CITY COUNCIL WORK SESSION AGENDA

October 20, 2025 at 5:00 PM
7701 County Road 110 West Minnetrista, MN 55364

1) **CALL TO ORDER**

2) **DISCUSSION ITEMS**
   a) Sewer Fund Budget Discussion
   b) Water Rate Analysis Update
   c) SWAMP Bathymetric Survey Update
   d) Halstad Estates Petition for Improvement District Financing
   e) Bayside Lane Drainage Update

3) **ADJOURNMENT**

The agenda packet with all background material will be available on the City's website for viewing by the public. Published agenda is subject to change without notice. Information and materials relating to the above items are available for review at city hall by appointment.

CITY OF MINNETRISTA

REQUEST FOR CITY COUNCIL ACTION/DISCUSSION

Subject: Item –Sanitary Sewer Fund Budget Discussion

Prepared By: Brian Grimm, Finance Director

Meeting Date: October 20, 2025

Item: Attached for your review the Capital Improvement Projects Plan for the Sewer Fund. In addition to that item is a 2026 draft detail budget by line item as well as an YTD report that covers data through September 2025. The current cash balance in the sewer fund is $789,448.

For reference the City's Sanitary Sewer utility rate is at $120 a quarter as of the start of 2025. Staff would recommend moving the sanitary sewer operational rate to $128 a quarter for 2026 ($8 per quarter increase). One of the biggest costs in the fund is the Metropolitan Council Municipal Wastewater Charge (MCES) charge. This allocation to the City is increasing by about $30,000 (6.3%) from 2025 to 2026 based on their formula for apportioning out costs. Our amount is projected to be $506,335 to MCES for the year 2025.

As shown in the attached capital improvement projects sheet, there are also lift station panel updates and pumps that need to be made/purchased that need to be covered as part of the sewer fund utility rate. The above increase to the sewer fund utility rate would be about a 6.7% increase and would be a $32 annual adjustment for a residential property. The commercial/school properties would have their metered rate also adjusted 6.7% from the current fee schedule rate.

Staff is also proposing raising the fees for the sewer connection fee and sewer area charge. Both right now are at $2,400. Staff would propose increasing the sewer connection rate to $2,600 per connection and also increasing the sewer area charge to $2,600 per acre above the OHW.

Staff is looking for Council feedback and direction for the Sanitary Sewer Fund so it can be incorporated and updated into the 2026 Budget and Fee Schedule. In order to fund some of the necessary sewer activities, the rates for the utility fee should be considered each year.

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

Recommended City Council Action: Staff is looking to have a discussion regarding the 2026 Annual Budget and rates for the Sanitary Sewer Fund (Fund 602). Staff is recommending increasing the sanitary sewer operational fee to $128 a quarter for residential properties for 2026. In addition, raising the commercial sewer rate by the same % as proposed above. The sewer connection charge and sewer area changes are proposed to be adjusted as described by going to $2,600 for each of those items. This would happen as part of the fee schedule process and adoption slated for December.

Does Recommended Action meet City Mission Statement? x Yes No
Does Recommended Action meet City Goals/Priorities? x Yes No
Explain: **To properly fund enterprise fund activities in the Sanitary Sewer Fund.**

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

City of Minnetrista, MN

CIP - Operating Department 602 Sewer

Project/Equipment	2026 BUDGET	2027 BUDGET	2028 BUDGET	2029 BUDGET	2030 BUDGET
Replace Sewer Dept Service Truck (Truck #1)					
Replace 2005 Tandem Axle Dump Truck (Truck #12) **(⅓ each - Street / Sewer / Water CIP)**					
Computer & Server Upgrades (w/new WTP)			$50,000		
Replace 2016 CAT Tractor Backhoe **(⅓ each - Storm water / Sewer / Water CIP)**				$45,000	
Mini Excavator - New Equipment **(¼ each - Street / Storm water / Sewer / Water CIP)**					
IPad & software for locates and SCADA system					
Replace 2000 Katolight 50 KW Generator **(Evaluated yearly for replacement)**		$60,000			
I & I repair (MH lining & CIPP projects 602-43251-580)	$60,000	$60,000	$65,000	$65,000	$65,000
I & I repair w/street projects (MH recons/rebuilds)	$75,000	$100,000	$100,000	$150,000	$150,000
Emergency lift station repairs	$50,000	$50,000	$60,000	$60,000	$60,000
Emergency lift station pump replacement	$50,000	$50,000	$60,000	$60,000	$60,000
Equipment for water & sewer main break trailer (2020)					
Planned lift station replacements					
Planned sewer force main replacements/improvements					
Cartegraph OMS Asset Mgmt License Renewal **(¼ ea: Street/Sewer/Water/Storm water)**	$2,400	$2,500	$2,600	$2,600	
SCADA computer/software/component upgrades		$30,000			
Planned **LS pumps** & wet well piping/check valve replacement due to age	LS #2 ('07) $120,000; LS	LS #7 ('08) $100,000	LS #16 ('08) $60,000; LS #19 ('08) $80,000; LS #1	LS #15 ('08) $70,000; LS #17 ('03/'09) $70,000	LS #20 ('09) $140,000
Planned **LS control panel** upgrade due to age & parts availability	LS #2 $125,000; LS #11 $125,000; LS	LS #7 $130,000; LS #10 $130,000	LS #16 $135,000; LS #19 ('08) $135,000; LS	LS #15 ('08) $145,000; LS #17 ('03) $145,000	LS #20 ('09) $150,000
Planned generator installation (for emergency power outages)	LS #11 $65,000	LS #7 $70,000; LS #10 $55,000	LS #16 $50,000; LS #19 $60,000; LS #16	LS #22 $60,000	LS #21 $75,000
Safety excavation trench box (½ each Sewer & Water) 2022					
Yearly Total	**$672,400**	**$837,500**	**$857,600**	**$872,600**	**$700,000**
Lift Station Upgrades Only Total	**$435,000**	**$485,000**	**$520,000**	**$490,000**	**$365,000**
	Notes From Above	**Notes From Above**	**Notes From Above**	**Notes From Above**	**Notes From Above**
	Easement needs to be moved to right location. Will need fence at this location	Will most likely move to 2028			
		This will have to evaluate if generator can be installeed at LS #7 (Easement?)	Generator need needs to be evaluated		
		Have easement but will need to notify neighbors of upcoming installation. Will need fence at this location			

