

CITY OF NASHWAUK
NASHWAUK PUBLIC UTILITIES COMMISSION

City of Nashwauk
301 Central Avenue
Nashwauk, MN 55769
p: 218-885-1210

TUESDAY, FEBRUARY 18, 2020

NPUC COMMISSION

E. Milton Latvala
Chair

Mike Anderson
Commissioner

Joe Klamm
Commissioner

Edward Bolf
Commissioner

Kevin Bodin
Commissioner

- 1. CALL TO ORDER**
- 2. ADOPTION OF AGENDA**
- 3. APPROVAL OF MINUTES**
 - a. Minutes of the February 21, 2020 NPUC meeting.
- 4. APPROVAL OF CLAIMS**
- 5. OLD BUSINESS**
 - a. East Itasca Joint Sewer Project Update
 - i. Memorandum from McGrann Shea regarding wastewater sewer ordinance
- 6. NEW BUSINESS**
 - a. Proposal for replacement of 2 electrical poles from Minnesota Power.
- 7. PUBLIC COMMENT.** Members of the public are welcome to address the Commission. Please provide your name, brief description of the subject matter, and keep comments to 5 minutes.
- 8. ADJOURN**

**City of Nashwauk
Nashwauk Public Utilities Commission
January 21, 2020**

Chairman Latvala called the meeting to order at 3:00 p.m. in the Council Chambers of City Hall.

Members present: Commissioner Bolf, Commissioner Bodin, Chairman Latvala, Commissioner Klamm, Commissioner Anderson.

Also present: Charlie Kautto, Engineer Mattonen, Dylan Peterson, April Kurttock.

Adoption of Agenda

*Motion by Commissioner Anderson, seconded by Commissioner Bodin to adopt the agenda of the January 21, 2020 Nashwauk Public Utilities Commission meeting.

Ayes: all present. Motion carried.

Approval of Minutes

*Motion by Commissioner Bolf, seconded by Commissioner Klamm to approve the minutes of the December 17, 2019 Nashwauk Public Utilities Commission meeting.

Ayes: all present. Motion carried.

Approval of Claims

*Motion by Commissioner Klamm, seconded by Chairman Latvala to approve PUC Claims register #1 in the amount of \$123,765.52.

Ayes: all present. Motion carried.

Old Business

East Itasca Joint Sewer Project Update

Engineer Mattonen shared that the Joint Sewer Board had received earlier that day a proposed ordinance revision related to the project. The ordinance would be considered for adoption by both the City of Nashwauk and Keewatin, but was being presented now for review and questions. Commissioner Bodin asked that it be reviewed thoroughly along with the existing bylaws so that everything was done right the first time. The document would be sent to Attorney Kaela Brennan for review and comment.

New Business

Transfer of Funds

*Motion by Commissioner Bolf, seconded by Commissioner Anderson to approve a transfer of \$100,000 from Fund 910 to balance fund 601 to reflect in December 2019.

Ayes: all present. Motion carried.

Rate Increases

Commissioners considered the recommendations of Financial Planner Mike Bubany, who suggested annual increases to water and garbage rates of at least 1.5% and an increase to sewer rates of at least 3.5%. Within the packet, Administrator Kurttock shared a spreadsheet of proposed rate increases and current rates.

*Motion by Commissioner Bodin, seconded by Commissioner Klamm to increase all water and garbage rates by 2% and increase all sewer rates by 4% to be effective March 1, 2020.

