

MOUND CITY COUNCIL MINUTES

August 25, 2026

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, August 25, 2026, at 6:00 p.m. in the Council Chambers in the Centennial Building.

Members present: Mayor Jason Holt, Council Members Sherrie Pugh, Kathy McEnaney, Kevin Castellano and Michelle Herrick.

Members absent:

Others present: City Manager Jesse Dickson, City Clerk Kevin Kelly, Community Development Director Sarah Smith, City Attorney Scott Landsman, PW Director Ryan Prich, PW Superintendent Matt Radde, City Engineer Matt Bauman, City Planning Consultant Rita Trapp, Paula Larson, Katie Stewart, Rob Stewart, Tyler Stewart, John Holcomb, Tyler Pieper, Dan Zellmer, Aaron Geddes, Brody Savoir, Addison Bryan, Tyrus Magnus and Seamus Dedon.

1. Call to Order

2. Pledge of Allegiance

3. Adopt Agenda

MOTION by McEnaney, seconded by Pugh, to approve the agenda. All voted in favor. Motion carried.

4. Public Comments

Dan Zellmer, Surfside Bar and Grill, 2544 Commerce Blvd., asked about the difference in traffic flow on Commerce Blvd during the water treatment infrastructure project and previous projects led by the County. Bauman said those are different projects of different scope so there is different impact to Commerce Blvd. traffic.

Bauman said the construction in the area of Surfside Bar and Grill had to be completed in two phases. Zellmer asked if there is enough workers to move the project forward. Bauman said the construction crew is working extra hours on the project. Bauman said the roadway should be opened for two-way traffic at the end of September.

Herrick said the construction progress has been too slow and businesses are suffering due to the construction. Herrick said she wants to see two-way traffic on Commerce Blvd.

Council discussed options for traffic to be opened up to two-way traffic. Bauman said there will be patching of Commerce to allow two-way traffic at the end of September. Bauman added he will look for ways to open up both lanes prior to that time.

Aaron Geddes, 6041 Lynwood Blvd., said he moved to Mound recently and is in favor of the Water Treatment Plant. Geddes said his tax burden after the completion of the Water Treatment Plant will be lower than the taxes he paid in Plymouth.

John Holcomb, 1908 Shorewood Lane, said he is in favor of the Water Treatment Plant. Holcomb said he lived in Chanhassen when a Water Treatment Plant was built there over two years of construction. Holcomb said the project was worth it.

Holcomb said he was a school board member for 10 years in Minnetonka and appreciates the complexity of the project and thanked staff and the Council for their efforts.

5. Consent Agenda

- a. Approve Minutes of August 12, 2026 City Council Regular Meeting, Kelly
- b. WeCan 1 Day to 4 Day Temporary On-Sale Liquor License, Kelly
- c. Approve Resolution 26-55 Legion Post 398 Gambling Permit, Kelly
- d. Approve Contract with Teamsters Union 2027-2030, Imihy

MOTION by McEnaney, seconded by Herrick, to approve the consent agenda. All voted in favor. Motion carried.

6. Presentations

7. Public Hearings

- a. Substantial Similar Use Request and CUP Application for 4851 Shoreline Drive, Smith

Trapp said the site is 28,000 sq. feet and is located at 4851 Shoreline Drive. Trapp said the proposed use at the site would be for repair and sale of watercraft and marine related products.

Trapp said the site is a through lot with access to both Shoreline Dr. and Bartlett Blvd.

Trapp said the City Code doesn't list Boat and Marine Service as an approved activity though Automotive and minor auto repair is listed. Trapp said staff and the Planning Commission determined that Boat and Marine service is a substantially similar use to minor auto repair.

Trapp said the area is zoned as a mixed use district which supports residential and commercial retail uses. Trapp said the site is also zoned a mixed use corridor and the proposed use of site is for commercial use.

Trapp said the City Code allows for a Substantially Similar Use Determination (SSUD). Trapp said the SSUD was used for another business use in the area. Trapp said the applicants have provided proposed maintenance activities. Trapp said the west side of the lot will be used for office and personal storage by the property owner and the other portions of the site will be occupied and will be similar to retail use. Trapp said the CUP will ensure there is enough parking for staff, customers and vehicles for sale or rent and the lot will not be overused by storage of vehicles.

Trapp said staff are comfortable with the parking plan provided which will have seven spaces for customer parking and five spaces for employee parking.

Trapp added there is existing screening in the manner of a fence and a building north of the property.

Trapp listed the following

- Signage – Needs to meet code requirements
- Noise – engine testing will be in the range of 70-80 decibels within 1 to 2 meters and dissipates as it goes farther from the source.
- Public did not express concerns about the proposed use of the building and property

- Planning Commission – No members of the public spoke at the Planning Commission meeting regarding the proposed use.

Holt opened and closed the public hearing at 6:37.

MOTION by McEnaney, seconded by Herrick, to approve the following resolution. All voted in favor. Motion carried.

Resolution No. 26-57: Approving Request for Substantially Similar Use Determination for Property at 4851 Shoreline Drive

MOTION by McEnaney, seconded by Herrick, to approve the following resolution. All voted in favor. Motion carried.

