

**CITY COUNCIL PROCEEDINGS**  
**BEMIDJI, MINNESOTA**  
**Work Session – November 30, 2020**

Pursuant to due call and notice, a work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, November 30, 2020 at 5:30 p.m. in the Council Chambers of City Hall, Mayor Albrecht presiding via video and telephone conference.

Upon roll call, the following Councilmembers were declared present: Albrecht, Meehlhause (5:44), Peterson, Johnson, Rivera, Erickson.

Staff Present: City Manager Nate Mathews, City Attorney Alan Felix, Assistant City Attorney Katie Nolting, City Engineer Craig Gray, Finance Director Ron Eischens, , Assistant City Engineer Sam Anderson, Water/Sewer Superintendent Todd Anderson, Deputy City Clerk Bobbi Karpinski

Mayor Albrecht stated the purpose of the meeting was to discuss the Water & Sewer Rate and Revenue Study and irrigation wells within the City.

**Water & Sewer Enterprise Funds – Rate & Revenue Study**

Matthew Stoffel, Senior Managing Consultant with PFM financial, prepared and presented the Water and Sewer Rate and Revenue Study. He stated both utilities are well positioned to meet the revenue requirements for the upcoming years with a few slight adjustments.

Stoffel indicated the rate study suggests the fixed base rates for both water and sewer rates should be adjusted to align with standards from the American Water Works Association flow-based ratios to match fixed rates to meter flow.

With water the State of MN requires a conservation rate, meaning as you use more, it becomes more expensive. The City currently has a block rate structure in place to meet this requirement. It's recommended to adjust the top two tiers of the water rates to establish a relationship of 20% cost increase between each tier of the block rate structure. Average water users will not see any recommended changes for the upcoming year.

Sewer treatment has significantly more operational needs, stating that the current rate structure is approximately 91% of the revenue requirements for the 2021 year. The recommendation, in addition to adjusting the fixed rate, is to increase the variable rate by 5.5%. The effects on the average user will be an increase of about 4.3%. The recommendation to reduce the impact of the water and sewer rate adjustments is to decrease the stormwater rate by 30%.

Albrecht stated the City is in a better position than expected given the new water treatment plant and the upgrades to the wastewater plant. It's difficult to increase rates, however, necessary to ensure our utilities continue to adequately serve the community. Staff and Council acknowledged the more difficult rate discussion that could have been before them had the City not been awarded bonding appropriations from the state.

**Motion by Rivera, seconded by Meehlhause to adopt the Water & Sewer Rate Study and to approve the rate increases as presented. Motion carried by the following roll call vote: Yeas: Johnson, Albrecht, Erickson, Peterson, Meehlhause, Rivera.**


Albrecht stated staff is seeking direction on an ordinance prohibiting the drilling of private wells for irrigation systems within the city limits. Staff and council addressed concerns of drawing down aquifers and the risk of contamination of the public utility system. However, Peterson expressed concern for the potential prevention of new development in the City. Staff was directed to draft an ordinance for the first reading at the December 7, 2020 council meeting.

**Motion by Erickson, seconded by Meehlhause to create an ordinance that prohibits future drilling by private individuals of wells for irrigation. Motion carried by the following roll call vote: Yeas: Erickson, Rivera, Albrecht, Johnson, Meehlhause. Nays: Peterson.**

**ADJOURN**

There being no further business, motion by Peterson, seconded by Meehlhause, to adjourn the meeting. Motion carried. Meeting adjourned at 7:19 p.m.

Respectfully submitted,

  
Bobbi Karpinski  
Deputy City Clerk