

Roseville Public Works, Environment and Transportation Commission Meeting Minutes

Tuesday, October 23, 2018, at 6:30 p.m.
City Council Chambers, 2660 Civic Center Drive
Roseville, Minnesota 55113

1. Introduction / Roll Call

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

Present: Chair Brian Cihacek; Vice Chair Joe Wozniak; and Members Michael Joyce, Nancy Misra, and Thomas Trainor

Absent: Member Martin Kors (Excused) and Michael Kruse (excused)

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

2. Public Comments

3. Approval of September 25, 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.

Member Wozniak indicated he sent his changes in an email to Mr. Culver. He noted Commissioner Joyce was mentioned in a comment in the minutes as Member Joyce and then a motion he made regarding the organics site was worded weird, so he recommended a change that incorporated most of the language.

Member Wozniak stated there was a section in their discussion about the organics site where he indicated the County would provide snow removal services during the winter and that was his understanding at that time. The minutes should not be changed however, the County will not provide snow removal services at the organic sites owned and operated by cities. That will be up to the cities and will be spelled out in a memorandum of understanding between the County and the cities that host organic drop off sites. He wanted to make that clarification.

Motion

Member Wozniak moved, Member Trainor seconded, approval of the September 25, 2018 meeting minutes as amended.

Ayes: 5

Nays: 0

Motion carried.

4. Communication Items

City Engineer/Assistant Public Works Director Jesse Freihammer provided a brief review and update on projects and maintenance activities listed in the staff report dated October 23, 2018.

Member Joyce inquired about the Dale water project.

Mr. Freihammer stated the County Road B and Dale sewer lining project major equipment should be done next week. Some restoration will be done in relation to that project.

Civil Engineer Luke Sandstrom stated the workers are finishing up the lining of the upper villa this week and then continue the lining up at Parkview on the west side of Dale.

Member Misra wondered what the time period was for the solar installation.

Mr. Freihammer indicated he did not have the exact date, but he did know the installers want to get the system up before peak season. He estimated it to be March/April of 2019.

Chair Cihacek thought the installation would be weather dependent.

Chair Cihacek asked where in the process community solar gardens are at.

Mr. Freihammer indicated he did not know off hand.

Chair Cihacek asked how the salt storage and salt status coming into November.

Mr. Freihammer stated the City ordered but was not sure if delivery has happened. He knew there was enough salt in storage for a couple of snow storms.

Member Misra asked how long the MNDot project on 35W is expected to take.

Mr. Freihammer the MNPass project is scheduled to be three years long. He indicated staff does not know the phasing because the project is in the design mode. He thought 2019 will be the biggest impact to the Freeway because the bridges over County Road C and Rosegate will most likely be done and replaced.

He thought those will be phase one and phase two. He noted staff will update the Commission and public once the phasing is figured out.

Member Misra wondered if the City will be getting a lot of traffic from the freeway.

Mr. Freihammer thought most of the traffic will be on the County system. He stated Snelling and Lexington will have more traffic and any north/south route will pick up additional traffic.

5. 2019 Utility Rate Proposal

City Engineer/Assistant Public Works Director Jesse Freihammer provided a brief review and update on projects and maintenance activities listed in the staff report dated October 23, 2018. He stated Finance Director Chris Miller has completed preliminary analysis for the proposed utility rates for 2019.

Mr. Freihammer reviewed the City Water Operations with the Commission.

Member Wozniak asked if the three percent increase in water usage covered by the increase in the base fee.

Mr. Freihammer stated it was not. There is generally a little bit of cushion on that side which is why the Finance Department felt comfortable not raising the usage fee at this time.

Member Wozniak asked if there was a reason why in the expense chart that the other services and charges are not split out. He noted that was ninety percent of the total in terms of what it is.

Mr. Freihammer stated it is probably because there is not much else in the other charges besides personnel and supplies. He stated staff will see if this can be broken out for future years.

Chair Cihacek asked why there are not any interest earnings for 2019 but there are for 2018.

