

Roseville Public Works, Environment and Transportation Commission Meeting Minutes

Tuesday, October 27, 2020, at 6:30 p.m.
City Council Chambers, 2660 Civic Center Drive
Roseville, Minnesota 55113

*Pursuant to Minn. Stat. 13.D.021, Public Works, Environment
and Transportation Commission members, City Staff, and members of the
public participated in this meeting electronically due to the
COVID-19 pandemic.*

1. Introduction / Roll Call

Vice Chair Huiett 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 Karen Huiett; and Members Jarrod Cicha, Michael Joyce, Nancy Misra, Shane Spencer, and Youth Commissioner Jana Lynch

Absent: Chair Joe Wozniak; Member Stephanie Hammer (Excused)

Staff Present: Public Works Director Marc Culver; City Engineer/Assistant Public Works Director Jesse Freihammer; Civil Engineer Luke Sandstrom, and Finance Director Michell Pietrick

2. Public Comments

None

3. Approval of September 22, 2020 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.

Motion

Member Misra moved, Member Joyce seconded, approval of the September 22, 2020 meeting minutes as presented.

Ayes: 5

Nays: 0

Motion carried.

4. Communication Items

City Engineer Jesse Freihammer provided a brief review and update on projects and maintenance activities listed in the staff report dated October 27, 2020.

Mr. Culver updated the Commission on the Energy Action Team and indicated Commissioner Misra volunteered to be the liaison for the Commission.

Member Joyce indicated he saw the Capital Bonding Budget which gave the City approximately \$4 million for the OVAL. He asked if staff could give an update.

Mr. Culver updated the Commission on the OVAL Capital Bonding Budget that will allow the City to update the mechanical systems, the cooling system for the outdoor OVAL itself and all of the pavement around the cooled surface will be replaced.

Member Misra indicated regarding the watermain breaks, she recalled from last year there were an unusually high number.

Mr. Culver was not sure if 2019 was that bad. 2013-2014 the City had over forty watermain breaks. The City averages around thirty two watermain breaks in a season.

Member Cicha asked if the watermain breaks typically wear and tear breaks or are the breaks inflicted by a construction crew.

Mr. Culver indicated very rarely are the breaks hit by a construction crew, mainly these are wear and tear breaks. The reason why these break in February and March mainly is the movement of frost in the ground.

5. Proposed 2021 Utility Rates

Mr. Culver explained each year City staff proposes utility rates for the following budget year. These rates are for all the City utility funds including water, sanitary sewer, storm sewer and recycling. He noted this year staff commissioned a detailed study of the water and storm sewer utility rates. He indicated Finance Director Pietrick would also be available for questions. He went through the Ehlers presentation with the Commission.

Member Misra indicated in the apartment water usage slide it struck her that the lower tier cut off is right between two very equal bars and wondered what formula went into determining where to place the cut off.

Mr. Culver explained the idea was to hit those percentiles. The fiftieth and ninetieth percentile. The fiftieth percentile happened to fall in between the two even bars shown. He continued with the presentation.

Ms. Pietrick noted the 1.71 percent increase would be if there were no changes made in the rate structure. If the City went with Ehlers Option One the overall quarterly bill would go down 11.78 percent and Ehlers Option Two the overall quarterly bill would go down 7.9 percent.

Vice Chair Huiett indicated she would like the Commission to make comments and ask questions, then also a discussion about some of the pros and cons on Ehlers Options One and Two and possibly give a recommendation to the City Council. She also thought it was a good point about the bonding opportunity for the 2.5 million and a really important aspect of this conversation and what it means overall to have the City pay for things, which comes into play and there is a lot of positive feedback around bonding and she shares those feelings as well.

Vice Chair Huiett opened the meeting for public comment. No one was in attendance to comment.

Member Cicha wondered about the water use data that was used for this study. He wondered when the data was taken from and has staff seen an increase in residential household water use since COVID started and everyone has been working from home. He wondered if that was taken into account.

Ms. Pietrick indicated Ehlers used actual usage data from June 2020 back twelve months. There is a little bit of COVID impact. There definitely has been an increase in residential use as people work from home. There also has been a reduction in commercial but whenever a rate study is built they have to use actual data and there was no way for staff to project what the COVID impact would look like going forward. One of the things the rate study gives is best practices in the rate setting and staff will also have Ehlers come back and re-evaluate if it is working as anticipated and are any adjustments needed to be made.

Mr. Culver explained another thing to consider is a lot of the analysis the City is using for the typical residential usage is looking at the winter quarter anyways. The majority of the winter quarter was COVID free but still does reflect the typical usage for residential.

Member Cicha indicated he did a little math and looked at his own water bill it appears he will be saving money as a seven thousand to eleven-thousand-gallon user in the low tier. This would be saving his household approximately thirty dollars a quarter and from his calculations it seems like the user would need to be using approximately twenty-three thousand gallons or more for the current rate structure to be better.

Member Spencer asked if staff has ever looked at having St. Paul take over the water infrastructure.

Mr. Culver indicated he has looked back at some information for this question. He noted Roseville currently buys its water from the St. Paul Regional Water Authority and the reason why it is called that is because that authority provides water as the water provider to many other cities besides St. Paul. Maplewood is a good example. He believed ten or so years ago the City of Maplewood sold their water system to the City of St. Paul for \$1 and the City of St. Paul took it over and essentially became the water utility for the City of Maplewood. That means the St. Paul Regional Water Authority bills everybody in Maplewood for their water and the meters that are in the residents' homes are owned by the St. Paul Regional Water Authority, not the City of Maplewood. When a watermain break happens in Maplewood, St. Paul Regional Water Authority fixes it. Roseville can do the same thing and have not had any detailed or serious conversations with St. Paul Water in quite sometime about that possibility.

