

**City of Oronoco
City Council
Special Meeting
MINUTES
November 1, 2022**

**PUBLIC HEARING ON PROPOSED ASSESSMENT – PROJECT SUMMARY
Phase 1A - Wastewater System & Water Distribution Improvements**

<https://us02web.zoom.us/j/85659478096>

I) CALL TO ORDER

Mayor Ryland Eichhorst called the meeting to order at 7:05 p.m.

II) ROLL CALL

Council Present: Mayor Eichhorst; Councilors Jim Phillips, Jim Richards, Carl Krause
Present VIA ZOOM: Councilor Dana Bergner
Council Absent: None
Others Present: Consulting City Joe Palen, Stantec
City Administrator Sunny Bjorklund Schultz

III) APPROVAL OF AGENDA

Motion by Eichhorst, seconded by Phillips, to approve the agenda as amended to all five (5) minutes per person (Item IV.3.Ground Rule a).

Voice vote followed; Motion carried (5-0).

IV) PUBLIC HEARING

1. OPEN PUBLIC HEARING

Mayor Eichhorst opened the Public Hearing at 7:10 p.m. explaining the format for the hearing, which will consist of the Presentation by Consulting City Engineer Joe Palen of Stantec followed by a Q & A session where those wishing to ask questions of Palen may do so and those completing a form to speak to Council will be recognized. Anyone attending via ZOOM wishing to be recognized by the Council should indicate their desire to be heard in the Chat section. Eichhorst then stated the ground rules for the evening as follows:

Ground Rules

- a. *3-minute time limit per person will be most appreciated for benefit of all*
- b. *Please keep in mind that your comments MUST BE SPECIFIC TO TONIGHT'S TOPIC – the Phase 1A - Wastewater System & Water Distribution Improvements Assessments.*
- c. *To address the City Council during public forum, please step up to the podium and state your name and address and fill out the form provided. Speakers MAY be recognized only once.*

Eichhorst concluded his remarks by noting that after hearing all comments, the Public Hearing will then be closed, and Council will consider proposed Resolution 2022-31.

2. PRESENTATION

Consulting City Engineer Joe Palen shared a PowerPoint presentation outlining specifics of the costs, financing, and assessment methodology for the project. Items of specific note included:

- Most information in the presentation is unchanged from the October 2021 Public Hearing held to approve the project, including projected costs
- Project Improvements include Wastewater System Improvements, including the Wastewater Treatment Facility, Water Distribution Improvements, Surface Feature Restoration, Lateral Sanitary Sewer Improvements, Trunk Sanitary Sewer Improvements and Watermain Improvements
- Most of the financing for the project comes from bonding and loans administered through the Public Facilities Authority (PFA)
- Wastewater Improvements are financed over a 30-year term at 2.047% interest
- Water Distribution Improvements are financed over a 20-year term at 2.252% interest
- The local share totaling \$12.232M represents the City of Oronoco cost share of the project which is approximately 26.4% of the \$46,259M total project cost
- The total amount of the proposed Phase 1A Wastewater System and associated Water Distribution Improvements assessments to benefitting property owners is \$5.36M to owners within the City of Oronoco and \$0.84M to Oronoco Estates Mobile Home Community amounting to a total of \$6.20M, which represents 13.4% of the \$46.248M project cost
- In total, \$12.2M in fee revenue will be generated to fund the local share of the project costs which will be financed through the low interest loan over a 20- or 30-year period
- Assessing now (a) is allowable by law and (b) is necessary to help reduce financing costs until usage fee revenue becomes available
- Methodology for assessment to benefitting property owners is based on an (ERU) Equivalent Residential Unit basis and is specific to individual parcels

Palen also shared the timeline of specific dates moving forward:

- November 1 Tonight's Public Hearing
- December 2 Certification of Assessment to County Auditor
- May 2023 First Payment of Assessment Due with County Property Tax (unless prepaid)
- July 2023 Low Pressure Sewer Connections begin
- October 2023 Construction Substantial Completion – System Operational
- Spring-Fall '23 Water Services connections (dependent upon location in City)
- Spring 2024 Construction Final Completion

Palen concluded his presentation with a focus on the 429 Special Assessment Process itself noting:

- An assessment must not exceed the increase in market value provided by the improvements to the benefitting property
- Public comment and/or objections to the proposed assessments will be considered tonight
- No appeal to district court may be taken as to the amount of the assessment unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing
- A parcel owner may appeal an assessment to district court pursuant to Minn. Stat. § 429.081 by serving notice of the appeal upon the mayor or clerk of the city within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the mayor or clerk

Additional Notes:

- Prepayments in full, payable to the City of Oronoco, are possible until assessments are certified to the County Auditor and may be paid at City Hall. Contact the City Administrator with any questions.
- Deferral of Assessments may be allowed by law under certain circumstances, specifically: age and income; disability and income; active military service. Qualifying parties should contact the City Administrator for an application.
- A copy of the presentation is attached to and made an integral part of these minutes.

3. PUBLIC COMMENT

The following residents registered comments to Council:

- Jeff Green: wondered if there were assigned contractors for connecting into properties
- Joseph Knauer: questioned why he received a water assessment as he had been paying for water
- Kelli Heydt: thinks the 1-year timeframe to connect should be extended
- Flip: not happy with project or assessments
- Tyler Hinck:
- Michael Muller: are those owning multiple parcels paying for multiple assessments?
- Jennifer Zempel: thinks costs should be equally distributed among all residences
- Mike Zempel: doesn't like assessments or being forced to connect to water and sewer
- Douglas Gillard: asked to get added to lateral sewer list; wants to sign maintenance agreement
- Beau Hanenberger: supports WWTF project
- David Kleiber: wants access; willing to sign maintenance agreement
- Derric Halbmaier:
- Dee (on zoom): had a question on assessing undeveloped lot

4. CLOSE PUBLIC HEARING

After three calls for additional public comments, Mayor Eichhorst closed the Public Hearing at 9:16 p.m.

- V) **RESOLUTION 2022-31: ADOPTING ASSESSMENTS FOR PHASE 1A WASTEWATER SYSTEM AND WATER DISTRIBUTION IMPROVEMENTS**
Motion by Eichhorst, seconded by Phillips, to adopt Resolution 2022-31 Adopting Assessments for Phase 1A Wastewater System and Water Distribution Improvements as presented.
Roll call followed; Motion carried (5-0).

- VI) **ADJOURNMENT**
Motion by Krause, seconded by Richards, to adjourn the November 1, 2022, Special Council meeting at 9:31 p.m.
Motion carried by unanimous consent.



Ryland Eichhorst, Mayor

Attest:



Sunny Bjorklund Schultz, City Administrator