

# Roseville Public Works, Environment and Transportation Commission Meeting Minutes

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Tuesday, August 28, 2018, at 6:30 p.m.  
City Council Chambers, 2660 Civic Center Drive  
Roseville, Minnesota 55113

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## 1. Introduction / Roll Call

Vice Chair Wozniak called the meeting to order at approximately 6:30 p.m. and at his request, Public Works Director Marc Culver called the roll.

**Present:** Vice Chair Joe Wozniak; and Members Michael Kruse, and Nancy Misra

**Absent:** Chair Brian Cihacek, Members Thomas Trainor, Michael Joyce, Martin Kors (All Excused)

**Staff Present:** Public Works Director Marc Culver; City Engineer/Assistant Public Works Director Jesse Freihammer; and Civil Engineer Luke Sandstrom

Vice Chair Wozniak indicated there was not a quorum, so the Public Works Commission would only be discussing the items.

## 2. Public Comments

No one wished to address the Commission.

## 3. Approval of July 24, 2018 Meeting Minutes

*Comments and corrections to draft minutes had been submitted by PWETC commissioners prior to tonight's meeting and those revisions incorporated into the draft presented in meeting materials.*

Acting Chair Wozniak asked the Members to submit any changes to staff either written or via email for approval at the next PWET meeting.

**There was no motion due to lack of Quorum**

## 4. Communication Items

City Engineer Jesse Freihammer provided a brief review and update on projects and maintenance activities listed in the staff report dated August 28, 2018.

Acting Chair Wozniak thought some photos of the new park at Cleveland and B would be nice to see at the next meeting.

Public Works Director Culver stated a community planting event is scheduled for Saturday, September 15<sup>th</sup> so they will be able to capture some photos then with the rain garden and pollinator gardens.

Acting Chair Wozniak asked if the playground would be installed this year.

Mr. Culver indicated it would be installed in October 2018.

Mr. Culver updated the Commission on a new pipe valve turner device that eases the opening and closing of pipes.

Acting Chair Wozniak asked what kind of valves the City is turning.

Mr. Culver stated the device turns water main valves. The ones the City is turning now is between 12 and 20 inches. He stated the majority of the pipes the City has are 6 or 8-inch pipes. Once the City is done turning the larger valves then the smaller valves will be turned which will take longer.

Acting Chair Wozniak asked if a homeowner should be doing on an occasional basis.

Mr. Culver thought it was not a bad idea to make sure the homeowners main shut off inside the house is working properly and can be shut off.

Mr. Freihammer continued his update on projects and maintenance activities in the City.

Member Kruse asked if the County defers maintenance of medians to the City.

Mr. Culver stated he did pose the question to the County regarding who will maintain the medians and what would be planting in the medians for the upcoming County Road C project west of 35W. There are options the City can put in a median that is lower maintenance with a lower profile. He noted it would be nice to have something other than concrete in the median.

Member Misra asked how much impact the State Fair is having on activities around the City. She noticed a lot of park and ride locations around the City.

Mr. Culver stated the park and ride lots are issued an interim use permit. These are five-year permits that were obtained before the 2017 State Fair. He stated they are on year two of five. Permits will need to be reviewed in three more years for renewal. Park and rides have been used for many years in the City and there have been many cycles of Interim Use Permit renewals. He noted sometimes the park

and ride locations are added or removed. He stated the City does get many phone calls from people who live around the fair and the park and ride lots regarding parking and other issues. The City has been constantly modifying and expanding the no parking areas around the park and ride lots. He stated for the most part the people who live around the fair are being accepting of the 12-day interruption.

Member Misra asked if the City has put up temporary no parking signs.

Mr. Culver stated the City Street Maintenance Staff does that a few days before the fair starts around the areas that are problematic or areas with safety issues or fire access areas. He stated during the fair there are not any construction activities done in the southern part by the City. He noted the fair is impactful, but the residents and City have learned to deal with it.

Member Misra asked if the impact is mainly parking and no other issues.

Mr. Culver indicated that was correct. He stated the Police may have some additional complaints at night regarding noise, but he did not think there was an increase in crime.

Mr. Culver reviewed the City Council items that the PWET would be interested in.

## **5. Review of Community Solar Garden Subscription And On Campus Solar Options**

Mr. Culver explained at their July meeting, the PWET Commission received a presentation from iDeal Energies about their proposal for on campus solar installations on various buildings on the Civic Campus. He reviewed what the City Council approved as far as the Community Solar Garden.

Acting Chair Wozniak asked if the bill credit and BPA rates fixed.

Mr. Culver stated both have a fixed starting rate and escalator which is adjusted yearly.

