

**BIG LAKE CITY COUNCIL
REGULAR MEETING MINUTES
MARCH 8, 2023**

1. CALL TO ORDER

Mayor Paul Knier called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. ROLL CALL

Council Members present: Ken Halverson, Sam Hanson, Paul Knier, Kim Noding, and Paul Seefeld. Also present: City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, City Engineer Layne Otteson, Community Development Director Therese Haffner, Police Chief John Kaczmarek, Liquor Store Manager Greg Zurbey, Streets/Parks/Fleet Superintendent Norm Michels, Water/Wastewater Superintendent Dan Childs, and Big Lake Student Liaison Allie Cross.

4. OPEN FORUM

Mayor Knier opened the Open Forum at 6:01 p.m.

Gloria VandeBrake from the Big Lake Chamber of Commerce and Industry provided information on the Big Lake Chamber of Commerce's Vendor Show scheduled on Saturday, March 18 from 10:00 a.m. to 1:00 p.m. at Big Lake High School.

Jeff Zierdt from Lupulin Brewing discussed that last October, Lupulin Brewing along with other establishments in Big Lake, would no longer be allowed to hold outdoor events on their own premises. The reason for this is a simple oversight and misunderstanding of State Law by prior administrations on how to correctly describe the license premises when establishments apply for their annual City liquor licenses. For over seven years, this was a non-issue as they worked closely with City Clerk Gina Wolbeck and City administration to file all the required permits prescribed to them to insure they were in compliance to host and serve craft beverages within the parking lot and green space to the west of their facility. With the upcoming renewal of their licenses, Lupulin Brewing and other Big Lake liquor, wine, and beer license holders were provided a letter dated

February 1, 2023 from City Administrator Hanna Klimmek and City Clerk Gina Wolbeck stating that the City is currently reviewing the processes to allow each of them to hold outdoor events near and adjacent to their current license premises. Zierdt stated that it is his understanding that a Council Workshop on this subject is not being held until April 12, and questioned why something as simple as this takes 6-months and a workshop to figure out when it is as simple as the description of the business property being adjusted to account for State Law. Zierdt asked that both Council and staff make fixing this a priority so that local Big Lake businesses can serve the community the way they always have in the past. They certainly appreciate all the work being done by staff to make the necessary changes to allow all of our businesses in town to bring great experiences to our customers.

Mayor Knier closed the Open Forum at 6:06 p.m.

5. PROPOSED AGENDA

Council Member Noding motioned to adopt the proposed Agenda as presented. Seconded by Council Member Hanson, unanimous ayes, Agenda adopted.

6. CONSENT AGENDA

Council Member Halverson motioned to approve the Consent Agenda as presented. Seconded by Council Member Seefeld, unanimous ayes, Consent Agenda approved. The Consent Agenda consisted of: 6A. Approve List of Claims, 6B. Approve Council Workshop Minutes of March 1, 2023, 6C. Approve Regular Council Meeting Minutes of March 1, 2023, 6D. Approve 2023 Summer Farmers Market EBT and Market Bucks Agreement, 6E. Approve Wastewater Treatment Facility Cropland Lease Agreements with Ewing Farms, Inc., 6F. Approve Parks Advisory Committee Chair/Vice Chair Appointments, and 6G. Approve 2023 Recycle Day SCORE Grant Agreement with Sherburne County, a 2023 Participation Agreement with Big Lake Township, and set a Council Gathering on May 20, 2023 from 7am to 2pm at the Big Lake Township Maintenance Building located at 20150 166th Street for the event.

7. BUSINESS

7A. Lupulin Brewing Donation Towards the Big Lake Fire Department

Jeff Zierdt presented the Big Lake Fire Department with a check for \$2,500 that was raised during the Lupulin Brewing "Pours for a Purpose" initiative last October as well as through the sale of an Imperial Stout. Staff clarified that no Council action is needed as the City does not officially accept the donation as per the Big Lake Fire Joint Powers Agreement, the Big Lake Fire Board is the body that is authorized to accept donations to the Fire Department.