Mr. Freihammer stated the fund reserve is getting low with the expenses for the water booster and what the City has been spending so the City will not be getting those revenues in 2019. Once the City gets through the booster the reserve balance will go back up.

Chair Cihacek asked if residents start using less water will there be any cost savings down the line.

Mr. Freihammer stated the City infrastructure is getting older and most does not depend on water flowing through the pipes. He noted the pipes are sixty to

seventy years old and will need to be replaced. He stated Roseville is in the replacement phase.

Mr. Freihammer stated the City has had a lot of discussion on establishing a different rate structure for the water and that is not included in the report. That is something the City Council will consider but as a separate action next year. The Commission's recommendation has not been considered yet by Council.

Mr. Freihammer reviewed the City Sanitary Sewer Operations with the Commission.

Chair Cihacek asked if the sanitary sewer charge based on volume or based on the type of thing being treated.

Mr. Freihammer stated it was based on volume.

Member Wozniak stated he would like staff to look at other services and charges in this report as well and break it out for future reporting. He wondered if the costs are increasing by eight percent because the City is using a higher percentage of water than other communities did a year ago.

Mr. Freihammer indicated that was correct. He stated the City seen a decrease in the peak flows. It is a year after the fact but staff was surprised at the number and expected the City to be at average or less because staff thought the City did better improvements than other cities but there are still things in the City that need to be improved.

Mr. Sandstrom indicated this report is based on 2016 flow data.

Member Wozniak suggested incorporating that information into the discussion because it suggests that water conservation efforts might slow cost increases for waste water treatment in the future because the sewer charges are based on water usage.

Mr. Freihammer stated that was correct. A lot of it too is related to Inflow and Infiltration (I&I) because when it peaks, any clear water that goes into the system, the Met Council has meters that record when the water comes into Roseville and when it leaves, and the City pays the difference between those meters.

Member Joyce asked if this breaks it out between commercial and residential for usage.

Mr. Freihammer stated this is the overall, what the proposed budget would be, but the City does track that.

Chair Cihacek asked based upon the data, is the City doing a cost analysis to see how much it would cost to start resolving some of the I and I increases or is the City just taking a double-digit increase. He stated if the City is going to get hit with an eight to ten percent increase each year and a solution that reduces that flow dramatically is cheaper than an increase, which may or may not be, is there a reason why the City would not start making those changes now to help hedge the cost.

Mr. Freihammer stated the City wants to do that. He thought in previous years the increases have been a lot different. He thought last year the City may have gone down and this may just be an anomaly that other cities went down, or Roseville had more rain compared to other cities that year. He noted the City has been doing significant work on this.

Mr. Sandstrom stated there is not just an increase in flow there is also the increase in rate charges from the Met Council.

Mr. Freihammer stated if the Met Council's increase went up then that increase gets passed onto everyone. If the City increases more than the average in flow the increase is higher than other cities which is why the City is at a higher charge.

Member Joyce wondered if the City applied for the grant that was discussed.

Mr. Freihammer stated staff did apply for the grant and it does not look like the City will be getting it.

Member Wozniak asked if that meant that the work staff thought about doing on the grant will not occur.

Mr. Sandstrom indicated at this point doing private sewer lining on privately owned services is not on the plan.

Member Wozniak asked in terms of trying to further determine the nature and extent of inflow and infiltration that was part of that grant will the City still be working on that.

Mr. Freihammer stated the City still has a flow monitor lined up and will still be doing flow monitoring with the ten meters the City owns and based on that data staff will target the sewer lining program for those areas.

Mr. Freihammer reviewed the City Storm Drainage Operations with the Commission.

Member Trainor asked why the first table reviewed in the staff report did not show the net available capital.

Mr. Freihammer thought that was an omission and should be added to the report.

Member Trainor asked if that figure only defines what the City has to work with for maintenance projects and is not the fund that is affecting the loss of the interest earnings.

Mr. Freihammer indicated that was correct.

Mr. Freihammer reviewed the City Recycling Operations with the Commission.

