

MOUND CITY COUNCIL MINUTES
December 15, 2015

The City Council of the City of Mound, Hennepin County, Minnesota, met in a special session on Tuesday, December 15, 2015, at 6:30 p.m. in the council chambers of the Centennial Building to discuss a private sewer lateral program.

Members Present: Mayor Wegscheid, Council Members Salazar, Gillispie, Gesch, and Peterson

Members Absent: None.

Others present: City Engineers Dan Faulkner and Brian Simmons, Public Works Director Eric Hoversten, Public Works Superintendent Ray Hanson, Director of Finance and Administrative Services Catherine Pausche, Orono Police Sergeant Kenny Beck, Officer Mike Fournier, Katie Morford, Sarah Smith, Greg Pederson, Sindy Dossett, Bert Tracy.

1. Open Meeting

Mayor Wegscheid called the meeting to order at 6:30pm.

2. Approve revised agenda, with any amendments

MOTION by Salazar, seconded by Gillispie to approve the revised agenda. All voted in favor. Motion carried.

3. Emergency Response Training

Sergeant Beck and Officer Fournier from the Orono Police Department conducted an emergency response training.

4. Mound Private Sewer Lateral Program Workshop

Simmons stated that new in 2016, work on private sewer laterals can be counted as MCES surcharge satisfying work based on specific financial thresholds and criteria being met. Simmons showed a diagram showing MCES will be monitoring the hourly exceedances versus daily measurements used in the past and said that this is a significant change. Simmons noted that MCES sends periodic notices of exceedances and then calculates the financial impact, or "surcharge", around August for planning purposes.

Simmons stated exceedances are impacted by both precipitation and lake levels so it is difficult to state exactly what kind of rain events would prompt an exceedance. The level of saturation of the ground has a significant impact. Simmons noted that the program started in 2005 and Mound's first exceedance was in 2007 requiring a \$56,000 surcharge work plan and then in 2014 when a \$933,750 work plan was required. Hoversten said wide fluctuation at the water treatment plants requires excess capacity that is very expensive to provide so MCES is trying to entice users to reduce peaks.

Simmons noted that the difference in flows between dry months like January, February, and March compared to the wet months of June, July and August are referred to as inflow, versus infiltration, which is caused by aging pipes which is more constant and consistent.

Simmons pointed out page 11 of the packet that lists what private property improvements can consist of and noted that a 25% credit for staff time can be counted as well.

5. Follow-up on Discussion Topics (Insurance Programs, Rain Barrels, Other Community Programs)

Simmons stated that rain barrels impact water use more than inflow and infiltration, or "I/I" but that water conservation is also a priority for communities. Peterson said although it is not the complete solution, it helps. Simmons stated lateral line insurance policies typically exclude I/I as a reason for repair. Wegscheid said the City should make an effort to educate the public via the newsletter and other media so they begin to understand the issues and possible solutions.

6. Present Staff Recommended Program Outline

Simmons said the objectives are to rapidly and effectively eliminate the risk of exceedance penalties, reduce I/I through targeted investigation, repair and renewal, and focus up front effort on discovery and elimination of inflow. Simmons said this could be achieved through point of sale inspections, demolition/rebuild/addition inspections, City wide voluntary/self reporting inspections and risk targeted inspection projects led by the City.

7. Q/A with Bert Tracy, Golden Valley Public Works

Bert Tracy said Golden Valley has been mitigating I/I since 2005 when they had an exceedance and penalty imposed by MCES. Bert Tracy said Golden Valley has much more private pipe than public pipes, like most other cities and their approach is three pronged which targets MCES, public and private lines. With regard to private lines inspections, Tracy said some owners delay repairs until they sell the home or wait for a large project that will trigger a permit and compliance.

Tracy said most repairs are lining repairs using alternative methods like cure in place lining, with the average cost of \$3,500 to \$5,000, noting the product and vendor have to be approved by Golden Valley building inspections department with the lines inspected after the repair. Tracy said Golden Valley started out with two approved vendors and now has 10 or more with the price coming down. Tracy said the permit fee is \$250 for residential and \$750 for commercial which includes two televised inspections, before and after. The City initially contracted with SEH but now employs a full time inspector. Tracy said floor drains must be inspected to ensure no drain tile empties into it but rather a sump basket is present.

Tracy said Golden Valley does not care whether it is the buyer or seller who pays for the repair, just that it must occur prior to a transfer of property. Simmons noted that the market should dictate who pays and that escrows could be created to ensure the repairs eventually get done without holding up the transfer. Tracy said a sump pump inspection of over 1,000 properties had just over 100 compliant. Tracy said that although realtors and residents resisted it initially, once the certificate is obtained, it becomes an asset and the seller and realtor can market it as such. Tracy said the certificates currently don't expire and subsequent sales only require a sump pump inspection. Golden Valley started a special assessment policy to incent residents to repair the entire lateral line and not just where it failed.