Rate increases will be as follows:

Water		
EDUs	Existing Rate	Rate as of 3/1/2020
1 EDU	\$21.50	\$21.93
2 EDU	\$34.50	\$35.19
3 EDU	\$47.50	\$48.45
4 EDU	\$60.50	\$61.71
12 EDU	\$164.50	\$167.79
18 EDU	\$242.50	\$247.35
Garbage		
Garbage Type	Existing Rate	Rate as of 3/1/2020
Flat	\$17.00	\$17.34
2 Yard	\$32.00	\$32.64
4 Yard	\$52.00	\$53.04
6 Yard	\$77.00	\$78.54
Sewer		
EDUs	Existing Rate	Rate as of 3/1/2020
1 EDU	\$17.00	\$17.68
2 EDU	\$34.00	\$35.36
3 EDU	\$51.00	\$53.04
4 EDU	\$68.00	\$70.72
12 EDU	\$204.00	\$212.16
18 EDU	\$306.00	\$318.24

Ayes: all present. Motion carried.

Public Comment

None.

Adjourn

*Motion by Commissioner Bolf, seconded by Commissioner Bodin to adjourn at 3:31 p.m.

Ayes: all present. Motion carried.

Secretary

MCGRANN SHEA CARNIVAL STRAUGHN & LAMB, CHARTERED

MEMORANDUM

To: April Kurtock
From: Kaela Brennan
Date: February 13, 2020
Re: Draft Wastewater, Sewer Ordinances
Our File No.: 60732-0011

This memo will summarize some questions and comments concerning the draft ordinances.

1. Proper Governing Body. As we've discussed, the NPUC currently sets rates and determines utility regulations. I understand that it is desirable for the NPUC to continue that role.

a. Existing Ordinance. The City currently has an ordinance (Chapter 51) concerning sewers. We believe it was adopted before the creation of the NPUC. To avoid overlapping regulations/fees, it likely would be appropriate for the City Council to repeal the chapter as part of this process. Section 3.1 of the ordinance should be deleted (sewer utility already exists).

b. Criminal Penalties/Assessments/Condemnation. There are several provisions concerning criminal penalties, and it is uncertain whether the NPUC may enact and enforce these provisions. (See Section 9.1(d), 12.2, 12.3 hearing process). There are also multiple references to "assessments" and it is unclear if special assessment process is intended (E.g., Section 12.6). The draft contains multiple references to determining a variance or similar (Article 13). And eminent domain is also referenced (Section 12.8). Some of these items may need to be reserved for the City Council.

c. City or Commission. Although the draft highlights the term "city council," there are also many references to the "City" that should also be evaluated as to whether a more specific term is appropriate (such as city council or commission). References to "ordinances" (including setting fees/rates) should be evaluated if a city council does not issue them. (See Sections 8.9(a), 11.2(a)).

d. Potential Decisionmakers. It seems that there are at least four categories of potential decisionmakers: (1) Technical staff (Superintendent or Engineer); (2) NPUC; (3) City Council; and (4) EIJSB. It may be helpful to understand what role or decisions each of these bodies is contemplated to make. For example, I understand that it is contemplated that the NPUC will determine rates within the

City of Nashwauk. Will other communities determine their own rates, but sufficient to operate the project as a whole?

e. OM&R Costs. (Section 1.46). Who determines? (EIJSB, NPUC, other?) (Section 11.6(e) suggests that the City Clerk/Treasurer compiles information and 11.6(f) references the City Council). Understanding that it may encompass documents outside these ordinances, how will the various charges be determined, and how to assure adequate payment for any project expenses (including bonds or other financing)? If there is a shortfall for the overall project, how is that addressed?

f. EIJSB Role (Section 2.2). It would be helpful to better understand the anticipated duties of the EIJSB and its relationship with Nashwauk under these ordinances. Section 2.2 states that the ordinance is intended to be consistent with Board policies, procedures, and ordinances, and that Board ordinances are controlling. In other places, it is stated that both the City Council and the Board must approve items (such as sand interceptors in Section 8.7(a); is this desired?

2. Delinquencies/Collections. It is unclear how delinquent accounts will be handled as a practical matter. The draft authorizes a late fee and various collection activities (Section 11.6(d)), but it is unclear how they may be enforced and who will take on these duties. Other options could be to consider an initial deposit, or pursue revenue recapture in the event of a delinquent account. Section 12.5 references multiple options; consider using "and" instead of "or" in case multiple remedies may apply. Consider verifying whether these charges may be certified through County Auditor (Section 12.5(a)(iii)).