7B. Wastewater Treatment Facility Update and Antidegradation Review

Jessica Hedin from SEH, Inc. provided an update on the City's Wastewater Treatment Facility (WWTP) expansion plans. Hedin reviewed that the current flow projections include growth for residential users, Cargill, Lupulin Brewing, light industrial, commercial development, and a reserve for a large industrial user. The flow projections are triple the existing flow at the WWTP today. This increased flow is causing total phosphorus limits to be very low due to Antidegradation rules. Hedin reviewed that because the projected industrial/commercial development and the addition of a large industrial user is not imminent and may not occur in the 20-year planning period, removing them from the flow projections and reducing the anticipated population growth will allow the City to phase improvements needed at the WWTP. If the full flow is desired, tertiary treatment will be necessary, which is the next wastewater treatment process after secondary treatment. This step removes stubborn contaminants that secondary treatment is not able to clean up. If a phased approach using reduced flows in a phased approach is acceptable, tertiary treatment will not be necessary. Hedin reviewed that an Antidegradation Review is recommended for cBOD and TSS because the limits for these constituents are not feasible with the current facility and would require tertiary treatment, even at reduced flows in a phased approach. An Antidegradation Review would provide the City an avenue to justify more manageable limits for cBOD and TSS. Based on discussions with the MPCA, an Antidegradation Review for cBOD and TSS would likely be successful, but would likely not be successful for total phosphorus because of Lake Pepin. Hedin presented a \$26,600 proposal from SEH, Inc. for the preparation of an Antidegradation Review, noting that if a review is not completed, tertiary treatment will be needed. If a phased approach is not authorized and a full capacity approach is desired, tertiary treatment would add approximately \$4-\$8 million to the WWTP upgrade project.

Mayor Knier asked what the optimal outcome would be if we do the Antidegradation Review. Hedin responded that the optimal outcome would be that the 10 ml concentrations that we have to meet today would be the same but at a higher flow. We would be justifying a higher degradation to the Mississippi. Knier asked what the odds are by doing this review that we actually are able to get that. Hedin responded that the MPCA does a review and provides a preliminary determination, and then when we do the design of our project, we turn in the Antidegradation as well, and the EPA reviews it at that time. Knier asked when the City will hear about possible financing for this project. Hedin responded that Big Lake is on the project priority list, but we need to get a Facility Plan in place, noting that the Antidegradation Review will overlap some of what is required with the Facility Plan. The plan would be to have the Antidegradation Review done in April, and then finish up the Facility Plan the following month.

Hedin discussed that she wanted to give Council a background on the options available so we can make some decisions on if it is worth it for the City to move forward with the full flow project and spend the extra money for the extra amount of treatment that we would need to do that, or

would it make more sense to phase the project.

Council Member Halverson asked how many phases the project will have. Hedin responded that it really depends on the amount of light industrial and commercial development that the City has in their plans. If that development is expected to happen in 10 years, then the second phase would be done in 10 years, with the first phase accounting for 2,900 in residential growth, as well as expansions for Cargill and Lupulin Brewing. Maybe we won't have as much residential growth as what was originally projected, so we will have residential equivalent units, which is the amount of wastewater we would expect from one household. Over the next 10 years, if we only have a growth of 1,000 people, we would have extra capacity and if someone wants to do some development, we can look at how many residential equivalent units we have left and how many businesses or industrial users can we handle, depending on the strength they are going to discharge. We can always check the capacity at any time to determine when that next step has to happen.

Mayor Knier asked if phasing the project will increase the overall project cost. Hedin explained that for our users, they would have to bear the costs upfront to put everything in and then as we add the users, we can spread out the costs to those users as well. Right away, it would just be the users we currently have that would be paying for everything. If the development didn't happen very fast, or we don't bring on the expected number of users, it's the ones that are here already that are paying the brunt of the costs. Halverson commented that if we do it in three phases, basically we will be moving the same dirt three times. Hedin responded that necessary wouldn't happen. Halverson asked how many residents have we added in each of the last three years. Deb Wegeleben reviewed new building permits issued for the past three years and noted that the census varied by about 2,000 residents between 2010 to 2020. Halverson commented that multifamily projects will impact population growth. Knier stated that he would like to know if costs will increase by doing a phased approach versus doing that project all at once. Hedin explained that the project would be an add-on to the current plant for tertiary treatment. When planning for the upgrades for the first phase, we would leave space and room for inserting the tertiary process in the second phase. Halverson asked what the projected costs for each phase will be, and Hedin responded that the facility plan would need to be done before costs can be determined. Dan Childs discussed that this is part of the process which takes time to go through everything, and we don't want to rush through it because then we end up with something that is either overbuilt, or even underbuilt. Knier discussed that he doesn't know how long it will take to add on 2,900 and he is concerned about building the full facility now and then growth doesn't happen and the facility degrades as it ages. Halverson noted that we have experienced this when we built the dryer and then the recession hit and we were stuck with a massive piece of equipment that hardly gets used.

Council Member Hanson stated he initially wanted to get the whole project built, but after learning more about the population impacts, he would prefer to spread costs out with new people coming

to town. We are talking about doubling our flow which is a substantial amount. Hanson stated he would be comfortable with phasing the project. Hedin also discussed that in 10 years, there could be new technology and/or regulations that could change what improvements are needed in future phases.

Council Member Noding motioned to approve the SEH, Inc. proposal for an Antidegradation Review in the amount of \$26,600, and to direct staff to continue to pursue an alternative phased approach to the Wastewater Treatment Facility upgrades. Seconded by Council Member Hanson, unanimous ayes, motion carried.

