

**PUBLIC WORKS COMMITTEE  
CITY HALL CONFERENCE ROOM  
JANUARY 14, 2019  
5:00 P.M.**

**AGENDA**

- I. CALL TO ORDER
- II. CONSENT AGENDA
  - A. Minutes (page 1)
- III. NEW BUSINESS
  - A. Election of Officers (page 4)
  - B. Meeting Schedule (page 5)
- IV. OLD BUSINESS
  - A. Storm Water Drainage Study (page 6)
  - B. AMPI Project – Letter of Understanding (page 7)
  - C. 2019 Street Project – Update
  - D. Future Shop – RFP's – Update
  - E. Irrigation Management Plan – Update
- V. INFORMATIONAL

**\*\*\* Please call or email Ron at 320-243-3714 ext. 230 or at [ron@paynesvillemn.com](mailto:ron@paynesvillemn.com) if you are not able to attend the meeting.\*\*\***

**Members: Dave Peschong, Neil Herzberg, Jim Freilinger, Keith Hemmesch, and Matt Quade – or his proxy.**

**Advisory Members: Chuck DeWolf, Ron Mergen, and Renee Eckerly**

This agenda has been prepared to provide information regarding an upcoming meeting of the Paynesville Public Works Committee. This document does not claim to be complete and is subject to change.

**BARRIER FREE:** All Paynesville Public Works Committee meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early so necessary arrangements can be made.

**REQUEST FOR COMMITTEE/COUNCIL ACTION**

**COMMITTEE/COUNCIL NAME:** Public Works Committee

Committee/Council Meeting Date: January 14, 2019

Agenda Section: Consent

Originating Department:

Item Number: II - A

**ITEM DESCRIPTION:** Minutes

Prepared by: Staff

**COMMENTS:**

Please review the minutes of the December 10, 2018 Public Works Committee meeting.

**ADMINISTRATOR COMMENTS:**

**COMMITTEE/COUNCIL ACTION:**

Motion to approve the minutes of the December 10, 2018 Public Works Committee meeting.

**MINUTES  
PUBLIC WORKS COMMITTEE**

**DECEMBER 10, 2018**

The meeting was called to order by Vice Chair Keith Hemmesch at 5:00 p.m. Members present were Neil Herzberg, Jim Freilinger, Dave Peschong, and Matt Quade. Advisory members present were Ron Mergen, Public Works Director; and Chuck DeWolf, Bolton & Menk, Inc.

**Motion was made by Peschong to approve the minutes from the October 8, 2018 Public Works Committee meeting. Seconded by Herzberg and unanimously carried.**

**IRRIGATION PROPERTY**

Buermann and Rein - It was explained to members that in all of the City's contracts the City has first option to purchase when an offer has been made, which is the case on the Buermann property. The offer is for 70 acres under pivot 21, at a cost of \$357,000.00 or \$5,100.00 per acre. It was explained to members that staff has a numbers of questions and concerns and would like to propose conducting a 20 year irrigation management study with the City engineer and a farm/agriculture advisor. The City will always have more water in the wet years than the dry years. Questions and concerns include:

- On City land what is the best crop for water uptake, nutrient uptake, and brings the most revenue.
- The City contracts with the farmers are all to be negotiated in 2020 and what is a fair charge.
- Other sites discussed for future expansion were the Reeck and Hoekstra property and Stammer property. Reeck's operate a dairy and need the alfalfa and grass crop which is beneficial for the City's operation.
- Rein property was also discussed noting his contract is expired and he may not want to renew the contract.

**Motion was made by Quade to approve the waiver not to purchase and recommend such to the City Council. Seconded by Peschong and unanimously carried.**

**SEWER CAMERA**

Two quotes were provided:

Copperhead Innovations	\$9,002.00
USA BlueBook	\$11,895.00

The existing camera is a 2007 model and in need of repairs. The City does not charge residents for this service (camera a sewer line). The unit is used 3-5 times per month. The new camera amenities are locating, mobility, video capabilities, battery operation, and high definition clarity of picture.

