

CALL TO ORDER

Pursuant to due call and notice thereof a work session of the Rosemount City Council was held on Monday, May 9, 2016 beginning at 6:30 p.m. in the Council Chambers at City Hall, 2875 145th Street West, Rosemount.

Mayor Droste called the meeting to order with Council Members DeBettignies, Demuth, Nelson and Weisensel attending. Staff present included City Administrator Johnson, City Clerk Hadler, Public Works Director Wrase, Parks and Recreation Director Schultz, Community Development Director Lindquist, Senior Planner Klatt, and Finance Director May.

DISCUSSION

2.a. Presentation by SKB/Enerkem on Proposed Recycling and Gasification of Municipal Solid Waste

John Domke, of SKB, introduced Enerkem representatives. The project would be the first in the United States of its kind. They have also discussed with Met Council staff about the possibility of utilizing the wastewater from the Empire wastewater plant.

Annie Pare, of Enerkem, presented video that was produced by the City of Edmonton, Alberta, to show the value of the Enerkem facility. Ms. Pare gave a background of the Enerkem company and their current facility in Edmonton. The Edmonton facility generates 38 million litres of biofuels using up to 100K tons of municipal solid waste (MSW) and has been open for approximately 1 year. The facility created 600 jobs during construction, 150 during production and was a \$100 million investment.

Richard Schofield, Project Development Manager for Enerkem, discussed the technology of the Enerkem facility. Development of the technology was started in the 1980's. The company has done research for 16 years, to scale the technology to commercial scale.

The proposed facility in Rosemount would utilize approximately 15-20 acres.

David McConnell of Enerkem discussed some existing waste-to-energy facilities in Minnesota. Mr. McConnell, discussed the sources, processes, products and markets of the Enerkem technology. Economic impacts, benefits to the local community, including global visibility, job creation, and sustainability leadership.

Mr. Domke showed proposed views of the facility, with berms and tree plantings. Mr. McConnell stated the height of the distillation stack is approximately 150 ft. tall.

Mr. Schofield discussed different types of ethanol and the emissions of the facility. There is some carbon dioxide that is emitted, but less than an incineration plant.

Mayor Droste inquired about the size of the facility, which is twice the size of their current Edmonton facility. Mayor Droste asked about the amount of tons that will be created each year. He also asked about trucking.

Mr. McConnell stated that they have started discussions with Waterford, St. Paul Park, and Flint Hills, for the purchase of the materials. The product would be exported in trains, not trucks.

Mayor Droste inquired whether the facility is appropriate for a metropolitan location. Ms. Parre stated that the demonstration facility in Quebec is across the street from housing. Mayor Droste discussed negative feedback the city receives from housing developers about the Flint Hills facility.

Mayor Droste inquired about odors. Mr. Schofield stated the transfer/sorting facility does have some interior odors, but the transfers between facilities are enclosed, the facility is under negative pressure, and the facility does not burn anything, so exterior odors are negligible.

Mayor Droste inquired about how the current Lakeville facility would be impacted. Mr. McConnell stated that was a recycling facility, and materials out of the backend of that facility could come to the Enerkem facility.

Mayor Droste inquired if the facility fees would change. Mr. Domke stated if the city was concerned about fees, he would make sure they did not change.

Mayor Droste stated concerns that residents expect to see a green space at some point in the future. Ms. Pare stated they expect that the residents would find pride in the fact their garbage is being turned into fuel.

Mr. Domke validated Mayor Droste's concerns, but stated to that the conversion of garbage to fuel is the right thing to do. Mr. Schofield stated that there have been a number of positive articles about their facilities.

Mayor Droste inquired if the facility would be tax-exempt due to being a "single use" facility.

Council member DeBettignies stated that the amount of waste would mean an additional 8 trucks per hour. Mr. Domke stated that most of the waste would arrive in transfer rigs (tractor trailers), so that number would be much smaller. Mr. McConnell stated that next steps might include a DOT study, an economic benefit study. Mr. Domke stated that the company would need to do an EAW.