Resolution No. 26-58: Approving Request for Conditional Use Permit for Boat and Marine Sales and Open Lot Sales for Property at 4851 Shoreline Drive (Planning Case No 26-04)

8. Old Business

9. New Business

a. Water Treatment Facility Authorization for Bids, Dickson

Dickson said the City has been reimbursed for \$6Million of the project so far and gave a synopsis of the Water Treatment Facility (WTF) project timeline:

- Summer 2024 City Council orders plans and specs for the project
- August 25, 2026 City Council receives plans and specs for the project
- August 25, 2026 Council receives final plans and specs & authorizes advertisement of bids
- October 6, 2026 Bid opening
- October 13, 2026 Council receives bids

McEnaney said she would like infographics explaining where the funds are coming from to build the plant. Council discussed the funds come from either through Franchise fees or through utility payments.

Herrick said she knows the MN Department of Health warns about manganese but what residents want is City water to be clear. Herrick said food supplements also have manganese in them. Herrick said she also wants to know the operation costs of the WTF.

Castellano said there were discussions on increasing franchise fees on high volume users who were not paying property taxes.

Holt said residents are against increased utility payments. Holt added franchise fees for Centerpoint and Xcel Energy were stagnant for many years and churches and schools in Mound were not paying at higher rates.

The Council discussed getting the bid amounts to make the final decisions. Dickson said the October 13, 2026 meeting will allow the Council to respond to the bids the City receives.

Holt said he saw comments online about the City doing the project earlier. Holt said the project was too big of a dollar amount to be handled just by the City. Holt said the City eventually received \$10.3 Million in state funding and \$2 Million in Federal Money to build out the water treatment infrastructure. Holt said the City tried one last time this year to get further state funding which delayed the start of the process.

Holt said the design and water infrastructure is being funded through money from state and federal sources. Holt said the City has followed the City Financial Management Plan and there will be a utility increase for residents to pay down utility debt no matter what happens with the WTF proposal. Holt said there would be another resident utility increase to pay for WTF in addition to paying down debt.

McEnaney said the City will take on more debt with this project. Holt said the project has been talked about extensively and the City has been working on these improvements for four years. Holt said 90% of residents are in favor of the WTF project.

Herrick asked about the six times the City has been reimbursed for the project so far. Dickson said the Public Facilities Authority is reimbursing the City after the funds have been requested.

Castellano said he likes the explanation of where and how the impact of Franchise fees are in relation to the overall funding and how these items are in the plan.

Bauman listed the following items:

Need for Treatment Facility –

- Two wells supply the City and the City exceeds Manganese health guidelines
- Mound water is discolored and the WTF will remove iron, manganese or other contaminants from the water supply

WTP overview-

- The City has chosen the site to be next to Sorbo Park
- WTF building will be 13,000 square feet
- Peak height of building is 31.5 feet
- WTF will treat 1500 gpm of City water
- Office and lab space in building
- MDH approved permit for WTF
- Trees for screening will be planted and a landscape plan followed
- Fencing will be in place toward the playground side
- CUP Hearing was held
- Lighting plan for WTF building is being developed
- Exploring a single generator option between facility and wellhouse

Park impacts – The WTP's new impervious surface requires there be added stormwater management which includes a filtration basin as well as a stormwater storage area under the pervious basketball court in Sorbo Park.

Current Project Estimate - \$28.4 Million total estimate with the following sources listed to offset the estimated costs:

- \$960,000 – 2023 Federal grant

- \$1.1 – 2026 Federal Grant
- \$5Million Anticipated – Emerging Contaminant Grant from the EPA

Holt said this will leave the numbers at \$21-26Million which is lower than what was estimated previously. Bauman said there is additional funding available through grants and low interest loans based on priority points by the Public Facilities Authority and the Drinking Water Revolving Fund.

Schedule

- CUP Hearing was held in April
- MDH permit Approval - June 30, 2026
- Authorization to bid - August 25, 2026
- Receive and award bid - October 13, 2026
- Construction – start in Spring 2027 through Fall/Winter 2028

Discussion ensued about the quality of the current City water supply and how the supply will be affected by the WTF. Bauman said the water supply will have to be flushed out but over time it will become clearer.

MOTION by Castellano, seconded by Pugh, to approve the following resolution. All voted in favor. Motion carried.

Resolution No. 26-59: Resolution Receiving Plans and Specifications and Ordering Advertisement for Bids for the Water Treatment Plant

10. Announcements

a. Comments/Reports from Council Members:

Council Member Pugh – Pugh said she would like to suggest a community celebration in September/October for Lost Lake Park.

Pugh said the Orono Police Department (OPD) is using license plate readers and recently took one down in Spring Park. Pugh said she would like to hear from the OPD about the cameras. Herrick said there have been criminal cases in which these cameras have been helpful. Holt said Chief Stensrud can be invited to a Council meeting to discuss the use of the cameras.

Pugh said she has not received any financial data and would like to see Year to Date budget reports. Pugh said she would like to know how the City is doing financially and how the City can afford new staff. Dickson said a finance report is due.

Council Member McEnaney – Nothing to report

Council Member Castellano – Nothing to report

Council Member Herrick – Herrick said she was asked to serve on the board of the Gillespie Center.

Mayor Holt – Nothing to report.

b. Comments/Reports from City Manager: Dickson said the Finance Committee meeting is scheduled for Friday.

c. Next City Council Regular Meeting: Tuesday, September 8, 2026 at 6:00 p.m.

11. Adjourn

MOTION by McEnaney, seconded by Pugh, to adjourn at 7:39 p.m. All voted in favor. Motion carried.


Attest: Kevin Kelly, Clerk


Mayor Jason R. Holt