

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, MAY 7, 2019 –6:30 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Johnson at 6:30 p.m.

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Spencer, Grotting, McCoy and Betts

ABSENT: None

STAFF: City Administrator Kaltsas, City Administrative Assistant Horner, City Attorney Vose

VISITORS: John Zitzloff, Terry and Paula Brown, Randy Miller, John Baer, Duane Schlosser, Karen Schlosser, Tim and Laura Walker, Joe Baker, Tom and Sheila Snook

4. ****Consent Agenda****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council Minutes from the April 16, 2019 Regular City Council meeting.
- b. Approval of Accounts Payable; Checks Numbered 18810-188842
- c. Large Assembly Permit for the Tour de Tonka Bike Race (August 3rd, 2019)

Motion by McCoy, second by Betts to approve the Consent. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

Sewer Discussion- various residents

6. REPORTS OF BOARDS AND COMMITTEES BY COUNCIL AND STAFF

Spencer attended the following meetings:

- Planning Commission Meeting
- City Council Workshop
- Public Works Director candidate interviews
- Loretto Fire Department Pancake Breakfast
- Lake Sarah Improvement Association Annual Meeting
- Clean-Up Day

Grotting attended the following meetings:

- City Council Workshop
- Mediacom Meeting

McCoy attended the following meetings:

- Planning Commission Meeting
- Public Works Director candidate interviews
- Loretto Fire Department Pancake Breakfast
- Highway 12 Safety Coalition Meeting

Betts attended the following meetings:

Johnson attended the following meetings:

- Commissioner of Transportation Meeting with Kaltsas and Delano Mayor and staff
- Mound Senior Living Community Open House
- Orono School Board Workshop
- Senior Community Services Finance Committee Meeting
- City Council Workshop
- Highway 12 Safety Coalition Meeting
- Metro Cities Annual Meeting
- Minnesota Prayer Breakfast
- Mayors Meeting in Stillwater
- Love Inc Annual Gala
- Judge at the FFA Conference
- West Hennepin Electric Cooperative meeting
- Loretto Fire Department Breakfast
- LICA Ice Cream Social
- Highway 12 Design Team Meeting

Horner attended the following meetings:

- Planning Commission Meeting
- Met with Insurance Broker
- Clean-Up Day

Kaltsas attended the following meetings:

- Noted there will be a conference on Highway 12 safety on May 9th

7. Pioneer Sarah Creek Watershed Management Commission – Update from Independence Representative Joe Baker.

Baker outlined the difficult past the Commission has worked through and ultimately turned around to a cooperative venture. Baker said they have performed an audit and have met all 18 of the performance standards set for the year. They have performed a 500k+ project in Baker Park of which the City will pay 10k. He noted this will help the quality of Lake Independence water. Baker noted the state of the watershed has never been better and the six cities are very aligned with the goals.

Spencer thanked Baker on behalf of the City for his efforts and work with the watershed.

Motion by Spencer, second by McCoy to approve the motion of support for the 2.3% budget increase for Pioneer Sarah Creek Watershed administrative and consulting cost increase. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

8. Director Gary Kroells, West Hennepin Public Safety:

a. Activity Report for the Month of March 2019.

For a full activity report see the City Council packet

Kroells highlighted the March activity report citing some cases. Independence had 389 incidents in the month of March. He spoke about the tragic accident that took the life of an 18-year-old. Kroells said there was an extreme number of crashes in March much of which were weather-related.

Kroells summarized Highway 12 Safety updates. March 6th was the regular meeting which resulted in Amar Jabar (District Engineer) sending a letter outlining short-term agreements to improve safety which include the installation of change-able electronic signage to alert drivers to crashes, icy roads and other situations. The forestry division will be working on what can be done with the trees that are in the right of way and/or blocking sun from melting the ice on the roads. Kroells said new rumble strips will be added or existing ones graded. There are also discussions taking place about putting in more median barriers.

Motion by McCoy, second by Grotting to approve letter of support as crafted by Staff to be brought back at the next Council meeting. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Johnson asked Kroells to speak about his recent television interview regarding the new weapon mounted cameras the police are using. Kroells stated they are utilizing these with great success and the next step would be body-mounted cameras. The weapon-mounted cameras are useful to supplement the squad cameras.

9. Open/Misc.- no action item/ discussion only

Kaltsas said there has been mis-information about a supposed “sewer tax”. He said residents who are not connected to sewer or do not have sewer availability are not currently charged for anything related to sewer and the sewer operates at a deficit. The general fund does not subsidize the sewer fund currently and the system operates at a deficit. A study was conducted to look at how that fund could be shored up to make the system sustainable. The sewer system serves about 230 residents in the community currently. One of the concerns while doing the study was it may be necessary to start using general funds to fund sewer which would not be typical. Generally, sewer would be funded out of a separate fund instead of general tax dollars. Kaltsas said the rate phase increases started in 2017 and will gradually rise until it is shored up. Council chose to go with a ten-year phase in of rates to make it more spread out for the users and the availability customers. Some items to point out on those connected and those that are S/A or “sewer availability” meaning they are stubbed and ready to connect.