Member Wozniak asked if Mr. Freihammer recalled what the City was paying for recycling in parks.

Mr. Freihammer stated he could check on that because he did not recall.

Mr. Freihammer recapped the report with the Commission. He noted water usage history shows the usage decreasing. He also reviewed water fee comparisons of Roseville with other cities comparable in size.

Member Wozniak stated he would like to know how the cities compare in terms of what type of action and how much money the cities are spending on maintaining infrastructure.

Mr. Freihammer stated that may be a little harder to get but he thought staff could reach out to a few of these cities to see how much money the cities are putting back into their systems.

Member Wozniak stated he would like to see where Roseville sits in that spectrum. He wondered if the City was more aggressive in that regard in terms of addressing I and I and sewer lining to replace infrastructure.

Mr. Freihammer indicated staff will try to see if data like that could be collected. He thought in regard to the sanitary sewer Roseville is a little more aggressive than most cities that are comparable.

Mr. Sandstrom stated he did know that Golden Valley has a very low base rate but most of the fees is the consumption rate that has to increase quite a bit lately with the subgrades going down. Their rate is mostly consumption and Golden Valley has to find more creative ways to also fund the water utility because most of their income is consumption based which his trending down.

Mr. Freihammer continued recapping the city comparison charts with the Commission.

Chair Cihacek asked how Minneapolis compares to St. Paul for water service.

Mr. Freihammer stated he did not know. He thought another way the reports could show comparisons is with other cities on the same system buying wholesale from St. Paul. He noted staff will work on that for 2019.

Member Trainor stated he was surprised to see in the recycling the City is forecast to lose \$24,000. He was surprised the rate was not raised more especially with the uncertainty in the recycling market.

Mr. Freihammer thought that reflected where the fund balance is and part of it is the City has a contract that does help to know future costs.

Member Trainor thought it was interesting to see the City was negative \$30,000 plus in interest that the City normally receives and accounted for. He thought it speaks to the amount of risk that the City is assuming with the lower backup funds. He thought it was a lot of money to lose.

Member Wozniak thought it was explained for one of the fund balances that it was because of the lift station work and staff expects the reserves to increase.

Mr. Freihammer stated on the water and sewer the fund balance is getting low, but it is because of some large capital expenditures. He noted the City is investing a large amount of money into the City booster station which is why the City backed off on the water meter replacement. The fund balances will come back up rather quickly within the next five years.

Member Misra asked if the City had similar perspectives on how the City Commercial rates and usage works with other cities.

Mr. Freihammer stated commercial is a little more challenging to compare. He stated if looking at the City structure, that is probably very similar where the cities charge based on the meter size, based on what the single-family rate is. He thought Roseville base rates are leaning higher than most cities.

Member Misra stated she would be interested in the future to take a look at that to see how Roseville compares to similar cities.

Mr. Freihammer indicated staff could look at this and try to do an analysis for future presentation.

Member Misra thought if the residential use is on the high end overall then is the commercial use also on the high end.

Mr. Freihammer stated staff will look into that. He thought some cities might charge the commercial users more than residential users.

Chair Cihacek stated that given two of the categories are given to the City by other parties that the City has no control over he would encourage making considerations to accelerate some of the revenues, so the City can get in front of any infrastructure costs. He thought the process was meeting City needs today but if the City looks at accelerating what would the City save long term or if something were to happen is there enough in the Capital Reserves to work on a larger area. He would recommend staff looking back to see if there is any consideration to increasing revenues to allow for faster infrastructure replacement.

Mr. Freihammer stated staff is looking out twenty years in the Capital Improvement Plan and are trying to account for all costs that are out for twenty years. He stated everything cannot be accounted for such as a citywide major disaster, but Roseville has been around long enough, and staff has a pretty good idea how long things last and when replacement is needed.

Chair Cihacek stated theoretically, the City knows I and I is a problem so is there enough revenue to actually tackle that problem.