3. Accounting. Who oversees the funds for the project? The Commission, the City Council, and/or the EIJSB? (Section 11.5 establishes an "income fund." Is that similar to an enterprise fund that are typical for utility funds?)

4. Other Staffing. As we discussed, it is unclear how the project will be staffed. For example, there are references to the Engineer (Section 1.21) and the Superintendent (Section 1.74). It would be helpful to consider what positions are contemplated to enforce and oversee these regulations. In addition to these technical positions, there will be other duties needed such as billing, collection, accounting, and perhaps other services.

5. User Contracts. Consider clarifying intent of Section 8.12.

6. Indemnification. In Section 10.2, is it required or prudent for the City or NPUC to affirmatively and broadly indemnify an owner?

7. "User v. Owner" Clarification. Section 11.1 and other sections in Article XI reference "owner." Should the defined term of "User" be considered? (See also Section 11.6(g) and 12.5(a)). Also, there are references in Article XI to "treatment facilities"; should a defined term be used?

April Kurtock

From: Joe Peterson (MP) <japeterson2@mnpower.com>
Sent: Monday, January 27, 2020 12:56 PM
To: 'Charlie Kautto'
Cc: Alison Paulseth-Bautch (MP); April Kurtock
Subject: Pole Replacement Proposal

Hi Charlie,

This proposal is broken into 3 line items to account for the engineering of the 2 poles as well as the field work and materials to replace them. These are estimates and billing would be done per previously agreed upon rates, which may be less than or equal to estimates depending on engineering results and field conditions.

Engineering

MN Power will model the applicable poles using our O-Calc software and clearance spreadsheets. This modeling reviews structural needs and clearance against current NESC requirements and will be used to ensure the minimum pole and guy/anchor equipment needed for the field replacements. We will also review and provide alternate options as applicable (for example, Pole 2 clearance needs may be best achieved with a slightly shorter pole but also replacing the pole to the north with additional height). The results will be signed by a licensed MN PE as required.

Estimated price \$2,000.

Pole 1 – Span Guy Stub Pole M5550344

This pole currently appears to be a 30' pole and this cost is based on a 30' to replace it. The down guy and anchor will also be replaced to ensure integrity.

Estimated price \$3,350.

Pole 2 – Backyard w/Transformer Spanning over Garage M555067

The pole currently appears to be a 40' pole with inadequate clearance over a garage/lean-to. The cost is based on a 50' pole and modification of the attachment heights on the pole to obtain compliant clearances between power and communication conductors as well as clearance above the building. Note: the clearances are considered using estimates of conductor sag during NESC specified ice loading conditions, not as measured during any normal condition. The transformer on the pole will be replaced as well as a new anchor/down-guy installed to minimize the potential need for a near future return trip to this pole.

Estimated price \$7,000.

Please let me know if you have any questions or if you need this submitted in an alternate format.

Thank you.

Joe Peterson, P.E.*
Senior Distribution Engineer
Distribution Engineering
Office: (218) 471-4015
Cell: (218) 348-2889
Fax: (218) 471-4018

**City of Nashwauk
City Council Meeting
January 28, 2020**

Mayor Saari called the meeting to order at 5:30 p.m. in the Council Chambers of City Hall.
Mayor Saari led the Pledge of Allegiance.

Members present: Councilor Holmbeck, Mayor Saari, Councilor Bodin, Councilor Gangl.

Members absent: Councilor Heyblom.

Also present: Attorney Simon, Administrator Kurtcock, Police Chief Dasovich, EMS Coordinator Bodin, Fire Chief Marinaro, Lead Tom Martire, Assistant Police Chief Savolainen, Engineer Mattonen.

Adoption of Agenda

Mayor Saari asked that any Fire Department discussion be addressed first, as he knew the members had a meeting that night too.

