

WABASHA UTILITIES COMMISSION

September 3, 2024 4:00 PM

MEETING AGENDA

- 1) Call to Order and Roll Call
- 2) Changes or Additions to Agenda
- 3) Approval:
 - 1) September Warrants
 - 2) 8-5-24 UT Commission Minutes
 - 3) August Financials
 - 4) Adjustment Requests
 - 5) General Business
 - 6) Old Business
- 1) Grant Schuth request for legal agreement for private 2200 foot water line, with MNDOT ROW portion publicly owned
- 7) Other Business
- 8) Adjourn

Utilities Commission

3) 1)

Meeting Date: 09/03/2024

ITEM TITLE: September Warrants

DEPARTMENT: Administration

REQUESTED BY:

PURPOSE:

ITEM SUMMARY:

Review and approve the September warrants for the utilities commission.

Attachments

Sept Ut Warrants

CITY OF WABASHA

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Receipts

Current Period: August 2024

Payments Batch 9324UTWARRANTS

\$93,731.53

Refer 13679 AUTOMATIC SYSTEMS CO

Cash Payment E 315-410-41500-311 Contractor Fees NEW COMPUTER SYSTEM \$67,759.76

Invoice 41997

Cash Payment E 810-500-49449-580 Other Equipment NEW COMPUTER SYSTEM \$13,212.79

Invoice 41997

Transaction Date 8/29/2024 First State Bank 10100 Total \$80,972.55

Refer 13680 UTILITY CONSULTANTS INC.

Cash Payment E 810-500-49449-405 Water/Sewer/Sludg FECAL TESTING \$787.43

Invoice 121131

Transaction Date 8/29/2024 First State Bank 10100 Total \$787.43

Refer 13681 USA BLUE BOOK

Cash Payment E 800-500-49000-219 General Supplies WINDSOCK & FRAME KIT \$82.49

Invoice 456264

Transaction Date 8/29/2024 First State Bank 10100 Total \$82.49

Refer 13682 HILLS HARDWARE HANK

Cash Payment E 810-500-49449-214 Shop Materials MISC FITTINGS AND PEST CONTROL \$160.74

Invoice UTILITY 8/25/24

Transaction Date 8/29/2024 First State Bank 10100 Total \$160.74

Refer 13683 USA BLUE BOOK

Cash Payment E 800-500-49000-219 General Supplies VINYL WINDSOCK & FRAME W FREIGHT \$99.85

Invoice 456339

Transaction Date 8/29/2024 First State Bank 10100 Total \$99.85

Refer 13684 MINNESOTA DEPT. OF HEALTH-M

Cash Payment G 800-20410 A/R MDH FEE WATER SUPPLY SERVICE CONNECTION FEES \$2,901.00

Invoice 3RD QTR 24

Transaction Date 8/29/2024 First State Bank 10100 Total \$2,901.00

Refer 13685 FERGUSON WATERWORKS

Cash Payment E 800-500-49000-219 General Supplies CURB BOX COUP \$363.54

Invoice 534975

Cash Payment E 800-500-49000-221 Equipment Mainten 1-1/2 MACH10 R900I USG 13 LL *X \$1,029.96

Invoice 534032-1

Transaction Date 8/29/2024 First State Bank 10100 Total \$1,393.50

Refer 13686 MINNESOTA VALLEY TESTING LA

Cash Payment E 810-500-49449-405 Water/Sewer/Sludg MERCURY & SOLIDS SUSPENDED TESTING \$40.00

Invoice 1263272

Transaction Date 8/29/2024 First State Bank 10100 Total \$40.00

Refer 13687 MACQUEEN EQUIPMENT INC

Cash Payment E 810-500-49449-216 Chemical and Che NITROGEN CANISTER \$116.90

Invoice P59361

Transaction Date 8/29/2024 First State Bank 10100 Total \$116.90

Refer 13688 FERGUSON WATERWORKS

Cash Payment E 800-500-49000-221 Equipment Mainten METER COUPLERS & FLG KITS \$345.87