**Motion was made by Peschong to purchase the Vcam-6HD system from Copperhead Innovations in the amount of \$9,002.00, declare the old camera unit as surplus property, advertise for sale of such, and recommend such to the City Council. Seconded by Freilinger and unanimously carried.**

### **STORM DRAINAGE STUDY**

It was questioned as to how the City justifies the 50/50 cost split with the businesses and why the tax payers should have to pay for the storm water problem which was caused by the businesses. There was a short discussion on this and staff was directed to bring this back to the next meeting with a new fee schedule with justification as to how staff arrived at the figures.

### **AMPI PROJECT**

DeWolf updated the Committee on the progress of the design. Staff is planning on a February or March bid. The letter of understanding was reviewed and will be brought back to the next meeting for approval.

### **2019 STREET PROJECT**

DeWolf updated the committee on the following:

- Service Road was proposed as 24 ft. in width and will be 22 ft. in width as it is on MnDOT right of way on the north end of the road.
- Belmont Street will be reduced to a drive way width as there is only one resident beyond this point and a storm water pipe will also be installed to resolve the water issue.

### **FUTURE SHOP RFP'S**

It was reported that staff is still working on the RFP's and when the interviews are scheduled staff will inform the Committee members of such.

There being no further business, the meeting was adjourned at 5:50 p.m.

**REQUEST FOR COMMITTEE/COUNCIL ACTION**

**COMMITTEE/COUNCIL NAME:** Public Works Committee

Committee/Council Meeting Date: January 14, 2019

Agenda Section: New Business

Originating Department:

Item Number: III - A

**ITEM DESCRIPTION:** Election of Officers

Prepared by: Staff

**COMMENTS:**

Nominations for Chairperson.  
Nominations for Vice Chair.  
Nominations for Secretary.

**ADMINISTRATOR COMMENTS:**

Current officers are:  
Chair –  
Vice Chair – Keith Hemmesch  
Secretary – Ron Mergen

**COMMITTEE/COUNCIL ACTION:**

Motion to appoint \_\_\_\_\_ as Chairperson.  
Motion to appoint \_\_\_\_\_ as Vice Chair.  
Motion to appoint \_\_\_\_\_ as Secretary.

**REQUEST FOR COMMITTEE/COUNCIL ACTION**

**COMMITTEE/COUNCIL NAME:** Public Works Committee

Committee/Council Meeting Date: January 14, 2019

Agenda Section: New Business

Originating Department:

Item Number: III - B

**ITEM DESCRIPTION:** Meeting Schedule

Prepared by: Staff

**COMMENTS:**

Every year each Committee sets their meeting schedule. Currently the Public Works Committee meets on the second Monday of each month at 5:00 p.m.

**ADMINISTRATOR COMMENTS:**

**COMMITTEE/COUNCIL ACTION:**

A motion to set the Public Works Committee meeting schedule for \_\_\_\_\_.

# PRELIMINARY ASSESSMENT OPTIONS

## EAST RAILROAD STREET DRAINAGE STUDY CITY OF PAYNESVILLE, MINNESOTA

DECEMBER 2018

### 1. OPTION 1: COST SHARED BASED ON DRAINAGE AREAS (AS PRESENTED IN THE REPORT)

STORM SEWER OUTFALL (CITY COST):	\$126,000.00
POND AND STORM SEWER EXTENSION COST (SHARED):	\$610,000.00
<b>TOTAL ESTIMATED PROJECT COST:</b>	<b>\$736,000.00</b>

#### ESTIMATED FUNDING/ASSESSMENT BREAKDOWN:

AVON PLASTIC:	\$207,252.00	28.2%
PAYNESVILLE FARMERS UNION:	\$207,045.00	28.1%
SOO LINE RAILROAD COMPANY:	\$79,601.00	10.8%
CITY OF PAYNESVILLE:	\$242,102.00	32.9%
<b>TOTAL ESTIMATED AREA:</b>	<b>\$736,000.00</b>	<b>100.0%</b>

### 2. OPTION 2: COST SPLIT 50% CITY/50% ASSESSED BASED ON DRAINAGE AREAS

CITY COST (50%):	\$368,000.00
ASSESSED COST (50%):	\$368,000.00
<b>TOTAL ESTIMATED PROJECT COST:</b>	<b>\$736,000.00</b>

#### ESTIMATED FUNDING/ASSESSMENT BREAKDOWN:

AVON PLASTIC:	\$154,422.00	21.0%
PAYNESVILLE FARMERS UNION:	\$154,268.00	21.0%
SOO LINE RAILROAD COMPANY:	\$59,310.00	8.1%
CITY OF PAYNESVILLE:	\$368,000.00	50.0%
<b>TOTAL ESTIMATED AREA:</b>	<b>\$736,000.00</b>	<b>100.0%</b>