Councilor Holmbeck asked for an addition to agenda before the public comment section to address the protocol for public comment.

The agenda stands as approved.

Approval of Minutes

*Motion by Councilor Holmbeck, seconded by Councilor Gangl to approve the minutes of the January 14, 2020 City Council meeting; and minutes of the December 17, 2019 Work Session.

Ayes: all present. Motion carried.

Fire Department Discussion

Fire Chief Marinaro stated that the ice build-up on the Safety Complex needed to be addressed. Tom Martire said the street department already intended on taking care of it the next day.

Mayor Saari asked for the Fire Department Constitution work committee discussions to be started soon.

Approval of Consent Agenda

*Motion by Councilor Holmbeck, seconded by Councilor Bodin to approve the consent agenda as follows:

- a. Approve claims register #12820 Claim1 in the amount of \$180,574.35.
- b. Approve one-day liquor permit for Wizard's Bar & Grill on February 22, 2020 in the Memorial Building.
- c. Affirm the 2020 federal mileage rate of \$.575.
- d. Approve ride-alongs on the Nashwauk Ambulance Service with Desiree Jensen, Cody Kasper, and Amber Jackson.
- e. Approve Jaime Williams, Shannon Fremling, and Tiffany Bodin to attend Long Hot Summer in Brooklyn Park, MN on March 5-7; course fee \$235.

Ayes: all present. Motion carried.

Unfinished Business

Recreation Center Renovations

Mayor Saari stated the contract with Community Resources Development takes effect February 1, 2020.

Mayor Saari suggested using Max Gray as a project management team. Max Gray had been approved in a specific role for this project previously, but that title was unknown at the time. An update would be provided at the next meeting and if needed, advertise for a project manager.

Councilor Gangl stated he wanted to discuss the dividing wall at the recreation center, as he assumed that was why so many new faces were present in the audience.

Residents Brittany Wellings and Carol Savolainen presented concerns regarding ice use and scheduling of ice use time. Council extensively discussed the issue of using the dividing wall to better utilize the ice. Mayor Saari mentioned overtime expenses related to the rink. Councilor Holmbeck wanted to know why there was so much spent on overtime and suggested a casual laborer to solve the issue of overtime.

Building Inspection Update

Administrator Kurtok asked Attorney Simon for guidance on the structure at 315 Central Avenue, as the timeframe established for repairs had lapsed. Attorney Simon stated she would have to commence the actions to enforce the Order through district court.

East Itasca Joint Sewer Board Update

Within the packet was a proposed ordinance revision that had been received the previous week from the East Itasca Joint Sewer Board who had received it from their attorney Fryberger. The ordinance was intended to address the different parties involved (The City of Nashwauk, City of Keewatin, and Lone Pine Township) and how the sewer system would be managed. Mayor Saari clarified that it was a working document and suggested that a meeting be held between the Council, NPUC, and EIJSB.

Accepting Proposed Effluent Limits

Engineer Mattonen stated that he'd been in contact with the MPCA earlier in the week and the organization stated that Nashwauk would have to accept the proposed effluent limits in relation to the waste water treatment facility. The limits were originally proposed by the MPCA, yet the City still needed to accept them. Mattonen said it was important that this be passed in order to meet funding deadlines. The limits were established in 2017 when the project first started. It needs to be in the MPCA file in order for them to continue with the plan review.

*Motion by Councilor Gangl, seconded by Councilor Holmbeck to approve a draft letter to the MPCA accepting proposed preliminary effluent limits for the waste water treatment facility.

Ayes: all present. Motion carried.

New Business

Resolution 2020-02

Attorney Simon presented Resolution 2020-02 for Council review. Business owner, Michael Broker of Wizard's Bar & Grill donated to the Fire Department gas monitors with corresponding chargers, battery packs, and other testing equipment that could be used to either detect sewer gas or propane. To accept the donation, Council would need to do so via resolution.