Invoice 534033

CITY OF WABASHA

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Receipts

Current Period: August 2024

Cash Payment	E 800-500-49000-221	Equipment Mainten	WATER METERS			\$3,552.40
Invoice 534032						
Transaction Date	8/29/2024	First State Bank	10100	Total		\$3,898.27
Refer	13689	FIRST LEASE LLC				
Cash Payment	E 810-500-49449-615	Lease Principal	JETTER TRUCK LEASE PAYMENT			\$1,330.70
Invoice OCT 2024						
Cash Payment	E 810-500-49449-616	Lease Interest	JETTER TRUCK LEASE PAYMENT			\$267.43
Invoice OCT 2024						
Transaction Date	8/29/2024	First State Bank	10100	Total		\$1,598.13
Refer	13690	VISA				
Cash Payment	E 800-500-49000-219	General Supplies	20 V SOMETHING KIT - FLEET FARM			\$380.64
Invoice 1602						
Cash Payment	E 810-500-49449-219	General Supplies	20 V SOMETHING KIT - FLEET FARM			\$380.64
Invoice 1602						
Cash Payment	E 810-500-49449-221	Equipment Mainten	TIRE GUARGE & SEWER PUMP - MENARDS			\$833.19
Invoice 3172						
Cash Payment	E 800-500-49000-322	Postage	WATER SAMPLES			\$39.40
Invoice 269510-0065						
Cash Payment	E 810-500-49449-221	Equipment Mainten	FILTER ELEMENT - EBAY			\$46.80
Invoice 12-11945-35358						
Transaction Date	8/29/2024	First State Bank	10100	Total		\$1,680.67

Fund Summary

	10100 First State Bank	
315 American Rescue Plan		\$67,759.76
800 Water Department		\$8,795.15
810 Sewer Department		\$17,176.62
		<hr/>
		\$93,731.53

Utilities Commission

3) 2)

Meeting Date: 09/03/2024

ITEM TITLE: 8-5-24 UT Commission Minutes

DEPARTMENT: Administration

REQUESTED BY:

PURPOSE:

ITEM SUMMARY:

Review and approve the minutes from the last UT meeting, making any changes felt necessary by the commission.

Attachments

8-5-24 UT Comm Minutes

DRAFT



Utilities Commission

Commissioners:

Brian Wodele (President)

Steve Schmidt

John Kreye
Josh Wendt

Mike Wallerich

Present: Steve Schmidt, Commissioner; John Kreye, Commissioner; Brian Wodele, Chair; Josh Wendt, Commissioner

Absent: Mike Wallerich, Commissioner

Also Present: Jessica Bruce, Deputy Clerk; Pat Mueller, Water & Sewer Supervisor; Caroline Gregerson, City Administrator

Attendees: Grant & Vienne Schuth

1. Call to Order and Roll Call

Meeting called to order at 4:04 by Wodele.

2. Changes or Additions to Agenda

Bruce added a warrant for Wabasha Fresh Market.

Moved by Chair Brian Wodele, seconded by Commissioner Steve Schmidt to approve the agenda with the addition of the warrant to Wabasha Fresh Market.

AYE: 4 NAY: None. ABSENT: Commissioner Mike Wallerich (ABSENT) Motion: Adopted

3. Approval:

1. August UT Warrants

Moved by Commissioner John Kreye, seconded by Commissioner Steve Schmidt To approve the August UT Warrants. AYE: 4 NAY: None. ABSENT: Commissioner Mike Wallerich (ABSENT) Motion: Adopted

2. 7-1-24 UT Comm Minutes

Moved by Chair Brian Wodele, seconded by Commissioner Steve Schmidt to approve the 7-1-24 UT Comm Minutes as presented. AYE: 4 NAY: None. ABSENT: Commissioner Mike Wallerich (ABSENT) Motion: Adopted

3. July Financials

The commission members reviewed and discussed any questions they had in regards to the July financials as presented.

4. Adjustment Requests

5. General Business

1. PFAS Testing

Mueller further discussed the current and possible testing as well as the costs associated with both. The commission decided to leave the current testing as is.

2. Schuth Property Water Extension

Schuths attended the meeting and explained their situation. There was discussion in regard to connections to neighbors and pipe sizes as well as requirements by MNDOT. The commission all agreed that this was not an expense they wanted to bear. Mueller was going to have a conversation with MNDOT in regard to the hook-up as well as he and Gregerson would reach out to the City Attorney to write up an agreement which would place any and all costs of the connection with Schuths from start to finish with any costs of maintenance in the future as well. The City would only allow this if the Property was Annexed into City Limits. There was more discussion on the steps to be taken before this is brought back to the table for further discussion.

