

The Clear Lake City Council met in special session on Monday, December 15th at 5:30 PM in the Conference Room of the Municipal Building with Mayor Lisa Lundberg presiding. Those present were Alderwomen Amy Bjerke and Mona Drake, Aldermen Jonas Reppe, Rod Pauli, Matt Stormo, and Jamie Hintz. Also present were Finance Officer Mary Krueger, Elliott Furman, Audie Stoltenburg, Harry Mewherter, Don Ebbers, and Sara Pankonin. The meeting began with the Pledge of Allegiance and was called to order by Mayor Lisa Lundberg.

Motion by Pauli, seconded by Bjerke to approve the agenda as presented. All voted aye. Motion carried.

There was no one present for public voice on subject matter unrelated to the public hearing.

Mayor Lisa Lundberg opened the public hearing and directed the presentation to begin.

Banner Engineering representative Sara Pankonin presented proposed projects for Phase 1B Water and Stormwater SRF funding from the State. The 2023 facility studies showed asbestos and cast-iron pipes in more than half of the city. According to the studies, the city has experienced high water loss. There was a 2025 amendment to the Drinking Water Facilities Plan to update the cost estimate and slightly expand the Phase 1B project. Phase 1B area includes the blocks from Lockhart Street north to 5th Street and 2nd Avenue east to Prospect Avenue. The proposed improvements for this phase would be estimated at \$2,696,900 for Water Distribution and \$2,130,400 for Storm Water Collection System. This will be included in the SRF applications for funding.

Pankonin went on to explain the possible rate increase proposals if the State grants funding at 100% 30-year loans with 4% interest. Water rates could increase by \$17.00 and Sewer rates by \$14.00. There are grant possibilities as well as principal forgiveness loans from the State. These depend on many variables and would not be awarded until spring of 2026.

Pankonin mentioned that the Phase 1A project will begin in the spring of 2026 with an open house being planned for residents in that area. Phase 1A and 1B are both projects that do not affect the Highway 15 ROW, therefore they are the first phases in the improvement plans. She then asked for questions and points of discussion.

There was mention that some of the streets/avenues in that area may have PVC pipe already and may not need replacement. Pankonin will look into that possibility. There was discussion on pipe sizing and the drainage issues in that area. There were concerns with the increase in rates. Funding packages are announced at the end of March, 2026. Depending on that funding, the City will have to decide at that time how to move forward. There were comments and questions regarding curb and gutter. Curb and gutter will be replaced/added during the project. Phase 1B would not begin construction until 2027 or 2028 depending on funding, weather conditions, design phase, and bidding phase.

After thorough discussion, Mayor Lundberg closed the public hearing.

The reading of Resolution 2025-11 was held.

Motion by Drake, seconded by Pauli to approve and sign Resolution 2025-11 A Resolution Authorizing An Application For Financial Assistance, Authorizing The Execution And Submittal Of The Application, And Designating An Authorized Representative To Certify And Sign Payment Requests. Upon roll call vote, all voted aye. Motion carried.

The reading of Resolution 2025-12 was held.

Motion by Pauli, seconded by Reppe to approve and sign Resolution 2025-12 A Resolution Authorizing An Application For Financial Assistance, Authorizing The Execution And Submittal Of The Application, And Designating An Authorized Representative To Certify And Sign Payment Requests. Upon roll call vote, all voted aye. Motion carried.

There being no further business, motion by Stormo, seconded by Drake to adjourn at 6:05 PM. All voted aye. Motion carried.

Mary Krueger
Finance Officer

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