

MINUTES OF A REGULAR MEETING OF THE  
INDEPENDENCE CITY COUNCIL  
TUESDAY, AUGUST 20, 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, McCoy and Grotting

ABSENT: City Attorney Vose, Councilor Betts

STAFF: City Administrative Assistant Horner, City Administrator Kaltsas

VISITORS: Scott Ficek, Anita Volkenant, Laura Dwyer, Corey Oeffling, Tyler Stephenson, Curtis Marks, Michael Sharray, Nate Sleck

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 July 30, 2019 Regular City Council Meeting.
- b. Approval of City Council Minutes from the August 7, 2019 City Council Workshop.
- c. Approval of Accounts Payable; Checks Numbered 19039-19073.
- d. Approval of a Large Assembly Permit for Mama's Happy (7888 County Road 6) Fall Art Fair: September 12-14, 2019.
- e. Approval of a Medium Assembly Permit for Brian Gilbertson (7165 Turner Road) to Host a Hog Roast: September 21, 2019.
- f. **RESOLUTION NO. 19-0820-01** – Adopting the Proposed Assessment for the Lyndale Sanitary Sewer Improvements.

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

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

Kaltsas removed item 7 as Chief Kroells was unable to attend. His report will be made at the 09/03/19 meeting.

6. REPORTS OF BOARDS AND COMMITTEES BY COUNCIL AND STAFF

**Spencer attended the following meetings:**

- City Council Workshop
- City of Medina, LICA and Three Rivers Parks Districts members about the no-wake ordinance on Lake Independence.

**Grotting attended the following meetings:**

- City Council Workshop
- LMCC Quarterly meeting
- Three Night-to-Unite Events

**McCoy attended the following meetings:**

- City Council Workshop
- Three Night-to-Unite Events

**Betts attended the following meetings:**

**Johnson attended the following meetings:**

- Haven Homes Meeting
- Police Commission Meeting
- Senior Community Services Finance Committee Meeting
- Five Night-to-Unite Events
- City Council Workshop
- Eagle Scout Sam Lieberman's Ceremony
- North West Trails Snowmobile Event
- Maple Plain Library Historical Ice Cream Social
- Congressmen Phillip and Angie Craig meeting to discuss funding for Highway 12
- Orono Healthy Youth Meeting Caring for Kids
- West Hennepin Chamber of Commerce Meeting
- Highway 12 Safety Coalition Meeting
- Highway 55 Coalition Meeting
- West Hennepin Historical Society of Long Lake meeting
- Orono School Board Meeting
- City Council Workshop

**Horner attended the following meetings:**

- West Hennepin Chamber of Commerce Meeting
- City Council Workshop

**Kaltsas attended the following meetings:**

- Highway 12 Safety Coalition Meeting
- City Council Workshop

7. Director Gary Kroells, West Hennepin Public Safety:
  - a. Activity Report for the Month of July 2019. (rescheduled for 09/03/19 meeting)
8. **PUBLIC HEARING:** Consideration to authorize the issuance of revenue bonds for the benefit of PHS Founders Ridge, Inc.; approving the execution of the revenue obligations and related documents; and taking other actions with respect thereto.

**RESOLUTION NO. 19-0820-02** – Authorizing the issuance of revenue obligations for the benefit of PHS Founders Ridge, Inc.; execution of the revenue obligations and related documents; and taking other actions with respect thereto.

Kaltsas said the City has received a proposal to upgrade the existing sanitary sewer system that serves Ox Yoke and the two adjacent residential properties (Lyndale Sanitary Sewer System). The City has had a series of meetings with Ox Yoke and the City's current operator of the existing mound system that serves the restaurant to discuss issues that are causing the system to not work properly. The concentration of the discharge (CBOD and TSS) from the system is too high to be handled by the existing system. The City has been working with a company named Septic Check to design an upgrade to the existing system that can handle the discharge. Septic Check from Milaca has prepared an estimate for the upgrade to the system for \$50,500 with an additional \$2,500-\$5,000 cost to upgrade the existing lift station control panels. The upgrade to the control panels will provide Septic Check with the ability to remotely monitor the system. The City believes that the proposed system provides the most cost effective and sustainable solution to address the sanitary sewer needs for this area moving forward.

Kaltsas said Staff has discussed the proposed update with Ox Yoke based on direction previously provided by the City Council relating to funding for the project. Currently, the owner is asking the City to assess a portion of the update costs to the Ox Yoke property. The City had initially discussed assessing 50% of the project cost to the property. The owner is asking for additional consideration to assess 70% of the project cost or \$35,000 to the property. The remaining balance (~\$15,000) will be paid up front by the property owner. In exchange for the additional assessment amount, the City would reduce the assessment period to 5 years.