City of Minnetrista
2026 Draft Sewer Fund Budget

	Revenue	2023 Actuals	2024 Budget	2024 Actuals	2025 Budget	2026 Draft Budget
	SEWER ENTERPRISE FUND FUND 602					
	Revenue	**2023 Actuals**	**2024 Budget**	**2024 Actuals**	**2025 Draft Budget**	**2026 Draft Budget**
	OPERATIONS					
34407	SEWER AVAILABILITY CHARGE	$ 2,758	$ 4,000	$ 3,007	$ 3,000	$ 4,000
37210	SEWER USE CHARGES	$ 1,133,912	$ 1,105,000	$ 1,222,301	$ 1,283,000	$ 1,399,412
37250	SEWER CONNECTION FEES	$ 15,495	$ 15,000	$ 16,025	$ 15,000	$ 15,000
36210	INTEREST ON INVESTMENT & CK	$ 53,366	$ 3,000	$ 30,000	$ 30,000	$ 30,000
	OPERATIONS Revenue Sub Total	**$ 1,205,532**	**$ 1,127,000**	**$ 1,271,333**	**$ 1,331,000**	**$ 1,448,412**
	Capital Revenue Sub Total					
37250	SEWER CONNECTION FEES	$ 331,000	$ 120,000	$ 206,000	$ 132,000	$ 103,000
37251	SEWER AREA CHARGES	$ 2,784	$ 20,000	$ 6,287	$ 10,000	$ 10,000
36101	SPECIAL ASSESSMENT		$ 200	$ -	$ -	
36210	INTEREST ON INVESTMENT & CKG		$ 20,000	$ 18,610	$ 10,000	$ 15,000
36250	OTHER	$ 1,815	$ -	$ 286	$ -	$ -
		$ 335,599	$ 160,200	$ 231,183	$ 152,000	$ 128,000
	Total Sewer (602) Revenue	$ 1,541,130	$ 1,287,200	$ 1,502,516	$ 1,483,000	$ 1,576,412
	Operating Expenditures					
101	SALARIES-REGULAR	$ 157,118	$ 189,897	$ 197,709	$ 205,085	$ 211,238
102	SALARIES-OVERTIME	$ 8,574	$ 8,000	$ 4,901	$ 8,000	$ 8,240
105	SALARIES-PAGER	$ 5,307	$ 7,000	$ 6,634	$ 7,000	$ 7,210
121	PERA - EMPLOYER CONTR	$ 17,623	$ 15,667	$ 14,855	$ 15,358	$ 15,819
122	FICA - EMPLOYER CONTR	$ 12,133	$ 15,842	$ 14,898	$ 15,665	$ 16,135
131	HEALTH & LIFE INS - E CONTR	$ 28,709	$ 33,000	$ 30,107	$ 30,200	$ 31,106
151	WORKMEN'S COMP INSURANCE	$ 19,330	$ 20,000	$ 20,339	$ 16,000	$ 22,000
201	OFFICE SUPPLIES	$ -	$ -	$ -	$ -	$ -
202	COPY & PRINTING SUPPLIES	$ 250	$ -	$ 685	$ 250	$ 250
212	MOTOR FUELS AND LUBRICANTS	$ 7,594	$ 10,000	$ 6,947	$ 10,000	$ 8,000
215	SHOP MATERIALS	$ -	$ -	$ -	$ -	$ -
221	EQUIPMENT PARTS, TIRES	$ 921	$ -	$ -	$ 1,000	$ 1,000
227	UTILITY SYSTEM MAINT SUPPLIE	$ 263,938	$ 200,000	$ 370,472	$ 250,000	$ 260,000
240	SMALL TOOLS AND MINOR EQUI	$ 173	$ 500	$ -	$ 500	$ -
303	ENGINEERING SERV	$ 41,731	$ 25,000	$ 29,945	$ 30,000	$ 30,000
307	PROFESSIONAL SVCS	$ 7,199	$ 8,000	$ 9,367	$ 9,000	$ 9,000
322	POSTAGE	$ 2,172	$ 1,000	$ 1,739	$ 2,000	$ 2,000
351	LEGAL NOTICE & ORD PUBLICAT	$ -	$ -	$ -	$ -	$ -
362	PROPERTY INSURANCE	$ 8,579	$ 7,000	$ 8,659	$ 10,000	$ 9,000
381	ELECTRIC UTILITIES	$ 18,415	$ 19,000	$ 16,812	$ 20,000	$ 20,000
390	SEWER SERVICE TO OTHER GO	$ 73,694	$ 75,000	$ 78,076	$ 85,000	$ 90,000
401	BLDG & LAWN MAINTENANCE	$ 2,425	$ 2,000	$ 3,831	$ 3,000	$ 3,000
404	VEHICLE & EQUIP MAINT	$ 4,714	$ 2,000	$ 8,046	$ 5,000	$ 6,000
410	COMPUTER SERVICES/FEES	$ 9,455	$ 11,000	$ 11,343	$ 12,000	$ 12,000
433	DUES & SUBSRIPT & TRAINING	$ 927	$ 1,000	$ 493	$ 1,000	$ 750
437	MISCELLANEOUS EXPENSE	$ (219)	$ 10,000	$ 3,483	$ 3,000	$ 2,000
438	EXPENSE MWCC	$ 390,881	$ 404,170	$ 404,170	$ 476,136	$ 506,335
540	MOTOR VEHICLES	$ -	$ -	$ -	$ -	
580	OTHER EQUIPMENT	$ 114,481	$ 2,200	$ 20,000	$ -	$ -
	Operating Expenditure Sub Total	**$ 1,196,121**	**$ 1,067,276**	**$ 1,263,511**	**$ 1,215,194**	**$ 1,271,082**

City of Minnetrista
2026 Draft Sewer Fund Budget

	Revenue	2023 Actuals	2024 Budget	2024 Actuals	2025 Budget	2026 Draft Budget
	Capital Expenses					
	Debt Service					
601	BOND PRINCIPAL	$ 74,200	$ 67,500	$ 72,600	$ 70,000	$ 72,000
611	BOND INTEREST	$ 11,293	$ 13,000	$ 9,601	$ 12,000	$ 10,000
	Debt Service Subtotal	**$ 85,493**	**$ 80,500**	**$ 82,201**	**$ 82,000**	**$ 82,000**
	Capital Projects					
307	PROFESSIONAL SVCS	$ 1,543	$ -		$ -	
437	MISCELLANEOUS EXPENSE	$ -	$ -		$ -	
530	IMPROVEMENTS	$ 286,632	$ 485,000	$ 74,330	$ 517,300	$ 435,000
580	I & I - Other Equipment	$ 48,885	$ 40,000	$ 117,516	$ 50,000	$ 50,000
	Capital Subtotal Sewer Fund	**$ 337,060**	**$ 525,000**	**$ 191,846**	**$ 567,300**	**$ 485,000**
	Total Sewer Fund Expenditures	**$ 1,618,674**	**$ 1,672,776**	**$ 1,537,558**	**$ 1,864,494**	**$ 1,838,082**
	Revenue/Exp Surplus/(Deficit)	**$ (77,544)**	**$ (385,576)**	**$ (35,042)**	**$ (381,494)**	**$ (261,670)**
	Cash Balance at Beg of Year	$ 1,048,670	$ 971,126	$ 971,126	$ 936,084	$ 704,590
	Cash Surplus/(Deficit)	**$ (77,544)**	**$ (385,576)**	**$ (35,042)**	**$ (381,494)**	**$ (261,670)**
	Projected positive variance		250,000		150,000	
	Cash Balance at Yr End	**$ 971,126**	**$ 835,550**	**$ 936,084**	**$ 704,590**	**$ 442,920**