Acting Chair Wozniak asked if there was a fear that BPA rate could fall below the bill credit rate.

Mr. Culver stated it should not and when the agreement is set up that is something the City wants to make sure will not happen. He noted the City will be subscribers to a Community Solar Garden sometime in 2019. The City is agreeing to support solar energy and the City will get the energy credits. What the City wants to do beyond solar gardens is to look at every possible way to actually produce solar energy on campus.

Mr. Culver introduced Mr. Rich Ragatz and Chris Psihos from iDeal Energies who made a presentation to the Commission regarding solar energy benefits and proposals for the City.

Mr. Culver stated the City is looking at two different options, one is a solar rewards program which is a smaller, up to 40-kilowatt system and is a fixed payment program with Xcel.

Mr. Chris Psihos explained to the Commission the solar rewards program and how it works.

Mr. Culver stated option two is the Solar Capacity Credit and varies from 83-kilowatt system and larger. He noted one of the proposals which the City is backing off of is the Skating Center due to the age of the roof. He stated the skating center roof is scheduled to be replaced in three to four years.

Mr. Culver stated the difference with this proposal and other proposals the Commission has looked at in the past is that with this system the City would own it from day one.

Mr. Culver reviewed the other proposals for the systems with the Commission. He indicated when this item is brought forward to the City Council he would like to be able to do the solar rewards program on all three buildings; fire hall, City hall and the maintenance building. He indicated he would like to do one of the Solar Capacity Credit options either on City Hall or the maintenance building.

Acting Chair Wozniak asked why they would not want to do both.

Mr. Culver stated they could do both.

Member Misra wondered if there was a trade-off if the City were to do both.

Mr. Culver stated there was not. The City could use up to 120 percent of the power. They are obligating some of City Hall's energy to the Community Solar Gardens, so staff would need to keep an eye on that to make sure that between the two they are not exceeding the City's actual consumption by more than 120 percent. He thought the more systems they have the more roof tops they need to take up then the more risk there is from the standpoint of future roof maintenance or other damage.

Mr. Culver thought if they got the solar rewards program and one of the larger systems in they can see how it goes and then if they like it and it is going well then, they can accelerate the skating center roof redo and get a larger system on the skating center in 2020. If the City is really in this the skating center is a preferable roof because of the amount of energy that is consumed in that building and the building will not be going anywhere for a long time.

There was a short discussion regarding price increase of energy over a twenty-year period.

Member Kruse asked if a full life cycle analysis of the system could be done and at the end of the life cycle what the cost of removal would potentially be.

Mr. Chris Psihos stated in regard to O and M costs when there is a traditional solar array they are doing a straight O and M relationship on it. If the City were to look at someone to maintain the solar array it would cost the City \$300 to \$500 per year to pay for that and the savings on the solar array is around \$5,000. The solar equipment is warranted for 25 years. When the equipment does need to be disposed of, it is considered electronic waste (E-waste). The cost today is \$15 to \$20 a panel and charge by the pound. In today's present economy the cost would be around \$10,000 to dispose of the equipment for a 40-Kilowatt system. This would be the same cost as what would be saved in the year 25. This would be a swap in energy cost. He stated when they get past the point of transferring the ownership over, the only burden is the continued insuring of the item and dealing with the O and M and maintenance of the asset.

Mr. Rich Ragatz stated after 25 years the equipment will still have 80% of the production output from the panels. He thought it would be doubtful that after the warranty is expired the City would want to dispose of the panels. The City would want to keep them up there because they are still producing or if the City did want to dispose of the panels there would be someone to take the panels off the City's hands.

Member Misra asked where the panels were manufactured.

Mr. Chris Psihos stated the ones iDeal Energies is using are made in Toronto Canada and are one of the three manufacturers of solar panels in Canada.

Member Misra asked what the life expectancy is of the solar panels. She understood the panels were warranted for 25 years. Assuming these are state of the art panels, how much transition does iDeal Energies expect to see going forward.

Mr. Chris Psihos stated solar panels today are basically all the same thing. He explained how current solar panels create energy using sunlight. He stated this is the same technology that has been around for forty years. He stated the warranty is two tiered.

Member Kruse asked if the main risk is about not being able to predict the electricity market.

Mr. Culver stated the two major risks, particularly owning the panels from day one is if there was some catastrophic weather event, the panels could get damaged where insurance would have to come into play versus an O and M situation. The City is insured through the League of Minnesota Cities but if they get a weather event that is significant that would damage the panels then there is other damage and the deductible would get eaten up quickly. The second risk is there is no set clause stating the City's PPA will always be lower than Xcel's energy rate. There is a possibility that there is a marginal higher rate than what the City would be paying Xcel for that same energy in a given year. Given reasonable trends and there is a set escalator on the PPA, that should be a limited concern. After the 13<sup>th</sup> year the City would not be paying the PPA anymore.