Mr. Freihammer thought the City was tackling it fairly aggressively. It could be expanded and done quicker but staff thinks in the next fifteen to sixteen years most of the pipes in the City will be lined. Most of the City's lift stations will be designed to a very modern design.

Chair Cihacek encouraged staff to look at raising some of the rates to give the City a little more of a greener edge so the City can be more proactive or more aggressive if the situation requires it.

Mr. Freihammer stated the Met Council actually charges the City after the fact, so the City cannot increase rates to meet the increase. The Met Council charges the City based on what was done in the previous year which is why the City typically matches what the Met Council charges the City.

Mr. Sandstrom thought right now, especially the sanitary sewer is a perfect storm where a lot of lift stations were upgraded in a period of five years and Met Council raised their rates four to five percent for a couple of years. Going forward the City will have less lift stations to be upgraded and the City should see the increases go down and as the lift stations get improved the City can repurpose some of the money currently being used for upgrades. He thought the City does have a game plan.

Chair Cihacek stated another recommendation he would have is there should be a note that the Commission is asking for a rate change whether it is addressed as a vote or not. At least the City Council will get some notice that the Commission will be asking staff to reconsider these rates at some point in the future. He recommended putting them into two separate items at the same meeting in order to really address it at that time.

Mr. Freihammer stated this item will be going to the Council on November 5th. He thought to do a major change staff and the Commission would need to have more discussion on this.

Chair Cihacek stated that would be ok but did not want to push the discussion out to far in the future.

Mr. Freihammer stated staff will work with the Council on getting that scheduled.

Commissioner Wozniak stated the City needs to reconsider how the rates are presented because there is absolutely no discussion of policy in the report about how rates can encourage water conservation and how infrastructure replacement can be accelerated to mitigate future cost increases for items the City has no control over. He stated this is just dollars and cents and trying to match revenues and expenses and provide for contingencies.

Mr. Freihammer thought that was part of the reason why the City has the base rates set up. The base rates do hit the capital side extremely well and the usage is tied to what St. Paul Regional Water charges the City which is passed onto the residents and then the same thing on the usage with the sewer. It is really reflective on what is being charged to Met council. He thought the way that structure is set up does make sense.

Member Wozniak did not think it was shown well in the tables because it is shown as other expenses. He would like it all broken out.

Member Misra asked if the Finance Commission reviewing this as well.

Mr. Freihammer stated this was presented to the Finance Commission as well as the budget was based on this information.

Member Misra asked when the Finance Commission reviewed this did the Commission have more information about the reserves in these areas. She did not remember getting that information.

Mr. Freihammer guessed the Finance Commission looked deeper in the spreadsheets.

Member Misra stated when she read through the information that is what she assumed but she thought it speaks to what Commissioner Wozniak is stating that the perspective is more of a Finance Commission perspective and maybe it would be of some interest to this Commission to set up a policy that addresses this or a statement.

Chair Cihacek thought what was missing was the narrative. What the information shows is that everything will be even next year but what this did not show him was assumed risk or the actual projections of what will make this work in the future. He would like to know what some of the foundational assumptions are. This would give the Commission an idea that this will work in the sense of a long-term plan. He did not think there was anything wrong with the rates. He did not know if it was relevant in what the Commission recommends at this point because it is already because it is already being addressed by other policy mechanisms, but he did think there should be some conversation about this.

Mr. Freihammer thought there could be another discussion about how the capital side works because to him the way the capital, which is tied to the base rate on all of them, all replacement items are in the CIP and it is all detailed out along with vehicle replacements. The capital cost is fairly well figured out and staff is looking out twenty years and taking a long look at this. The City cannot control everything that the Met Council or St. Paul Regional Water does, that is tied to the usage.

Member Wozniak indicated he would like to see more of a Public Works voice in this document.

Mr. Freihammer stated the Public Works side comes in on the capital side and the CIP is continually being updated to make sure everything is covered and updating the costs of items.

Member Trainor thought from his perspective this is one of those situations where he was not sure if the Commission can give a recommendation. The Commission has limited perspective as Commission Members in this kind of material and what the Commission is presented with are charts without any explanation.