230- connected

28- availability (over 10% of potential customer base)

The original assessments paid for the initial infrastructure and not for ongoing costs of use of the system. The City still must maintain and support the system. The cost to maintain and operate the system does not change based on the current number of users or the additional potential users- the City’s costs remain the same. It is important to note that the assessments were only to get the system installed and the user fees are the costs to keep it maintained and running.

Kaltsas said the system is incredibly complex and was retrofitted around houses already built. It is difficult with the topography and lakes. Our system has 34 lift stations that require pumps, so our costs are very high to maintain the system. Met Council sends rates based on usage and I&I. Kaltsas noted hopefully they can stabilize our rates in the future.

Grotting asked about the infrastructure and pumps aging and wanted to know if any money was built up to cover failures. Kaltsas said it is a negative cash balance as in the past the City held rates. Kaltsas said if there was a major failure it would require borrowing from another fund.

Spencer asked when it was installed. Kaltsas said it was installed in 1985 and upgraded in 1994. Spencer asked why there were still users not connected that were around the lakes when it was specifically put in place for the properties. Kaltsas said that at the time there was no time limit placed on connection requirements but since then there are time constraints of 3 years now in place. Spencer noted that for 30 years 10% of those that should connect have not done so as it was not mandated. Johnson said it should have been mandated like Lake Minnetonka.

Randy Miller, 5196 Fern, said in 2004 residents around the lake received a letter that the sewer availability fee would be \$100 annually. He said he is speaking on functional, working septic systems that they take care of and are not failing. He said he is not contributing to the problem but must pay increasing costs just being an “availability” resident.

Johnson said the City should have been like Lake Minnetonka and required the resident to hook-up failing system or not. He said many people at the onset just had barrels or tiles to the lake. Miller said he thought everyone had to have an inspection and it had to pass.

Spencer said these systems would be failing as they do not meet current septic standards, especially those referenced on Fern that are old trench systems. He said they would never pass inspection. Grotting said the pumping and sign-off is not a third-party inspection. Vose stated these are not city set standards these are state standards that determine compliance or non-compliance. Johnson stated when people sell that is when the system is truly inspected. Grotting noted it could be working but not conforming. Kaltsas said it is the trench that tends to leak. Kaltsas noted that in 2021 the rates will align between the users and those on availability. He said the study is reviewed annually to make sure everything is still on track and annual recommendations are made according to that review process.

Miller asked if they were not hooked up than why do they have to pay. Johnson said the cost to operate stays the same whether you connect or not as it is available, and the City is required to provide availability now or in the future.

John Behrens, Fern Dr., said the initial system was funded and wondered if anyone tried to get more funding from the state or Met Council for the subsequent implementations. Johnson said because we are part of a Tri-City agreement we did not qualify. He noted Medina qualified, but we did not as that is where the pipe runs through to our system. Kaltsas noted the City is trying to get funding anywhere it is possible and constantly looking at grant programs. He said the City of Loretto is looking to connect into our system which would help reduce costs and help with liability. Grotting asked if there would be a way to help people get hooked up to the system. Spencer said maybe there would be the possibility of spreading payments out or trying to provide financial assistance for residents to be able to hook up.

Duane Schlosser, 5188 Fern Drive, said they paid their share for the system to be put in through the assessment. He said the first phase of people were rewarded for paying less with the original grant. He wanted

to know how there was maintenance on the stub. Kaltsas said Schlosser was misunderstanding and that maintenance is required for the pipe. Kaltsas explained again how Met Council must approve the connection. Vose stated the lots in green are the only approved lots by Met Council and other lots must be approved through the Met Council. Johnson reiterated that the grant was with the original system.

Schlosser said he heard this was a commercial project. Vose stated it is an enterprise project so within that definition it must be self-sustaining, and it is not a private, commercial project.

Randy Kyrola, 4725 Lake Sarah Heights Circle, said he is glad to hear that funding is being looked at and for those close to retirement it is a hardship. He said if are only on sewer availability is a crock that they must pay for it. He feels they are paying for something they don't use and that is the only utility like that. Kyrola stated he didn't feel the pipes need to be maintained. Johnson explained that the pipes are televised and jetted and that costs and there have been some that have to be repaired due to breakdowns.

Terry Brown, 4875 Sunset Lane, said he bought the property in 1980 and built in 1981. He said it was put in as a gray line and he felt there should be something about being grandfathered in. Brown said they were told they would be \$100/ year when they hooked up and there was no talk of an increase. He said there must be a fair system as everyone wants clean water. Spencer noted mound systems are only good for 20-25 years, so an individual would have to be putting away money to replace that entire system after that time. Spencer went on to explain the soil separation that happens over the years. Spencer said the systems have been redesigned so we are no longer polluting the lakes as the systems that were installed in the 80's have been. Grotting stated the costs need to be spread out so the 200+ users are not sinking under the weight of the costs. Brown asked if they could get 50% of the people to hook up that have availability could the City offer some type of incentive. Johnson said the Council will keep looking for grants that would be applicable. Betts noted that the lift stations are so numerous because of the topography and clay soil. She noted the homes were already built so the system had to be built around the already existing homes.

10. Adjourn.

Motion by Betts, second by McCoy to adjourn at 9:00 p.m.

Respectfully Submitted

Trish Gronstal/Recording Secretary