7C. Big Lake Fire Department Ladder Truck Purchase Agreement

Deb Wegeleben reviewed the recommendation from the Big Lake Fire Board for the City and Big Lake Township to jointly purchase a new Fire Ladder Truck, which would be delivered in 2025. The bid from MacQueen Equipment LLC as submitted is \$2,059,875, with the City's portion amounting to \$1,029,937.50.

Council Member Halverson stated that he would prefer to prepay the City's portion of the aerial device and the chassis 90 days before delivery, which would save the City \$22,474. Mayor Knier commented that his calculation is that we would need to make 7.3% on an annual return in order to not come out ahead on the prepay option, and asked why the Township didn't choose to do the prepay option. Wegeleben responded that financially, they did not want to at this time.

Council Member Noding motioned to accept the bid and approve the MacQueen Equipment LLC Purchase Agreement with the City of Big Lake and Big Lake Township in the amount of \$2,059,875 for the Pierce Enforcer 100' mm Ascendant Tower truck for the Big Lake Fire Department that is scheduled to be delivered in 2025, with the City utilizing the prepay option as discussed. Seconded by Council Member Hanson, unanimous ayes, motion carried.

7D. Department Reports

Engineering Department – City Engineer Layne Otteson provided an update on engineering projects underway in the City. Otteson reviewed grant applications underway for pedestrian safety and trail/walk gaps, discussed the status of the ST2022-1 street project noting that work will resume in the spring on the north side of the lakes, noted that the County Road 43 project will commence in late summer 2023, and reviewed future infrastructure plans. Otteson also discussed street and drainage conditions which have been impacted by the early season snow, freeze events, higher snowfalls, rain, and freeze/thaw instances. Otteson discussed a sewer service repair that was necessary due to damage caused by telecom infrastructure work done ten years ago.

Council Member Halverson asked when road restrictions will be going in. Otteson responded that road restrictions typically go on in mid to late March and are effective at the same time the State of MN enacts their road restrictions. The State will remove the restrictions when they are ready to be lifted, generally within 8 to 10 weeks after they are declared. Halverson discussed the low frost we have this year and road damage that has been occurring, noting that we need to be sure to put signs out. Otteson responded that we will continue to put necessary signage up for road restrictions.

Student Liaison Allie Cross provided an update on Big Lake Schools. Cross provided an update on enrollment statistics, activities held during the February Snow-Daze Week, and Literacy Night that was held at the High School. Cross also congratulated the Big Lake Gymnastics Team who won the state championship.

Greg Zurbey provided an update on the Municipal Liquor Store operations and provided a year-end 2022 update. Zurbey also reviewed in-store tastings, discussed fundraising efforts of various organizations, reviewed the landscaping project completed in front of the store, and noted that the store lost its independent trucker. Zurbey discussed inventory shortages, reviewed the fall/spring wine sales, annual beverage and alcohol trainings, and the Sherburne County Sticker Shock program. Zurbey also provided information on the MN State Auditor's Report for 2021, reviewed the value of municipal liquor operations as well as the financial impacts of inflation and the low unemployment rate which has affected retention of staff. Zurbey thanked the liquor store staff for all their efforts, as well as customers who shop at the store.

Council Member Noding asked if there has been an increase in on-site sales versus off-site sales. Zurbey reviewed that he has limited information regarding on-premises sales. He is more focused on municipal owned off-premises sales as that type of business is Lake Liquors direct competition. Noding asked if more municipalities are getting into the on-premises business. Zurbey responded that in past years it has been the opposite, noting that on-premises municipal operations have decreased significantly due to the costs/expenses of running this type of operation.

Mayor Knier thanked Lake Liquors for allowing the Big Lake Lions Club to sell raffle tickets, noting that they have a drawing coming up on March 18.

8. ADMINISTRATOR'S REPORT

City Clerk Gina Wolbeck discussed the upcoming Big Lake Chamber of Commerce Vendor Show being held on March 18 at Big Lake High School. Wolbeck also noted that Mayor Knier will be hosting the next Coffee with the Mayor event this Saturday, March 11 at Ember Coffee from 9:00 a.m. to 10:00 a.m.

9. MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS

Mayor Knier: reviewed the March Fire Board Meeting, and encouraged citizens to come out for Coffee with the Mayor on Saturday.

Council Member Noding: reviewed the March Fire Board Meeting.

10. OTHER – No other.

11. ADJOURN

Council Member Seefeld motioned to adjourn at 7:15 p.m. Seconded by Council Member Hanson unanimous ayes, motion carried.

Gina Wolbeck
Clerk

Date Approved by Council 3/22/2023