Mr. Freihammer stated as a resident what did the Commissioner think of the six percent increase.

Chair Cihacek thought it was a workable increase, but his concern is that over time the increase may be significant because the City did not have an adequate program for future costs. If the City is only increasing based on anticipated cost in a given year it seems too conservative and he thought costs may escalate more than revenues. He stated he prefers to have more assets than liabilities.

Member Misra agreed and thought the Commission was working from the assumption that the variable that the City cannot control is what the City charges. It seems to her that from this Commission's perspective the Commission could be talking about things like what is the duration of the I and I sediment improvements and what is the City doing about impervious surfaces which the Commission has talked about affecting water quality as well as the more

impervious surfaces are created the more the sewer system will be taxed. She asked if those were factors the Commission could start to look at and address.

Mr. Freihammer stated staff does try to project some of that and do show an increase in the capital side. He thought staff should show more information with the Commission on how staff comes up with capital costs. Staff does show costs of repairs and storm water clean up costs and do show increases going into the future and that is being projected.

Chair Cihacek thought the concern comes in knowing that the money was not being invested early in the life of the infrastructure so now the City is playing catch up in some of these cases. That means the City needs more capital faster which is why the numbers look relatively small over the years. He thought there were a lot of things the City would like to do which would cost millions of dollars and those numbers are not being represented either. He thought the numbers looked conservative in relation to what needs to be done.

Mr. Freihammer thought the Commission would like to see a slightly higher rate increase to provide for a higher future balance.

Chair Cihacek thought the commission could make that recommendation in the future.

6. Complete Streets Policy

Civil Engineer Luke Sandstrom provided a brief review and update on projects and maintenance activities listed in the staff report dated October 23, 2018.

Chair Cihacek stated some of these items are fairly specific so he asked what the reason was for the policy generally as opposed to when the City does projects to include the information in the specifications.

Mr. Freihammer indicated the City does not have a policy and staff would like to do this for the City Green Steps but a lot what is in the policy the City already does but it is not formally stated. The policy is trying to incorporate everything in a policy. He indicated the Commission did previously go through a couple of drafts in 2012 but with the turn over in members and staff and the Council he thought this fell through the cracks and never ended up with the City Council for review and approval.

Mr. Sandstrom stated he went to training on this a couple of weeks ago and a representative from MNDot talked about how the State has this policy and put it in place since 2012 and the way MNDot tracks it is whenever a project comes through there is a check list for evaluation of items that need to be included or reviewed for the project to move forward. He thought a policy would allow the City to show the public that everything is being evaluated with each project and there is some sort of work to show that it has all been evaluated with reasons why

something was not or was not done within the project. He stated it builds a little accountability for the public when the City does projects.

Member Joyce asked what the specifications were for a width on a pathway.

Mr. Freihammer stated Roseville defines a pathway as an off-street sidewalk or trail. A bicycle trail standard is typically eight feet with at least a two-foot clear zone on either side of the trail. If bituminous is used the trails is eight feet wide, if next to a curb the width is ten feet.

Member Joyce stated when he looked at some of the pathways in the City he wondered if it was worth installing them because of all of the alterations needed to put it in such as removing trees.

Mr. Freihammer stated that would be another factor to determine because sometimes adding a pathway could negatively affect an area.

Chair Cihacek asked if other communities have similar policies and if so, how would the policy in Roseville harmonize or connect with adjoining cities policies. He stated his concern is Roseville does not own a lot of the City major roadways, a lot is County roads or other jurisdictions so if this policy does not go along with other programs there might be an issue.

Mr. Freihammer did not think Ramsey County had a complete streets policy, but the County has shifted a lot more into looking at something similar.

Member Wozniak did not want Ramsey County's lack of a complete streets policy stop Roseville from adopting their own.

Chair Cihacek indicated it would be easier though if there was no conflict.

Mr. Sandstrom stated the plans are vague enough to leave enough wiggle room to make changes.