Mr. Culver presented a spreadsheet to show what the residents would pay for given the different scenarios. He noted particularly if under the twenty-thousand-gallon level a resident can save money if St. Paul was providing that service. This does not analyze the apartments or commercial users and staff would have to do a more in-depth analysis to see what the total impact would be to all of the customers. There are two really strong factors outside of cost to the customers that staff needs to consider for the City of Roseville. One is coordination of what streets will be worked on in any given year along with the infrastructure of utilities under those streets. Staff has the flexibility to program its own watermain and everything else because the City operates that utility. If St. Paul Water operates the City utility then the City loses some of that flexibility.

The other factor is personnel for winter maintenance. Currently, the majority of the utility staff is used for plowing streets during a snow event. If we lost half or more of the staff in that division we would have to find other personnel to backfill the plow routes.

Member Joyce asked when Ehlers was doing the analysis, were the fund balances for this bond multiple years.

Mr. Culver indicated the bond repayment would be over ten years.

Vice Chair Huiett thought in regard to the two Ehlers options, both options do represent a more fair and equitable distribution of costs and consumption passing along to the users. She felt that both options represent strong consideration for making the behavior changes that the City and residents really want. She sensed that option two might do that a little differently as far as cost because some of the fixed costs and the base rate are built in differently. It does provide that greater

flexibility for longer term capital stability and planning for unforeseen conditions. She indicated she was leaning towards option two.

Member Cicha echoed a lot of Vice Chair Huiett's sentiments. He thought option one with the higher rates in general better promotes lower usage but when he looked at this in terms of someone using eleven to twelve thousand gallons per quarter it is a difference of about ten dollars between option one and option two. He felt both options offer the equity the City is searching for and felt option two offers a little bit of security with the extra money coming in for capital projects.

Member Spencer indicated he believed option two is where he is leaning. He liked the fact that the City placed the consistency in the water base fee and the City can generate a little more consistent revenue across that. Option one, while it would be nice to reduce the rate that much, gets less consistency and the City starts relying on how much water people are using and may not have so much. Option two gives them the best of both worlds. It gives the residents a lower cost and also gives the City a lot more consistency when it comes to planning.

Member Misra explained she read through all of this and thought about all of the meetings where the Commission talked about water rates and she was glad that a consultant reviewed all of this information for the City because she thought what the City ended up with a year or so ago was kind of a compromise based on what the Commission thought could be done. She is glad the seasonal issue and irrigation was taken out of the equation. She thought there were a lot of things reflected in this that are more philosophically in line with where she would like the City to be. She also thought the fairness factor is huge so either of the two options reflect that well and is important the City recognize that the residential usage in Roseville has subsidized commercial usage for a long time. She thought either one is fine with her and liked the security of option two as well.

Member Joyce indicated he was leaning on option two because having that base fee and infrastructure support allows the City a safety net and also helps with staff and infrastructure costs. He preferred option two.

Commission Consensus was the preference for option two.

Vice Chair Huiett thanked staff for the presentation and all the work that was done. She indicated she would like to have the Civic Campus Master Plan Update tabled to another meeting based on time constraints.

6. Racial Equity Update

Mr. Sandstrom updated the Commission on the City's Racial Equity plan and progress and indicated staff is currently reviewing and interviewing the consultants that responded to the RFP. He noted looking forward, the City Manager's proposed budget for 2021 includes the creation of an Equity & Inclusion Manager position.

The desire for this position is to provide leadership and direction for advancing equity and inclusion within the organization.

Member Misra thanked Mr. Sandstrom for the presentation. She wondered if the City has identified general areas that are challenge areas such as hiring or participation in certain activities. She also wondered in regard to the Partners In Energy group if the City is reaching out to the full community to get good representation.

Mr. Sandstrom explained early on the thought is to go to HR for hiring practices. A review of job descriptions was a very early thing staff took on and looking at applicant pools and requirements and who is making it through each round of elimination and things like that. He thought the diversity in the City Council and Commissions is another big thing being looked at and how that initially plays out has not been determined. He thought going forward the City is looking for the consultant to help staff to operationalize the bare bones of the institution.

Mr. Culver explained one of the most challenging things for him is hiring and trying to make sure the City is recruiting a diverse set of applicants. Part of that conversation is making sure the City is training people to get them the experience to apply for the jobs that City wants them in.

Member Spencer thought reaching out to the Chamber of Commerce and other groups in the City would be beneficial. He also thought for Commissions or other groups the City might need to go out to the churches in the City and some other organizations and talk to people.

Member Joyce thanked Mr. Sandstrom for the presentation. He thought internships give people some marketable work experiences and he thought the City could look at some non-profits to partner with for workforce development.

7. Civic Campus Master Plan Update

Tabled to a future meeting.

8. Items for Next Meeting – November 24, 2020

Discussion ensued regarding the November PWETC agenda:

- Partners in Energy Update
- Public Works 2021 Work Plan
- Civic Campus Master Plan Update

9. Adjourn

Motion

Member Spencer moved, Member Cicha seconded, adjournment of the meeting at approximately 8:33 p.m.

Ayes: 5
Nays: 0
Motion carried.