3. MPCA Stormwater Implementation Grant

Gregerson discussed the grant implementation and answered any questions the commission had.

Moved by Chair Brian Wodele, seconded by Commissioner Josh Wendt to approve Bolton & Menk to apply on the City's behalf for the MPCA stormwater implementation grant. AYE: 4 NAY: None. ABSENT: Commissioner Mike Wallerich (ABSENT) Motion: Adopted

6. Old Business
7. Other Business
8. Adjourn

Moved by Commissioner Steve Schmidt, seconded by Chair Brian Wodele to adjourn at 4:58pm. AYE: 4 NAY: None. ABSENT: Commissioner Mike Wallerich (ABSENT)
Motion: Adopted

Jessica Leonhardt, Deputy Clerk

Utilities Commission

3) 3)

Meeting Date: 09/03/2024

ITEM TITLE: August Financials

DEPARTMENT: Administration

REQUESTED BY:

PURPOSE:

ITEM SUMMARY:

Attachments

YTD August Financials

Utilities Cash and Investments September 2024 Meeting

2024 Utilities Net Income (YTD August 29, 2024)	
Water Revenue	\$331,655
Sewer Revenue	\$553,296
Total Revenue	\$884,951
Water Expense	\$946,063
Sewer Expense	\$984,183
Total Expense	\$1,930,247
Net Income	-\$1,045,296

*Net income will not be a true indication of Water/Sewer performance until the 2023 Street Project is complete because Utility expenses and reimbursements for the 2023 Street Project are being accounted for in the Water/Sewer funds (Funds 800 and 810) per auditor instruction.

2024 Water Revenue (YTD August 29, 2024)			
FUND	Account Description	2024 YTD Total	2024 Budget
800	R 800-31060 Special Assessments	\$261	\$2,300
800	R 800-32180 Digging Permits - UT	\$0	\$0
800	R 800-33000 Intergovernmental Revenue	\$0	\$0
800	R 800-33100 Other Federal Grants	\$0	\$0
800	R 800-33300 MDH Source Water Prot Grant	\$10,000	\$0
800	R 800-33439 Pension Revenue	\$0	\$0
800	R 800-34307 Sales of Inventory	\$2,349	\$4,000
800	R 800-36100 Special Assessments	\$0	\$0
800	R 800-36200 Miscellaneous Revenues	\$180	\$1,000
800	R 800-36210 Interest Earnings	\$49,049	\$6,000
800	R 800-36223 Solar Refunds	\$1,633	\$0
800	R 800-37110 Water Sales	\$172,776	\$323,541
800	R 800-37111 Sale of Capital Assets	\$0	\$0
800	R 800-37150 WAC-WaterConnection Fee	\$800	\$1,400
800	R 800-37160 Penalty Revenue	\$1,008	\$3,700
800	R 800-37170 Unallocated UT Revenues	\$624	\$0
800	R 800-37180 W/S HOOK UP CHARGES	\$356	\$600
800	R 800-37213 Hydrant Rental	\$0	\$0
800	R 800-37270 UT Enterprise Fund Staff	\$0	\$0
800	R 800-39200 Interfund Operating Transfers	\$0	\$0
800	R 800-39204 LOAN - BJH Enter.	\$0	\$0
801	R 801-36210 Interest Earnings	\$10,068	\$7,000
801	R 801-37100 Base Rate - Water	\$82,551	\$123,692
801	R 801-39200 Interfund Operating Transfers	\$0	\$0
2024 YTD Water Revenue		\$331,655.32	\$473,233

