

## CITY COUNCIL MINUTES – FEBRUARY 16, 2021

A. CALL TO ORDER: The Regular City Council meeting was held on February 16, 2021 in the city hall basement of the New Germany City Hall. Mayor Van Lith called the meeting to order at 7:00 p.m., those present were: Mayor Van Lith, Councilpersons Shirley Jaeger, Ty Turnquist, Thomas Mielke, and Kevin Grove. Others present were: City Clerk – Twyla Menth. Audience members present were: City Officer Hendricks, City Auditor Sara Oberloh, Representative Jim Nash, County Commissioner John Fahey, City Wastewater Engineer Jessica Hedin, People Service - Lee Ortloff and Gregg Stang.

B. CITIZEN COMMENT: There were no additional comments from the audience.

C. APPROVAL OF AGENDA: **Turnquist moved and Mielke second approval of Agenda. The motion carried. 5/0.**

D. APPROVAL OF MINUTES: **Jaeger moved and Mielke second approval of the February 02, 2021 minutes. The motion carried. 5/0**

E. ITEMS TO DISCUSS:

1. Deputy Hendricks was present to introduce himself to Council and Mayor Van Lith, 15-year officer, lived in the area at one time. Hours are Monday – Friday, 2 pm -10 PM, time is spent between Mayer and New Germany and surrounding areas.

2. City Auditor Sara Oberloh explained the 2020 audit for the City of New Germany. Sara explained to Council in small cities a few common practices; employees should take an entire week off, not a few days here and there, have someone else review the bank statement prior to reconciliation. The Auditor noted that the city has built reserves, State auditor would like to see funds in the excessive of 50% to cover expenditures in case of an emergency; New Germany is at 164%, these reserves are allotted for the wastewater project, among other projects such as the capital funds for streets, everything is earmarked for a purpose in the Financial Management Plan. Mayor Van Lith noted that the Council has worked hard to build reserves for upcoming projects. **Jaeger moved and Turnquist second approving the 2020 City of New Germany Audit as presented. The motion carried. 5/0**

3. Jessica Hedin with SEH was present on to explain the evaluation of the wastewater expansion options. In January of this year the city received the regionalization report from Mayer, as flows currently stand Mayer would have the capacity. Looking into the 20-year capacity Mayer would not have any additional storage or room for New Germany. Mayer would be using it all themselves with the growth estimations; 20-year projected growth models were used for both cities. Mayer would need \$8 million dollars of improvements to handle everything. SAC charge costs are not included in the evaluation, it is only the New Germany lift station estimate of \$3.4 million. Mayer is also looking at permit issues in regards to phosphorus and chloride and will need to address these issues. Jessica mentioned the funding opportunities are not specific to regionalization only, they are available for other options as well. Eligible for USDA loans based on median household income; New Germany is too high for Rural Development grant. There is PFA low interest loans, around 1%, USDA loans at around 2.3% as of this time, CDA also has a grant program available. The annual O & M cost would be in the \$200,000 range; usually financed by user rates. New Germany already has high utility rates and high property taxes and the residents cannot financially take on more. Turnquist noted the city needs to look at the lowest impact of cost on the residents. Each of tables reviewed showed the options and the operational estimates for that option, the city will need to look at the best method for New Germany and decide what path to take on the project. To secure funding the city needs to first decide which option they are pursuing. Could also ask Representative Nash to help with a bonding bill, application would need to be in by this summer. Jessica went over the options:

Stabilization Pond is what we currently have – need expansion of flow, when requesting an expansion, MPCA freezes your mass loading on the permit. Some of the options require an anti-degradation review and some do not, would need to look at the option of adding another pond.

Aerated pond – using existing ponds, adding mechanical equipment to it, discharge becomes a continuous discharge, different requirement, one is disinfecting. Low maintenance system, store sludge before discharge, mechanical system you need to treat sludge. Solids are stored in pond system and cleaned out every 10 years or so and applied on certified fields. Estimated O & M regional option is just as much as a mechanical plant; balance what the City can pay for and what funding is available.

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Alternatives – mechanical facility, new waste water mechanical plant. New Germany cannot afford this option.

Regionalization with Mayer or Lester Prairie.

The question was raised on what if the limits change on an aerated pond, can there be any problems down the line with an aerated pond – what would be the possible issues down the road, not that the city does this and some other requirement or restriction is imposed on the ponds and the city cannot meet the requirement. There is an option if a city makes significant improvement on a wastewater facility and more limits were imposed, you would make a case or an application showing that it is an economic hardship, if approved this would give you a window of or up to 16 years for improvements. Clean water revolving fund, PSIG grant (80% of eligible cost, capped at a certain amount), projects piling up on the list as there is not enough funds. Wastewater infrastructure fund, need to look at eligibility requirements. Mayor Van Lith was worried on the controls of regionalization, need to negotiate an agreement, may not be an option. Grove inquired the term of a contract on regionalization, Hedin noted permits are issued every five years, if anything changes New Germany would need to accommodate the change in the permit. Hedin noted she has seen them all over the place from 5 years – 15-year terms. Hedin noted a long-term request would be reasonable on something like this.

