



City of Mayer

**Workshop Agenda for the City Council
Monday, September 23rd, 2024 – After Council Meeting**

Opening Items

1. Call Meeting to Order

Workshop Discussion Items

2. Water Shut Off Ordinance Amendment
3. Minnesota Department of Commerce Solar on Public Buildings Grant Program Participation for the Fire Station

Adjournment

4. Adjourn Meeting

**City of Mayer
Ordinance 24X**

**An Ordinance Amending Chapter 51 of the Mayer City Code
Regarding Utility Billing, Collection, and Charges**

WHEREAS, City Code Chapter 51 regulates Public Works and the general utility provisions contained therein; and,

WHEREAS, the City Council desires to update the provisions regulating utility billing, collection, and charges to provide for a streamlined approach to billing, late fees, and collection; and,

THE CITY COUNCIL OF THE CITY OF MAYER, MINNESOTA, DOES ORDAIN:

City Code Title V: Public Works, Chapter 51.20 through 51.26 related to Billing and Collection; Charges are repealed in their entirety and replaced with the following:

**Establishing City Water and Sewer Accounts, Rates, and
Providing for Collection of Delinquent Charges**

51.20 Accounts.

All accounts shall be carried in the name of the owner who personally, or by their authorized agent, applied for such service. The owner shall be liable for utility services supplied to the property, whether they are occupying the property or not, and any unpaid charges shall be a lien upon the property. Renters or other such occupants may be named additionally on the account to receive bills.

51.21 Billing.

Water, sewer, and storm sewer charges shall be billed on one bill as applicable to each account. All charges for water, sewer, and storm sewer shall be due upon receipt and considered delinquent after the first day of the following month. All bills shall contain the title, address, and telephone number of the official in charge of billing; the title, address and phone number shall be clearly visible and easily readable. Bills shall be mailed to the customers each month as soon as is practicable and specify the water consumed and the sewer and storm sewer charges in accordance with the current Fee Schedule set by ordinance of the City Council.

51.22 Utility Rate Schedule.

The utility rate schedule is incorporated into the Fee Schedule which is adopted by the City Council by ordinance.

The City Council ordinance setting out the utility rate schedule shall also establish the number of certification cycles per year. At least one certification cycle will be timed each year to coincide with Carver County's requirements for certification to the following year's taxes. Additional certification cycles may be set in the annual rate schedule ordinance. All City utility accounts, unless exempt for other legal reason, which have been billed a delinquent bill and remain unpaid as of the certification cut-off date shall have the balance on the account including in a preliminary certification list.

51.23 Delinquent Accounts.

Penalties. A late payment penalty shall be assessed on all accounts with a past due balance. The penalty amount is specified in the Fee Schedule.

Shut-off for Nonpayment. Water shall not be shut off until notice and an opportunity for a hearing before the City Council or an employee designated by the City Council have provided to the occupant and owner of the premises involved.

1. If any bill is not paid by the due date listed on the bill, the second bill will be mailed by first class mail and include a shut-off notice. The shut-off notice shall state if payment is not made by the first day of the following month (one month after the original bill was due) water service to the premises will be shut off for nonpayment.
2. The shut-off notice shall contain the title, address, and telephone number of the official in charge of billing; the title, address and phone number shall be clearly visible and easily readable.
3. The notice shall also state that any occupant or owner has the right to a hearing before the water service is shut off. The owner or occupant may be represented in person and by counsel or any other person of his or her choosing. The owner or occupant may present orally or in writing his or her complaint to the City Administrator. The City Administrator shall be authorized to order continuation of the customer's service and shall have the authority to adjust the customer's bill or enter into a mutually agreeable payment plan. The City Administrator may delegate this authority at their discretion to another staff member.
4. If an occupant or owner requests a hearing, the water shall not be shut off until the hearing process is complete.
5. If a customer fails to pay and fails to request a hearing under this part, Public Works shall place a doorhanger notice at the property stating the date and time service will be disconnected. The date and time shall not be less than 48 hours from when the doorhanger is placed.

Certification for Collection with Taxes. Unpaid charges on accounts shall not be certified to the county auditor until notice and an opportunity for a hearing have been provided to the owner of the premises involved. The notice shall be sent by first class mail and shall state that if payment is not made before the date for certification, the entire amount unpaid plus penalties will be certified to the county auditor for collection as other taxes are collected. The notice shall also state that the occupant or owner may, before such certification date, attend or schedule a hearing on the matter to object to certification of unpaid utility charges.