2024 Sewer Revenue (YTD August 29, 2024)			
FUND	Account Description	2024 YTD Total	2024 Budget
810	R 810-31000 General Property Taxes	\$0	\$0
810	R 810-31060 Special Assessments	\$6,705	\$14,000
810	R 810-32180 Digging Permits - UT	\$0	\$300
810	R 810-32250 Septic System Permit	\$0	\$0
810	R 810-32251 Sewer Permit	\$0	\$0
810	R 810-33100 Other Federal Grants	\$0	\$0
810	R 810-33400 State Grants and Aids	\$0	\$0
810	R 810-33422 STATE GRANT	\$0	\$5,000
810	R 810-33439 Pension Revenue	\$0	\$0
810	R 810-36200 Miscellaneous Revenues	\$0	\$0
810	R 810-36210 Interest Earnings	\$15,847	\$5,000
810	R 810-36211 Interest-DO NOT USE	\$0	\$0
810	R 810-36223 Solar Refunds	\$1,709	\$0
810	R 810-37111 Sale of Capital Assets	\$0	\$0
810	R 810-37160 Penalty Revenue	\$5,669	\$7,000
810	R 810-37170 Unallocated UT Revenues	\$624	\$0
810	R 810-37210 Sewer Sales	\$494,538	\$762,563
810	R 810-37220 Reads landing Service	\$23,482	\$36,000
810	R 810-37251 Sewer Connection Fees	\$4,722	\$7,500
810	R 810-39100 Capital Contributions	\$0	\$0
810	R 810-39200 Interfund Operating Transfers	\$0	\$0
810	R 810-39201 Transfer from General Fund	\$0	\$0
810	R 810-39310 G.O. Bond Sale Proceeds	\$0	\$0
810	R 810-39311 Capital Leave Liability	\$0	\$0
2024 YTD Sewer Revenue		\$553,295.62	\$837,363

2024 Water Expenses (YTD August 29, 2024)		
Account Description	2024 YTD Total	2024 Budget
E 800-500-49000-101 Full-time Employees-Regular	\$60,996	\$100,902
E 800-500-49000-121 PERA Contributions	\$4,575	\$7,568
E 800-500-49000-122 FICA Contributions	\$3,448	\$6,256
E 800-500-49000-124 Medicare Contributions	\$806	\$1,463
E 800-500-49000-131 Health Insurance	\$21,219	\$29,243
E 800-500-49000-133 Dental Insurance	\$574	\$1,215
E 800-500-49000-134 Life Insurance	\$365	\$474
E 800-500-49000-151 WC Ins. Premium	\$2,966	\$3,337
E 800-500-49000-200 Office Supplies	\$0	\$200
E 800-500-49000-212 Motor Fuels	\$1,421	\$3,400
E 800-500-49000-216 Chemical and Chemical Products	\$2,332	\$3,700
E 800-500-49000-219 General Supplies	\$2,076	\$600
E 800-500-49000-221 Equipment Maintenance/Parts	\$25,216	\$20,000
E 800-500-49000-223 Building Maintenance/Repair Supplies	\$0	\$0
E 800-500-49000-240 Small Tools and Minor Equip.	\$200	\$0
E 800-500-49000-305 Medical/physical fees	\$348	\$300
E 800-500-49000-308 Continuing Ed	\$130	\$2,000
E 800-500-49000-311 Contractor Fees	\$585,756	\$0
E 800-500-49000-312 Computer Support	\$12,370	\$1,250
E 800-500-49000-316 Recorder Fees	\$0	\$150
E 800-500-49000-321 Telephone	\$496	\$500
E 800-500-49000-322 Postage	\$2,240	\$3,500
E 800-500-49000-331 Travel Expense	\$26	\$0
E 800-500-49000-350 Printing and Binding	\$1,237	\$700
E 800-500-49000-351 Legal Notice Publishing	\$0	\$50
E 800-500-49000-361 General Liability/Property Ins	\$7,180	\$7,500
E 800-500-49000-381 Electric/Gas Utility	\$13,249	\$36,000
E 800-500-49000-407 Gopher State One-Call	\$563	\$1,100
E 800-500-49000-420 Depreciation	\$0	\$46,467
E 800-500-49000-430 Miscellaneous	\$39	\$50
E 800-500-49000-433 Dues and Subscriptions	\$624	\$3,500
E 800-500-49000-437 Misc Licenses and Permits	\$1,552	\$0
E 800-500-49000-438 Vehicle License	\$0	\$0
E 800-500-49000-500 CAPITAL OUTLAY	\$60,826	\$0
E 800-500-49000-570 Office Equipment & Furnishings	\$0	\$200
E 800-500-49000-580 Other Equipment	\$0	\$1,800
E 800-500-49000-585 Water/Sewer Improvements	\$0	\$3,000
E 800-500-49000-588 Water/Sewer Line Maintenance	\$1,755	\$19,000
E 800-500-49000-601 Bond Principal	\$59,811	\$0
E 800-500-49000-611 Bond Interest	\$24,617	\$0
E 800-500-49000-621 Bond-Fiscal Agent Fee	\$0	\$0
E 800-500-49000-720 Transfers Out	\$0	\$2,500
E 831-500-49000-601 Bond Principal	\$44,000	\$44,000
E 831-500-49000-610 DEBT SERVICE - INTEREST	\$3,052	\$3,051
2024 YTD Water Expense	\$946,063	\$354,975

