

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES**

JULY 26, 2023

1. CALL TO ORDER

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

2. ROLL CALL

Council Members present: Ken Halverson, Sam Hanson, Paul Knier, Kim Noding, and Paul Seefeld. Also present: City Administrator Hanna Klimmek, Finance Director Deb Wegeleben via teleconference, City Clerk Gina Wolbeck, Community Development Director Therese Haffner, City Engineer Layne Otteson, 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.

3. PROPOSED AGENDA

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

4. BUSINESS

4A. John Uphoff Request for Review of SAC/WAC Fees Charged for 310 Lake Street South

Hanna Klimmek reviewed the request submitted by John Uphoff, Development Associate for a company that has partnered with 310 Lake, LLC for review of Sewer Access Charges (SAC) and Water Access Charges (WAC) fees totaling \$8,910. Klimmek discussed 310 Lake, LLC purchased the property located at 310 Lake Street South and has recently commenced a construction remodel/change of use into a dermatology clinic. Through review of the building permit application, it was discovered the property file is absent of any record of paid units/fees in regards to SAC/WAC. The building permit was issued with two units of SAC and two units of WAC attached to it, but also credited one unit of each based on the assumption that one unit of each could have been paid as the property was developed in the past. Klimmek indicated Mr. Uphoff and his team do not agree with the SAC/WAC fees applied to the building permit. City staff encouraged him, or a representative of his team, to participate in an Open Forum to state a case. Their request is for a refund of paid SAC/WAC fees totaling \$8,910 and Klimmek noted it is at the discretion of the City Council to waive, or not waive, fees associated with the City Fee Schedule Ordinance.

Council Member Halverson discussed occupancies of the building, noting the building hasn't been a house since SAC/WAC came to be in about 1990 when they first started charging these fees. Since 1990, this has been a commercial piece of property. Halverson stated he doesn't feel the use has really changed from residential to commercial so he should be granted his SAC/WAC fees back. Halverson also stated we should start with a clean slate on this property by putting no less than three credits each on the property and refund his money.

Council Member Seefeld discussed we should apply three credits each.

Council Member Noding discussed initially she thought two SAC/WAC credits should be credited to the property, noting that just because we don't have adequate records it shouldn't result in a penalty for Uphoff. Noding agreed that three SAC and three WAC credits seems to be more appropriate.

Halverson asked if the three credits each would allow complete occupancy of the building. Klimmek responded it would, because that was the original charge of the full square footage of the building. If this business chose to expand, there would be another credit.

Mayor Knier noted he is alright with refunding the fees because the City cannot produce documents showing it was paid, but questioned why we would put three credits on the property when there was probably never three credits put on the property at the beginning. Klimmek responded that we just don't know one way or the other. They are occupying two now on the bottom floor. If they wanted to expand someday and go onto the top floor, they would need to pay the SAC and WAC. Klimmek clarified that they would be required to pay if it triggered another unit. Halverson discussed that if the Montessori school would have paid SAC/WAC, it would have been nine SAC and nine WAC. Klimmek clarified our Building Official unofficially stated that point. Council Member Noding noted she thinks a physician's office would be a comparable water use to a daycare and/or school.

Council directed Staff to reimburse John Uphoff \$8,910, and to apply three SAC and three WAC credits to the property located at 310 Lake Street South.

4B. AMI Water Meter Reading Opt Out Program

Dan Childs reviewed the status of the water meter program the City approved on November 28, 2022. Brad Weiss from SEH, Inc. discussed the contract was awarded to Core and Main in the amount of \$1,663,426.18 to furnish and install water meters, radio endpoints, radio collector, and the software necessary to operate the new AMI metering system manufactured by Sensus. Previous discussions at Council Workshops highlighted Council concerns regarding the emissions of electromagnetic radiation (EMR) from the new AMI system. Discussions focused on the rate of endpoint transmissions to the radio collector and the development and structure of an opt out program. Weiss reviewed the contract awarded to Core and Main was to furnish a complete AMI system manufactured by Sensus. The default setting is one transmission every four hours resulting in six transmissions per day. The duration of each transmission is 0.15 seconds resulting in an overall transmission duration of 0.9 seconds per day. The City's engineering consultant for the project, SEH, Inc. provided information regarding two opt out options that included Alternate No. 1 – meter reads without opt out, which is considered the most