In addition to any penalties provided for in this ordinance if any person, firm or corporation fails to comply with any provision of this ordinance, the City Council or any city official designated by it, may institute appropriate proceedings at law or at equity to procure payment.

Optional Payment Before Certification. The owner of the property shall have the option of paying the balance due on the account until the date the notice of the certification hearing is mailed. After the date the notice of certification hearing is mailed, payments will still be accepted but will include unpaid penalties.

Hearing Required. A hearing shall be held on the matter by the City Council. Property owners with unpaid utility charges shall have the opportunity to object to the certification of unpaid charges to be collected as taxes are collected. If, after the hearing, the City Council finds that the amounts claimed as delinquent are actually due and unpaid and that there is no legal reason why the unpaid charges should not be certified for collection with taxes in accordance with this ordinance, the City Council may certify the unpaid charges to the county auditor for collection as other taxes are collected.

Hearing Options. For each certification sustained, the property owner shall have the following options after the hearing.

1. To pay the delinquent amount listed on the preliminary roll, but without additional interest after the hearing, within ten days of the hearing date.
2. To pay the certified delinquent amount after the hearing date, but before the county certification deadline, with interest at the rate set in the adopted rate schedule, accrued beginning on eleventh day following the hearing date through the date of payment.
3. To pay the certified charges as billed to them by Carver County on their property tax statement with a collection term of one year.

Delivery to County. Fifteen days after the hearing, the certified roll, minus any payments, shall be delivered to Carver County.

51.24 Other Remedies.

In addition to any procedures or penalties provided for in this ordinance if any person, firm or corporation fails to comply with any provision of this ordinance, the City Council or any city official designated by it may institute appropriate proceedings at law or at equity to procure payment and or enforce the provisions of this ordinance.

Adopted by the City Council of the City of Mayer on this ____ day of _____, 2024.

Attest:

Mayor

City Clerk

City of Mayer

Sample Timeline of Shutoff Procedure

September 1 st	City staff reads meters for August usage.
September 7 th	Utility bills are produced and mailed out for August usage.
October 1 st	Current utility bill is due for August usage. City staff reads meters for September usage.
October 7 th	Utility bills are produced and mailed out for September usage. Delinquent accounts receive notice of shut off unless paid by November 1 st .
November 1 st	Accounts with continued delinquency receive door hangers notifying them notifying them service will be discontinued. The date and time on the hanger is chosen by Public Works as it fits into their schedule but shall be at least 48 hours from the time of hanging.

BILLING AND COLLECTION; CHARGES

§ 51.20 STATEMENTS.

The Clerk shall compute the amount due to the city for each customer for the city water and sewer service and for any other municipal utility charges. The Clerk shall mail a statement of charges to the customer as soon as practicable after the end of each month of service to the customer. Payment shall be due by the first of the month. If payment is not received by the tenth of the month following the date of the bill, a penalty shall be charged in an amount that the Council by resolution may establish from time to time.

('82 Code, § 3.131) (Am. Ord. 94, passed 12-13-99)

§ 51.21 PAYMENTS.

Amounts owed for municipal utility service shall be due and payable to the Clerk on or before the due date specified in the statement.

('82 Code, § 3.132) (Am. Ord. 94, passed 12-13-99)

§ 51.22 DISCONTINUANCE OF SERVICE.

(A) In any case where charges for municipal utility service have not been paid within 30 days after the date due, and where satisfactory payment arrangements have not been made, water and other municipal utility service to the premises may be discontinued in accordance with the requirements of this section. Discontinuance of service for any other reason shall be made in accordance with requirements set forth in other parts of this title which deal with discontinuance of service for the reasons set forth in other parts of this title.

(B) The Clerk shall cause written notice of intent to discontinue service for nonpayment of amounts owed to be served upon the customer personally, by certified mail or by leaving a copy of the notice at the premises served. A mailed notice shall also be given to the owner, if the owner is not the customer served. The notice shall state that if payment is not received on or before a date stated in the notice, services specified in the notice will be discontinued. The date shall be not less than three days after the date upon which the notice is given. The notice shall also state that the person may, before that date, file with the Clerk a demand for hearing on the matter, in which case service will not be discontinued until the hearing has been held.