### 3. OPTION 3: COST SHARED BASED ON MODIFIED DRAINAGE AREAS

STORM SEWER OUTFALL (CITY COST):	\$126,000.00
POND AND STORM SEWER EXTENSION COST (SHARED):	\$610,000.00
<b>TOTAL ESTIMATED PROJECT COST:</b>	<b>\$736,000.00</b>

#### ESTIMATED FUNDING/ASSESSMENT BREAKDOWN:

AVON PLASTIC:	\$180,574.00	24.5%
PAYNESVILLE FARMERS UNION:	\$180,395.00	24.5%
SOO LINE RAILROAD COMPANY:	\$69,355.00	9.4%
CITY OF PAYNESVILLE:	\$305,676.00	41.5%
<b>TOTAL ESTIMATED AREA:</b>	<b>\$736,000.00</b>	<b>100.0%</b>

**Temporary Amendment  
AMPI Significant Industrial User Agreement**

The City of Paynesville and Associated Milk Producers Inc. (AMPI) are undertaking additional wastewater treatment at the City's wastewater treatment facility. The existing facility is a combined industrial/municipal system and consists of screening, grit removal, aerated pond, stabilization ponds, and spray irrigation to a combination of leased and owned land. The proposed improvement will convey the industrial waste separately to the pond system and will allow future improvements to act as an industrial pretreatment system. This will maximize the facility capacity and ease the solids handling burden.

AMPI is currently permitted through an Significant Industrial User (SIU) agreement with the City. Existing limits are monthly averages of 400,000 gpd for flow and 4,000 ppd of CBOD5 with maximum days of 475,000 gpd and 4,400 ppd respectfully. An expansion at the AMPI facility that occurred in October 2018 will have an unknown impact on the discharge limits. AMPI and the City are actively working through a source separation project that will allow separate treatment of the industrial wastewater from the municipal wastewater. \$50,000 from the Aeration Pond Replacement Fund shall be dedicated to this sewer separation project. This fund receives \$200 per month from AMPI, plus surcharge funds from exceedance of limits.

In the interim, AMPI has requested additional CBOD5 capacity and summer time flow increase. The City has agreed to temporarily allocate unused reserve capacity to AMPI until the proposed AMPI sewer separation project is completed. The new limits are in the following table.

Effluent Characteristic	Maximum Day Discharge Limit	Maximum Month Discharge Limit	Minimum Measurement Frequency	Sample Type
Flow (Sept – March)	475,000 gpd	400,000 gpd	Continuous	Recorded
Flow (April-August)	525,000 gpd	450,000 gpd	Continuous	Recorded
CBOD5	4,700 ppd	4,500 ppd	4 times per week	Composite
TSS	Monitor Only	Monitor Only	Concurrent with CBOD5	Composite

Exceedance of the maximum month discharge limit shall cost \$10.00 per 1,000 gallons per day of flow.

Exceedance of the maximum month CBOD5 discharge limit shall cost as follows:

- 4,501 – 5,500 lbs.: \$8.30 per pound of CBOD5
- 5,501 – 6,500 lbs.: \$12.30 per pound of CBOD5
- Over 6,500 lbs.: \$14.30 per pound of CBOD5

No other limits or provisions of the existing SIU Agreement shall be altered. The City of Paynesville may revoke this SIU amendment at its sole discretion and expects full cooperation from AMPI to maintain suitable conditions at the wastewater treatment facility. In addition, if AMPI decides to not move forward with the proposed sewer separation project, this SIU amendment will be revoked. Both parties are to work in conjunction in order to comply with all regulatory requirements associated with wastewater treatment and high CBOD5 values.