complete AMI program where every customer is required to participate in the AMI program. Alternate No. 2 is to offer meter reads with the option to opt out. This alternate is considered the ideal option as it allows customers with concerns to opt out of the program, but still develops a common system staff can operate and maintain in the future. Weiss also reviewed results of a water meter survey conducted on similar sized communities to Big Lake and what, if any, type of opt out program they offer and at what cost. SEH found the majority of City utilities 1. have an opt out program available for customers that do not wish to participate in meter reading that uses radio technology (AMR and AMI), 2) the rates vary between utilities from \$10 to \$150 per quarter, 3. Generally, utilities that have AMR systems are required to drive to collect all meter reads and as such, typically have lower opt out rates, and 4. utilities that have AMI systems do not have to drive to collect reads and have higher opt out rates to account for the additional effort of collecting meter reads from opt out customers.

Mayor Knier discussed not having an opt-out option isn't even a question. We need an opt-out option as we aren't going to force this on citizens that don't want it. He noted he would prefer utilizing the best of what was presented. Allow citizens to send in pictures and only do reads every 6 months. He feels the people that opt out, will be pretty responsible to send credible information. Knier suggested we not do physical reads in the winter and see how it goes for one to two years. Let's figure out what the actual cost will be to send someone out twice a year to verify the numbers, keep the costs low as this opt out option isn't a punishment. Keep it low at the beginning and evaluate the true costs in the future. He doesn't want to start with the price high as people might decide not to opt out if they can't afford it.

Council Member Halverson asked if citizens will grumble more if their bills increase or decrease. Knier responded he feels we will have justification as we will know the actual costs. Halverson stated we can't have a citizen going six months without paying a water bill. Knier clarified they would be making monthly payments. Halverson asked if a person chooses to opt out, will that mean their meter can't be read at all. Weiss discussed if a home opts out, we would keep the existing touch read equipment on the outside of the house and connect that to the new meter. Staff could still go out and read it without going into the basement. Halverson commented that public works staff told him that one out of every six gallons of water public works produces isn't paid for. If it can't be read, he would tap into his water system because no one is ever going to read it. Halverson asked how we will verify usage versus amounts being billed. Halverson stated he knows someone who admitted to tapping into their meter. Childs reviewed the one in six gallons of water not being paid for is from multiple reasons. Meters always fall slow which is part of it. Knier responded that this has been a big problem, which is why we are replacing the meters. Knier discussed he feels a very small percentage of the one in six gallon loss is due to theft, most of that is going to be solved by putting in new meters. Childs responded we do know there are issues with theft but we don't have a way to prove it, so the new meters will help with this. Halverson noted with the touch read on the outside of the homes, staff could go and read the meter and verify the numbers, and asked if the touch read meters on the opt out properties will allow public works to be able to verify usage. Weiss responded Sensus has indicated the alarm capabilities will be reduced on the opt-out meters. Weiss further explained how meter reads will work for regular AMI meters and for opt out meters.

Hanson asked what the benefit would be of having a picture sent to us. Deb Wegeleben reviewed staff's preference to have opt out reads billed monthly based on the prior year's use estimated from November

through April and then read in the summer months in May through October.

Halverson asked for staff's perspective on allowing reads to be done using pictures provided by opt out accounts. Wegeleben responded it will be a lot more work for staff to do it that way. The Utility Billing clerk has to do all billings at the same time, so it will hold her up if she has to wait for people to send pictures in. Knier stated estimating is fine with him versus sending in pictures.