Council member Demuth asked about the difference between the landfill and the tallest stack. Mr. Domke stated the landfill would be taller. Ms. Demuth asked if they have looked at their rail options. Mr. Domke stated that SKB has a rail spur on the property.

Mayor Droste inquired if the by-products would need to be trucked out. Ms. Pare stated it could be made into other materials, and the company is examining use in aggregates. Ms. Domke stated some of the byproducts can be processed.

Council member Weisensel explained concerns that Rosemount is taking on a regional facility, and adding local costs and negative impacts.

Council member Nelson inquired about the distance between the Edmonton facility and housing. Ms. Lindquist stated that staff had researched this and it is approximately 1.5 – 2 miles.

Council member DeBettignies inquired about what other areas of the world they are looking. Mr. Schofield explained that the company is currently pursuing 3 sites in the U.S. because of the federal minimum fuel requirements.

Mr. Domke noted that the investment is self-sufficient; unlike some waste facilities that rely on government support.

Council member Demuth asked if they would need to process the wastewater from Empire. Mr. Schofield stated it was simply used for cooling, so it might need to be treated for bacteria, but excess chloride was actually good. He stated that they had done a study and found that they might need a little more water, as they use 1 – 1.5 million gallons per day. After it's used, it would go back to the Empire for treatment and then it would come back again in a closed loop.

Mayor Droste inquired about emissions, truck traffic, tax impacts, etc. Kim Lindquist suggested that staff would put together a list of questions to circulate to council and then forward to SKB.

State Senator Clausen inquired if the project is looking for state funding from DEED. Mr. Domke stated they are 100% privately funded.

Council members and staff discussed the difficulties of having trucking facilities with smaller buildings that don't pay a lot in taxes. They also discussed how landfill rates could raise substantially as they fill. Mr. O'Gara discussed host fees, but they are not commonplace for recycling facilities. Edmonton invested millions of dollars to partner in the facility.

Mayor Droste asked if there was a state mechanism to help fund the infrastructure. Senator Clausen inquired of SKB if there is a benefit to the hauler to using the facility, that maybe there was a possibility of a per load fee.

Council member DeBettignies inquired about the company's rankings in Clean Tech. Ms. Pare discussed their other rankings. She explained that their future Montreal facility has yet to have any complaints.

Mayor asked staff to find out how much C&D cell waste would be converted and how that would impact the city revenues.

Mayor asked Council members how this should be taken to the public. Council members looked to Enerkem to facilitate those community discussions.

Mr. Domke thanked everyone for their time. Mayor Droste commended the company for their efforts at sustainable technologies.

2. b. Peer Review of 1.5 MG Water Storage Tank

Director of Public Works Wrase gave a brief overview of prior discussions of the project. The original estimated project costs had climbed from \$4.1 million to \$6 million. The council had recommended a peer review of the project to verify cost and project assumptions. SEH has provided the peer review services for the project for the past 3 months.

Miles Jensen, of SEH, presented their preliminary findings. The report covered water system planning review, water system modeling reviews, and bid document review and site planning. Mr. Jensen provided a summary of the findings that address verification of need, timing of the project, type of storage selected, location of project, and opportunities for cost savings.

Council member Nelson inquired about use of above-ground vs. in-ground storage. Mr. Jensen stated it just depends on the project.

Mr. Wrase explained that the plan had allowed ability to serve “as many plats as we have on the books”. Ms. Lindquist clarified that those preliminary plats do have an entitlement with them.

Mr. Jensen reviewed the supply calculations and models used to make his recommendations.

Council members and staff discussed the how the calculations are derived and how assumptions could change, and how the current well supplies can be blended to make radium levels acceptable.