**SIGNIFICANT INDUSTRIAL USER AGREEMENT  
DISCHARGE TO THE  
PAYNESVILLE, MINNESOTA  
MUNICIPAL WASTEWATER TREATMENT FACILITIES**

Agreement No.: AMPI-1

This Agreement entered into by and between Associated Milk Producers, Inc., (AMPI), a Significant Industrial User (SIU), of the Wastewater Treatment System of the City of Paynesville, a municipal corporation, and the City of Paynesville, allows the discharge of industrial wastes to the Paynesville, Minnesota Municipal Wastewater Treatment Facilities and collection system.

Effluent limitations, monitoring requirements, general conditions and other specific conditions are set forth in Attachment A and Attachment B of this agreement.

Effective Date: 1<sup>st</sup> day of July, 2017

Expiration Date: 5 years after the Effective Date: June 30, 2022

Issued By: Paynesville City Council  
City of Paynesville, Minnesota

Date: February 27, 2017

This permit issued in accordance with the Paynesville Code of Ordinances, Use and Rate Regulations for Municipal Wastewater Treatment Facilities.

Attachment A contains pages 1 through 5.

Attachment B contains page 6.

This permit supersedes any prior agreement.

**ATTACHMENT A  
TO  
INDUSTRIAL USER AGREEMENT  
PAYNESVILLE, MINNESOTA**

**A. Initial Permit Application Data.**

1.     **Company Name:**           Associated Milk Producers Inc. (AMPI)  
       **Mailing Address:**       315 North Broadway, PO Box 455, New Ulm, MN 56073  
       **Address of Premises:**   200 W. Railroad St., Paynesville, MN 56362  
       **Contact Name:**           Matt Quade  
       **Title:**                     Division Manager  
       **Phone:**                   320-243-3794
  
2.     **Standard Industrial Classification Code** 2023, 5143
  
3.     **Product**  
  
       **AMPI produces cheese and dry milk products at the Paynesville location.**
  
4.     **Description of Pretreatment Provided, if any:**  
  
       **None**
  
5.     **Hours of operation during peak day** 24 hours
  
6.     **Number of days of operation per week** 7
  
7.     **Describe any batch or periodic discharges:**  
  
       **All discharge is continuous.**
  
8.     **Describe the source and volume of any non-contact cooling water to be discharged to the municipal treatment facility.**  
  
       **Not Applicable**

**B. Permit Effluent Limitations and Monitoring Requirements**

1.     **The SIU is authorized to discharge process wastewater in compliance with the limits and monitoring requirements specified in this agreement beginning July 1, 2017 and expiring June 30, 2022. No discharge may take place under this agreement after the above expiration date. In order to receive authorization to discharge after the above expiration date, the user shall file an agreement application with the City of Paynesville. Applications will be made 180 days prior to the expiration date of the user's existing agreement.**



2. Discharge limits and monitoring requirements for flow, BOD and TSS are listed in Table 1.

<b>Table 1 – Discharge Limits and monitoring Requirements for Flow, BOD, and TSS</b>				
			<b>Monitoring Requirements</b>	
<b>Effluent Characteristic</b>	<b>Maximum Day Discharge Limit</b>	<b>Maximum Month Daily Discharge Limit</b>	<b>Minimum Measurement Frequency</b>	<b>Sample Type</b>
Flow	475,000 gpd	400,000 gpd	Continuous	Recorded
BOD	4,400 lbs/day (2000 kg/day)	4,000 lb/day ( 1818 kg/day)	4 Times a Week	Composite
TSS	Monitor Only	Monitor Only	Concurrent with BOD Samples	Composite

3. In addition, the SIU shall comply with the requirements stated in the Paynesville Ordinance (as amended) for Use and Rate Regulations for Municipal Wastewater Treatment Facilities and also comply with all State or Federal regulations regarding discharge to municipal wastewater treatment facilities.
4. Samples shall be collected in compliance with the monitoring requirements specified in this agreement and shall be taken at the following location(s):
- At the AMPI site, prior to discharge to the municipal wastewater system.
5. The City of Paynesville, upon detection of any violations of the limits or monitoring requirements specified herein, shall notify AMPI within 24 hours after the test results are obtained. The City may also re-sample for the violated parameter within 30 days. Detection shall include all required and discretionary samples or monitoring by the City and any other self-monitoring of regulated parameters as described in Section B of the Industrial User Discharge Agreement.
6. AMPI shall be responsible for continuously monitoring waste flow from its facility. AMPI shall be allowed to monitor waste flow by reading its total daily discharge as recorded by the flow monitoring equipment. AMPI shall also be responsible for furnishing, installing and maintaining composite sampling equipment for monitoring of waste flow from its facility.
7. According to the monitoring requirements in Table 1 and at any other times at the City's discretion, a 24-hour composite sample shall be collected for analysis by an independent testing laboratory for BOD and TSS analysis. The composite sample shall be collected with an automatic sampler operating in conjunction with a flow meter by either of two approved methods: (1) by withdrawing samples of equal volume in response to incremental changes in totalizer flow, or (2) by withdrawing separate samples every hour for 24-hours and afterwards