CITY OF MINNETRISTA
Revenue Guideline updated 2025

Account Descr		2025 YTD Budget	SEPTEMBER 2025 Amt	2025 YTD Amt	2025 YTD Balance	%YTD Budget	2024 YTD Amt
602 SEWER FUND							
R 602-300-33160	FEDERAL GRANT	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
R 602-300-33425	STATE AID OTHER	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
R 602-400-34407	SEWER AVAILABIL	$3,000.00	$49.70	$2,360.75	$639.25	78.69%	$2,286.20
R 602-400-36212	INTEREST	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
R 602-400-37210	SEWER USE CHAR	$1,283,000.00	$23,712.60	$983,895.10	$299,104.90	76.69%	$877,803.73
R 602-400-37250	SEWER CONNECTI	$147,000.00	$4,950.00	$142,025.00	$4,975.00	96.62%	$167,810.00
R 602-400-37251	SEWER AREA CHA	$10,000.00	$0.00	$0.00	$10,000.00	0.00%	$6,286.50
R 602-400-37260	SEWER PERMIT	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
R 602-600-36101	SPECIAL ASSESSM	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
R 602-610-36210	INTEREST ON INV	$40,000.00	$0.00	$27,938.13	$12,061.87	69.85%	$40,486.56
R 602-620-36250	REFUNDS AND REI	$0.00	$0.00	$1,200.00	-$1,200.00	0.00%	$285.60
R 602-620-37251	SEWER AREA CHA	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
R 602-620-37270	OTHER INCOME	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
R 602-650-31010	GENERAL PROPER	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
R 602-650-39999	CONTRIBUTIONS	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
602 SEWER FUND		$1,483,000.00	$28,712.30	$1,157,418.98	$325,581.02	78.05%	$1,094,958.59
		$1,483,000.00	$28,712.30	$1,157,418.98	$325,581.02	78.05%	$1,094,958.59

CITY OF MINNETRISTA
Expenditure Guideline by Departments - 2025 upd

Account Descr	2025 YTD Budget	SEPTEMBER 2025 Amt	2025 YTD Amt	2025 YTD Balance	%YTD Budget	2024 YTD Amt
602 SEWER FUND						
43251 SEWER CONSTRUCTION						
E 602-43251-307 PROFESSIONAL SE	$0.00	$0.00	$7,989.41	-$7,989.41	0.00%	$181.05
E 602-43251-437 MISCELLANEOUS E	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
E 602-43251-530 IMPROVEMENTS	$517,300.00	$0.00	$19,106.51	$498,193.49	3.69%	$71,307.25
E 602-43251-580 OTHER EQUIPMEN	$50,000.00	$0.00	-$12,015.90	$62,015.90	-24.03%	$117,515.72
43251 SEWER CONSTRUCTION	$567,300.00	$0.00	$15,080.02	$552,219.98	2.66%	$189,004.02
43400 TRANSFER IN						
E 602-43400-720 TRANSFERS	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
43400 TRANSFER IN	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
47000 DEBT SERVICE						
E 602-47000-601 BOND PRINCIPAL	$70,000.00	$0.00	$74,200.00	-$4,200.00	106.00%	$72,600.00
E 602-47000-611 BOND INTEREST	$12,000.00	$0.00	$6,940.95	$5,059.05	57.84%	$8,713.90
E 602-47000-620 FISCAL AGENT FE	$0.00	$0.00	$916.00	-$916.00	0.00%	$887.52
47000 DEBT SERVICE	$82,000.00	$0.00	$82,056.95	-$56.95	100.07%	$82,201.42
49300 TRANSFERS OUT						
E 602-49300-720 TRANSFERS	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
49300 TRANSFERS OUT	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
49490 SEWER DEPARTMENT ADMINISTRATIO						
E 602-49490-101 SALARIES-REGULA	$205,085.00	$20,814.95	$160,182.59	$44,902.41	78.11%	$145,262.29
E 602-49490-102 SALARIES-OVERTI	$8,000.00	$0.00	$4,505.06	$3,494.94	56.31%	$4,683.30
E 602-49490-105 SALARIES-PAGER	$7,000.00	$319.94	$4,512.79	$2,487.21	64.47%	$4,735.53
E 602-49490-121 PERA - EMPLOYER	$15,358.00	$1,571.45	$12,513.96	$2,844.04	81.48%	$11,481.78
E 602-49490-122 FICA - EMPLOYER	$15,665.00	$1,514.69	$12,195.45	$3,469.55	77.85%	$11,219.61
E 602-49490-125 PENSION EXPENSE	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
E 602-49490-131 HEALTH & LIFE IN	$30,200.00	$2,207.85	$21,594.63	$8,605.37	71.51%	$23,908.91
E 602-49490-151 WORKMEN S COM	$16,000.00	$0.00	$16,000.00	$0.00	100.00%	$20,339.31
E 602-49490-201 OFFICE SUPPLIES	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
E 602-49490-202 COPY & PRINTING	$250.00	$0.00	$0.00	$250.00	0.00%	$342.03
E 602-49490-212 MOTOR FUELS AN	$10,000.00	$553.24	$4,923.02	$5,076.98	49.23%	$4,802.90
E 602-49490-215 SHOP MATERIALS	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
E 602-49490-221 EQUIPMENT PART	$1,000.00	$529.75	$579.52	$420.48	57.95%	$0.00
E 602-49490-227 UTILITY SYSTEM	$250,000.00	$131,177.27	$176,800.12	$73,199.88	70.72%	$79,433.61
E 602-49490-240 SMALL TOOLS AN	$500.00	$0.00	$457.32	$42.68	91.46%	$0.00
E 602-49490-301 AUDITING AND AC	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
E 602-49490-303 ENGINEERING SE	$30,000.00	$15,693.33	$68,693.05	-$38,693.05	228.98%	$18,171.95