Council Member Hanson feels pricing should be higher at first and then evaluate a true cost later once that information is available. Hanson asked what the AMI cost per unit is. Weiss responded every home would still get the new meter, but they wouldn't get the end point. Weiss also discussed the larger cost of the project is for installation of the meter. Hanson discussed this will give us the opportunity to inspect homes to make sure a property isn't stealing water from us, and questioned if we will still be able to see this on the opt out properties. Weiss responded at the initial install, they would go in the home and see that. Childs reviewed it will be multifaceted as by law, by October 2024, we are required to do a lead service inventory for every single service in town, and if we cannot verify it's not lead, they will assume there is lead and we would have to do some kind of replacement with the property owner. Having pictures of the pipe type will help verify this, which is why the picture at install is part of this program.

Hanson proposed an opt-out fee of \$30/quarter and re-evaluate later. Wegeleben stated staff's recommendation is that if we are estimating during the winter months and reading the meters in the summer months, the fee would be \$10/month because that would more than pay for the costs associated with staff going out to read the meters on that schedule. Knier clarified that Wegeleben had stated it will more than cover the cost, with Wegeleben responding that staff feels there will be 10 to 15 people who may choose to opt out, but if we are billing one person \$120/year, it shouldn't take an hour to read one person's meter. Knier stated why he feels \$10 per month is too much, reiterating we aren't trying to punish people. Knier asked why people should have pay to keep the privacy they already have. Halverson responded they are receiving a special service their neighbor isn't receiving. Knier reiterated we are taking away something they already have and instituting something they don't want and then charging them for it. If it is more than enough, then lower it down to \$5/month. Halverson responded if a citizen is requiring an added service from city staff, you should have to pay for it. Hanson stressed we aren't necessarily taking it away; we are being forced to do it as it's too expensive now to send out these meter readers. Knier reiterated that Wegeleben had commented that the \$10/month would be more than enough so we should make it \$5/month so we aren't punishing people. Halverson suggested we make it \$10/month and if it is too much we lower it down. Knier responded then what we would be doing is punishing people, there might be someone out there saying they don't want the government nosing into my business. Council Member Seefeld commented there could be people out there that can't afford \$120/year so they could feel they should bend over to government and just take it. Halverson reiterated the person would be requiring a special service so they should pay for it. Seefeld suggested we charge \$5/year. Halverson stated if it didn't affect these guys directly as they are big into the opt-out option and the government pinging. Seefeld stressed he doesn't want people in his business all the time, with Halverson commenting he should get a well and turn off his sewer and water. Seefeld stated what he means is that if he doesn't like the City he should move to the Township, if you don't want freedom then move to the Township. Halverson stated it isn't about freedom, it's about paying for

a service you are receiving.

Mayor Knier discussed that ultimately we want to land where it cost the City. We will know, once people do opt out and we know how many there are, what the cost will be. Wegeleben stated her concern is if we start at a low price now, there could be a lot of heartache if we have to raise the price later. If we start at a price we think will be a break even, and then find out we don't necessarily need to charge that much, people are more receptive to the change. Halverson commented the total cost of the opt-out option will depend on where they live. Wegeleben acknowledged we don't want to discourage people from opting out, but we also should be careful of raising the fee in the future. Hanson suggested we prepare to charge \$10/month, and then we make the adjustment as soon as possible after the actual costs are known. Knier discussed his concern with that is if people are going to feel like they are being ramrodded into not opting out due to affordability.

Council Member Noding asked if you can you opt out after the fact. Weiss discussed we weren't proposing to remove the existing touch read off the outside of the homes so a customer could choose to opt out down the line and staff could go out and rewire the meter to the touch read, or the end point could just be disconnected and then to collect that read we would need to physically read that meter. The meters will read without an end point on them. We could go into the home each month and read the meter to determine usage. Knier stated he wants to make it as cheap as possible so it is affordable for people. Knier questioned if we would be precluding people from doing it. Council again reviewed the survey results of how much comparable communities are charging for an opt-out program. Seefeld stated he is in favor of an opt-out program using Anoka and Brainerd's prices. Noding noted Anoka has an AMR system so they are out driving around anyways, and Brainerd's prices are exceptionally cheap. Halverson commented that Brainerd only reads opt out meters every six-months so they aren't even reading quarterly.

Council Member Noding stated she is fine with a \$10/month maximum to start with and adjust after we know the actual costs. Knier noted it doesn't have to be a round number, commenting he wants to have the cheapest opt out rate out there.

