not be usable such as the new discharge location which includes a new lift station and forcemain.

Option 3 – Proceed with a modified construction contract.

Mr. Saulsbury recommended the City not proceed with any portions of the project that deal with phosphorus limits such as the lift station and the new discharge point. Mr. Saulsbury stated that there are items that the City could move forward with at this point such as maintenance items (ditch rotors, clarifiers, piping, pumps, etcetera) that are in need of repair. He also stated that the pond decommissioning project could be completed. Mr. Saulsbury stated that Bolton and Menk, Incorporated would like to review the scope with People Service and City Staff for Option 3.

Council Member Fitzgerald asked how the entire project was planned to be financed. Mr. Tienter stated through bond proceeds and a \$2.5 Million Dollar Point Source Implementation Grant. Council Member Fitzgerald asked how a partial project would be financed. Mr. Tienter stated that the City would likely go through two bond issuances.

Mr. Sweeney, David Drown Associates stated that fees would be an estimated \$15,000-\$20,000 in extra cost for two bond issuances. Mr. Sweeney continued by stating that this amount could be offset because if the City borrowed the entire \$4,000,000 in one bond and held that large amount of money for the entire construction term, an interest expense would accrue.

Mr. Sweeney stated that the City should determine what the costs would be to re-bid the project, what the costs would be for mobilization and what the costs would be for additional engineering and decide if those costs are acceptable to move forward with a partial project at this point in time.

Mayor Stotko stated that if the City chose the option to do nothing at this point, would there be funds to keep the facility running if there was a failure. Mr. Tienter stated that would depend on the nature of the failure. He continued by stating that the 2015 Audit showed a Sewer Fund balance of approximately \$390,000 which would not go far for repair.

The City Council Members directed City Staff and the City Engineer investigate Option 3 further to proceed with a partial project.

Mr. Saulsbury stated that he and Mr. Tienter would schedule a meeting with City staff and People Service, the City's WWTF operator, to identify the project scope of proceeding with Option 3, a modified construction contract. The project scope would be discussed with the current contractor, Di-Mar Construction and more information would be brought back to the City Council.

III. Park Improvements Project Financing

Mr. Tienter stated that the City Council has been discussing the Campbell Field Improvements Project and the Kingsley Street Area Improvements Project bonds during City Council Work Sessions and that Council Member Ollig had asked if there was an opportunity to bond for some type of park improvement funding with the Kingsley Street Area Improvements bond. Mr. Tienter stated that the option is available to bond for an additional \$100,000 through tax abatement bonding authority.

Mr. Sweeney stated that if the City Council would like to pursue this option, a resolution is included to call for a Public Hearing with regard to the issuance of tax abatement bonds. Mr. Sweeney continued by stating that part of the Kingsley Street Area Improvements bond would become a tax abatement bond and that the City would be issuing for two projects. Mr. Sweeney stated that borrowing the \$100,000 in combination with the Kingsley Street Area Improvements bond would save the City money in comparison to borrowing \$100,000 separately.

Mr. Tienter stated that City staff was directed to work with the Winsted Baseball Association to explore alternatives for Campbell Field. He continued by stating that the City did receive a list of project elements from the Winsted Baseball Association that the City Engineer and Architect have reviewed; however, a revised Campbell Field Improvements project and cost is not yet able to be determined or to be reviewed.

Mayor Stotko stated that if the City Council decides to bond for an additional \$100,000, he is not in favor of all of the funds going toward Campbell Field. Other park improvements should have a priority for the funds.

Mr. Tienter stated that City staff is contemplating an equipment certificate in the future for a vehicle for the Winsted Volunteer Fire Department. The opportunity to bond for additional park improvement funds would occur at the time of this certificate also. Mr. Tienter stated that City staff does not recommend to bond for an additional \$100,000 at this time because a project has not been identified for the funds and because the opportunity to acquire funds will exist if the City bonds for the Winsted Volunteer Fire Department vehicle.

The City Council members directed the additional \$100,000 be removed from the Kingsley Street Area Improvements bond.

Mr. Tienter stated that City staff would continue to work with the Winsted Baseball Association toward a revised Campbell Field project that would be considered by the Winsted Park Commission and then brought to the City Council for its consideration.

IV. Other

a.) Point Source Implementation Grant

Mr. Tienter stated that the Consent Agenda was amended for the regular City Council meeting to resubmit the Point Source Implementation Grant for the Wastewater Treatment Facility.

b.) Dangerous Dog Hearing- August 2, 2016 City Council Meeting

Mr. Tienter stated that City staff received an appeal to a Dangerous Dog letter that was issued and a hearing will take place regarding this dog at the August 2, 2016 City Council meeting.

c.) Aerator-Winsted Lake

Mr. Tienter stated that electrical service will be added near the Kingsley Street Lift Station for an additional aerator to be placed in Winsted Lake near the Kingsley Street Lift Station. The City will pay to install the service and for the electricity for the aerator.

d.) Kingsley Street Area Improvements Project

Council Member Schulenberg and Mayor Stotko stated that they are pleased with the customer service of the contractors during the Kingsley Street Area Improvements project.

e.) Filing for City Offices

Ms. Kirchoff stated that the filing open date for City Offices, to include Mayor and three City Council Members, was soon and that she would provide the City Council Members with the opening and closing dates. Mayor Stotko stated that the dates were published in the Herald Journal.

V. Adjourn

Council Member Quast motioned to adjourn the meeting. Council Member Fitzgerald seconded the motion. Motion carried 4-0.

The meeting was adjourned at 5:55 p.m.

Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff, CMC
City Clerk-Treasurer
City of Winsted