Account Descr	2025 YTD Budget	SEPTEMBER 2025 Amt	2025 YTD Amt	2025 YTD Balance	%YTD Budget	2024 YTD Amt
E 602-49490-304 LEGAL FEES - ATT	$0.00	$0.00	$13.90	-$13.90	0.00%	$0.00
E 602-49490-307 PROFESSIONAL SE	$9,000.00	$708.83	$7,631.64	$1,368.36	84.80%	$6,577.41
E 602-49490-322 POSTAGE	$2,000.00	$0.00	$887.56	$1,112.44	44.38%	$1,256.07
E 602-49490-351 LEGAL NOTICE &	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
E 602-49490-362 PROPERTY INSUR	$10,000.00	$0.00	$10,000.00	$0.00	100.00%	$8,659.48
E 602-49490-381 ELECTRIC UTILITI	$20,000.00	$2,888.04	$18,015.72	$1,984.28	90.08%	$9,722.57
E 602-49490-390 SEWER SERVICE T	$85,000.00	$0.00	$40,707.08	$44,292.92	47.89%	$39,653.11
E 602-49490-401 BLDG/STRUCT MAI	$3,000.00	$0.00	$0.00	$3,000.00	0.00%	$0.00
E 602-49490-402 LAWN MAINTENAN	$0.00	$0.00	$3,146.30	-$3,146.30	0.00%	$2,624.00
E 602-49490-404 VEHICLE & EQUIP	$5,000.00	$0.00	$5,005.35	-$5.35	100.11%	$6,336.81
E 602-49490-410 COMPUTER SERVI	$12,000.00	$1,058.64	$11,583.20	$416.80	96.53%	$8,092.08
E 602-49490-416 RENTAL	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
E 602-49490-433 DUES & SUBSRIPT	$1,000.00	$23.00	$1,973.57	-$973.57	197.36%	$447.75
E 602-49490-437 MISCELLANEOUS E	$3,000.00	$0.00	$0.00	$3,000.00	0.00%	$3,483.91
E 602-49490-438 EXPENSE MWCC	$476,136.00	$39,678.03	$404,789.27	$71,346.73	85.02%	$336,808.60
E 602-49490-530 IMPROVEMENTS	$0.00	$0.00	$17,500.00	-$17,500.00	0.00%	$0.00
E 602-49490-540 MOTOR VEHICLES	$0.00	$67,841.74	$67,841.74	-$67,841.74	0.00%	$0.00
E 602-49490-580 OTHER EQUIPMEN	$0.00	$0.00	$113,820.00	-$113,820.00	0.00%	$0.00
49490 SEWER DEPARTMENT ADM	$1,215,194.00	$286,580.75	$1,185,872.84	$29,321.16	97.59%	$748,043.01
49970 DEPRECIATION						
E 602-49970-420 DEPRECIATION EX	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
49970 DEPRECIATION	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00
602 SEWER FUND	$1,864,494.00	$286,580.75	$1,283,009.81	$581,484.19	68.81%	$1,019,248.45
	$1,864,494.00	$286,580.75	$1,283,009.81	$581,484.19	68.81%	$1,019,248.45

CITY OF MINNETRISTA

CITY COUNCIL AGENDA ITEM

Subject: **Water Rate Discussion**

Prepared By: **Jasper Kruggel, City Administrator**
Brian Grimm, Finance Director

Meeting Date: **October 20, 2025**

Issue: At the October 6th City Council Work Session, City Council gave staff direction to develop a series of options for potential 2026 water rates utilizing the utility rate study prepared by DDA. Below are some options and also an update on monthly billing.

Overview: Per City Council direction, staff developed rates with base rates of $50, $75, and $100 per quarter. Below are the 2025 rates for reference and also the results of the various base rates for 2026.

Residential Water Rates

2025 Base Rate $40.97/quarter
Usage Rates
0-25k Gallons: $5.76/1,000 Gallons
25k – 65k Gallons: $8.01/1,000 Gallons
>65k Gallons: $14.43/1,000 Gallons

2026 Base Rate $50/quarter (+22%)
Usage Rates (+30%)
0-25k Gallons: $7.49/1,000 Gallons
25k – 65k Gallons: $10.42/1,000 Gallons
>65k Gallons: $18.76/1,000 Gallons

2026 Base Rate $75/quarter (+83.1%)
Usage Rates (+15%)
0-25k Gallons: $6.63/$1,000 Gallons
25k – 65k Gallons: $9.21/1,000 Gallons
>65k Gallons: $16.59/1,000 Gallons

2026 Base Rate $100/quarter (+144.1%)
Usage Rates (+9.0%)
0-25k Gallons: $6.28/1,000 Gallons
25k – 65k Gallons: $8.73/1,000 Gallons
>65k Gallons: $15.73/1,000 Gallons

As a note, the Commercial and School water rate categories would follow whatever is decided for the residential rates. Water connection fees and trunk water charges are recommended to increase 15% for any of the base rate options. These numbers don't have much of an impact on rates that they are quite variable and we conservatively budget for these revenues.

Staff will be ready to develop rates on the fly per City Council direction if there is a desire to come up with a base rate not described above.

Also, the Finance Department staff took some time to review all of the requirements to transition from quarterly to monthly billing. There are some things that will make January 1, 2026, transition nearly impossible, and the recommendation is to look at a Q2 or Q3 start for monthly billing. This will allow for the City to adequately communicate this change with residents, making the transition less impactful and confusing for residents. Staff would like to engage City Council about this transition and wish to receive feedback.

Recommended City Council Action: Staff request that the City Council discuss the water utility rate changes proposed for evaluation, and also engage in a discussion about the monthly billing transition.

CITY OF MINNETRISTA

REQUEST FOR CITY COUNCIL DISCUSSION

Subject: **SWAMP Update**

Prepared By: Alyson Fauske, PE, City Engineer

Meeting Date: October 20, 2025

Attachment: Bathymetric Survey Summary Memo

The City's Storm Water Asset Management Program (SWAMP) is a tool that prioritizes inspection and maintenance requirements for stormwater Best Management Practices (BMPs) such as ponds, infiltration or filtration basins and rain gardens. A score of 100 represents a BMP that is fully functioning as designed. When the SWAMP score reaches 65 it may be time for the BMP to be maintained. There are currently six basins that meet this criterion. At the February 5, 2025 work session council authorized WSB to complete bathymetric on these six basins and the results are summarized below.

Table 1. Bathymetric Survey Recommendations

HOA	Basin ID	Year Built	SWAMP score	Recommendation Based on Bathymetric Survey Results	Estimated Construction Budget
Heatherwood Glen	P-61	1996	49	Do nothing	-
Hunters Crest	P-13 W-9	2003 2003	24 48	Excavate to 4.7' average depth Do Nothing	$16,400 -
Jennings Cove	P-84	1987	24	Excavate to 2.5' average depth	$20,800
Palmer Pointe	P-68 P-69	2008 2008	57 39	Excavate to 5.4' average depth Excavate to 3.5' average depth	$29,200 $16,800

Additional costs to complete this work include design and construction administration costs, construction contingencies, access/restoration costs, or costs to address contaminated material.

