

**City of Minnetonka Beach**  
**WATER DISTRIBUTION SYSTEM**  
**PUBLIC HEARING MINUTES**  
**Monday, September 27, 2010**  
**7:00 PM – City Hall**

### **Roll Call**

Mayor Joann Anderson, Council Members Michelle Kroll, Jill Bartel, Linn Ferguson and Treasurer Dennis Fischer. Absent: Council Member Mike Taylor.

### **1. Call to Order**

Mayor Anderson called the public hearing to order at 7:03 p.m.

### **2. Approve Agenda**

**(Kroll motion, Ferguson second to the approve agenda; all present aye).**

### **3. Public Hearing – Water Distribution System – Proposed Improvements**

Mayor Anderson opened the public hearing with introduction of the speakers and gave the background and history of water main improvements. She said the east side water improvements were identified as needed capital improvements because the existing main is aging, undersized and not providing adequate fire flows to some hydrants. The City has already completed part of the 1996 and 1997 Water Distribution Report recommendations when it completed Phase 1 on the west side of the city in 2003.

The East Side project would include new water mains on Cross Point Road, Woodbridge Road, Huntington Point Road extension/easement area, and two on Lafayette Road. It would upsize the existing water main on Hill Road, Huntington Point Rd. E cul-de-sac, and on Woodwinds Lane. It would not replace all of the current lines because the size of that project would be cost prohibitive, instead it would connect the current 4 and 6-inch pipes through a looping system using 8 inch pipe. The project would be undertaken to improve fire flows to all hydrants in the project area, would potentially improve water quality on dead end lines, and in general make more water available in the system for fighting fires.

John Breon, 2633 Woodbridge Rd., wanted to know if the proposed improvements are in the Comprehensive Plan. They are.

Lee Goehring, 2423 Woodbridge Rd., wanted to know if the fire hydrants are inadequate or not working. Fire Chief Greg Pederson said when fire hydrant flows are below a certain level, the fire department won't use the fire hydrant because it could collapse the water main.

Leonard MacKinnon, Utilities Committee Chair, said the Utilities Committee identified three issues. **Priority Issue 1** – There are 10 fire hydrants on east side of the City deemed substandard by flow tests conducted by the fire department which could affect fire suppression. The Utilities Committee recommends a looping system for the water mains. Estimated cost: \$685,000.

**Priority Issue 2** – Better coverage is needed between Northview Road and the water tower. It would be provided by adding a more significant (12-inch) large pipe in the middle section of the city between Northview Road and the water tower. This would aid the flow of water from the

interconnect with City of Orono water for emergency uses and it may also benefit the Lafayette Club. Estimated cost: \$701,000.

**Priority 3** – It would eliminate dead-end and substandard water mains on the west side of the city to increase hydrant fire flows to several substandard fire hydrants. Estimated cost: \$476,000.

Nancy Check, 2422 Lafayette Rd., asked if they would replace the 4 inch mains on the east side to have larger and newer pipes. Mayor Anderson said they wouldn't be replacing the entire pipe on the east side; it would have a little more than doubled the cost of the project. Michelle Kroll said at the Utilities meeting they did talk about replacing all the pipes in this area and they came back to a looping system because it would be providing us more than it appears on paper.

Scott King, 2323 Huntington Pt. Rd. W., asked about the condition of the 4 inch pipe and wanted to know if additional pressure and flow would cause the pipes to blow. Public Works Director Ben Young said it's been two or three years since we've had a water main break. The current pipes are cast iron with coated cement. Darren Amundsen, Associate Engineer, Bonestroo, said the pressure isn't going to be an increase on the pipes; it will just be more water flow.

Kelley Boyle, 2518 Cross Point Rd., wanted to know if we can find out the quality of the current pipe and Darren Amundsen said not without physically digging it up.

Leonard MacKinnon said modeling has been completed and verified by testing the hydrants. A small number of homeowners will have a new connection (service line) and those homeowners would have to hire someone to hook up to the new water main because they will have their water connection from the front yard now instead of their backyard.

Bartel asked about whether people would be required to hook up to the new line. Mayor Anderson said at this point Council isn't planning on vacating any mains with this project, but that could change. Ben Young said he is recommending vacating the old smaller, estimated 2-inch main to the properties at 2515 Lafayette Rd. (Middendorf), 2517 Cross Pt. Rd. (Dudley garage), 2515 Cross Point Rd. (Nielsen), and 2505 Lafayette Rd. (Sharma) because of limited access to the small main. It would be difficult to repair if there were a water main break because of where it is located. He noted the service would be closer to the homes, too. He also recommended vacating the old main that services the properties along Woodbridge Road across from Ray Peters Park. Their access would be connected off Woodbridge Rd. in front of their homes instead of from behind which currently would be difficult to access if a main breaks. The new main in front of their homes would also provide a shorter service. When asked how much it would cost those residents to hook up to the new line, Mayor Anderson was unsure but thought the cost was about \$2,000 to hook up in 2003 when the water project was completed on Northview Rd.

