

Council Chambers
Ely, Minnesota
Tuesday, March 31, 2009
7:05 P.M. Joint Study Session
Ely City Council / Ely Utilities Commission

Joint Study Session between the Ely City Council and Ely Utilities Commission was called to order at 7:05 P.M. by Mayor Skraba.

PRESENT: Council members Debeltz, Nikkola, Omerza, Salerno, Sheddy, Zupec,
Mayor Skraba (7)
ABSENT: None (0)

EUC Commissioners

PRESENT: Richard Zahn, Carl Boyles, Anthony Colarich, Rob Wilmuen, President
(4)
ABSENT: Wes Snyder (1)

City Operations Director of Public Works and Utilities Harold Langowski, addressed the Council and EUC noting that Lee Rannels, Senior Employee from the utility department will be retiring from the City, thanking him for his years of dedicated service to the Ely community. He noted that the water, sewer, electrical department employees will be working on a large electrical project along Washington Street and the lumber yard; 2nd Avenue West Sewer Project; Central Avenue – Ahola Road to Sheridan Street will be starting in 2010 with the City working with St. Louis County on this specific project. Public Works employees will play a vital role in the 2nd Avenue West Utility Project with road construction. There is currently one less full time employee in the public works department at this time than 2008; Lee Rannels utility position will also be assessed as to where the city standards financially at the time of Lee's official retirement, which is in May. The EUC has raised water and sewer rates to meet operating expectations, with electrical rates being raised in March – the EUC is currently keeping a close eye on expenses/revenues, utilizing existing utility staffing to keep costs down.

Council member Omerza questioned the EUC as to whether they will be working on a policy for the top water users in the community. City Operations Director reported that this is difficult to do; the EUC has discussed a budget type payment plan for ten largest users spreading payments out over 12 months; the DNR mandated conservation rate – the more you use the more you pay – is 2 to 3 years down the road yet.

Hydrants Usage and Maintenance were discussed. City Operations Director reported that the Fire Chief and himself had sent maps to Town of Morse as to location of hydrants in the City, as Morse is interested in using 15 hydrants. The EUC is working on putting together a policy on hydrant usage by non city parties, and Operations Director has just received information back today, requested by the Town of Morse. He noted that hydrant

maintenance was also in the fire department budget, noting that it is not the responsibility of the utility department. He feels that by using grant dollars and streets and infrastructure funds, the majority of recent hydrant replacements were completed. The City purchased five hydrants in 2008, and one has been installed to date. In the current City Code Book, ordinance pertaining to hydrant maintenance stipulates that the EUC is not responsible. The EUC charges for water at current rate; there is no charge for maintenance of opportunity at this time. City Operations Director feels there should be a connection fee; and fee per hundred cubic feet – average cost of hydrant replacement being \$6,000.00. The City Streets and Infrastructure fund is the possibility of those dollars needed for hydrant replacement. The hydrants need to be working properly at all times, and those individuals utilizing hydrants need to be trained properly – at this time the townships do not have hydrants. Council member Salerno recommended that City Operations Director sit down and itemize charges for Council and EUC review. City Attorney Kelly Klun also recommended that a contract be drawn up if the Council and EUC approve moving forward with Town of Morse request, which would be more enforceable than a policy. Mayor Skraba referenced the franchise fee that the EUC now pays the City – hydrants are not the responsibility of the EUC at this time. EUC President Rob Wilmunen stated that the EUC is willing to work with the Council on this issue- the fire department used to have revenue in the department's budget to recover expenses, but now does not. Noted that it may be cleaner for the EUC to be responsible at this time, as the EUC uses the hydrants more than the fire department. City Attorney Klun commented that this would be a good idea, but that City Code would need to be changed. Matter of information at this time.

The Ely City Council had advertised for Master of Record for the City of Ely, with one application being received, that from Richard J. Pucel. It was the consensus of the Council and EUC that above application be approved, with contract running from April 1, 2009 – April 1, 2010. This matter will formally be placed on the Regular Ely City Council Meeting Agenda of April 7th.

Mayor Skraba than introduced audience member Alan White, as the City's recent hire for the position of Confidential Accounting Clerk. Council and EUC members welcomed Alan as a city employee.

City Operations Director Langowski informed group that he had sat in on interviews for the advertised maintenance position at the Joint Maintenance Facility, which is paid for as follows: 42% - City; 58% - County, said position is with St. Louis County. He noted there were three good interviews, and will inform the Council as to whom will be offered the position when he is aware of that action. Matter of information.

EUC President Wilmunen reported that Commissioner Carl Boyles and himself, will be sitting in as members representing the EUC on the City Employee Contracts Negotiating Committee.

It was noted that Mayor Skraba, Rob Wilmunen, City Operations Director Langowski, Ross Peterson, Steve Piragis, and representatives from engineering firm and Minnesota

Power had met Friday with IRR representatives, on the Geo Thermal Project. Minnesota Power's position is that they are unable to contribute cash towards a facility report, but are willing to donate in kind service hours. City Operations Director noted that group is currently at an impasse as far as funding is concerned, with big issues being permitting and what the city can do with water – what level to draw water from , and will the State permit the drawing of water and dumping it back. Mayor Skraba reported that this project is turning a bit dynamically, but everything seems to be proceeding alright – there are dollars set aside in current federal stimulus package, which will entail city contribution of matching funds of \$12,000.00. Council member Zupec referenced a complete in depth analysis of water quality being done by Dr. Kingston. Council member Nikkola questioned the length of time the DNR is going to take to address these issues, with City Attorney Klun commenting that an environmental statement from the DNR takes an incredible amount of time. City Operations Director will provide handouts to Council and EUC from meeting with Minnesota Power. Council Nikkola questioned what is allowable without jumping through hoops at this time. EUC Commissioner Zahn stated that he feels this project should be funded by private enterprise, not public.

Moved by Debeltz supported by Nikkola, that Joint Study Session adjourn.
Carried unanimously. Adjournment at 7:40 P.M.

Patricia M. Wellvang
Deputy Clerk
City of Ely