**Moose Lake Windemere Area Sanitary Sewer District**

**Approved Joint Meeting Minutes with the City of Moose Lake**

**August 23, 2023**

**@ City Council Chambers**

1**.**  The joint meeting of the Moose Lake Windemere Sanitary Sewer District and the City of Moose Lake was held on August 23, 2023, in the City Council Chambers. Mayor Ted Shaw called the City meeting to order. Chairman Kuster, called the MLWSSD meeting to order at 5:30 p.m. Members present included: Chairman Kuster, Vice Chairman Clair Strandlie, Treasurer Eric Nielsen, Bruce Lourey and Henry Gretsfeld. Also in attendance were Executive Director Darla Hall, City Council Board Members Greg Sarvela, Doug Juntunen, Kris Huso, Walter Lower, Mayor Ted Shaw, City Administrator Ellissa Ownes and City staff members Phil Entner, Ryan McKeon and Taylor Hansberry as well as the City’s engineers Matt Bolf and Tyler Yngsdal from SEH Engineering. Mark Lambert was present representing SLR.

A. Pledge of Allegiance: Pledge of allegiance was said.

B. Approval of the Agenda: Gretsfeld made a motion second by Strandlie to approve the agenda as written. Motion carried 5/0.

2. Public Comment: No public comment.

3. New Business: SEH Engineer, Matt Bolf briefly discussed the work the City has been doing with their lining projects. Matt informed everyone that 3 years ago the treatment ponds were at 94% and this September/October they will be doing their annual review of the ponds. The City has another pipe lining project which will be done later this year. Matt also discussed the state facilities and the Brewery’s request for additional treatment volume as well as the District’s request. At this time, they can’t grant most requests but will be holding meetings later this fall with the District to review the impact the lining projects have made on the current pond capacity.

Matt discussed the current wastewater treatment agreement the City has with the District, and it is not in compliance with some requirements with the MPCA. The engineers are looking at adding those to the current agreement. District would have the opportunity to review and discuss anything they don’t like or want changed.

A. 2024 Rate Increase – 12%: The rate study that was done with Minnesota Rural Water Association was discussed. The rate study was based on shared OM&R by all parties. The rate study came in with a much higher percentage at 20 – 24% increase but the City chose to only charge the 12%. Chairman Kuster explained the District was looking for more information such as a copy of the rate study so the District could due their due diligence but had received no further information. City Administrator Owens commented that the rate study is not certified. Mayor Shaw indicated the increase is based on inflation and the level needed to operate the system. Owens commented that the costs of what is represented are from the sewer fund and there is no way to break down those costs by each entity. Owens offered to provide the District the sewer fund budget in its entirety. She also stated that their sewer fund is running in a deficit. The City is looking at giving all significant users the same yearly percent increase. District discussed the issue of their rate being based on shared facilities and the treatment ponds and questioned if the City’s I&I project was included in the costs. Matt Bolf, engineer commented that the I&I project was included in the costs as this involves increased capacity which would allow capacity to be available to the District and the other entities. Lourey stated the District raised the rates to their customers to 60$ a month several years ago and have completed manhole projects, lining projects, televising of the system, lift station upgrades, etc. and did not understand why the District should be required to contribute to the repairs to the City’s system for infrastructure that the District’s wastewater doesn’t even touch.

Mayor Shaw discussed the history stating in 2012 the State Facilities were going to expand and the MPCA authorized the City to expand the pond system. At that time the MPCA indicated they would never allow the ponds to be expanded again and the City would need to look at a mechanical system in the future. The State Facilities did not expand their facility and the treatment pond expansion never took place. Shaw stated that if the City needs to go to a mechanical system, it would cost everyone millions. Mayor Shaw stated that the City has received 5or 6 grants to aid in the I&I project costs. City Council Juntenen indicated he understood the District’s position on doing their due diligence and suggested the City send a letter to the District on letterhead form indicating the 12% increase was due to inflation. City Administrator Owens stated the City does not have a formal rate study but offered Chairman Kuster to come look at what was done. Juntenen expressed that the City should get the packet of information that was presented to the City on the rate increase to the District to continue the open and transparent dialog. Chairman Kuster stated the District Board just wants to have what is fare to the District, fare to the City and keep it above board and open as can be and to honor the District’s contract.

B. MLWSSD Capacity Request: City Administrator Ownes informed the City Council the District has sent a formal request dated August 22, 2023, for an additional 10,000 gpd. The current contract is for 67,000 gallons per day and would increase it to 77,000 gallons per day. District explained the request is based on the needs for the Sand Lake Resort project of 15 connections, the immediate needs to the District based on several pending request for connections in the infill areas and to accommodate for the overages as the District is paying penalties on overages. Entner stated he looked at flow on a random date (May 31st) to compare flows. The City’s combined flows from all entities was recorded at 428,000 gpd. The District’s was 77,400 gpd or 18% of the total daily flow on that day. Bolf stated that the reserves are tight and there is no solution now but that the engineers would be looking at the capacity results in October and provide a report of then. Bolf also stated the Brewery is asking for additional capacity for expansion and the Sand Lake Resort project was taken into consideration. The City is also looking at development. This will be looked at before any requests can be looked at. City and District discussed holding a joint meeting sometime after the 2nd week in October to review the information on the capacity based on the engineering reports.