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

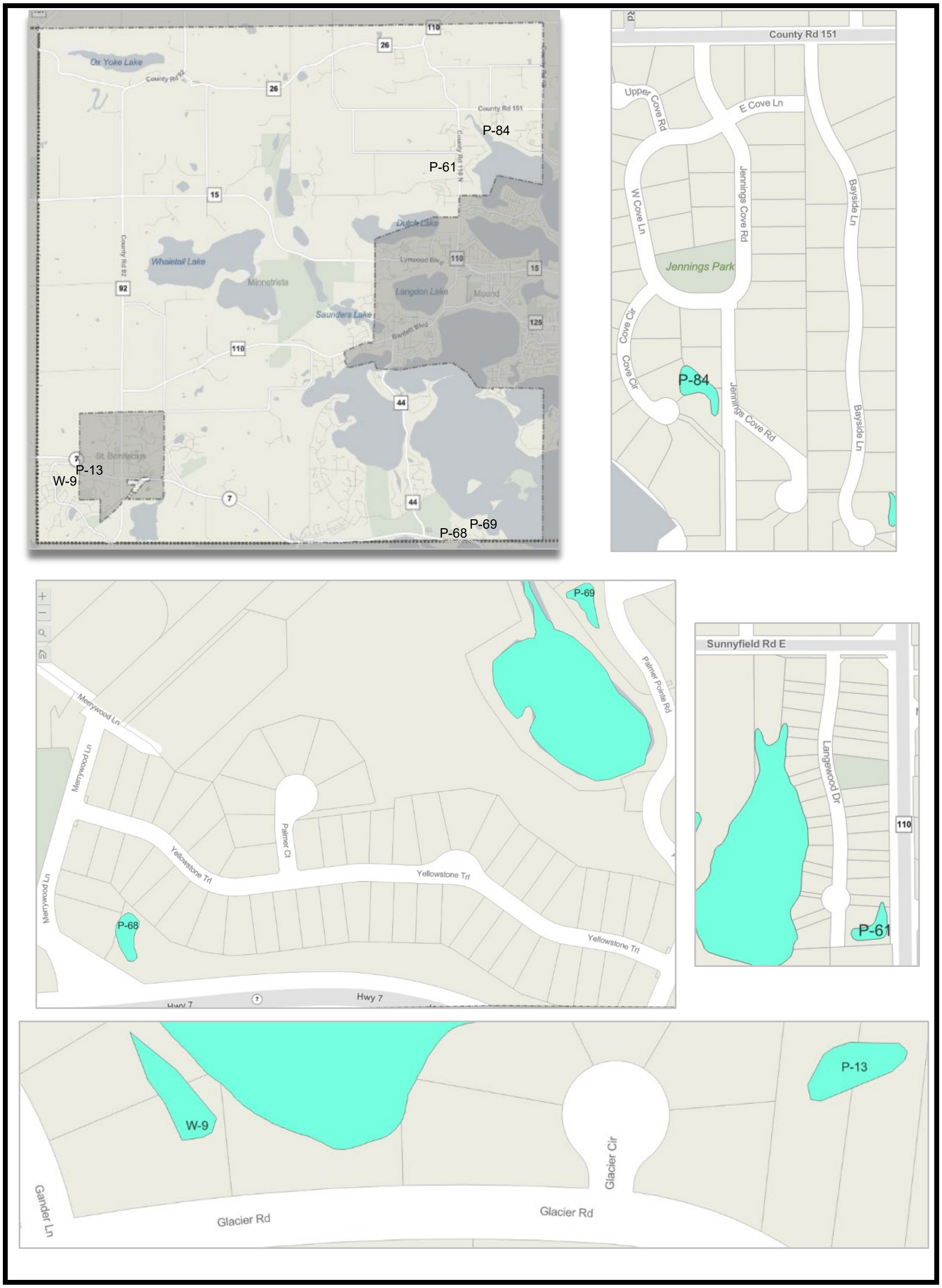

Figure 1. Bathymetric Survey Locations

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

Pond excavations should take place prior to any street improvement projects. In 2022 new pavement was installed in Jennings Cove; the Jennings Cove Road cul de sac (one the east side of P-84) was not included in the project. It is anticipated that street improvement projects in Palmer Pointe and Hunters Crest will be done in 2027 and 2029, respectively.

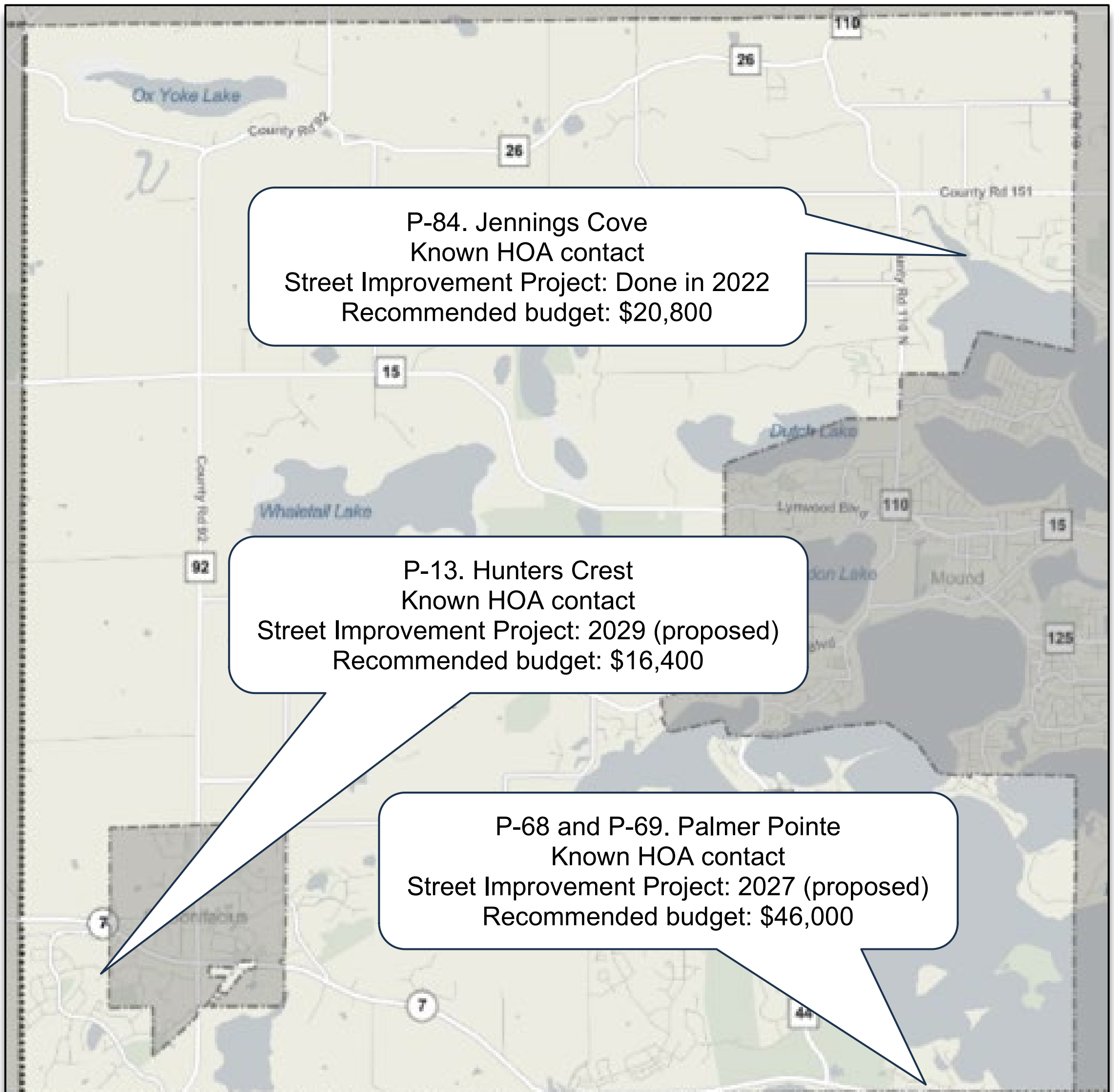

Figure 2. Recommended Pond Excavations

Staff recommends contacting the three affected HOAs with the recommendations and estimated costs. In early 2026 an update on this item will be brought back to City Council for discussion, specifically to get direction regarding HOAs that aren't responsive or indicate that a project is cost-prohibitive. This would provide adequate time to initiate a city-led project (should the council elect to do so) in January or February, 2027.