2024 Sewer Expenses (YTD August 29, 2024)		
Account Description	2024 YTD Total	2024 Budget
E 810-500-49449-101 Full-time Employees-Regular	\$88,541	\$129,308
E 810-500-49449-121 PERA Contributions	\$6,641	\$9,698
E 810-500-49449-122 FICA Contributions	\$5,101	\$8,017
E 810-500-49449-124 Medicare Contributions	\$1,193	\$1,875
E 810-500-49449-131 Health Insurance	\$25,220	\$29,243
E 810-500-49449-133 Dental Insurance	\$796	\$1,215
E 810-500-49449-134 Life Insurance	\$469	\$637
E 810-500-49449-151 WC Ins. Premium	\$4,347	\$4,640
E 810-500-49449-200 Office Supplies	\$0	\$300
E 810-500-49449-211 Cleaning Supplies	\$91	\$0
E 810-500-49449-212 Motor Fuels	\$1,435	\$3,000
E 810-500-49449-214 Shop Materials	\$1,503	\$4,700
E 810-500-49449-216 Chemical and Chemical Products	\$12,856	\$13,000
E 810-500-49449-219 General Supplies	\$9,117	\$2,600
E 810-500-49449-221 Equipment Maintenance/Parts	\$9,129	\$22,500
E 810-500-49449-223 Building Maint/Repair Supplies	\$2,068	\$1,200
E 810-500-49449-228 Manhole/Storm Sewer Maintenance	\$7,306	\$50
E 810-500-49449-240 Small Tools and Minor Equip.	\$7,064	\$250
E 810-500-49449-303 Engineering Fees	\$0	\$15,000
E 810-500-49449-305 Medical/physical fees	\$585	\$150
E 810-500-49449-308 Continuing Ed	\$347	\$2,500
E 810-500-49449-311 Contractor Fees	\$667,835	\$750
E 810-500-49449-312 Computer Support	\$1,545	\$0
E 810-500-49449-316 Recorder Fees	\$0	\$120
E 810-500-49449-321 Telephone	\$1,767	\$1,700
E 810-500-49449-322 Postage	\$2,053	\$3,700
E 810-500-49449-331 Travel Expense	\$577	\$200
E 810-500-49449-350 Printing and Binding	\$1,073	\$800
E 810-500-49449-361 General Liability/Property Ins	\$7,180	\$7,500
E 810-500-49449-381 Electric/Gas Utility	\$33,509	\$77,000
E 810-500-49449-384 Refuse Disposal	\$474	\$250
E 810-500-49449-404 Mach & Equip Maint. Agreement	\$0	\$100
E 810-500-49449-405 Water/Sewer/Sludge Testing	\$6,544	\$11,500
E 810-500-49449-419 Misc. Maintenance	\$4,125	\$1,500
E 810-500-49449-420 Depreciation	\$0	\$276,110
E 810-500-49449-430 Miscellaneous	\$0	\$50
E 810-500-49449-433 Dues and Subscriptions	\$680	\$3,800
E 810-500-49449-437 Misc Licenses and Permits	\$1,450	\$0
E 810-500-49449-438 Vehicle License	\$209	\$450
E 810-500-49449-500 CAPITAL OUTLAY	\$0	\$6,000
E 810-500-49449-530 Improvements other than Bldgs	\$0	\$900
E 810-500-49449-550 Motor Vehicles	\$0	\$6,000
E 810-500-49449-570 Office Equipment & Furnishings	\$0	\$200
E 810-500-49449-580 Other Equipment	\$0	\$1,100
E 810-500-49449-581 Uniforms	\$0	\$100
E 810-500-49449-585 Water/Sewer Improvements	\$0	\$400
E 810-500-49449-588 Water/Sewer Line Maintenance	\$0	\$700
E 810-500-49449-601 Bond Principal	\$40,565	\$0
E 810-500-49449-611 Bond Interest	\$18,004	\$2,371
E 810-500-49449-615 Lease Principal	\$10,539	\$15,842
E 810-500-49449-616 Lease Interest	\$2,246	\$3,336
E 810-500-49449-621 Bond-Fiscal Agent Fee	\$0	\$0