C. Kenwood Flow Reporting: Chairman Kuster reported that Quality Flow is coming up to completely go thru Kenwood Lift Station to see if there may be a problem with valves, pumps, controller etc. Kuster has been reviewing the manual readings compared to the controller and computing data to determine what is taking place. District Superintendent, Keith Newman currently reads the manual pump readings once per week. The City of Moose Lake would like those manual readings to be taken daily and offered to do it for the District. After much discussion it was decided that the District would have Keith and Phil work together and get the readings daily from Kenwood.

D. June & July Billing Discussion: Administrator Owens discussed how to resolve the issue with the low readings at Kenwood North. It was decided to use the 240 gallons per day times the District customers for computing the bills. Entner noted that this will include August as well until the Kenwood station issue can be resolved. Hall and Owens to work together on the calculations of those bills.

E. Shared OM&R Cost Discussion: City of Moose Lake provided invoices for OM&R shared costs that they are not seeking reimbursement for from the District. One was from September 2020 for facility mixers and the other for bridge lift station pumps. Both were submitted to the insurance company and the City received reimbursement for all costs except $5,777.80.

City of Moose Lake submitted invoices for capital improvements to the bridge lift station influent grinder from 2022 and a purposed 2024 main lift station pump replacement project. The 2022 cost was $41,712.50 and the 2024 Quote was for $216,617. Both are shared infrastructure subject to reimbursement. The previous practice in accordance with the Contract between the City of Moose Lake and the District was 13.16% of flow for 2009 Debt Service and 16% for 2015 Debt Service.

Entner discussed the percentage of flows the District is currently sending and supplied the information from the daily flows for May 31, 2023, being 428,000 gpd sent to the ponds from all entities with the District’s portion being 77,400 or 18% of that. It was discussed that the 18% was based on one day and needed to be looked at over a period of time. SEH engineers will look into where the original data came from and review the current percentages for both parties to look at and agree upon.

F. SIU Agreement Discussion: Matt Bolf discussed the SIU Agreement. The language that will be included deals with MPCA requirements and deals with regulatory responsibilities, determines flows and rates and deals with pretreatment. He understood that the District is mostly residential but to be in compliance with the MPCA the Districts agreement would need to be updated. He commented that the District’s agreement would not be replaced but additional language implemented into it to comply with the NPDS permit and MPCA requirements. District stated they have not seen what the SIU Agreement includes. It was agreed that the engineer would get the District a copy of the information they are looking to incorporate into the agreement based on those requirements. Executive Director Hall to get a pdf file of the contract to the engineer so they can incorporate the changes into the document for the District’s review.

G. Future Planning of MLWSSD Discussion: Chairman Kuster discussed the flume meter and the issues with the high readings between LS#1 and the flume. Kuster stated that MRWA has completed the smoke testing for the District customers (LS#1 to the Newberry manhole) and nothing was found. Sump pump inspections were done to the District’s customers in that area as well with only one sump pump being found. Kuster explained that years ago the District paid for and installed the flume meter where the City of Moose Lake requested as at that time all residents between LS#1 and the flume were considered District customers. Since then, those customers in the City limits (Newberry manhole to the flume meter) have been turned back over to the City of Moose Lake and the flume meter turned over to the City at their request. Kuster suggested to resolve some of the pending issues with regards to the high readings, the frozen water line issue with the City customers, etc. perhaps the City of Moose Lake would cost share with the District on installing a flume meter at the Newberry manhole where the District line ends and the City begins. This would resolve a lot of those issues. Entner suggested the District look at taking manual readings at the main lift every day, doing the math problem to compare the pump data with the controllers.

Mayor Shaw discussed future planning for the District and commented that the District has a lot of overhead costs that are passed onto the users of the system that are duplicate of what the City has. He questioned if the District would be interested in selling the sewer district to the City of Moose Lake. The District Board stated it would take legislative action since the District was created by the legislature. It would also take approval by the two townships. Gretsfeld discussed sewer legislation and that it covers a lot more than just sanitary sewer. The discussion then went on to the regional discussions that have taken place over the years with the outlaying communities. Shaw indicated that he is serious about the City being interested in taking over the District.

Another joint meeting with the District and the City of Moose Lake was tentatively scheduled for Wednesday, November 1, 2023, at 5:30 p.m. at the City Council Chambers.

4. Adjournment: City of Moose Lake then motioned to end their meeting. Motion was then made by Strandlie seconded by Gretsfeld to adjourn the meeting, the motion carried 5/0 and the meeting adjourned at 7:30 pm.

Minutes by Darla Hall, Executive Director