preparing a composite made up of the 24 samples, the volume of each a constant proportion of the waste flow at the time of withdrawal, as measured by the flow meter.

8. The independent testing laboratory shall be certified by the State of Minnesota. The choice of the independent testing lab shall be by mutual agreement between AMPI and the City. Instructions to the testing laboratory will be that both AMPI and the City receive copies of the results. Testing shall be conducted four days per week unless a different frequency is set by mutual agreement between AMPI and the City. All costs involved in the testing described herein shall be billed to AMPI. Any additional testing requested by the City shall be paid by the City.
9. AMPI shall be responsible for calibrating and performing maintenance on its analytical instruments as required to insure accuracy of measurements. In the event that flow monitoring equipment and/or sampling equipment must be out of service for any length of time, AMPI shall inform the City of the condition and the estimated duration of non-service. During the period of non-service, wastewater flows may be estimated based on City water supply meters. If the period of non-service is estimated to exceed 15 days, or will prevent the City from collecting the required number of monthly samples, arrangements shall be made by the company to install portable sampling equipment. If sample data is not available, billing shall be based on usage estimates and the previous six months of sample results.
10. AMPI shall grant to the City access to the industry's sampling station at the City's request for the purpose of inspection or data collection. The City shall also have authority to enter the industry's sampling station at any time for purposes of installation of its own monitoring equipment.
11. The average daily discharge shall be calculated based on a month average basis. The average concentration of all the composite samples collected by the City and analyzed during each month by the independent testing laboratory, and the average daily flow for the month shall be utilized to calculate the monthly average daily discharge for the given month.
12. Rate structure shall be on the basis of Attachment B.

**C. Submission of Reports and Records**

1. The SIU shall notify the City of Paynesville, in writing, of any discharge of a substance that would, if otherwise disposed of, be considered a hazardous waste under 40 CFR Part 261. Notification shall take place at least 30 days before the date of discharge and conform to 40 CFR Section 403.12(p). No discharge of any hazardous wastes may take place without prior approval of the City of Paynesville.
2. AMPI shall submit to the City once a month a report containing daily records of wastewater flow. The report shall be submitted to the City no later than the fourteenth day of each month unless AMPI makes arrangements with the City for reporting.

**D. General Conditions**

1. Industrial wastewater discharges from a SIU shall be in accordance with applicable provisions of the Paynesville Code of Ordinances and this Agreement.
2. The SIU shall not knowingly make a false statement, representation or certification in any record, report, or plan required to be submitted to the City of Paynesville under the provisions of the Paynesville Code of Ordinances, or this Agreement.
3. The SIU shall maintain and retain plant records relating to wastewater discharge as specified by the City for a minimum of three years.
4. The SIU shall notify the City of Paynesville immediately of any slug discharge as defined in the Paynesville Code of Ordinances, or any other discharge of a substance or wastewater in violation of the Paynesville Code of Ordinances or this Agreement.
5. The SIU shall install, operate, and maintain sampling and monitoring devices in proper working order at its own expense.
6. In the event of an industrial user's noncompliance, the user shall be subject to penalties, surcharge fees, as well as the rules and regulations relating to municipal utilities, in accordance with the Paynesville City Code, in addition to any penalties which may be imposed pursuant to this agreement.
7. Any significant change in volume or characteristics of industrial wastewater introduced into the Paynesville Wastewater Treatment Facilities shall be immediately reported to the Wastewater Superintendent or City Administrator. Significant changes shall be defined as any changes which will result in the industry becoming out of compliance with the permitted values listed in Section B of this agreement. In such cases this agreement may be subject to modification.
8. Notice of any anticipated increase in pollutants contributed shall be given to the City 30 days in advance of such increase, in the form of a request for a new agreement.
9. Paynesville assumes as part of its governmental function, the handling of all sewage, including industrial and sanitary sewage, from AMPI's existing plant in Paynesville for a period of five (5) years. Paynesville agrees to handle up to 400,000 gallons per day of flow having an organic loading of up to 4,000 pounds BOD5 per day, as defined in Paynesville's Sewer Use Ordinance.
10. The terms and conditions of the agreement may be subject to modifications by the City of Paynesville during the term of the permit as limitations or requirements are modified by the City or regulating agency. The user shall be informed of any proposed changes in this agreement at least 30 days prior to the effective date of change. AMPI may request that a transition period for implementation of the agreement limitations or requirements be established. Such request must be made in writing prior to the effective date of change.