E 810-500-49449-720 Transfers Out	\$0	\$2,500
2024 YTD Sewer Expense	\$984,183.04	\$674,860

<u>Wabasha Utilities Cash and Investments</u>
September 3, 2024 Meeting

<u>Cash</u>	
\$1,037,720.50	Fund 800 Water Department
\$706,519.80	Fund 801 Water Department-Base Fee
\$1,223,108.95	Fund 810 Sewer Department
-\$186,021.50	Fund 831 Well #3 Bond Payment Account
\$2,781,327.75 Total Utilities Cash	

<u>Investments</u>	
\$125,000.00	United States Treasury Bill: 912797KZ9
\$125,599.19	United States Treasury Bill: 912797KU0
\$342,436.20	United States Treasury Bill:912797LG0
\$95,000.00	Bank of Alma 2156
\$14,185.98	Bank of Alma 1591
\$702,221.37 Total Utilities Investments	

\$3,483,549.12 Total Utilities Cash and Investments
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Cash
August 29, 2024 Cash Balances

\$1,037,720.50	Fund 800	Water Department
\$706,519.80	Fund 801	Water Department-Base Fee
\$1,223,108.95	Fund 810	Sewer Department
-\$186,021.50	Fund 831	Well #3 Bond Payment Account
\$2,781,327.75 Total Utilities Cash		

CITY OF WABASHA
*Cash Balances

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Current Period August 2024

Fund	2024Begin Balance	Receipts	Disbursements	-----Transfers----- Rec/Disb	Journal Entries	JE Payroll	Balance	
800 Water Department	\$1,142,305.61	\$662,405.57	\$633,465.59	(\$4,669.99)	(\$59,030.24)	(\$69,824.86)	\$1,037,720.50	In Bal
801 Water Department -	\$613,900.11	\$82,551.48	\$0.00	\$0.00	\$10,068.21	\$0.00	\$706,519.80	In Bal
804 2008 Sewer/St. Proj	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	In Bal
810 Sewer Department	\$921,165.07	\$885,021.83	\$532,764.80	\$0.00	\$51,962.98	(\$102,276.13)	\$1,223,108.95	In Bal
830 Well #3 Constructio	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	In Bal
831 Well #3 Bond Paym	(\$138,970.00)	\$0.00	\$1,228.50	\$0.00	(\$45,823.00)	\$0.00	(\$186,021.50)	In Bal

Investments
July 31 Statements

<u>United States Treasury Bill: 912797KZ9</u>	\$125,000.00
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is Utilities

912797KZ9	UNITED STATES TREASURY BILL RE-ISSUE 07/30/2024 ORIGINAL ISSUE DISCOUNT DUE 08/27/2024 0.000%	CASH	05/03/2024	\$230,361.30 234,000	\$99.62 \$233,108.46	↑\$2,747.16
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<u>United States Treasury Bill: 912797KU0</u>	\$125,599.19
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912797KU0	UNITED STATES TREASURY BILL RE-ISSUE 07/18/2024 ORIGINAL ISSUE DISCOUNT DUE 10/17/2024 0.000%	CASH	07/22/2024	\$125,520.45 127,000	\$98.90 \$125,599.19	↑\$78.74
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<u>United States Treasury Bill:912797LG0</u>	\$342,436.20
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912797LG0	UNITED STATES TREASURY BILL RE-ISSUE 07/16/2024 ORIGINAL ISSUE DISCOUNT DUE 09/10/2024 0.000%	CASH	05/15/2024	\$340,415.56 346,000	\$99.41 \$343,972.44	↑\$3,556.88
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<u>Bank of Alma 2156</u>	\$95,000.00
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Current Value	95,000.00
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<u>Bank of Alma 1591</u>	\$14,185.98
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BALANCE LAST STATEMENT.....	06/30/24	14,161.92
INTEREST PAID	24.06 07/31/24	14,185.98
BALANCE THIS STATEMENT.....	07/31/24	14,185.98

Total Utilities Investments	\$702,221.37
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Utilities Commission

6) 1)

Meeting Date: 09/03/2024

ITEM TITLE: Grant Schuth request for legal agreement for private 2200 foot water line, with MNDOT ROW portion publicly owned

DEPARTMENT: Administration

PURPOSE:

ITEM SUMMARY:

Grant Schuth appeared before the Utility Commission with the challenge that he has a private well with poor quality water. His neighbors the Gilbertsons have run a long private 2 inch line many years ago to the City's main. Their property is currently outside of City limits. MnDot will not allow a private water service within the Highway 60 right of way but would allow a public watermain extension within the right of way. The Schuths have contacted the neighboring property about a private easement so that the water service could be extended outside of MNDot right of way, but the neighbors would not agree to this.