Member Kruse asked if Xcel Energy could penalize people for not using the electric grid.

Mr. Culver indicated they could not. It would be unlikely that the City would not be purchasing electricity from Xcel Energy.

Mr. Rich Ragatz stated with the solar rewards program, it is set up where the value of the energy the City is keeping 20% of that as a savings each year. This would be a buffer in case rates do not increase as much as was projected or the output of the system did not produce as much energy as was indicated. The City would still be saving money.

Mr. Chris Psihos stated the program was set up so the City would be saving money whether there was a large increase in rates or less of an increase. He noted iDeal Energies program is set up differently than most other solar companies.

Mr. Culver agreed with Mr. Chris Psihos and Mr. Rich Ragatz that their goals should be to own the system and to realize the maximum benefit of the solar power production on that because then the City is not paying for the power at all with the exception of operating and maintenance costs. He noted the panels could be left on the City roofs for 40 plus years and still produce energy off of the panels.

Mr. Culver noted some of the Councilmembers have expressed concern about owning the solar panels at all and as soon as the PPA agreement is up to get the panels off the roofs, so the City does not own them anymore and there is not the risk.

Member Misra asked if there really is a risk.

Mr. Culver stated the City Council is concerned about having another asset to own, maintain and operate and the cost of it.

Member Misra asked how well the solar panels fair in Minnesota weather.

Mr. Chris Psihos stated the solar panels are engineered for Minnesota conditions. These arrays are meant to sit on a roof and do nothing but produce energy.

Mr. Chris Psihos reviewed weather statics and the solar panels with the Commission.

Member Misra asked if Mr. Culver has had a chance to talk to other communities with the solar panels in use.

Mr. Culver indicated he has not and will reach out to the cities to get their feedback on how the installation went before this item goes before the City Council.

Member Misra thought Mr. Culver should also find out about the liability issues.

Vice Chair Wozniak recommended Mr. Culver to find out if there were any unforeseen costs the cities may have experienced, especially cities that have a ground mount system. He asked if the Parks and Recreation Department would maintain the property where the ground array may be in City Hall.

Mr. Culver stated the City has a campus grounds maintenance contract with a third party. The hillside the City will be putting the array on is a natural prairie grass area.

Member Kruse asked if there was a catastrophic event and the roof was torn off the building and the City lost four months of production, what does the contract say about that.

Mr. Chris Psihos stated iDeal Energies sets that up as part of the insurance transaction. The insurance proceeds would rebuild the asset.

Vice Chair Wozniak asked if the insurance is a different type than what cities typically carry, loss of power production.

Mr. Chris Psihos stated he was not sure but thought it was a contractual obligation and a lot of times those things are covered.

Mr. Culver stated the Commission will review this again in September if the Commission wants to make a formal recommendation to bring forward to the Council.

Member Misra thought the City was moving on the right track and she thought they have talked about this for awhile and it seems like staff has reviewed this and the risk did not seem that great to her with all of the items that are in place. She thought the City reducing its carbon footprint is a brilliant idea, especially if someday the City can declare the skating center carbon neutral. She thought that was a huge

asset for them and a contribution they should be looking to do. She thought it was time.

Member Kruse agreed and thought this was a great idea.

Vice Chair Wozniak stated in addition to what Member Misra stated, he liked the idea of going after both types; Solar Rewards and the PV Demand Credit. He liked the latter especially to scope out what they might be able to do with the skating center roof a year or two down the road.

Mr. Chris Psihos stated when a solar array is put on a roof and there is an income producing asset that over the life of the roof pays for the roof, that is an awesome situation. Usually a solar array will pay for the cost of the roof with the energy savings over a 25-year period.

Vice Chair Wozniak hoped the staff in Finance will take a look at the numbers to make sure everything adds up and makes sense. He wanted to say kudos to the City Council for wanting to display being green in the City and he thought that was a good step and looked forward to more like it.

Member Misra thought the idea of using a ground base solar array for educational purposes, there are other ways of doing that educational piece such as a kiosk in different parks, something at the skating center and/or at City Hall that may not be as visually and intrusive on the landscape would be a better way to go. She would like to keep the solar array on the rooftop.

**There was no motion made due to lack of Quorum**

## **6. Tiered Water Rate Analysis**

Mr. Freihammer stated at three of the recent Commission meetings, staff and the Commission discussed water rates and if the tiered structure should change in any way. The majority of the discussion has been whether the top-tiered rate should increase or if the threshold (30,000 gallons per quarter) should change. He reviewed the options with the Commission.