Greg and Lee were questioned on the Lester Prairie options, Lee mentioned Arlington and Green Isle have an agreement and it works very well, endless contract, governed by a board that has the meetings and discusses all issues that may arise, fair to all on the system. Negotiate what would work best for each city, at this time it is unknown how open Mayer is in regards to a regionalization system with New Germany. Gregg Stang – Rockville/Cold Spring is one Greg is familiar with, the regionalization city was negotiated to pay a percentage of the upgrade from the expected flows, everything was negotiated. There is protection verbiage in these contracts for the city, they need to be written out and defined very well, ponds knock down the loadings, testing can be done from the ponds which also would help whom every regionalization would be with. Gregg talked with Lester Prairie city Administrator and they are interested. Possible talk with both cities and check out the options with each.

Need to keep cost low as possible, keeping people here. Mayor Van Lith thinks we should set meetings up with both cities and check out the options of regionalization. Lester Prairie plant was reconstructed in 2006 and running at approximately at 40% reported Orloff. Hedin noted wastewater treatment is expensive. Improvements would need to be done to Lester Prairie plant as well. Met Council is picking up some funding research for regionalization with Mayer. Grove wants it to be a partnership not a customer to have a better relationship if regionalization is the choice.

4. Jim Nash – willing to have the conversation on bonding bill for this type of project, if anything robust, something may trickle to PSIF or PFA. Nash was instrumental in helping City of Watertown, Cologne and Hamburg. Nash noted it needs to be made a great case to make a bonding project for New Germany and thinks the city does have one, understanding the need for New Germany. Nash would be happy to advocate for bonding bill, New Germany is not really a big issue for people at the State, barely in the 7 Metro county area, end of Carver County in rural area. Covid has taken its toll but Nash will do what he can to try for a bonding bill for New Germany.

Mayor Van Lith congratulated Nash on his reelection, Nash remembers the little towns in Carver County. Nash would like to see changes in Met Council as well. Jaeger questioned Nash on the liquor laws and ball parks in relating to 3.2 beer, these laws need to be rewritten. Nash is presently working on, law changes, which need to be made, trying to change large brewers can sell growlers, 3.2 issue is one of the other issues Nash is trying to change, liquor laws need massive reform.

Mayor Van Lith congratulated John Fahey on his election. John noted he is humbled to be here as a County Commissioner and accommodated Nash on the job well done. John will learn and have conversation with Nash on the wastewater issue. Fahey was a former Mayor of Young America, was on CDA, and Park Board. Fahey gave a brief update on highway 212 will be clearing trees on south and north side, fully funded from Carver to Cologne, four lane all the way, no plans to close highway 212, keep the flow moving. Fahey noted they are in conversations on Bongard's intersection, next phase would be Norwood to Cologne. Fahey has received a lot of call on the vaccines, not coming fast enough but it is coming, on account of the relationship with RMC they have been getting vaccines out. Fahey noted there is additional talk on cares funds, will come from the County level. Nash mentioned Senator Coleman would have loved to be here, but she is pregnant with twins and facing some challenges.

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- F. SHERIFF REPORT: January 2021 report was in Council packet.
- G. FIRE DEPARTMENT REPORT: No report
- H. TREASURE REPORT: The Treasury report noted that the CTAS complete fund balance is \$1,678,564.28 (includes the investment fund), January Investment statement showed interest earnings of \$550.68 which is not included in the above numbers. CD's balance of \$26,290.58, is included in the above fund balance, also included was the January bank reconciliation. All general journal entries have been entered from the audit as of 2/3/2021, this reflects the balances as of 1/1/2021 in CTAS, majority of the changes were interest earnings divided to each of the funds (broken down on report). **Jaeger moved and Grove seconded approval of the Treasure report. The motion carried. 5/0**
- I. APPROVAL OF CLAIMS: **Turnquist moved and Mielke second approving the claims in the amount of \$16,608.44. The motion carried. 5/0**
- J. WATER SEWER REPORT: Completed in J3.
- K. BUILDING PERMIT UPDATE: 281 State Avenue N; windows, 571 State Avenue S; windows.
- L. COMPLAINT LOG: none to report.
- M. PW REPORT: Willow brush in the Hilda Avenue North ditch will be addressed by the County when time permits.
- N. PARKS REPORT: Easter Bunny on Fire Truck. Commercial Club meeting next Monday, 22<sup>nd</sup>, 7 PM.
- O. MAYORS REPORT: No additional items.
- P. CLERKS REPORT: Applied for FD grant for garage doors. Year end is completed. Updating the city information and procedures as time allows. Cleaning of files is always on going, Connie Stahlke helps when she has time available. Working on Clerk goals for employee review. Working on updating the ROW application and information. Elevator is shut down on account of electrical issues; wires very hot and melted, could have started a fire. Some of the parts are under warranty from last year, eventually there is another under lying condition that makes the wires get hot is what Arrow Lift has reported. Arrow Lift will be supplying a quote and if the parts are available, elevator is very old and some parts are now obsolete.
- Q. OLD BUSINESS: Hall Rental information has been updated and the State of MN has released updated guidelines this past week.
- R. NEW BUSINESS: No additional business.
- S. ADJOURNMENT: **Grove moved and Jaeger seconded to adjourn meeting at 8:54 PM. The motion carried. 5/0**

Respectfully Submitted, \_\_\_\_\_ Twyla Menth, City Clerk