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CITY OF MINNETRISTA

CITY COUNCIL AGENDA ITEM

Subject: **Halstad Estates Petition for Improvement District Financing**

Prepared By: **Jasper Kruggel, City Administrator**

Meeting Date: **October 20, 2025**

Issue: Staff will provide an update to City Council about the inquiry from representatives of the Halstad Estates development regarding and improvement district and financing.

Overview: Staff have been communicating with representatives from the Halstad Estates development. Representatives have requested that City Council provide feedback related to the establishment of an improvement district, and subsequent debt issuance by the City of the development public improvements.

Issuing debt on behalf of a development for public improvements has inherent risks. If the development does not succeed, the debt will reside with the properties, potentially forcing forfeiture, and ultimately debt forgiveness by the City. In this case, the City is still the fiscal agent responsible to make these debt payments to avoid default.

Staff have been communicating with these representees and have urged them to pursue private financing for these improvements. Staff would like to engage City Council in a discussion about this inquiry and provide feedback to the Halstad Estates representatives.

**Halstad Estates has requested that we include correspondence from their representatives related to the financing request. Staff and the City Attorney have communicated with them on several occasions and are of the opinion that some of what they cite is irrelevant and that the City is under absolutely no obligation to initiate a public improvement project regardless of any petition.

Recommended City Council Action: Staff request that the City Council engage in a discussion related to the inquiry from Halstad Estates representatives about the establishment of an improvement district and issuance of debt for the development of public improvements.

Outlook

Monday City Council study session

From Robert Bauman <robert.b@squarecompanies.com>
Date Thu 10/16/2025 2:20 PM
To Jasper Kruggel <JKruggel@ci.minnetrista.mn.us>

At the request of the mayor (Lisa Whalen) please distribute the following information for the Monday night counsel workshop meeting.

Please call if you have any questions.

From: greg@gregmillerlawoffice.com <greg@gregmillerlawoffice.com>
Sent: Tuesday, October 7, 2025 12:44 PM
To: 'Sonsalla, Sarah J.' <SSonsalla@Kennedy-Graven.com>
Subject: RE: Minnetrista / Bond issue for Development

Sarah:

After receipt of your email, I have spoken with my client and their lender. There is a bit of confusion as the City Mound appears unbothered by the bond process on the adjoining parcel, and we are trying to determine what the difference is with the Minnetrista parcel. I had a conference call today with Mr. Bauman, Mr. Prokos, and Tim Long from the bank as to how to best present this. I understand that the city is not interested in this type of bond financing, but if we can cross the T's and dot the I's in the application, would the city oppose this process? It was the city officials that suggested filing the petition in a waiver process – do they want us to file a new petition? We would certainly be willing to file a new petition.

In talking with Mr. Prokos – who has done these types of bond financing programs around the country – and in reading the Minn. Stat. §429, Mr. Prokos had some specific questions in order to discern Minnetrista's basis for not being interested, as set forth in your email. The questions are as follows:

1. Under what specific statutory provision do you conclude that Chapter 429 improvements under § 429.021 do not apply to residential developments, given the absence of any exclusionary language in subdivisions 1(1)–(9) and the explicit inclusion of residential properties for related projects like energy improvements (subd. 1(22))?

2. How does the advice that the City is "not legally obligated to pursue" a petition under § 429.031 r with the mandatory public hearing requirement in subd. 1(a), which is triggered by a petition meeting the 35% frontage threshold in subd. 1(f)?
3. For a petition under § 428A.08 or § 428A.12 requesting a public hearing, what authority permits the City to forgo the hearing entirely, rather than proceeding to hearing and then exercising post-hearing discretion?
4. If the petition qualifies under both chapters (as integrated by § 428A.20), why do you advise that the City has no obligation to process it under the lower-threshold special service district provisions of § 428A.08 (25% land area and tax capacity)?
5. Has the City conducted the preliminary report required by § 429.031, subd. 1(b), to assess the proposed improvements' necessity and feasibility? If not, when will it do so as part of initiating the mandatory hearing process?

My subsequent questions are; 1) Is the petition valid as submitted, or should we resubmit? 2) is the feasibility study submitted by Mr. Prokos to Jasper sufficient, and 3) are there any technical issues with the petition that require revision?

I just want to affirm that we are following the process set forth in the statute and not prejudging the financing process before it is fully set forth. To that end, I would propose a conference call at your earliest convenience that would include Mr. Prokos, wherein we can pose questions and he can answer – he is much more versed in this than I am, as he and his company have done this very successfully many times. It honestly doesn't seem very divergent to the creation of a TIF district and the administrative aspect associated with that.

Thanks,

Greg

P.S. – Rob sent the below information to further elucidate us as to the statutory process.

Statutory Framework and City's Mandatory Obligations

Minnesota Statutes Chapter 429 ("Local Improvements; Special Assessments") and Chapter 428A ("Special Service Districts; Housing Improvement Areas") provide municipalities with authority to fund and implement infrastructure improvements through special assessments or fees, explicitly including those benefiting residential properties. There is no statutory exclusion for residential developments, and both chapters expressly contemplate their application to such projects. Critically, when a valid petition is filed by affected property owners meeting the statutory thresholds, the City is required to initiate formal proceedings, including holding a public hearing. The City's discretion arises only after the hearing, in deciding whether to adopt a resolution ordering the improvement—not in ignoring or rejecting the petition outright.