The Schuths are requesting to allow 2 things:

- 1) Connect to the City water system
- 2) Allow for the proposed water service extension to be a public water line within MnDOT right of way but be responsible for the costs.

City Engineer recommended denial of the request due to the length of the water line and other issues. The Utilities Board reviewed the proposal and recommended requiring the Schuths annex into the City, as a condition of the request, and also meet with the City Attorney if it's possible to create an agreement that would "absolve" any future liability for the city to cover any costs associated with this water line, even though the city would technically own about 1000 feet of the line. The also want to require that the Schuths pay for the legal costs associated with the agreement.

Mike Flaherty can draw up this agreement but has not seen a similar case. He cautions that while the legal agreement would probably hold up for the current ownership, but because this would ultimately involved city-owned line, he could not guarantee that under new ownership, or in perpetuity, the City would not be at risk for some liability in the future. For example, who has to fix the publicly owned portion or if MnDOT, wants it moved in the future, cover the cost of moving it. It may not be legal to withhold an essential service to a city property due to breach of a private sewer line agreement. Any substantial repairs may require the City to pay for these costs and attempt to assess the charges to the Schuth property. Mike can do his best to draft an agreement to protect the City's interests but cannot guarantee the City will not have to pay for repair/replacement costs of the sewer line in the future. This would be a unique agreement that presents the City with future risk.

He recommends a cost escrow agreement, of up to \$5000, be signed before moving forward for drawing up the legal agreements.

He strongly advised against connecting the property to municipal utilities without first annexing the property into the City. That could take as few as two months or as many as several months to complete, depending on the process used and the availability of information from the property owner. This process will either require agreement with the township (orderly annexation agreement) or for the City to annex the property by ordinance.

The City Engineer Brian Malm **continues** to recommend that the City not move forward with the request.

- The length of dead end water main or service pipes should be limited. In long dead-end pipes, water can become stagnant because the volume of use compared to the volume in the pipe is low and water sits in the pipe for too long. This can lead to taste and odor problems as well as the possibility of a reduction in disinfectant residuals in the pipe, allowing regrowth of microbial pathogens. The proposed watermain or

water service extension would be approximately 2,200-ft, which is well past typical 500-ft dead-end water main minimum requirements. If the extension were a typical city watermain it would need to be flushed on a regular basis, however, flushing private service lines is not typically done since they are privately owned. The service line could be set up for flushing, but that would add O&M cost related to lost water from flushing and for city staff time to do the flushing. The homeowner could accomplish the flushing by running larger volumes of water themselves on a regular basis, but it would be difficult for the city to monitor that. Pressure may or may not be an issue with such a long service. The use of a booster pump at the home would improve that, but it would need to be sized properly to avoid under pressure or even suction in the service line, which can lead to potential groundwater infiltration (pressure needs to be no lower than 20 psi per MDH standards).

COMMITTEE RECOMMENDATION:

Utilities Board approved moving forward with the request, conditioning it upon annexation and that the a legal agreement be signed that Schuths are responsible for all costs.

STAFF RECOMMENDATION:

Utilities Supervisor, City Engineer, and Attorney do not recommend moving forward with this request.

ACTION REQUIRED:

- 1) Approve or deny request by Grant Schuth, since this requires a City legal agreement.
- 2) Approve having Attorney Flaherty draft cost escrow agreement.

Attachments



Legend

- City Limits
- Water Tracer Wire Box
- Water Building
- Booster Station
- Reservoir
- Curb Stop
- Water Valve
- Water Hydrant
- Water Well
- Water Pipe
- Water Service
- Abandoned Water Pipe
- Parcels (02/26/24)

Schuth Property Water Extension



Disclaimer:

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of Wabasha is not responsible for any inaccuracies herein contained.



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