Salazar asked what about newer residents who challenge the change in code and ask why they should be responsible. Hoversten said that is why it is better to let the market decide with the point of sale, but that other options will be presented as well.

Tracy said times have changed and the 50's mantra of 'the solution to pollution is dilution' is no longer accepted because of the cost of treating clean water. Tracy said one home was 200 feet from the road and the entire line needed replacement at a cost of \$20,000, but others are just a few hundred dollars. Wegscheid asked about the estimated cost for comprehensive repair for Mound estimated at \$16M versus just paying the fine. Hoversten

described the formula to allocate the Met Council's operating budget and noted that cities that do not address I/I will continue to get a larger share of the MCES budget.

Gillispie asked what the surcharge would have been for the last period if the hourly exceedance was in place. Hoversten and Simmons said they will ask the Met Council if the data is available.

Wegscheid asked Tracy for their experience and Tracy noted a similar event in 2011 was 9.9 vs. 13 in the 2005 event prior to the program (based on comparable ground water data and rainfall). Golden Valley has invested ½ million to a million a year since the 2005 surcharge was assessed.

Peterson said she is concerned about the speed and intensity of rolling out the program. Wegscheid agreed and stated public education will be critical in addition to starting with voluntary reporting and possibly point of sale. Hoversten said the key will be to have a plan with what to do with the information and what action will be required. Gesch said she warns against waiting for other cities to act as Mound is unique with the age of housing stock and proximity to the lake. Salazar asked for more current information when Simmons showed a 2007 I/I study. Simmons said the data is available for City lift stations and some MCES lift stations, but the Council needs to direct staff continue to do the assessment. Simmons noted that Golden Valley has very few direct connections to MCES compared to Mound.

MOTION by Wegscheid, seconded by Salazar, to direct staff to get more current information. All voted in favor. Motion carried. Hoversten noted that it should be available for the proposed follow-up discussion in February. Hoversten noted the point of sale program creates an incentive to know if there is a problem and fix it rather than waiting for a collapse.

Tracy noted there is a breakdown on the inspection report to indicate what repairs are needed and the video is made available upon request.

8. Update on MCES Coordination

This topic was not discussed in detail.

9. Breakdown of Components in the Recommended Program

Simmons said the City will need to decide if the City will buy the equipment to do in-house and charge a fee or to outsource the televising of lines.

10. Point of Sale

Simmons outlined a typical point of sale program that was detailed on Page 24 of the packet, including televising of line, certification, and potential escrow at 2 times the cost of potential repairs.

11. Demo/Rebuild or Addition

Simmons noted the building permit process would trigger the need for an inspection, the process of which was described on Page 25.

Tracy noted Golden Valley requires a brand new home to be lined to the right of way.

Simmons noted there has to be a penalty for non-compliance and gave the example of charging a penalty on the utility bill that could ultimately be used to abate.

12. City-wide Voluntary/Self Reporting

Simmons referred to page 26 of the packet and Hoversten mentioned the \$250K buy down of MCES surcharges, subject to funds available in the budget, could be used to match funds (also see page 8 of the packet).

Tracy said Metro Cities is setting up a committee on I/I which he and possibly Hoversten will participate on. Tracy said Metro Cities lobbies very hard to get grant funds allocated to I/I. Hoversten said it is key to have language in the Code to support these initiatives to ensure the City can compete in the competitive grant process. Tracy said most of the grant funds were used in the point of sale program and some in the pavement management program. Peterson said it may deter people from selling aging homes and delaying improvements. Tracy said 50% of improvements up to a certain amount are eligible for grant funds and the rest can be assessed.

Hoversten said the only funds available right now are the pay or play surcharges, which is approximately \$250K per year of City money. Hoversten recommended going after the bigger problems, which is a combination of very specific property data and modeling data that helps to target problem areas. Hoversten noted the state grant cycle is biennium and that there was no private grant funding for the current biennium. Hoversten said it is important to get the pieces in place during the interim. Hoversten said inflow happens near the foundation and infiltration happens between the house and the sewer connect. Hoversten said many lines go from the house to the sewer line near the lake, some of which fall below the high water mark of 929, which will also need to be analyzed.

13. Risk Targeted Inspection Projects

Simmons noted potential sources (pages 20 – 21 of the packet) to create additional funds available to address I/I. Page 22 has a potential timeline and Wegscheid reiterated the need to address the worst areas first. Simmons agreed that the model map will be updated to prioritize the highest risk areas (pages 33-34 of the packet).

14. Next Steps

MOTION by Gillispie, seconded by Gesch to have staff to prepare proposed Code changes for the Council to consider. All voted in favor. Motion carried.

Wegscheid said he is in favor and knows other cities will need to incorporate similar measures, but that he wants to ensure this is done methodically and is well thought out.

15. Adjourn

MOTION by Gesch, seconded by Gillispie, to adjourn at 8:40pm.

Mayor Mark Wegscheid

Attest: Catherine Pausche, Clerk