Mr. Freihammer stated appliances are becoming more water efficient and the trend is moving downward.

Vice Chair Wozniak thought this was great news by reducing water consumption, but he thought it might have hit a plateau, so he did not think the City should assume that is going to continue.

Mr. Freihammer stated there is still some reduction but will flatten out pretty quick.

Vice Chair Wozniak stated there has been a lot of talk about the City making sure they do not price out large families but large families use more water than anyone

else so he wondered why the rates should not affect them more and having a higher rate for them might bring them into more water conservation measures faster than the current rate structure.

Mr. Freihammer continued reviewing the tiered water rate analysis with the Commission.

Mr. Culver stated from a staff perspective they were digging into this more and want to get Commission feedback as far as wanting to something. It really jumped out at them the number of users that are over the 50,000 gallons of water per quarter. He thought there should be focus as far as the tiered rates is targeting the homes that are over the 50,000 gallons. Whether it be seasonally or all year, try to figure out what is going on and why is so much water being used and how can the City help the resident reduce their water consumption. By setting a tier like this it will grab the resident's attention.

Mr. Culver noted that it does not cost a lot of money in Minnesota to distribute, capture water. There are capital costs with aging infrastructure, but the actual treatment of water is not that expensive, so it is difficult for a lot of communities to figure out how to value water.

Member Misra thought this does address the issue, especially in the summer months with the top tier. She would approach this a different way and give the people that are not using water a break and decrease their rates. She thought what was being proposed was the status quo and to alert the high-water users. She would prefer to see a more fundamental adjustment of the system so if the homeowner is using less water they would pay lower rates. If the homeowner is making the effort to conserve, then that should be reflected in the bill.

Mr. Freihammer stated they could take the additional revenue and apply that back but with the current proposal it would be pennies.

Vice Chair Wozniak asked Member Misra if she was suggesting creating a lower tier along with an upper tier.

Member Misra indicated she was.

Mr. Culver stated the base fee is covering the capital and some of staff costs, but the consumption cannot be adjusted because they pay a fixed rate to the City of St. Paul for the water. He hesitated to recommend something like that. There would still need to be a balance between tiers in order to get a similar number at the end.

Vice Chair Wozniak stated he would explore that idea, but he thought if they are going to get one change through it ought to be at a minimum of the 4<sup>th</sup> tier. He liked exploring the option of adjusting the rates to incentivize the lower water users.

The City Council mentioned incentives for conservation in the joint meeting. He thought the City Council was supportive of rewarding water conservation.

Mr. Culver thought one way they could reward the residents versus lowering the rate is to set up a rebate type of program.

Member Misra thought a rebate program might be effective. She thought there should be something that triggers people when they look at their bill to think about water conservation.

Mr. Culver indicated the City needs to get people to think differently on how they use water and to respect the resource and the fact that it is a limited resource.

Vice Chair Wozniak thought if the City were going to go this route with a Tier 4 and any other adjustments there has to be some educational message about why the City is doing this and what the resident could do about it if they do not like it. It is not just being punitive, it is about helping the community become knowledgeable.

Member Misra wondered if there was a way to send out to residents a neighborhood comparison to show them how their water usage compares to their neighbors.

Mr. Culver stated the City has a lot of data in their system, but he was not sure if they had the resources to compile such a report. He noted Shoreview is using a service that provides reports like that. He noted the City looked at the software and he thought staff could come back with a demo of the software to show to the Commission.

Member Misra asked if there was a way to show residents how much they use when sending out the water bill.

Mr. Freihammer stated the issue with that is the City does not know how many users they have per household.

Member Kruse thought what might be helpful would be to have the water broken down by rate structure on the bill which might alert the resident that they could pay less if they used less water.

Member Kruse asked if the commercial businesses paid on a tier basis for water.

Mr. Freihammer stated the commercial businesses are paying more, in the winter months .20/1,000 more than residential but there is no escalator currently. There are no tiers.

Vice Chair Wozniak stated this is an ongoing conversation and if the residents have any suggestions or concerns to email the City, so it can be discussed at the September PWET meeting.

**7. Items for Next Meeting – September 25, 2018**

Discussion ensued regarding the September PWETC agenda:

- Update on Snow Event Parking Regulations
- Organics Recycling
- Water Rate discussion

**8. Adjourn**

**Motion**

**Member Kruse moved, Member Misra seconded, adjournment of the meeting at approximately 8:29 p.m.**

**Ayes: 3**

**Nays: 0**

**Motion carried.**