*Motion by Councilor Holmbeck, seconded by Councilor Bodin to adopt Resolution 2020-02 Accepting a Gift of Equipment for the Nashwauk Fire Department.

Roll call—Ayes: Councilor Holmbeck, Councilor Bodin, Councilor Gangl, Mayor Saari. Resolution approved.

Military Leave

Administrator Kurtcock shared a proposed revision to the military leave policy within the personnel policy. The current policy allowed for up to 15 days of paid time off, but did not provide language for continuation of insurance benefits. The proposed revision provided up to three months of health insurance continued at the current rate in exchange for the 15 days of paid time off.

*Motion by Councilor Holmbeck, seconded by Councilor Bodin to approve the new language for the Military Leave section of the Personnel Policy effective January 28, 2020.

Ayes: all present. Motion carried.

Department & Committee Reports

Police Department

Police Chief Dasovich stated that the Anishinaabe Worldview Training would be held in March and up to 20 people could attend. The opportunity had been opened up to the City of Keewatin Police Department and Admin staff as well as the Community Fund Board.

Chief Dasovich said the SurveyMonkey survey responses to the internet questionnaire had slowed down so he'll be sending the data to Paul Bunyan in hopes it would help them petition the FCC to provide service in Nashwauk.

Mayor Saari will check with RAMS regarding broadband support.

Commission Updates

Police Commission

*Motion by Councilor Gangl, seconded by Councilor Bodin to approve the recommendation by the Police Commission to terminate employment with the following part-time officers due to inactivity:

1. Karl Morrison
2. Wilbert Geise
3. Nicholas O'Toole

Ayes: all present. Motion carried.

Public Comment Concern

Councilor Holmbeck shared his concern that the statements made at the podium could lead to the liability issues for the city. Attorney Simon shared that the Mayor could take a moment before the Public Comment section to tell speakers what is allowable and what is not. She said she would locate language that could be used.

Public Comment

Peggy Hagen stated that a Rec Committee meeting was scheduled for February 10th. The monthly community potluck would be held on Feb 13th. Hagen shared that over 40 people attended the last potluck.

A quote for playground equipment upgrades was received. It would be discussed at the next Committee meeting.

Councilor Holmbeck said that Sarah Carling of CEDA had suggested community block parties as a way of getting residents more interested in their community and possibly more interested in serving on Committees and Boards.

Councilor Holmbeck asked Police Chief Dasovich to get the pony league football equipment back from the football coaches.

Mayor Saari shared he'd had lunch with Sarah Carling to discuss furthering community input and involvement.

Mayor Saari stated he'd attended a RAMS meeting last week in which they'd held their reorganizational meeting; he had been named to the legislative committee for RAMS.

Mayor Saari stated the WMMPB dues increased. Councilor Gangl volunteered to attend the WMMPB meetings in the Mayor's or Councilor Heyblom's absence.

Public Utility Commission Update

Councilor Bodin stated at the last NPUC meeting, the Commission considered the ordinance proposed by the EIJSB attorney; approved a transfer of funds; and reviewed and approved a rate increase for water, sewer, and garbage rates.

Mayor and Council Updates

Councilor Holmbeck stated frustration about a news release regarding the TH 65 & TH 169 intersection that implied the final plan for the intersection upgrades was not the safest option. He wanted it noted that safety was heavily addressed. Council asked that MnDOT be asked why the flashing lights hadn't been installed near the intersection.

Councilor Holmbeck asked for a meeting with the city administrator regarding the Personnel Committee, especially in relation to the action of the Council.

Councilor Holmbeck asked when the budget session would be held to identify money sources. It would be scheduled after the audit was complete and reviewed by Financial Planner Mike Bubany. Mayor Saari stated additionally Council needed to review its Comprehensive Plan and 5-Year Capital Improvement Plan.

Adjourn

The meeting was adjourned at 7:10 p.m.

City Clerk