(C) If a hearing is demanded by the date specified, a hearing shall be held on the matter by the Council at least three days after the date on which the request was made.

(D) Pursuant to M.S. § 216B.097, as it may be amended from time to time, no service of a residential customer shall be disconnected if the disconnection affects the primary heat source for the residential unit when the disconnection would occur during the period between October 15 and April 15, the customer has declared inability to pay on forms provided by the city, the household income of the customer is less than 185 percent of the federal poverty level as documented by the customer to the city, and the customer's account is current for the billing period immediately prior to October 15 or the customer has entered into a payment schedule and is reasonably current with payments under the schedule. The city shall, between August 15 and October 15, of each year, notify all residential customers of these provisions.

(E) If, as a result of the hearing, the Council finds that there is an unpaid charge for service and that there is no legal reason why service should not be discontinued, the Council may order that service be immediately discontinued. Unless payment arrangements satisfactory to the Clerk have been made, service shall not be restored until all delinquent charges including recommendation charges are paid.

('82 Code, § 3.133) (Am. Ord. 94, passed 12-13-99)

§ 51.23 LIABILITY FOR CHARGES.

In addition to being enforceable against the customer in whose name the account is carried, charges for municipal utility services, including connection charges, re-connection charges and all other charges, may be enforced against the owner, lessee or occupant, or any of them, or the property benefitted by the service. In addition, the charges shall be a lien on the property benefitted by the service.

('82 Code, § 3.134)

§ 51.24 COLLECTION OF AMOUNTS DUE.

Any amounts due for municipal utility services, including connection charges, re-connection charges and all other charges, may be collected in an action brought for that purpose in the name of the city, or the Clerk may certify to the County Auditor, the amount due, together with the legal description of the premises served, for collection with other taxes upon the property served as provided by law, or the city may take any other action permitted by law to collect the amount owed.

('82 Code, § 3.135) (Am. Ord. 94, passed 12-13-99)

§ 51.25 SERVICE RATES.

The Council shall, by resolution, establish water and sewer rate charges and tapping fees. The Council may also, by

resolution, establish a late payment charge, a re-connection charge, a meter testing charge, a required deposit and any other charges for municipal utility services and the availability thereof, and for making connections thereto.

('82 Code, § 3.141)

§ 51.26 INDUSTRIAL WASTES; UNUSUAL DISCHARGE RATES.

(A) The Council shall, by resolution, establish rates to be charged for the discharge of industrial wastes into the sewage system.

('82 Code, § 3.142)

(B) In the case of any user discharging into the sewer system any waste which is unusual in either character or amount, the Superintendent shall make a study of the particular use and propose to the Council an individual supplemental sewage rate charge as may be reasonable and warranted on the basis of all relevant factors. The Council shall thereupon consider the matter and establish supplemental or individual charges as may be appropriate under the circumstances.

('82 Code, § 3.143)

(C) All special sewer connection fees shall be paid into the sewer bond redemption fund for payment of principal and interest on bonds outstanding or into the general fund of the city to reimburse advances made to the sewer system by the city, until the time as all bonds and advances have been entirely repaid.

('82 Code, § 3.144)

Memorandum



To: City Council

From: Nicholas Johnson, City Administrator

Date: September 23rd, 2024

Subject: Minnesota Department of Commerce Solar on Public Buildings Grant Program

Honorable Mayor and City Council,

The Minnesota Department of Commerce administers the Solar on Public Buildings Grant Program (webinar slide deck included in the packet) which provides grant funding for public entities to construct solar arrays on or adjacent to public facilities. The program pairs with the Federal Investment Tax Credit which allows for direct payments to local governments even though we do not pay taxes. The City of Mayer is eligible for 30% project cost credit through this federal program. The Department of Commerce program provides for a sliding scale eligibility based upon adjusted net tax capacity per capita. The City of Mayer qualifies for 60% of the project cost up to \$72,000; in addition to the 30% provided by the federal program.