Mr. Freihammer referred the Commission to the second full paragraph on the second page of Attachment A. He stated the policy will apply to City streets and any such variance or exception would be the primary street jurisdiction or other entity. He thought the City could help persuade the County.

Member Wozniak stated there are a couple things he liked about the policy. It integrates complete streets with the pavement management plan which the City already knows is a successful approach to maintaining City roadways. This policy also lays out procedures with a diagram and was well laid out on how it would work.

Chair Cihacek stated policies give guidance. The policy would open the door to start the formalization of some account metrics or tools. He stated he did not have any concerns about this at this time but felt the Commission would continually review it because of its content and how it integrates in other areas.

Member Wozniak agreed and indicated this is written as advisory and not set in stone what must be done. He thought that would be the only way this policy would work because mandates will not work. He thought it was important to pursue adoption of the policy as part of the green steps initiative.

Member Misra stated she liked the policy statement that refers to trees, environmental corridors and wildlife movement and thought to Commissioner Joyce's comment, as she looked through the actual policy activities, the only reference to that is 4.5, the use of native plants and vegetation. She thought there might need to be more in the policy about wildlife corridors. She thought there is a lot of talk about the pavement but maybe there could be a little more in the policy about the greenways.

The Commission thought that was a good idea.

Mr. Freihammer asked if the Commission wanted to integrate the proposed policy with something like what Bloomington has.

Chair Cihacek indicated he was fine with what Roseville has now, recognizing this is something that the Commission will pass and pick up again. He was fine with getting this on the Council agenda to pass the policy and then have this put on the Commission agenda in the future to review and fix what needs to be improved on it.

Member Wozniak stated he would be fine with that and would like to include Commissioner Misra's comment about expanding it to other corridors in a general way.

Chair Cihacek thought all of the points in section four should have a corresponding point. Rebalancing that or building it differently should be part of the conversation. He thought to strengthen the policy there needed to be a coherency between those goal statements and actual policy perspective.

Mr. Freihammer asked the Commission if Attachment A or Attachment B as a draft policy.

Mr. Sandstrom stated staff could draft Attachment B as a policy with some of Attachment A included at a future time.

Mr. Freihammer stated Attachment A was what was adopted in 2012 by the Commission but never went forward to the Council. Attachment B is a similar policy but a more updated version. He noted the attachments are very similar.

Chair Cihacek indicated Attachment B will work.

Member Trainor understood the Chair's comment for moving forward but he did not see any reason why staff cannot work to incorporate the comments from this meeting and then the Commission can discuss at a future meeting.

Mr. Freihammer suggested staff clean up Attachment B with the comments made and bring back to the Commission at the November meeting for review and an official recommendation to the City Council.

The Commission agreed.

7. Items for Next Meeting – November 2018

Discussion ensued regarding the November PWETC agenda:

- Update on Snow Event Parking Regulations
- 2019 Work Plan
- Organics Recycling
- Complete Street Policy

Mr. Freihammer noted at this point there will not be a meeting in December.

Chair Cihacek asked what staff was going to discuss in relation to Organics Recycling.

Mr. Freihammer hoped to have a plan at the lead recycling site that can be shared with the Commission.

Member Wozniak asked if staff knew when that topic would go forward to the City Council.

Mr. Freihammer thought it would be presented after the first of the year.

Member Wozniak stated he found out that the City could receive score grants from the State through the County of approximately \$8,000. It is called an incentive grant and by hosting an organic drop off site the City would be eligible for the \$8,000.

Chair Cihacek asked what the \$8,000 was to be spent towards.

Member Wozniak stated there was really no earmark. The City agrees to host an organic site and enter into an agreement and the City gets \$8,000. He thought one

thing the City could spend it on is for utilities, providing a light at the site depending on where the drop off is located.

Mr. Freihammer recapped what staff will bring back to the Commission in regard to utility rates.

8. Adjourn

Motion

Member Trainor moved, Member Misra seconded, adjournment of the meeting at approximately 8:12 p.m.

Ayes: 5

Nays: 0

Motion carried.