11. **The City of Paynesville shall not be obligated to accept discharges which contain pollutants which will cause structural damage to the system or waste which will cause obstruction to the flow.**
12. **The Rate Schedule is subject to annual review and may be adjusted through Paynesville's Sewer Use Ordinance upon the mutual agreement to the parties of this Agreement.**
13. **Upon execution, this Agreement shall become attached to Paynesville's Sewer Use Ordinance.**
14. **All notices, requests, demands and other communication hereunder shall be in writing and shall be deemed to have been given if and when delivered or mailed to:**
  - a. **City of Paynesville  
Attn: City Administrator  
221 Washburne Avenue  
Paynesville, MN 56362**
  - b. **AMPI  
Attn: Division Manager  
200 W. Railroad Street  
Paynesville, MN 56362**

**ATTACHMENT B  
TO  
SIGNIFICANT INDUSTRIAL USER AGREEMENT  
RATE SCHEDULE  
PAYNESVILLE, MINNESOTA**

**Rate Schedule**

1. The SIU shall pay 80% of the actual operating cost to operate the preaeration pond blowers as compensation for discharging 4,000 pounds per day of BOD to the WWTP and a surcharge for BOD in excess of 4,000 pounds per day.
  - a. Surcharge: If the SIU exceeds average monthly daily load of 4,000 pounds per day of BOD, the SIU shall pay \$7.30 per pound of BOD for each excess pound.
2. The SIU shall pay \$3.48 per 1,000 gallons discharged to the City of Paynesville up to 400,000 gallons per day of flow and a surcharge for flow beyond 400,000 gallons per day.
  - a. Surcharge: If the SIU exceeds average monthly daily flow of 400,000 gallons per day, the SIU shall pay \$10.00 per 1,000 gallons per day of excess flow.
3. The SIU shall pay \$2,500.00 per month to the City of Paynesville to fund stabilization pond dredging. This fee will go towards future dredging costs but does not replace any financial requirement the SIU may have associated with future dredging.
4. The Rate Schedule is subject to annual review and may be adjusted through Paynesville's Sewer Use Ordinance upon the mutual agreement to the parties of this Agreement. In addition, the surcharge amount may be adjusted upon mutual agreement to the parties of this agreement. No surcharge shall be imposed if caused by a force majeure, unless the discharge emitted by AMPI causing the surcharge could have been reasonably prevented by AMPI.

Associated Milk Producers Incorporated (AMPI)

By: Sheryl Downey Mesike

Its: Co President and CEO

By: Ann DeVelder

Its: Secretary, Co-President and CEO

STATE OF MINNESOTA )  
 ) ss  
COUNTY OF STEARNS )

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of June 2017 by Sheryl Mesike and Ann DeVelder, its President and Secretary of Associated Milk Producers Incorporated.)

Christina Louise Globes  
Notary Public



City of Paynesville

By: Jeff Thompson  
Jeff Thompson

Its: Mayor

By: Renee Eckerly  
Renee Eckerly

Its: City Administrator

STATE OF MINNESOTA )  
 ) ss  
COUNTY OF STEARNS )

The foregoing instrument was acknowledged before me this 21 day of Dec. 2017 by Jeff Thompson and Renee Eckerly, its Mayor and City Administrator of the City of Paynesville.

Jennifer L. Welling  
Notary Public