Leonard MacKinnon gave additional information regarding Priority 2 which is the large pipe install between Northview Rd. and the water tower. Darren Amundsen said the Beach has a limited water supply, if the water tower were drained the Orono interconnect could be opened. Fire Chief Pederson said they flow tested hydrants in the city without the Orono interconnect being open. Then when they opened the interconnect, there was no noticeable difference because we don't have a large enough main for the volume. The city water tower holds 75,000 gallons, taking 75 minutes to drain it. The fire department has changed their procedures to enhance their response; they have reconfigured their fleet and bring pumper trucks to account for the lack of water here, and they have integrated response with other fire departments helping to fight fires. Kroll asked how our city compares regarding water flows with the other cities Mound Fire Dept. serves. Chief Pederson said

report a year ago from an independent insurance service audit firm ranked Minnetonka Beach 15 to 20 points below the other communities because of low water flows.

Mayor Anderson said she sees Priority 1 will provide all of the east side hydrants to have the water flow capacity needed to fight fires.

Greg Meland, 1921 Beach Lane, asked if fire department procedures would change because of doing the projects. Chief Pederson said the fire dept would still be bringing the pumper trucks, but they would be able to hook up to the fire hydrants, too.

**Bruce Kimmel, Senior Financial Advisor, Ehlers presented financing options.**

He said the reason to spread out the cost of the proposed water project is because the pipes would last many years and it makes sense for people who will be benefiting from the project in the future to also be paying for it. The City has a AAA Bond rating, which is the best possible. Right now because of the economy there are favorable construction bids and historically low interest rates (at a 40-year low).

The estimated fiscal impacts presented by Mr. Kimmel noted a city water rate study will determine total rate adjustments needed to pay debt service and future operating costs. The water rate impact will vary with actual consumption. By refunding the 2002 Series Bonds into the project, the total savings are estimated to be \$40,000: 50% attributable to Water System and 50% to Public Works Facility. The City may opt to finance other parts of the 2011-2015 Capital Improvement Program in with the East Side project which would be more efficient than bonding separately.

Mr. Kimmel prepared two scenarios for debt service, both with 20-year debt service. Scenario 1 would have an estimated level debt service of \$51,800 per year, paid 50/50 from property taxes and water rates. This scenario does not assume savings from refunding of Series 2002 Bonds. It showed the property tax impact for a \$500,000 homestead at \$3.27/month, and a \$1,000,000 homestead at \$7.37/month, and a water rate impact of \$8.73/month.

Scenario 2, a wrap-around debt service with refunding the 2002 Series Bonds, showed the initial net debt service of \$23,500, then \$68,900 per year after refunded 2002 Bonds are repaid. The initial property tax impact for a \$500,000 homestead would be \$1.49/month, and for \$1,000,000 homestead at \$3.34/month. The water rate impact would be \$3.96/month.

Mayor Anderson said the new Finance Committee will be meeting next Tuesday, Oct. 5<sup>th</sup> to work on financing strategies. The members so far are Kelly Boyle, Christina (Chrissie) Boyd, John Whitaker, Lee Goehring, John Breon and Tracey O'Connor. Council Member Linn Ferguson will be the Council Liaison to the committee and Utilities Chair Leonard Mackinnon, Treasurer Dennis Fischer, Mayor Anderson, Administrator Susanne Griffin will also be involved.

Council Member Michelle Kroll said in summary Minnetonka Beach values effective and responsive public safety. There is an identified need for capital improvements. The project is part of a long-term plan with thoughtful review by our Utilities Committee, and financing now benefits from low interest rates and favorable contracting bids. She thanked the Utilities Committee for all their efforts and thoroughness.

Treasurer Dennis Fischer said the City is in excellent financial shape and it is a good time to do the wrap-around debt service.

Council Member Linn Ferguson said we have a number of projects that we need to do in the future, part of the scope of the Finance Committee will be to develop a financial strategy to improve the quality of the infrastructure of the city.

Council Member Jill Bartel thanked everyone that has participated and said she is really grateful for the Finance Committee that will take this project and go forward.

Mayor Anderson thanked Leonard MacKinnon and all involved in the preparation for this public hearing. She said the Finance Committee will come to the October Council meeting.

Copies of the handouts for the public hearing are available at city hall and on the city website at [www.ci.minnetonka-beach.mn.us](http://www.ci.minnetonka-beach.mn.us).

#### **4. Adjournment**

##### **Meeting adjourned at 9:00 p.m.**

Public Present:

Greg Meland, Ann & Mike Brilley, Nancy Check, Mike Bloom, David & Sandy Nielsen, Frank Zelly, Fire Chief Greg Pedersen, Rod & Holly Wolff, Patty Rezabek, Dennis Klohs, Kelly Boyle, Rick Manning, Lee Goehring, John Breon, and Scott King.

Staff Present:

City Administrator Susanne Griffin, Director of Public Works Ben Young, City Clerk Marilyn Regnier and Planning and Zoning Administrator Dick Krier.