Council Member Hanson stated he would like to go with staff's recommendation because he doesn't want other residents to be supplementing for those that choose to opt out. People who are choosing to opt out should be paying their fair share.

Knier asked if we will charge a person to change their mind later. Halverson commented we should offer a one-time change option, with Hanson commenting that sounds like a fair option. Wegeleben stated she feels we shouldn't charge new property owners. Halverson clarified he meant for people who decide to opt out after their services are already set up. Wegeleben discussed there is a lot of work on the finance department in the back end of making these changes so Council should take that into consideration. Noding asked for finances recommendation on what the program should start at. Wegeleben stated she had previously indicated we should begin at \$10/month, see how many opt out we have, and then we can truly see what the cost will be. Wegeleben stated she is excited every home will get a new meter, so everyone will be paying for their true usage, it won't be other people subsidizing because we have to raise our rates because some meters aren't working. Knier reviewed there is a chance water bills might go higher if a property's water meter has been working incorrectly as the new meters will run more

efficiently and charging for the actual water a property is using.

Knier stated if we have to land at \$10/month, then we make it painfully clear that the fee could fluctuate once we know what the actual cost will be. Discussion was held on if we will know the actual costs prior to the program kicking off, and Mayor Knier suggested we implement a fee in our fee schedule to be between \$5 and \$15 per month. Halverson asked how we would know the cost before the system starts when we don't know exactly where opt out users will be located, as travel time will impact the cost.

Council directed Staff to move forward with implementing an opt-out program with a fee of \$10/month per user that wishes to participate in the opt out program, and re-evaluate the actual costs which will be adjusted if warranted.

Council Member Hanson motioned to recess the July 26, 2023 Council Workshop at 5:52 p.m. until immediately after adjournment of the July 26, 2023 Regular Council meeting. Seconded by Council Member Noding, unanimous ayes, motion carried.

Council Member Seefeld motioned to reconvene the July 26, 2023 Council Workshop at 6:24 p.m. Seconded by Council Member Hanson, unanimous ayes, motion carried.

4C. Committee Appointments Discussion

Hanna Klimmek reviewed that at the July 12 Council Workshop, Mayor Knier brought up the possibility of removing and consolidating some of the committee appointments members of the City Council have been appointed to, with Mayor Knier asking for a discussion on the matter, which Council agreed to. Klimmek discussed that aside from being on the City Council, members of the Council have full schedules and commitments. Committee appointments that do not directly impact the work a Council member has been elected to do, may interfere with schedules and potentially discourage Big Lake residents from ever wanting to serve their community on the City Council. Staff reviewed the current appointment list and identified specific committees that are warranted to remain on the list as direct participation from City Officials assist staff in moving items along for future approval from the City Council, or directly affects City Council Meetings. These include Acting Mayor, Architectural Review Committee, BLEDA, CMRP, Committee Interview Panel, Finance Committee/Public Building Planning Committee (to be combined), Fire Board, Parks Advisory Committee, Personnel/Labor Management to be combined, Planning Commission, and Road Maintenance Committee for the JPA. Klimmek asked for feedback from Council on the remaining items on the appointments list, specifically asking if they should be removed. These included BLBYR, BLCLA, Code Revision Taskforce, Community Education Advisory Committee, Recycling Day Committee, and the Senior Citizen Representative.

Mayor Knier reviewed he wanted to have the discussion to review each committee, noting his concern we don't want to preclude people from running for Council due to the time commitments. Knier discussed the information presented during open forum from Raeanne Danielowski and Ketti Green, and acknowledged that we should have discussed this with the organizations prior to discussing at the Council level as they may have specific reasons to continue to have a Council liaison on their committees. Discussion was also regarding the opportunity for organizations to report to Council during meetings.

Council discussed the Recycling Day Committee which is jointly funded with Big Lake Township.

Council Member Noding stated she feels we should continue to have Council representation on the BLBYR. Council Member Hanson agreed, noting he enjoys being able to bring information to veterans.

Noding also discussed the BLCE Advisory Committee, noting there is another elected official on the committee.