The program provides funding for solar installations up to 40kW. Utilizing solar energy calculators this translates to an estimated 52,652 kWh of annual energy production. Upon consultation with the Minnesota Clean Energy Resource Teams (CERTs), we estimate the cost of a 40kW installation to be between \$115,000 and \$140,000. The City's share of the project cost would be between \$15,000 and \$26,000 based on our program eligibility with the grant covering the remainder.

Energy usage data was compiled to serve as a basis for determining which location would be best suited for the grant program. The City of Mayer also participates in a separate solar garden subscription program where third party solar production is purchased by the City at a discount and manifests as a solar credit on our Xcel energy bills. City staff reviewed the energy usage data along with the solar subscription locations. The two major locations for consideration without solar garden supplementation were City Hall and the Fire Station.

- The Fire Station consumed 54,240 kWh in 2023 and a projected 54,600 kWh in 2024.
- City Hall consumed 51,480 kWh in 2023 and a projected 40,840 kWh in 2024. The decrease is due to the LED lighting conversion project completed in early 2023 as well as better energy management of the facility overall.

The Fire Station fit the best as it has a slightly higher consumption than the estimated 52,652 kWh generated by the proposed solar installation under the grant program. The estimated return on investment calculation of project cost range to electricity savings show a return in 2.5 to 6 years.

Respectfully submitted,
Nicholas Johnson, City Administrator



Solar on Public Buildings Grant Program

Andrew Ulasich | Program Administrator

Time	Content
1:30pm	Welcome, Introductions, Agenda
1:33	Federal Clean Energy Tax Credits
1:35	Solar on Public Buildings Grant Program
2:00	Questions/Input
2:10	Estimate System Size and Production
2:20	Procurement Resources
2:29	End



Federal Clean Energy Tax Credits

Direct/Elective Pay

- Inflation Reduction Act: Federal Clean Energy Tax Credits
- Now available to more entities, even those who don't pay federal taxes
 - Local governments
 - Tribal Nations
 - nonprofits
 - houses of worship
- 12 Direct Pay Tax Credits



Federal Investment Tax Credit: Clean Energy Generation

Credit	2023-2033	Notes
Base Credit	30%	No cap. Must meet labor requirements if >1M project.
Domestic Content Bonus	10%	No cap. May be difficult to obtain until manufacturing growth.
Energy Community Bonus	10%	No cap. Available to federally designated Energy Communities as well as Brownfield Sites.
LMI communities or Indian land	10%	1.8GW/yr cap (includes low-income benefit credit)
Qualified low-income residential building /low-income economic benefit project	20%	1.8GW/yr cap (includes LMI communities/Indian land credit). 1 Low-income credit or the other. Not both.

Learn more: <https://www.energy.gov/eere/solar/federal-solar-tax-credits-businesses>



Solar on Public Buildings – MN State Grant Program

216C.377 Solar Grant Program; Public Buildings

§Subd. 2. Establishment; purpose. “A solar on public buildings grant program is established in the department. The purpose of the program is to provide grants to stimulate the installation of solar energy generating systems on public buildings.”

Read more: <https://www.revisor.mn.gov/statutes/cite/216C.377>

4.3M to be distributed in state grants for solar arrays:

- Local units of government: county, statutory or home rule charter city, town, or other local government jurisdiction (excluding school districts), as well as federally recognized Indian Tribes in Minnesota.
- On or adjacent to a publicly owned and operated building.
- In Xcel Energy electric service territory.
- Capacity that is lesser of 40kW or 120% average annual electricity usage

Financial Capacity

§Subd. 9. Grant payments. “In determining the amount of a grant award, the commissioner shall take into consideration the financial capacity of the local unit of government awarded the grant.”

Maximum Allowable Grant

Adjusted Net Tax Capacity (ANTC) / Capita *	% System Cost (Up to)	Not to Exceed
Under \$1,000	70%	\$84,000
>\$1,000	60%	\$72,000
>\$2,000	50%	\$60,000
>\$3,500	40%	\$48,000
>\$4,500	30%	\$36,000
Tribal Nation	70%	\$84,000

**The ANTC / Capita financial capacity assessment was determined with data from the MN Department of Revenue. This assessment takes into consideration both the tax base of a local government and the population.*

Technical Assistance

§Subd. 8. Technical assistance. “The commissioner must provide technical assistance to local units of government to develop and execute projects under this section.”