1. Applicability to Residential Developments under Chapter 429: Section 429.021 grants municipalities broad authority to undertake improvements such as acquiring and improving streets (subd. 1(1)), constructing sewers and water systems (subd. 1(2) and (5)), street lighting (subd. 1(4)), parks and recreational facilities (subd. 1(6)), and flood control (subd. 1(9)), among others—all of which are routinely applied to residential areas to support housing infrastructure. No subdivision excludes residential properties; to the contrary, these improvements are designed to benefit properties of all types, including single-family homes and subdivisions. For energy improvements (a subset under subd. 1(22)), financing is even explicitly available for residential properties with five or more units, confirming residential inclusion under the chapter's general provisions.
2. Petition Process and Mandatory Hearing under § 429.031: Upon filing of a petition signed by owners of at least 35% of the frontage of abutting real property (subd. 1(f)), the City shall hold a public hearing on the proposed improvement (subd. 1(a)). This hearing requires two newspaper publications (one week apart, with the hearing at least three days after the second) and mailed notice to affected owners at least ten days prior, including an estimate of assessment impacts. A preliminary report from the city engineer or competent person must advise on necessity, cost-effectiveness, and feasibility (subd. 1(b)). Failure to comply with these notice and hearing requirements invalidates subsequent proceedings. Following the hearing, the council may adopt a resolution ordering the improvement by majority vote (if petitioned) within six months (subd. 1(f)), but the initial hearing is non-discretionary. If all abutting owners petition (subd. 3), the City may proceed without a hearing. Our client's petition exceeds the 35% threshold and proposes standard improvements under § 429.021, triggering these obligations.
3. Integration with Chapter 428A for Residential-Focused Districts: Chapter 428A complements Chapter 429 by authorizing special service districts (§§ 428A.01–.101) and housing improvement areas (§§ 428A.11–.21) tailored to residential needs, such as common area maintenance and housing infrastructure (§ 428A.14). Section 428A.20 explicitly allows special assessments in these areas "in accordance with the procedures in chapter 429," bridging the chapters for residential projects.
   - Special Service Districts (§ 428A.08): No action may be taken unless a petition is filed by owners of 25% or more of the land area and 25% of the net tax capacity (or equivalent for non-tax-capacity charges) requesting a public hearing. The petition here satisfies this, mandating the hearing.
   - Housing Improvement Areas (§ 428A.12): For residential-focused areas, a petition by owners of 50% or more of the housing units subject to fees requests a public hearing, which the City must hold. Post-hearing, fees may be imposed unless vetoed by a majority (§ 428A.18).

In summary, the statutes do not permit the City to decline "pursuit" of a valid petition without first fulfilling its hearing obligations. Doing so risks legal challenge, as the process ensures affected owners' input and protects against arbitrary denial. The City's lack of "interest" does not supersede these mandates, and dismissing residential applicability contravenes the statutes' plain language and intent to facilitate community-driven improvements.

Gregory M. Miller

Miller Law Office, P.A.

980 Inwood Ave. North

Oakdale, MN 55128

Office: 651-789-5190

Cell: 612-401-3018

greg@gregmillerlawoffice.com

I am writing to provide you with key Minnesota statutes and legal principles supporting our position regarding the petition to form an improvement district in the City of Minnetrista. As you know, we have submitted a valid petition as property owners/developers seeking to initiate proceedings for [briefly describing the specific improvement, e.g., sewer/street/water infrastructure improvements]. The City's reluctance to proceed prompts this summary of relevant law, which underscores our rights and the City's obligations. I request that you use this information to draft a demand letter to the City Attorney or pursue appropriate legal remedies, such as a writ of mandamus, to compel compliance.

1. Property Owners' Right to Form an Improvement District and Its Definition

Under Minnesota Statutes Chapter 429, property owners have a statutory right to petition for the formation of a local improvement district to fund specific public improvements that benefit their properties. Section 429.021 explicitly grants municipal councils the power to undertake such improvements upon petition from affected property owners, including acquiring, constructing, or improving streets, sewers, water systems, and related infrastructure. An "improvement" is broadly defined in § 429.011 as any type of local enhancement authorized under § 429.021, with the "improvement district" referring to the geographic area of benefited properties subject to special assessments for the costs (§ 429.021; § 429.051). This right ensures that property owners can drive necessary infrastructure development without relying solely on general city funds, promoting efficient local growth.

2. City's Obligation to Honor the Petition and Hold a Public Hearing

Minnesota law mandates that the City honor a valid petition by initiating proceedings, including ordering a feasibility report and convening a public hearing. Under § 429.031, subd. 1, upon receipt of a petition signed by at least 25% of affected property owners (or as specified in the City's charter), the council must direct the city engineer (or qualified designee) to prepare a preliminary report on feasibility, costs, and assessments, followed by a public hearing on the proposed improvement (§ 429.031, subds. 1–2). Failure to do so violates the statutory process and deprives petitioners of due process. If the petition meets threshold requirements (e.g., proper signatures and description of the improvement per § 429.035), the City cannot summarily dismiss it without this procedural step.

3. City's Duty to Form the Improvement District If Not a Burden

The City is required to form the district and order the improvement if it is feasible and does not impose a financial burden on the general taxpayer base. Section 429.031, subd. 1, provides that after the hearing, the council must adopt a resolution ordering the improvement by a simple majority vote if initiated by petition (lowered from the four-fifths supermajority required for council-initiated projects). Costs are apportioned solely to benefited properties via special assessments (§ 429.051), ensuring no undue burden on the City or non-benefited taxpayers. Courts have interpreted this as a ministerial duty to proceed where the petition is valid and the project aligns with public interest, absent evidence of fiscal harm to the municipality (§ 429.041; see also League of Minnesota Cities guidance on strict compliance). In our case, the proposed district is fully assessable against participating properties, rendering it self-sustaining.

4. Legal Support for Developers If the City Fails to Comply

If the City refuses to comply, developers and property owners have robust remedies under Minnesota law, including a writ of mandamus to compel performance of the statutory duty. Section 586.01 authorizes mandamus to enforce "the performance of a duty [that] the law specially enjoins," such as holding the required hearing or ordering a feasible improvement (§ 429.031). Petitions for mandamus must be filed in district court within 60 days of the refusal, with the court empowered to issue alternative or peremptory writs (§ 586.02–03; Minn. R. Civ. App. P. 120). Precedent supports developers in compelling rezoning or infrastructure approvals where cities withhold discretionally required actions (e.g., St. Croix Dev., Inc. v. City of Apple Valley, 1990 WL 25073 (Minn. Ct. App. Mar. 20, 1990), ordering rezoning per petition). Developers have successfully sued cities for arbitrary refusals to approve essential development steps, obtaining writs of mandamus to force compliance. For example, in Good Value Homes, Inc. v. City of Eagan, 410 N.W.2d 345 (Minn. Ct. App. 1987), the court affirmed a peremptory writ directing the city to grant preliminary plat approval after an arbitrary denial unsupported by evidence, emphasizing that ministerial approvals cannot be withheld based on extraneous factors like neighborhood objections or prior unbinding representations. These cases illustrate the courts' willingness to intervene where cities fail to follow statutory mandates in land development processes, providing a strong basis for relief here. Additionally, affected parties may appeal any adverse council determination to district court under § 429.036 (legality of petition) or § 429.081 (assessments), seeking declaratory relief or injunctions. These tools ensure accountability without exposing petitioners to undue delay.

Additional Considerations: Separation of District Formation from City Liability

Critically, the formation and operation of the improvement district under Chapter 429 are di the City's general governmental functions and fiscal responsibilities. The district functions as a self-contained assessment mechanism, with all costs (including bonds) financed exclusively through special assessments levied on benefited properties (§ 429.091, subd. 2). The City issues obligations (e.g., assessment bonds or temporary improvement bonds) payable primarily from assessment collections, crediting proceeds to a dedicated construction fund (§ 429.091, subd. 1). While bonds may technically be general obligations, the statute limits repayment to assessment revenues first, with ad valorem taxes as a secondary backstop only if assessments prove insufficient—which is avoidable through proper sizing and developer guarantees (§ 429.091, subd. 2; § 429.031, subd. 3 for contract-initiated projects). The City's role is administrative: certifying assessments, collecting them via property tax statements, and remitting to bondholders (§ 429.061). It bears no direct liability for construction risks, overruns, or bond defaults, as these are borne by the assessment fund and petitioners' undertakings. This structure insulates the City's general fund, aligning with the policy of developer-driven, non-burdensome growth.