Council Member Hanson discussed the BLCLA committee, and stated he believes 99% of what him and the City Engineer bring to meetings could be emailed to the committee. Hanson commented he doesn't feel their time is well spent by attending meetings.

Council Member Halverson stated we should keep Council representation on the School and BLBYR committees, noting we have a liaison from the school attending our meetings.

Council Member Hanson discussed the status of the City's participation in the CMRP. Klimmek responded staff was asked to be on the executive committee regarding their Articles of Incorporation and Bylaws evolving into a non-profit, which will be trying to involve the corporate community as a lobbying effort. Klimmek stated she finds it important for the City and the Council representative attend the next meeting and information will be brought back to council for review. Council Members discussed it would be advantageous if the group honed in on transportation planning instead of regional planning efforts.

Council Member Noding discussed the Senior Citizen Representative appointment. Mayor Knier discussed he generally stops in at their meetings when he can, but unfortunately, they meet during regular work hours so he hasn't been able to attend many. Council discussed it would maybe be a benefit to maintain someone from the Council to reach out and take an interest in their organization.

Council directed staff to remove the Remove Code Revision Taskforce committee from the Council Committee list, and to reach out to Big Lake Township to discuss appointments to the Recycling Day Committee. Council also suggested Council Member Hanson talk to the Big Lake Community Lake Association to gauge their interest in retaining Council representation on their committee.

Council also directed staff to combine the Finance/Public Building Planning and the Personnel Committee/Labor Management committees.

5. OTHER

Council Member Noding discussed the greenways topic that was brought up during open forum at the last meeting, asking if maybe we weren't following our own code. Hanna Klimmek reviewed staff has followed up with Keri Frechette. Staff has also researched our greenway areas, noting we do have policy around these greenways that would be appropriate to all properties contiguous to the greenways. Signage will be evaluated and will be ordered/installed as these areas are considered public access. Norm Michels noted we have a lot of easements that we need to monitor, and clarified greenways are meant for non-motorized public access to the lakes, but are not meant for public transportation. Michels also noted there are two specific greenways that allow access for snowmobiles to the lakes in the winter.

Council Member Halverson suggested the City get rid of the payment kiosk at Lakeside Park, noting we have an attendant out there at necessary times. We have had significant issues with connectivity and people not understanding how to use the kiosk and making multiple payments that need to be refunded by staff. Halverson stressed we either need to come up with a better system that is less time consuming, or get rid of it and use the gazebo staff. Halverson stated we need to preplan a policy for a different process for next year. Mayor Knier stated he would like to know why we went to that system and if it will be more cost effective to get rid of the current system than keeping it. If it is cheaper to get rid of it, he would be alright with that.

Council Member Halverson discussed concern with the condition of the liquor store parking lot. We have to figure out how to fix the problem, and if it can't be fixed, we need to move the liquor store. The poor condition of the parking lot is an embarrassment to this City. Greg Zurbey reviewed how the mall association is set up, noting meetings are held on an as needed basis. Zurbey agreed the parking lot is a blight and looks bad for the liquor store. Zurbey explained he no longer sits on the association board, and indicated he hasn't heard back from the board on what the status of the parking lot is. Zurbey reviewed funding for the association, noting they have started to set aside a reserve fund of \$5,000 month to help cover some of the maintenance costs. Mayor Knier asked if the City could have this added to a street project to take advantage of potential cost savings. Layne Otteson discussed a previous city he worked for had ordinances relating to access for public safety. Otteson also discussed that in order to include in an upcoming street project, we would have to fund the costs until the assessments came back to the City over a 10-year assessment period. We would need to defer to our City Attorney to ensure we could even do this type of assessment. Knier discussed concern that we don't want to get in the habit of forcing people to do work to their property.

Council directed staff to bring back the kiosk discussion to a future workshop.

6. ADJOURN

Council Member Halverson motioned to adjourn at 7:04 p.m. Seconded by Council Member Hanson, unanimous ayes, motion carried.

Gina Wolbeck
City Clerk

08.09.23
Date Approved by Council