Council provided direction to staff to move forward with an assessment of \$35,000 over five years. The City has prepared a detailed breakdown of the proposed assessment role for the property. The owner of Ox Yoke has agreed to waive any objection to the special assessment. This waiver agreement allows the City to proceed with adopting the assessment without any further hearings or discussion. If approved, the sanitary sewer system upgrades will likely commence in September 2019. The City will contract with Septic Check to design, install and regularly monitor the entire system. Independence staff will no longer maintain and or monitor the system. The cost of monitoring the system will continue to be charged to the users of the system via regular quarterly sewer charges.

### **Public Hearing Open**

No comments.

**Motion by Spencer to close the Public Hearing, second by Grotting. Ayes: Johnson, McCoy, Grotting and Spencer. Nays: None. Absent: Betts. MOTION DECLARED CARRIED.**

### **Public Hearing Closed**

Kaltsas said this was a good opportunity for the City to obtain some funds through this conduit financing. He noted the City would receive about \$45,000 as payment for issuing the note. That amount is ½ of 1% of 9M. This is a tax-exempt obligation and there is no liability to the City. Kaltsas said the City has done a couple of these notes in the past and it is relatively low administrative costs to the City.

**Motion by Spencer, second by McCoy to approve RESOLUTION NO. 19-0820-02 – Authorizing the issuance of revenue obligations for the benefit of PHS Founders Ridge, Inc.; execution of the revenue obligations and related documents; and taking other actions with respect thereto. Ayes: Johnson, McCoy, Grotting and Spencer. Nays: None. Absent: Betts. MOTION DECLARED CARRIED.**

9. Consider Approval of an Amendment to the Tri-City Agreement Creating the Quad City Agreement to Allow Loretto to Connect to the City's Existing Sanitary Sewer Line.

a. **RESOLUTION NO. 19-0820-03** – Approving the Quad City Agreement.

Kaltsas said the City has been working on an amendment to the Tri-City Agreement (will now be called the Quad-City Agreement) in order to allow Loretto to connect to the City of Independence Force Main on County Road 19. The agreement has been revised and is now in a form to be considered for adoption by the City. There are several key points that should be noted:

The City has been working to understand the potential number of additional Independence units that could be connected to the system. The City has focused on lakeshore lots that have access to the sewer. Earlier this year the City determined that lakeshore lots that have the ability to connect to City sewer can be a minimum of 1 acre. Based on the conceptual subdivision of properties, (primarily along Independence Road) it was estimated that an additional 14-34 lots could be realized. The City also recognized that there are six properties on Windmill Dr. that are not connected City sewer. Staff has been working with Medina to increase the number of connections included in the Quad City Agreement. Medina has stated that they would allow an additional 26 connections on top of the 289 agreed to in the Tri-City Agreement for a total of 315 connections. The City has been working to determine how the Metropolitan Council will handle I&I after the Loretto connection. Independence and Loretto will metered by the Metropolitan Council before discharging into the force main sanitary sewer line that runs south along County Road 19 to the Medina lift station. Greenfield will not be metered by the Metropolitan Council. Independence will continue to receive meter readings from Greenfield and will be responsible for administering a proportionate share of any I&I surcharges. Similarly, Independence connects to Medinas gravity sanitary sewer line at Perkinsville Road. This connection point will not be metered by the Metropolitan Council and Independence will be subject to providing Medina with sewer flow readings and a proportionate share of any I&I surcharges. Many of the costs associated with maintenance and repairs to the shared system will now be reimbursed by the Metropolitan Council and can be seen in the cooperative agreements between the Metropolitan Council and the cities of Medina and Independence. There is a cap on the total amount that will be reimbursed and any costs exceeding the cap amount will be proportionately shared amongst the quad cities. The agreement has been modified to remove the reconstruction of the pipe under Sycamore Trail. The Metropolitan Council is including this replacement in their project. The Cities will continue to have a maximum daily flow that can be pumped into the system. Those daily flow numbers will reflect the increased number of units.

Johnson asked if Met Council is working with Greenfield and Kaltsas replied they are not. He said we would be the recipients not Greenfield and then the flow goes to Medina. McCoy asked if the meter would be upgrade. Kaltsas said Met Council is not going to upgrade the meter and Staff is fine with the readings we are getting through the meter at this point. We will be able to back charge I&I if that becomes an issue. Johnson noted this was a great value because it would be an improvement for Sycamore Lane. Kaltsas said the sewer fund would benefit from this too. Kaltsas said if Greenfield does not approve that it will be back to a tri-review again.

**Motion by Spencer, second by McCoy to RESOLUTION NO. 19-0820-03 – Approving the Quad City Agreement if the City received reimbursement for expenses. Ayes: Johnson, McCoy, Grotting and Spencer. Nays: None. Absent: Betts. MOTION DECLARED CARRIED.**

10. Open/Misc.

11. Adjourn.

**Motion by Spencer, second by McCoy and carried to adjourn the meeting at 7:22 p.m.**  
Respectfully Submitted,

Trish Gronstal/Recording Secretary