Technical Assistance

- Public Webinars
- Free consultation and support from the University of Minnesota Clean Energy Resource Teams (CERTS) on:
 - Building selection and energy usage
 - Utility interconnection
 - Selecting a developer through an RFP process
 - Cost-benefit analysis
 - Pre-application review for program application completeness
- Ongoing technical support through completion



Prioritization

§Subd. 6. Application process. (d) The commissioner must develop administrative procedures governing the application and grant award process under this section.

Prioritization Rubric

- Rank your SPB Applications
- Pre-Application Consultation
- Procurement Commitment
- Financial Capacity
- **Change:** Existing Solar



Prioritization Rubric: Rank your SBP Applications

Description	Applicant's self-prioritization out of all current funding round applications.				
Rank	1	2	3	4	5
Points Awarded	24	18	12	6	0

Prioritization Rubric: Pre-Application Consultation

Description	Applicant met with a CERTs representative for a pre-application consultation.	
Commitment	Yes	No
Points Awarded	12	0

Prioritization Rubric: Procurement Commitment

Description	Applicant's commitment to solar procurement best practices when seeking proposals from Developers.		
Commitment	Public RFP	2+ Proposals	No Commitment
Points Awarded	12	6	0

Prioritization Rubric: Financial Capacity

Description	Applicant's self-prioritization out of all current funding round applications.				
Tier	1	2	3	4	5
Points Awarded	12	9	6	3	0

Prioritization Rubric: Existing Solar (Proposed Change)

Description

What percentage of the applicant’s buildings currently have a solar array (not including Community Solar Garden subscriptions)?

To be ordered by percentage from least to most within groupings of applications with the same point value from the other 4 metrics.

Application Process

§Subd. 6. Application process. (a) The commissioner must issue a request for proposals to local units of government who may wish to apply for a grant under this section on behalf of a public building.

The department will administer two funding rounds in 2024, with the potential for additional rounds:

- Round 1: April 2024 – October 2024: 2.15M
- **Round 2: October 2024 – April 2025: 2.15M**

Round 2: Public Building Readiness Assessment

Step 1: Notice of Intent: Public Building Readiness Assessment

- Date of Issue: Monday, October 21, 2024
- Public Building Readiness Assessment Due Monday, December 2, 2024
- Public Building Readiness Eligibility Notification: Monday, December 30, 2024

Round 1: Full Grant Application (Seeking Timeline Input)

Step 2: Full Grant Application

- Application Open: Upon Notification
- Application Due: Monday, March 24, 2025
- Final Notification: Monday, April 21, 2025

Timeline Preference

<https://forms.office.com/g/2zarrU9ztN>

Prepare for Readiness Assessment

- Schedule a pre-application consultation
 - 11 County Metro: Aaron Backs abacks@gpisd.net
 - Outside of Metro: Pete Lindstrom plindstr@umn.edu
- Gather energy usage data:
 - Spreadsheet with last three years of energy use
 - Average annual energy use over last three years
- Estimate system size and production (<https://pvwatts.nrel.gov/>)
- Determine system budget
- Know your local government's procurement procedure and follow those processes to seek bids from developers



Questions/Input

Estimate System Size + Production

<https://pvwatts.nrel.gov/>

Procurement Resources

§Subd. 11. Contractor conditions. “A contractor or subcontractor performing construction work on a project supported by a grant awarded under this section:

- (1) must pay employees working on the project no less than the prevailing wage rate, as defined in section 177.42; and
- (2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.”

Prevailing Wage Laws

- Contractors must pay no less than the prevailing wage. [Minn Stat 177.41 - 177.44]
- Contractor submit wage and payment details to the local unit of government.

Procurement Law and Best Practices

- § Minn. 471.345 UNIFORM MUNICIPAL CONTRACTING LAW
 - § Subd. 4. Contracts exceeding \$25,000 but not \$175,000
 - § Subd. 13. Energy efficiency projects.
- Best Practices
 - Seek Multiple Bids
 - Request for Proposals
 - Receive input from stakeholders

Request for Proposals (RFP)

- Template RFP
 - Contact CERTs for use and distribution
- CERTs Distribution List:
 - Peter Lindstrom: plindstr@umn.edu
 - Aaron Backs: abacks@gpisd.net
- State Master Contract (next slide)

State Solar Master Contract

Admin Minnesota

Office of State Procurement

Room 112 Administration Bldg., 50 Sherburne Ave., St. Paul, MN 55155; Phone: 651.296.2600, Fax: 651.297.3996
Persons with a hearing or speech disability can contact us through the Minnesota Relay Service by dialing 711 or 1.800.627.3529.

