

SPECIAL MEETING OF THE CITY COUNCIL  
CITY OF CALEDONIA, MINNESOTA  
Tuesday, July 6, 2010

CALL TO ORDER. Following due call and notice thereof, Mayor Burns called the special meeting to order at 6:00 p.m. in the Council Room, City Hall.

ROLL CALL. Members present: Mayor Robert H. Burns; Council Members: Randi Vick, Robert Lemke, Peggy Perry, and Tom Murphy. Members absent: None. Consultants and City staff present: City Clerk/Administrator Jennifer Feely, Administrative Coordinator Mike Gerardy, Water/Wastewater Supervisor Tony Klug, and Davy Engineer Mike Davy. Visitors present: None.

**BUSINESS ITEMS.**

**A. DETERMINE CORRECTIVE ACTION FOR SOUTH STREET SEWER PROBLEMS.**

Davy Engineer Mike Davy was present to discuss two options available to remedy sewer problems on South Street. Davy presented the following options: (1) Sewer Spot Repair/Lining at an estimated cost of approximately \$157,250 or (2) Sewer Replacement at an estimated cost of \$436,820. Davy stated that under normal circumstances the preferred route would be Option 2; however, due to the time constraints associated with the Houston County Jail Project, Option 1 appeared to be the most feasible. Davy recommended that the work be bid out as it is difficult and high priced. He went on to state that it would likely be mid-August before the work could start as plan preparation and the bidding process would take some time. Administrative Coordinator Mike Gerardy noted that the County would be putting in a new storm sewer in conjunction with the jail project and it might be beneficial for the City to coordinate with the County as they likely have already budgeted for resurfacing costs. Mayor Burns asked Gerardy to make contact with the County to discuss this matter. Members Perry and Lemke noted that they would like to see the numbers budgeted by the County to resurface a portion of South Street. Member Murphy inquired as to when a sewer rate adjustment could be made. Member Murphy stated that he would like to see a rate increase take effect as soon as possible so as to begin to help pay for sewer improvements. Davy stated that the plan is to have a draft sewer and water rate increase put together for Council's review and consideration by late fall. Davy went on to state that the recommended rate increases would take effect January 1, 2011. Member Murphy asked Water/Wastewater Supervisor Tony Klug if he was comfortable with the spot repair/lining option. Klug stated he couldn't see any reason why the spot repair/lining option wouldn't work in addressing the sewer problem. A motion was made by Mayor Burns, seconded by Member Perry to authorize sewer spot repair/lining to take place on South Street and coordinate, to the extent possible, street resurfacing efforts with Houston County. All members present voted in favor and the motion was declared carried. Discussion then ensued regarding funding options available to pay for the improvement. It was noted there are no grant monies available, only subsidized loans. Other options discussed included the possibility of using reserves to pay for the improvement or obtaining short term financing until the improvement cost could be rolled into an upcoming bond issue. City Clerk/Administrator Feely noted that due to the relatively small nature of the project, bonding would not be a feasible option. Feely then shared interest rates currently available through local banks for a 1 year note. The consensus

was that a short term note would be feasible if the City plans to do a bond issue for a larger reconstruction project in the upcoming year. No action was taken with respect to determining how the project would be funded.

B. LINCOLN AND GRANT STREET REPAIRS. Gerardy asked the Council to consider including the Lincoln and Grant Street spot/liner repairs with the South Street sewer improvement project in an effort to obtain the lowest price for the work. A motion was made by Mayor Burns, seconded by Member Lemke to include the Lincoln and Grant Street repairs in the South Street sewer improvement project. All members present voted in favor and the motion was declared carried.

C. LIFT STATION MAINTENANCE AGREEMENT. Enclosed with the agenda was a lift station maintenance agreement from Electric Pump. A motion was made by Mayor Burns, seconded by Member Perry to authorize a 1 year lift station maintenance agreement with Electric Pump at a cost of \$2,130. All members present voted in favor and the motion was declared carried.

ADJOURNMENT. A motion to adjourn was made at 7:05 p.m. by Mayor Burns, seconded by Member Vick. All members voted in favor and the motion was declared carried. The next regularly scheduled meeting of the City Council is scheduled for Monday, July 12, 2010 at 6:00 p.m. in the Council Room, City Hall.

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Robert H. Burns  
Mayor

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Jennifer Feely  
City Clerk/Administrator