City Administrator Johnson stated that staff recommends postponing the project and not accept the current bids. Mr. Johnson asked Council how they would like to proceed. Council members were all in agreement with waiting on the project and studying the water system, and rejecting the bids. Mr. Johnson stated there should be a motion to reject the bids at the May 16th meeting.

Andy Brotzler, of WSB, asked that they be allowed to address issues and results in the SEH final report.

2. c. Fire Relief Association Benefit Request

City Administrator Johnson reviewed the staff response regarding total compensation of the firefighters. The total compensation is 4.7% - 5% below the average of other cities. If given the \$100 increase, the city would be about 4% below the average.

Council member Nelson expressed concerns that a firefighter who serves for 8 or 9 years are not awarded for their service. Mayor Droste stated that the Fire Relief Board creates their own policy.

Mayor Droste encouraged the City to look at the compensations holistically and provide that data moving forward. Finance Director May explained that the city’s fire department budget decreased by \$70,000 and that Rosemount had the lowest expenditures of any other city in the County. Mayor Droste asked that staff develop a clear message to the firefighters for the future. Mr. Johnson suggested we eventually get the pension number to \$7500 over the next 3 years, and increase hourly wages every 2-3 years.

Mr. Johnson asked if Council would like to move forward with the pension increase. Mayor Droste said yes.

Council member Weisensel inquired about decreasing the levy to zero. Mr. May stated that might be a possibility, but there may be a required larger city contribution in the future.

UPDATES

3.a. Youth Commission Candidates

City administrator Johnson asked if they should all be appointed. Council members were generally in agreement. Mayor Droste stated they were smart kids with good ideas.

3.b. Schedule Meeting to Canvass Votes of May 17th Election

Due to Council travel schedules, the canvass was scheduled for Thursday, May 19th, at 7:30 a.m.

3.c. HVAC Control Panel

Public Works Director Wrase reviewed the previous discussion of this item. At a previous work session, Council members were concerned about whether the proposed vendor would have a solution that is too proprietary. Mr. Wrase presented further information including an outside opinion of the bids received. Staff recommended following the recommendations of the outside consultant and council members concurred. This item will be scheduled for action at the next Council meeting.

3.d. Bicycle Tour to Parks

Council members and staff discussed the plan for a City Council bicycle tour. Parks and Recreation Director Schultz will send out an invite for a couple of dates.

3.e. Citizen Engagement - Park Visits

Council members and staff discussed possibility for a citizen engagement activity at city parks. Mayor Droste suggested holding a work session at one of the parks. Mr. Johnson stated that staff could decide a good month based on the schedule of council items; maybe June work session at Jaycee Park and July work sessions at Bloomfield.

Ms. Lindquist stated that there will be comprehensive plan engagement activities during the next few weeks. Those meetings are specifically designed for the comprehensive plan discussion.

3.f. Other items from Staff or Council

Mr. Wrase stated that Vermillion River Watershed will be applying for a couple of grants on our behalf for the irrigation controller and the splash pad.

Council member Weisensel asked that signs be put up at former polling locations.

**ROSEMOUNT CITY COUNCIL
WORK SESSION PROCEEDINGS
MAY 9, 2016**

Council member Nelson stated he was recently made aware of the city's graffiti issues.

Council member Demuth stated she attended a meeting last week that raised her concerns about lead in the water.

Council member DeBettignies told Mr. Schultz that the Youth Commission would be calling the Steeple Center Coordinator to schedule a room there.

Mayor Droste stated there were about 160 people at the Arbor Day event. Mayor Droste discussed the two public meetings about the referendum.

City Administration Johnson recommends going ahead and getting some architectural drawings and estimates done for a proposed expansion of the Family Resource Center that could help in applying for grants.

Council members made suggestions for additions to that park area; such as paths and rain gardens.

ADJOURNMENT

There being no further business to come before the City Council and upon a motion by Droste, second by DeBettignies, the meeting was unanimously adjourned at 10:32 p.m.

Respectfully Submitted,

Clarissa Hadler, City Clerk