CONTRACT RELEASE: S-1049(5)

DATE: June 3, 2024

PRODUCT/SERVICE: Solar Power System Design and Installation

CONTRACT PERIOD: June 30, 2022, through May 31, 2026 (varies by contract)

EXTENSION OPTIONS: Up to 12 months

ACQUISITION MANAGEMENT SPECIALIST /BUYER (AMS): Doug Heeschen

PHONE: 651.201.2422 E-MAIL: doug.heeschen@state.mn.us WEB SITE: <https://mn.gov/admin/osp/>

The following vendor is certified as an eligible Targeted Group, Economically Disadvantaged or Veteran-Owned business:

CONTRACT VENDOR	CONTRACT NO.	TERMS	DELIVERY
Solar Pod (formerly Mouli Engineering)	212927	NET 30	30 DAYS

Mouli Vaidyanathan, Founder/CEO
mouli@mysolarpod.com
2915 133rd St. W., Shakopee, MN 55379
VENDOR NO: 0000348045 (Location 2)

For Contract questions:
Mouli Vaidyanathan
mouli@mysolarpod.com
763-489-1611

For Solicitation Notification:
mouli@mysolarpod.com
ivans@mysolarpod.com

The following vendors are NOT certified as an eligible Targeted Group, Economically Disadvantaged or Veteran-Owned businesses:

Apadana Energy LLC	renewal pending MDHR	NET 30	30 DAY
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Ameer Kian, Director
Ameer.Kian@ApadanaTechnology.com
3401 Nevada Ave. N Suite 2C, Minneapolis, MN 55427
VENDOR NO: 0000978994

For Contract questions:
Ameer Kian, Ameer.Kian@ApadanaTechnology.com

For Solicitation Notification:
Ameer.Kian@ApadanaTechnology.com
Ahmad.Kian@ApadanaTechnology.com

Contract Release 17 (11/16/17)

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Questions and Assistance:

- [State Solar Master Contract](#)
- Doug Heeschen, doug.heeschen@state.mn.us

Includes:

- pre-vetted vendors qualified to design and install solar
- many consumer protections incorporated into contract*
- technical assistance through RFP and proposal selection

*vendors only pre-qualified for use through the contract. Use of one of the contract vendors *outside of use of the contract and full contract process*, does not guarantee the contract's consumer protections. If selecting a contract vendor outside of the master contract, public RFP process recommended as procurement best practice

Guaranteed Energy Savings (GES)

Statutory Requirements: If entering a GES with a vendor, as defined in [Minn. Stat. § 471.345, Subd. 13](#), must follow the statutory requirements, including:

- The municipality shall publish notice of the meeting in which it proposes to award the contract, names of the parties to the proposed contract, and the contract's purpose.
- The qualified provider shall issue a report, summarizing estimates of all costs [...] and estimates of the amounts by which energy or operating costs will be reduced.
- The qualified provider provides a written [guarantee](#) that the energy or operating cost savings will meet or exceed the costs of the system.
- The municipality shall provide a copy of the contract and the report from the qualified provider to Commerce via energysavings.programs@state.mn.us within 30 days of the effective date.
- The qualified provider to whom the contract is awarded shall give a sufficient bond to the municipality for its faithful performance.

Guaranteed Energy Savings (GES)

Best Practices:

- Seek proposals from multiple qualified providers by publishing notice of the proposed contract in the municipality's official newspaper and in other publications (e.g., through the CERTs RFP distribution list); if the municipality determines that additional publication is necessary to notify multiple qualified providers.
- Utilize the Department of Commerce's [*Energy and Cost Savings Guarantee template*](#), with modifications as deemed necessary. See also the Department's [Energy Savings and Performance Contracting](#) page for additional reference and documents.
- Work with CERTs staff in reviewing the qualified provider's report and guarantee, with focus on financial metrics and assumptions.

Thank You!

Andrew Ulasich

andrew.ulasich@state.mn.us