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| ***Robert Bauman***
| Principal Owner - GM
| MN GC #BC807649

| ***Cell:*** 952-200-8148
| ***Office:*** 612-217-1677

| https://squarecompanies.com/

| **Office:** 5624 Lincoln Drive
Suite #101
Edina, MN 55436

CITY OF MINNETRISTA

CITY COUNCIL WORK SESSION ITEM

Subject: Bayside Lane Drainage Update

Prepared By: Gary Peters, Public Works Director
Alyson Fauske, PE (MN), City Engineer

Meeting Date: October 20, 2025

Background:
Figure 1 shows the proposed plan presented to City Council on September 15, 2025. The estimated construction cost for this work is $15,000.

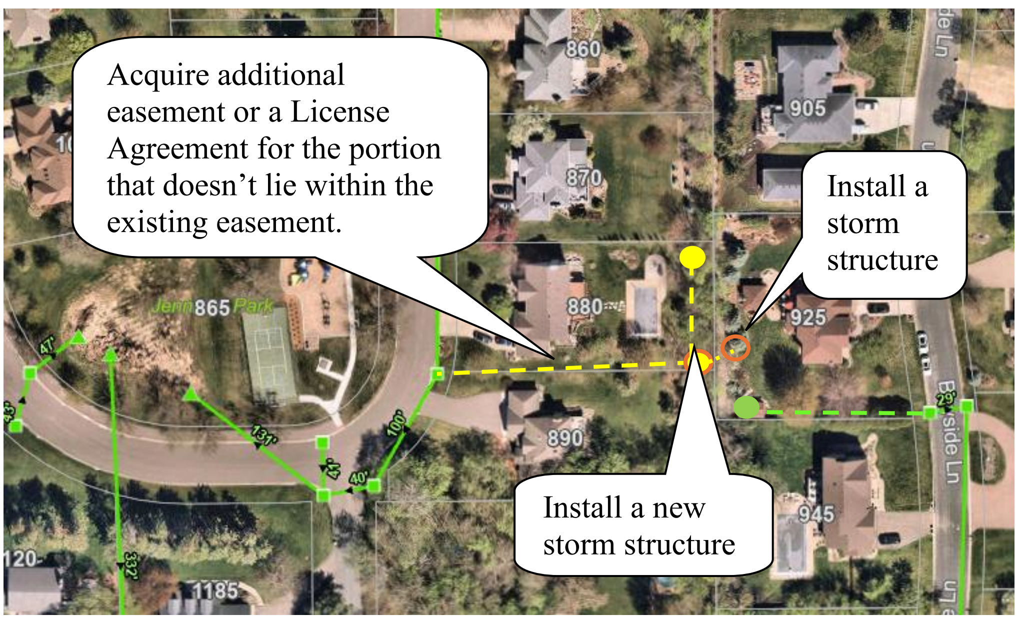

Figure 1. Proposed work to alleviate drainage issues on the west side of Bayside Lane

Legend
- City-owned and maintained storm sewer
- City-installed storm sewer (installed 2000/2001); collapsed
- Existing private storm sewer inlet
- Approximate alignment of storm sewer
- Approximate location of catch basins on 880 Jennings Cove Road
- Proposed 10' storm sewer stub
- Proposed new catch basins

Mission Statement:
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The existing storm sewer in Jennings Bay Road was analyzed to determine if it's large enough to carry the additional runoff from a 24-hour storm where 4" of rain falls, which is the industry standard for designing storm sewer. The analysis determined water would back up into the pipe, and that the drain tile at the southwest corner of the home at 925 Bayside Lane would be half full of water during this 4" rain event.

Staff is looking into an option to directional drill a 4" drain tile, shown in blue below, by trenchless technology. The drain tile at the southwest corner of the home on 925 Bayside is only 0.5' higher than the water elevation in the drain in Jennings Cove Road during the 4" rain event. Additionally, the well for 890 Jennings Cove Road is in close proximity to the existing pipe. Staff is talking to contractors to see if trenchless installation can be done given these constraints, and to get an idea of how much this option would cost. An update will be provided at the meeting.

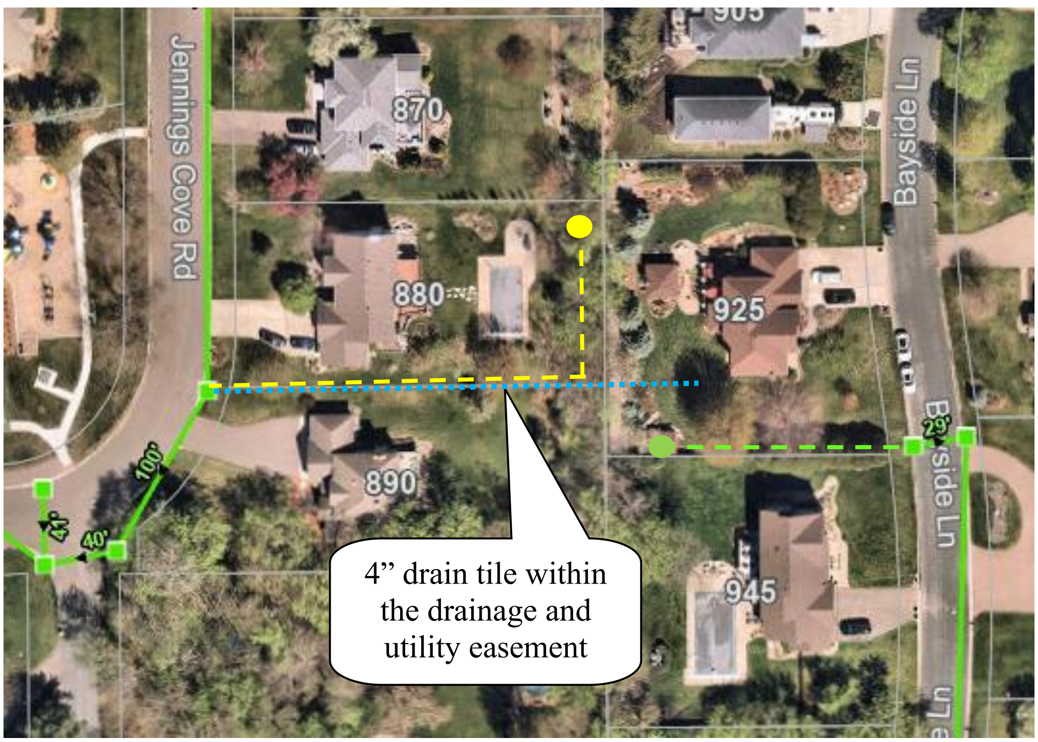

Figure 2. Option to install 4" drain tile to 925 Bayside Lane. Existing pipe shown in green and yellow.